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

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED SEPTEMBER 1, 2026

NEW ISSUE **NOT RATED**

THE BONDS ARE INITIALLY OFFERED ONLY TO PERSONS WHO MEET THE DEFINITION OF "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933) OR "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933). SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

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

$8,343,000*
CITY OF RED OAK, TEXAS,
(a municipal corporation of the State of Texas located in Ellis County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(RED OAK PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREAS #2-3 PROJECTS)

Sale Date: September 14, 2026
Interest to Accrue from Delivery Date (as defined below) **Due: September 15, as shown on the inside cover**

The City of Red Oak, Texas, Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Areas #2-3 Projects) (the "Bonds"), are being issued by the City of Red Oak, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $100,000 of principal amount and any integral multiple of $1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on each March 15 and September 15, commencing September 15, 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 Wilmington Trust, National Association, Dallas, Texas, as trustee (the "Trustee"), to Cede & Co. as the registered owner thereof. See "BOOK-ENTRY-ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance expected to be adopted by the City Council of the City (the "City Council") on September 14, 2026, and an Indenture of Trust, dated as of September 15, 2026 (the "Indenture"), entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used for the purpose of (i) paying a portion of the Improvement Area #2 Project Costs, (ii) paying a portion of the Improvement Area #3 Project Costs, (iii) funding the initial deposit to the Administrative Fund for the payment of Annual Collection Costs, and (iv) paying Bond Issuance Costs. See "THE IMPROVEMENT AREAS #2-3 AUTHORIZED IMPROVEMENTS" and "APPENDIX B — 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 derived from the proceeds of the Improvement Area #2 Assessments and the Improvement Area #3 Assessments (collectively, the "Assessments"), expected to be levied against assessed parcels in Improvement Areas #2-3 of the Red Oak Public Improvement District No. 1 (the "District") in accordance with a Service and Assessment Plan and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. The Bonds are not payable from funds raised or to be raised from taxation or out of any other funds of the City other than the Trust Estate. 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 significant degree of risk, are speculative in nature, and are not suitable for all investors. See "BONDHOLDERS' RISKS" and "SUITABILITY FOR INVESTMENT." 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.

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 OR ASSETS 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 OR ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE. SEE "SECURITY FOR THE BONDS."

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by FMSbonds, Inc. (the "Underwriter"), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX D — Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the City by its counsel, Nichols, Jackson, Dillard, Hager & Smith, LLP, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Developer by its counsel, Coats Rose PC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about September 30, 2026 (the "Delivery Date").

fms bonds, Inc.
Municipal Bond Specialists

** Preliminary; subject to change.*

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

CUSIP Prefix: _____[a]

$8,343,000*
CITY OF RED OAK, TEXAS,
(a municipal corporation of the State of Texas located in Ellis County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(RED OAK PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREAS #2-3 PROJECTS)

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

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

---

[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 Municipal Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.

[b] The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 15, 20__, at the redemption price set forth herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

[c] The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as set forth herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

---

* *Preliminary; subject to change.*

CITY OF RED OAK, TEXAS

CITY COUNCIL

City Council	Place	Term Expires (May)
Mark L. Stanfill, DVM	Mayor	2027
Willie G. Franklin, Jr.	Place 1	2027
Sean Flannery	Place 2	2028
Ricardo Miller	Place 3	2027
Tim Lightfoot	Place 4	2028
Jeffrey Smith	Place 5	2028

CITY MANAGER

Todd Fuller

DEPUTY CITY MANAGER

Jonathan Phillips

FINANCE DIRECTOR

Tim McRoberts

CITY SECRETARY

Caryn Stevens, TRMC

BOND COUNSEL

McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

MUNICIPAL ADVISOR

Hilltop Securities, Inc.
Dallas, Texas

PID ADMINISTRATOR

P3Works, LLC
Austin and North Richland Hills, Texas

UNDERWRITER'S COUNSEL

Orrick, Herrington & Sutcliffe LLP

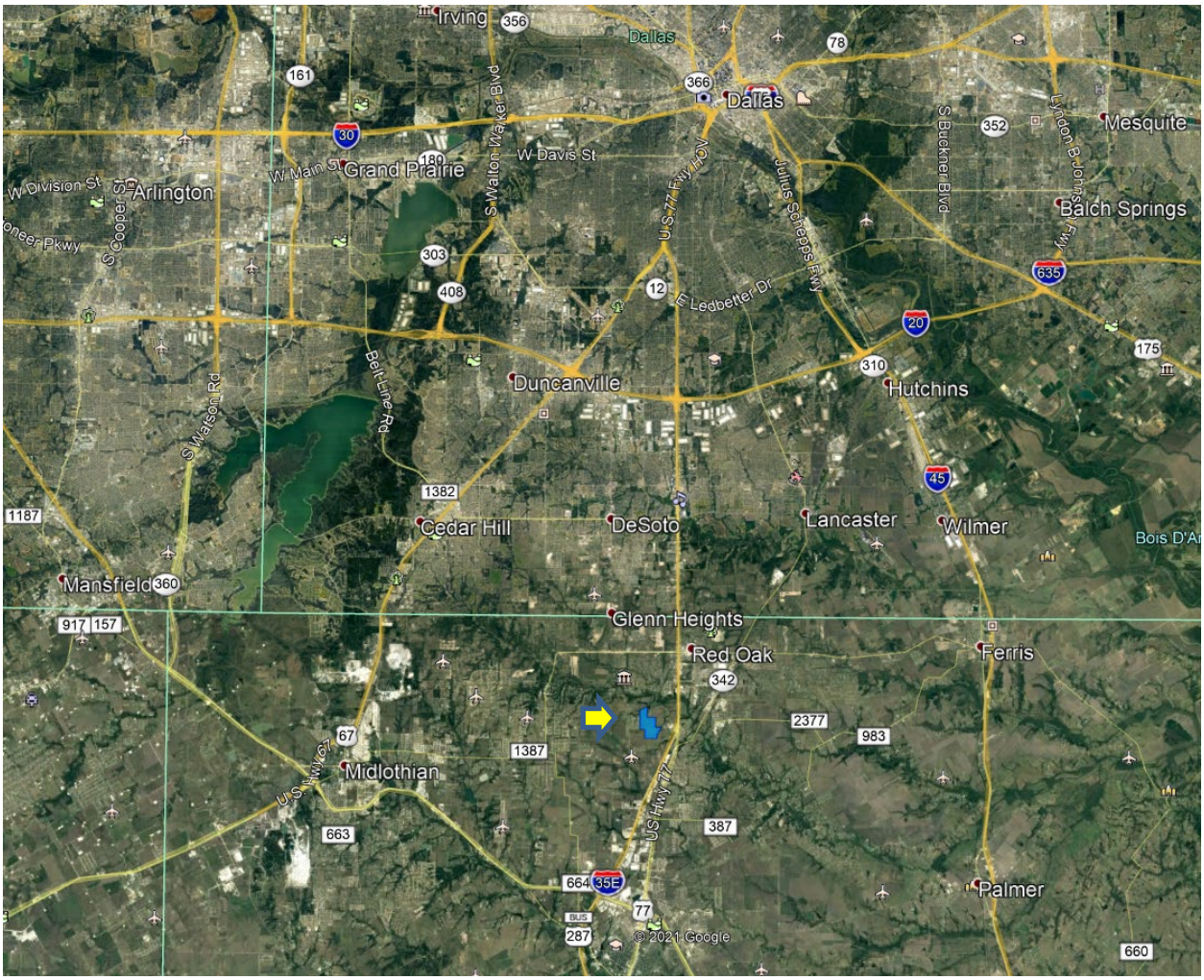
For additional information regarding the City, please contact:

Todd Fuller
City Manager
City of Red Oak, Texas
200 Lakeview Parkway
Red Oak, Texas 75154
(972) 671-6838

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

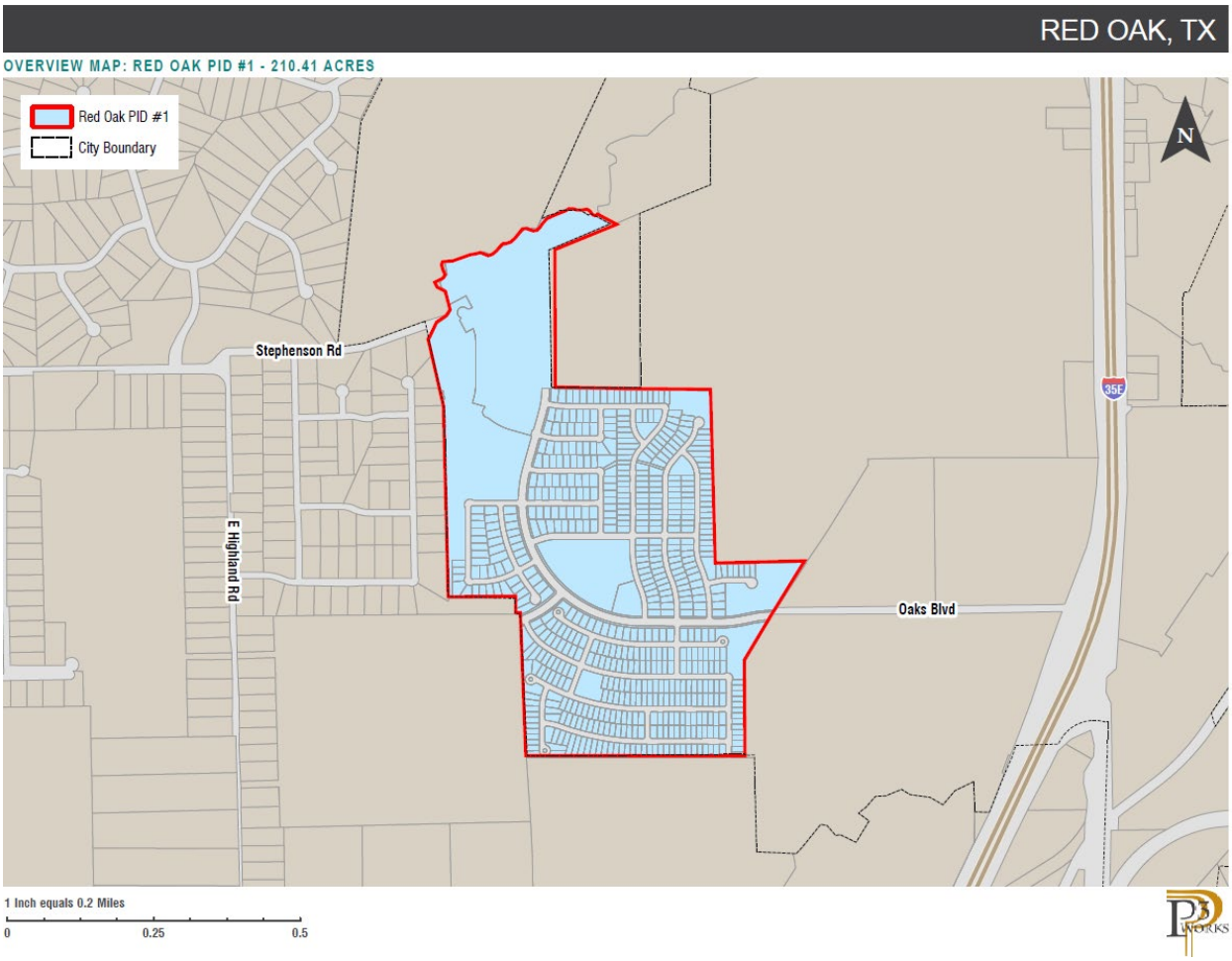
Jorge Delgado
Senior Vice President
Hilltop Securities Inc.
717 N. Harwood St., Suite 3400
Dallas, Texas 75201
(214) 953-4000

REGIONAL LOCATION MAP OF THE DISTRICT

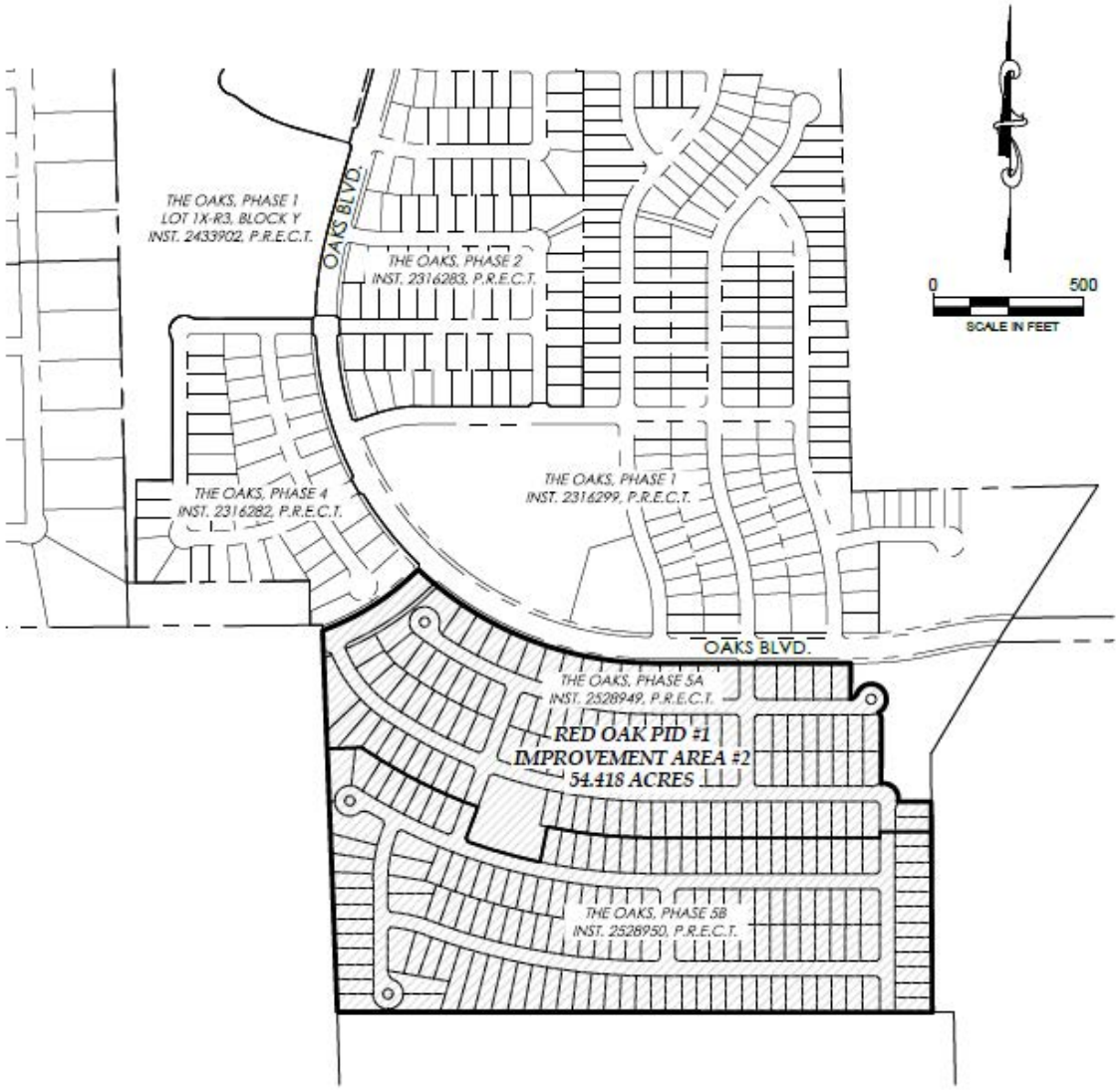


AREA LOCATION MAP OF THE DISTRICT

MAP SHOWING BOUNDARIES OF THE DISTRICT



MAP SHOWING BOUNDARIES OF IMPROVEMENT AREA #2



RED OAK PID #1
IMPROVEMENT AREA #2
CITY OF RED OAK, ELLIS COUNTY, TEXAS

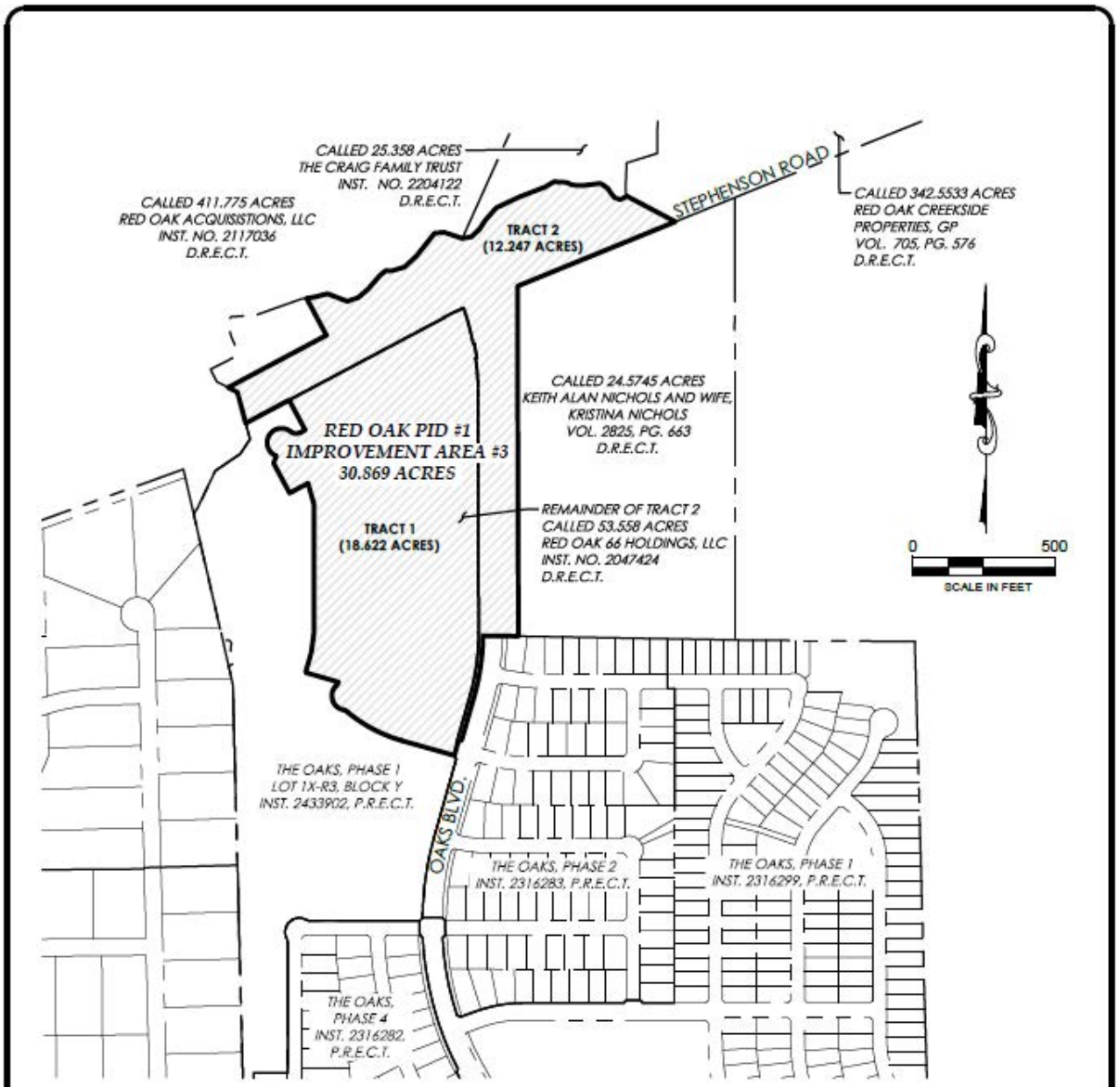
GMcivil
Engineering & Surveying
2559 SW Grapevine Pkwy, Grapevine, Texas 76051
817-329-4373
TxEng Rm # F-2944 | TxSurv Rm # 10021700

Job No.: 10834		Scale: 1"=500'		Sheet
Drafted: L.J.C.		Checked: J.N.R.		1
Surveyed on the Ground: 7/15/2026				of
Date Prepared: 7/30/2026				1
Revised: .		Revised: .		

STATE OF TEXAS
REGISTERED
JOHN N. ROGERS
6372
PROFESSIONAL
LAND SURVEYOR

Date Signed: 7/30/2026

MAP SHOWING BOUNDARIES OF IMPROVEMENT AREA #3



RED OAK PID #1
IMPROVEMENT AREA #3
CITY OF RED OAK, ELLIS COUNTY, TEXAS

GM civil
Engineering & Surveying
2559 SW Grapevine Pkwy, Grapevine, Texas 76051
817-329-4373
TxEng Firm # F-2946 | TxSurv Firm # 10021700

Job No.:	10834	Scale:	1"=500'	Sheet
Drafted:	L.J.C.	Checked:	J.N.R.	1
Surveyed on the Ground:			7/15/2026	of
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Revised:	.	Revised:	.	

STATE OF TEXAS
REGISTERED
JOHN N. ROGERS
6372
PROFESSIONAL
LAND SURVEYOR

Date Signed: 7/30/2026

USE OF LIMITED OFFERING MEMORANDUM

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

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

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

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH IS 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.

NONE OF THE CITY, THE UNDERWRITER OR THE DEVELOPER MAKES 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 IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

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

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

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

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PRELIMINARY LIMITED OFFERING MEMORANDUM

$8,343,000*
CITY OF RED OAK, TEXAS,
(a municipal corporation of the State of Texas located in Ellis County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(RED OAK PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREAS #2-3 PROJECTS)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, the inside cover and the appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Red Oak, Texas (the "City"), of its $8,343,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Areas #2-3 Projects) (the "Bonds").

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

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the "City Council") on September 14, 2026 (the "Bond Ordinance"), and an Indenture of Trust, dated as of September 15, 2026 (the "Indenture"), expected to be entered into by and between the City and Wilmington Trust, National Association, Dallas, Texas, as trustee (the "Trustee"). 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, except as otherwise noted in "ASSESSMENT PROCEDURES," that are not otherwise defined herein shall have the meanings set forth in the Indenture. See "APPENDIX B — Form of Indenture."

The Bonds will be secured by a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of Pledged Revenues generated by the proceeds of the Improvement Area #2 Assessments and the Improvement Area #3 Assessments (collectively, the "Assessments"), levied pursuant to a separate ordinance expected to be adopted by the City Council on September 14, 2026 (the "Assessment Ordinance") against the Assessed Property (as defined below) located within Improvement Area #2 and Improvement Area #3 (collectively, "Improvement Areas #2-3"), respectively, of the Red Oak Public Improvement District No. 1 (the "District") all to the extent and upon the conditions described in the Indenture. See "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES," and "APPENDIX B — Form of Indenture."

Set forth herein are brief descriptions of the City, the District, the Developer (as defined herein), P3Works, LLC (the "PID Administrator"), the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Completion Agreement (as defined herein), the Reimbursement Agreement (as defined herein), and the Development Agreement (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof 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

* *Preliminary; subject to change.*

Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034, telephone number (214) 302-2246. The form of Indenture appears in "APPENDIX B — Form of Indenture" and the form of Service and Assessment Plan, as updated, appears as "APPENDIX C — Form of Service and Assessment Plan." The information provided under this caption "INTRODUCTION" is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Overview

Following receipt of a petition requesting creation of a public improvement district in accordance with the PID Act, the City created the District on December 19, 2020. The District is composed of approximately 210.522 acres of land (the "Property") within the corporate limits of the City. The District is located in Ellis County, Texas (the "County" or "Ellis County"), south of Stephenson Road, east of Tranquil Place, northeast of East Highland Road, and west of Interstate 35 East. The District is a master planned residential community known as "The Oaks" (the "Development"). Maps of the District and the surrounding region are included on pages ii – vi.

Development Plan

Land Acquisition. The property within the District was originally under contract (the "Contract of Sale") with Amalgamated Properties, LLC, a Delaware limited liability company ("Amalgamated Properties"). Amalgamated Properties assigned its rights under the contract to purchase (i) approximately 53.867 acres within the District (the "54-Acre Parcel") to The Oaks at Red Oak, LLC, a Texas limited liability company (the "Phase 1 Developer") and (ii) approximately 156.685 acres within the District (the "156-Acre Parcel") to Red Oak 66 Holdings, LLC, a Texas limited liability company (the "Developer"). Both the Phase 1 Developer and the Developer are affiliates of Amalgamated Properties, created for the sole purpose of developing the property within the District. The Phase 1 Developer and the Developer purchased their respective tracts of land on December 20, 2020. The Developer later sold approximately 37.054 acres of the 156-Acre Parcel to Bloomfield Homes, L.P., a Texas limited partnership (the "Phase 2&4 Developer"). The Phase 1 Developer and the Phase 2&4 Developer are collectively referred to herein as the "IA#1 Developers." See "THE DEVELOPMENT — Overview" and "THE DEVELOPER — History and Financing of the District."

Development within the District. The Developer, in conjunction with the IA#1 Developers, plans to develop the District in three improvement areas (each, an "Improvement Area") consisting of six development phases. The improvements benefiting the land within the District will consist of, but are not limited to, improvements authorized under the PID Act, including those improvements listed in the Service and Assessment Plan (the "Authorized Improvements"). The District is currently expected to include approximately 653 single-family lots. See "THE DEVELOPMENT – Overview" and "THE IMPROVEMENT AREAS #2-3 AUTHORIZED IMPROVEMENTS."

Development in Improvement Area #1. Development in the District began in 2021 with the construction of (i) certain public improvements (the "Improvement Area #1 Improvements") benefiting only the land within the initial improvement area ("Improvement Area #1"), and (ii) certain public improvements benefiting the entire District (the "Major Improvements"). Improvement Area #1 is comprised of approximately 123.078 acres and consists of development Phase 1, Phase 2, and Phase 4. Improvement Area #1 includes an approximately 21.237-acre parcel developed as an open space park designed for passive recreation uses (the "21-Acre City Park"), as well as an approximately 10.92-acre park/open space with facilities for practice fields for various youth baseball, softball, and soccer uses, restroom facility and parking (the "Practice Fields Facility"). The 21-Acre City Park and the Practice Fields Facility will not be assessed. Improvement Area #1 includes 323 finished lots, consisting of 167 50' lots and 156 62' lots. The IA#1 Developers completed construction of the Improvement Area #1 Projects, with the exception of the 21-Acre City Park, in September 2023. The IA#1 Developers completed construction of the 21-Acre City Park in August 2024.

Development in Improvement Areas #2-3. Development in the District is continuing with the development of (i) the public improvements (the "Improvement Area #2 Improvements") benefiting only the land within the second Improvement Area ("Improvement Area #2"), and (ii) certain Major Improvements located within Improvement Area #2 (collectively, the "Improvement Area #2 Projects"). Improvement Area #2 is comprised of approximately 54.418 acres, and is being developed as 264 single-family lots consisting of 242 50' lots and 22 62'

lots. Improvement Area #2 consists of development Phase 5A and Phase 5B. The Developer commenced construction of the Improvement Area #2 Projects in May 2025, and completed construction of the Improvement Area #2 Projects in August 2026.

Development in the District will continue with the development of (i) the public improvements (the "Improvement Area #3 Improvements") benefiting only the land within the third Improvement Area ("Improvement Area #3"), and (ii) certain Major Improvements located within Improvement Area #3 (collectively, the "Improvement Area #3 Projects" and collectively with the Improvement Area #2 Projects, the "Improvement Areas #2-3 Projects"). Improvement Area #3 is comprised of approximately 30.869 acres, and is being developed as 66 single-family lots consisting of 66 74' lots. Improvement Area #3 consists of development Phase 3 and Phase 6. The Developer currently expects to commence construction of the Improvement Area #3 Projects in July 2027 and to complete construction of the Improvement Area #3 Projects in July 2028.

See "THE DEVELOPMENT." The boundaries of Improvement Areas #2-3 of the District are shown in the "MAP SHOWING BOUNDARIES OF THE DISTRICT," "MAP SHOWING BOUNDARIES OF IMPROVEMENT AREA #2," and "MAP SHOWING BOUNDARIES OF IMPROVEMENT AREA #3" on pages iv, v and vi, respectively.

Development Agreement.

The City and the Developer, as successor in interest to the Phase 1 Developer, entered into a Public Improvement Development Agreement effective on November 30, 2020, as amended by that certain First Amendment to Public Improvement Development Agreement entered into on September 3, 2025, by and between the City and the Phase 1 Developer, and as further amended by that certain Second Amendment to Public Improvement Development Agreement entered into on July 22, 2026, by and between the City and the Phase 1 Developer, as assigned to the Developer pursuant to that certain Assignment of Development Agreement by and between the Phase 1 Developer and the Developer entered into on August 24, 2026 (collectively, the "Development Agreement"), which agreement requires that simultaneous with the closing of the Bonds, the Developer will either (i) fund or cause the funding of, or (ii) provide evidence of financial security sufficient to fund the Authorized Improvements to the extent that the Authorized Improvements have not been completed and paid for by the Developer or otherwise to the extent that the proceeds of the Bonds are insufficient to fund such Authorized Improvements, (x) a letter of credit, or (y) other evidence of sufficient responsibility reasonably acceptable to the City. See "THE DEVELOPMENT — Development Agreement" and "APPENDIX G —Development Agreement."

The Development Agreement also obligates the Developer to construct a 21-Acre City Park, an approximately 10.92-acre Practice Fields Facility, and certain HOA Amenities (as defined herein), including an Amenity Center (as defined herein). The HOA Amenities, including the Amenity Center, and the Practice Fields Facility, are collectively referred to herein as the "Private Improvements."

Financing Plan

The total aggregate cost of the Improvement Areas #2-3 Authorized Improvements (as defined below) is expected to be approximately $17,999,914*. The Actual Costs of the Improvement Areas #2-3 Projects, the portion being constructed by the Developer, equals approximately $16,515,846. Only a portion of the costs of the Improvement Areas #2-3 Projects, in the approximate amount of $6,858,932*, are expected to be paid to the Developer from the proceeds of the Bonds. The balance of the costs of the Improvement Areas #2-3 Projects, in the total approximate amount of $9,656,914*, is expected to be financed by the Developer with the proceeds of the IA#2 Development Loan (as defined below), the proceeds generated by lot sales to Homebuilders, corporate equity, and a future development loan secured by land in Improvement Area #3, as necessary, and such costs will not be reimbursed by the City. As of August 1, 2026, the Developer has spent approximately $9,670,000 constructing the Improvement Area #2 Projects and approximately $215,000 constructing the Improvement Area #3 Projects. See "THE IMPROVEMENT AREAS #2-3 AUTHORIZED IMPROVEMENTS" and "THE DEVELOPER — History and Financing of the District – *Developer Financing of Improvement Areas #2-3*."

* Preliminary; subject to change.

Reimbursement Agreement.

The City, the Developer, and the Phase 1 Developer have entered into that certain Reimbursement Agreement — Red Oak Public Improvement District No. 1, effective as of July 13, 2026 (the "Reimbursement Agreement"), which provides, in part, for the deposit of the Assessments and the proceeds from the issuance and sale of the Bonds, and the payment of the actual costs of the Improvement Area #2 Projects and the Improvement Area #3 Projects. Pursuant to the Reimbursement Agreement, the Developer and the Phase 1 Developer are responsible for the payment of any actual costs of the Improvement Area #2 Projects or the Improvement Area #3 Projects not paid from the proceeds of the Bonds or the Assessments. See "SECURITY FOR THE BONDS," "THE IMPROVEMENT AREAS #2-3 AUTHORIZED IMPROVEMENTS," "APPENDIX C — Form of Service and Assessment Plan" and "APPENDIX F — Reimbursement Agreement."

Private Improvements

The costs of the Private Improvements will be financed by the Phase 1 Developer and the Developer without reimbursement from the City. The Phase 1 Developer completed construction of the Amenity Center and the Practice Fields Facility in August 2024. The portions of the HOA Amenities located within Improvement Areas #2-3 are being constructed by the Developer on the same development schedule as the Improvement Area #2 Projects and the Improvement Area #3 Projects, as applicable. See "THE DEVELOPMENT — Development Agreement" and "— Amenities."

Home Development within the District

The Development is planned to include the following three residential product types: 50' lots, 62' lots, and 74' lots, which will consist of detached single-family homes. Improvement Area #1 consists of 323 finished lots and as of June 30, 2026, at least 250 homes have been constructed and at least 199 homes are under contract or have been closed with homeowners. See "THE DEVELOPMENT — Development in Improvement Area #1." With respect to Improvement Area #2, the Developer has entered into lot purchase and sale agreements with Bloomfield Homes, L.P., a Texas limited partnership ("Bloomfield Homes"), Brightland Homes, Ltd., a Texas limited partnership (now known as, "DRB Homes"), and HMH Lifestyles, L.P., a Texas limited partnership ("HistoryMaker Homes" or "HMH" and collectively with DRB Homes and Bloomfield Homes, the "Homebuilders") for the sale of all 264 lots in Improvement Area #2. The Developer has collected earnest money deposits from the Homebuilders in the total aggregate sum of $5,077,446, all of which has been released to the Developer. The Developer has not entered into any lot purchase and sale agreements for any lots within Improvement Area #3. See "THE DEVELOPMENT — Development in Improvement Areas #2-3."

The Bonds

Proceeds of the Bonds will be used for the purpose of (i) paying a portion of the Improvement Area #2 Project Costs, (ii) paying a portion of the Improvement Area #3 Project Costs, (iii) funding the initial deposit to the Administrative Fund for the payment of Annual Collection Costs, and (iv) paying Bond Issuance Costs (collectively, the "Improvement Areas #2-3 Authorized Improvements"). See "SOURCES AND USES OF FUNDS," "THE IMPROVEMENT AREAS #2-3 AUTHORIZED IMPROVEMENTS," and "APPENDIX B — Form of Indenture."

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 derived from the proceeds of the Assessments, all to the extent and upon the conditions described herein and in the Indenture. See "SECURITY FOR THE BONDS" and "ASSESSMENT PROCEDURES."

The Bonds 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.

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Additional Indebtedness

The City has issued its Special Assessment Revenue Bonds, Series 2021 (Red Oak Public Improvement District No. 1 Improvement Area #1 Project) (the "Improvement Area #1 Bonds") payable from assessments levied on the assessable property in Improvement Area #1 (the "Improvement Area #1 Assessments"). **The Improvement Area #1 Assessments are not security for the Bonds.**

The Bonds and the Improvement Area #1 Bonds issued by the City are separate and distinct issues of securities secured by separate assessments. The Improvement Area #1 Bonds are not offered pursuant to this Limited Offering Memorandum. Investors interested in purchasing any other City obligations should refer to the offering documents related thereto, when and if available.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

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

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

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

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

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

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Areas #2-3 Authorized Improvements, 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. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid by the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district

thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the full faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

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

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

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth on the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery (the "Delivery Date") to the Underwriter, will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on March 15 and September 15 of each year, commencing September 15, 2027 (each, an "Interest Payment Date"), until maturity or prior redemption. Wilmington Trust, National Association, Dallas, Texas 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 amount and any integral multiple of $1,000 in excess thereof (or such smaller amounts of not less than $1,000 as authorized under the Indenture as a result of partial redemption) ("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 Bonds before their scheduled maturity date, 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 a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption (the "Redemption Price").

Extraordinary Optional Redemption. In the event of a Prepayment (as defined below), or if any other transfers are made into the Redemption Fund under the terms of the Indenture, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates or optional redemption dates, in whole or in part, on any date, at the Redemption Price, from amounts on deposit in the Redemption Fund, at the Redemption Price. See "ASSESSMENT PROCEDURES — Prepayment of the Assessments" for the definition and description of Prepayments.

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

Mandatory Sinking Fund Redemption. The Bonds maturing on September 15 in the years ___* and ___* (collectively, the "Term Bonds") are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price 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 schedule:

$_____Term Bonds due September 15, 20__*

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

† Stated Maturity.

$_____Term Bonds due September 15, 20__*

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

† Stated Maturity.

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

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

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

Partial Redemption.

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

If less than all of the Bonds are called for optional redemption, the Trustee shall rely on directions provided in a City Order in selecting the Bonds to be redeemed.

If less than all of the Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

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

Notice of Redemption. Upon receipt of a City Order of redemption provided by the City to the Trustee not less than 35 days prior to the date fixed for redemption, the Trustee will give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

The notice will state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all of the Outstanding Bonds are to be redeemed, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the redemption price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

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 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 City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available and deposited with the Trustee by 10:00 a.m. Central Standard Time on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. Upon receipt of a City Order of such rescission from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

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 (defined herein), 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 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"). Direct Participants and Indirect Participants are collectively referred to herein as "Participants." DTC has an S&P Global Ratings' rating of "AA+." The DTC Rules applicable to its Participants are on file with the SEC. 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 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 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 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 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 Municipal Advisor, or the Underwriter take any responsibility for the accuracy thereof.

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

SECURITY FOR THE BONDS

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

General

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM 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 TRUST ESTATE 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 OR ASSETS 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 OR ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE. SEE "APPENDIX B — FORM OF INDENTURE."

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 revenue from the Assessments to be levied pursuant to the Assessment Ordinance against the Assessed Property located within Improvement Areas #2-3, and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, on September 14, 2026, and as a part of the Assessment Ordinance, the City Council expects to approve and adopt the Red Oak Public Improvement District No. 1 2026 Amended and Restated Service and Assessment Plan (as may be updated and amended from time to time, the "Service and Assessment Plan"), which describes the special benefit received by the property within the District, including Improvement Areas #2-3, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the Assessments and provides for the allocation of the Trust Estate for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated at least annually for the purpose of determining the annual budget for the Authorized Improvements, including the Improvement Areas #2-3 Authorized Improvements, and the Annual Installments (as defined below) of the Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX C — Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of applicable law to finance the Improvement Areas #2-3 Authorized Improvements by levying the Assessments upon the Assessed Property benefitted thereby. For a description of the assessment methodology and the amounts of the Assessments anticipated to be levied in Improvement Areas #2-3, see "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

Pursuant to the Indenture:

"Additional Interest" means the amount collected by application of the Additional Interest Rate (as defined below).

"Annual Installment" means, collectively, the Improvement Area #2 Annual Installment and the Improvement Area #3 Annual Installment.

"Assessed Property" means, collectively, the Improvement Area #2 Assessed Property and the Improvement Area #3 Assessed Property.

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

"Assessment Rolls" means, collectively, the Improvement Area #2 Assessment Roll and the Improvement Area #3 Assessment Roll.

“Assessments” means, collectively, the Improvement Area #2 Assessment and the Improvement Area #3 Assessment.

“Bond Issuance Costs” means the costs associated with issuing the Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, initial Trustee fee, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter's discount (including the fee to underwriter's counsel), 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 Year” means the one-year period beginning on September 16 in each year and ending on September 15 in the following year.

"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 the Service and Assessment Plan, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

“Improvement Area #2 Annual Installment” means, with respect to each Improvement Area #2 Assessed Property, each annual payment of: (i) the principal amount of the Improvement Area #2 Assessment; (ii) the interest associated with the Improvement Area #2 Assessment, each as shown on the Improvement Area #2 Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit G-2 to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan; (iii) Annual Collection Costs related to Improvement Area #2; and (iv) Improvement Area #2's portion of the Additional Interest.

“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 Roll” means the "Improvement Area #2 Assessment Roll", as defined in the Service and Assessment Plan, which document is included in the Service and Assessment Plan as Exhibit G-1, as updated, modified or amended from time to time.

"Improvement Area #3 Annual Installment" means, with respect to each Improvement Area #3 Assessed Property, each annual payment of: (i) the principal amount of the Improvement Area #3 Assessment; (ii) the interest associated with the Improvement Area #3 Assessment, each as shown on the Improvement Area #3 Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit H-2 to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan; (iii) Annual Collection Costs related to Improvement Area #3; and (iv) Improvement Area #3's portion of the Additional Interest.

"Improvement Area #3 Assessed Property" means any Parcel within Improvement Area #3 against which an Improvement Area #3 Assessment is levied.

"Improvement Area #3 Assessment Roll" means the "Improvement Area #3 Assessment Roll", as defined in the Service and Assessment Plan, which document is included in the Service and Assessment Plan as Exhibit H-1, as updated, modified or amended from time to time.

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

The City will covenant in the Indenture that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See “— Pledged Revenue Fund,” “APPENDIX B – Form of Indenture,” and “APPENDIX C — Form of Service and Assessment Plan.”

Collection and Deposit of the Assessments

The Assessments on each parcel, tract, or lot which are to be collected in each year during the term of the Bonds are shown on the applicable Assessment Roll. The Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for 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. See "SECURITY FOR THE BONDS — Pledged Revenue Fund."

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 City fiscal year preceding the date of final maturity of the Bonds which, if collected, will be sufficient to pay debt service requirements attributable to the Assessment in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

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

Unconditional Levy of the Assessments

The City will impose the Assessments on the Assessed Property sufficient to pay the principal of and interest on the Bonds scheduled for payment from the Trust Estate as described in the Indenture and in the Service and Assessment Plan and coming due during each fiscal year. The Assessments will become 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, and as described in the Service and Assessment Plan, interest on the Assessments will be calculated at the rate of interest on the Bonds plus up to 0.50% additional interest charged on the Assessments pursuant to Section 372.018 of the PID Act (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, will be calculated annually as a part of an Annual Service Plan Update and will be due on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect each year while the Bonds are Outstanding and unpaid, an assessment to pay the annual costs incurred by the City in the administration and operation of the District, as further described in the Indenture (the "Annual Collection Costs"). The portion of each Annual Installment of an Assessment used to pay Annual Collection Costs will 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 amount collected to pay Annual Collection Costs will be due in the manner set forth in the Assessment Ordinance on October 1 of each year and will be delinquent if not paid by February 1 of the following year. **Amounts collected for Annual Collection Costs are not part of the Trust Estate and will not secure repayment of the Bonds.**

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

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien (the "Assessment Lien") against the Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. 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 may be 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) will continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

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

Pledged Revenue Fund

The City will create under the Indenture a Pledged Revenue Fund to be held by the Trustee. Upon receipt thereof, and no later than February 15 of each year, beginning February 15, 2027, the City will transfer, or cause to be transferred, to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund. Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, the following amounts from the Pledged Revenue Fund to the following Accounts: (i) *first*, to the Bond Pledged Revenue Account, an amount sufficient to pay all debt service on the Bonds next coming due in the immediately following Bond Year, and (ii) *second*, if necessary, to the Reserve Account, the amount required to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest will only be utilized for the purposes set forth in the Indenture and, immediately following the initial deposit to the Pledged Revenue Fund, and prior to any other transfers or deposits being made as described in the Indenture with respect to the Pledged Revenue Fund, the Additional Interest will be transferred to the Funds and Accounts prescribed by the Indenture, and as described in " – Reserve Fund – *Delinquency and Prepayment Reserve Account Provisions*" hereof. In addition, in the event the City owes Rebatable Arbitrage to the United States Government pursuant to the Indenture, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer described above, the full amount of Rebatable Arbitrage owed by the City. If any Assessments and Annual Installments remain on deposit in the Pledged Revenue Fund after the foregoing deposits and the deposits of Prepayments and Foreclosure Proceeds, as described below, are made, the City shall have the option, in its sole and absolute discretion, to use such excess Assessments and Annual Installments for any one or more of the following purposes: (i) pay Improvement Area #2 Project Costs, (ii) pay Improvement Area #3 Project Costs, (iii) pay other costs permitted by the PID Act or (iv) deposit such excess into the Redemption Fund to redeem Bonds as provided in the Indenture. Along with each transfer to the Trustee, the City shall provide a certificate as to the Funds, Accounts and payments into which the amounts are to be deposited or paid.

From time to time as needed to pay the obligations relating to the Bonds, but no later than five Business Days before each Interest Payment Date, the Trustee will withdraw from the Bond Pledged Revenue Account of the Pledged Revenue Fund and transfer to the Principal and Interest Account, 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 in the Indenture, there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee will apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds, as described in the Indenture.

Notwithstanding the deposits described above, the Trustee shall deposit, within two Business Days after receipt thereof, Prepayments to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture.

Notwithstanding the deposits described above, the Trustee shall deposit, within two Business Days after receipt thereof, the Foreclosure Proceeds into the Pledged Revenue Fund, and after such deposit will transfer such Foreclosure Proceeds, as directed by the City pursuant to a City Order, *first*, to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate (first, to replenish the Reserve Account Requirement and second, to replenish the Delinquency and Prepayment Reserve Requirement), and *second*, to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture.

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 the Reserve Fund, the Trustee will transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in the Indenture, as directed by the City in a City Order.

Bond Fund

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

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

If, after the foregoing transfers and any transfer from the Reserve Fund (as described under the subcaption "Reserve Fund" below), there are insufficient funds to make the debt service payments due, the Trustee will apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

Project Fund

Pursuant to the Indenture, a Project Fund will be created to be used for the purposes described in "PLAN OF FINANCE — The Bonds." Except as provided in the Indenture, and as described below, money on deposit in (1) the Improvement Area #2 Bond Improvement Account shall only be used to pay Improvement Area #2 Project Costs and (2) the Improvement Area #3 Bond Improvement Account shall only be used to pay Improvement Area #3 Project Costs.

Disbursements from the Costs of Issuance Account shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Orders or the final closing memorandum for the Bonds prepared by the City's municipal advisor, Hilltop Securities Inc. In order to receive disbursement of funds on the Delivery Date from (i) the Costs of Issuance Account, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than fifteen (15) Business Days prior to the Delivery Date, (ii) the Improvement Area #2 Bond Improvement Account for Improvement Area #2 Project Costs, the Developer shall execute a Certificate for Payment to be delivered to the City no later than fifteen (15) Business Days prior to the Delivery Date, and (iii) the Improvement Area #3 Bond Improvement Account for Improvement Area #3 Project Costs, the Developer shall execute a Certificate for Payment to be delivered to the City no later than fifteen (15) Business Days prior to the Delivery Date. Upon approval by the City, the City shall submit such Closing Disbursement Request and/or Certificate for Payment, together with a City Order directing such disbursement, to the Trustee for disbursement to be made from the Costs of Issuance Account, the Improvement Area #2 Bond Improvement Account or the Improvement Area #3 Bond Improvement Account, as applicable.

Disbursements from (i) the Improvement Area #2 Bond Improvement Account to pay Improvement Area #2 Project Costs and (ii) the Improvement Area #3 Bond Improvement Account to pay Improvement Area #3 Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment or City Order. Each such City Order and/or Certificate for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Order and/or Certificate for Payment, and the Trustee may conclusively rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #2 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #2 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more 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 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #2 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Improvement Area #2 Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #2 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund or Account. Upon such transfers, the Improvement Area #2 Bond Improvement Account shall be closed.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #3 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #3 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #3 Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #3 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #3 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Improvement Area #3 Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #3 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund or Account. Upon such transfers, the Improvement Area #3 Bond Improvement Account shall be closed.

In the event the City Representative files a City Order with the Trustee stating that all Improvement Area #2 Projects have been completed and that all Improvement Area #2 Project Costs have been paid, or that any Improvement Area #2 Project Costs are not required to be paid from the Improvement Area #2 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Improvement Area #2 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to the Indenture if the Developer has submitted a Certificate for Payment to the City requesting payment from the Improvement Area #2 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment or amounts under a Certificate for Payment are still in dispute. Upon such transfers, the Improvement Area #2 Bond Improvement Account shall be closed.

In the event the City Representative files a City Order with the Trustee stating that all Improvement Area #3 Projects have been completed and that all Improvement Area #3 Project Costs have been paid, or that any Improvement Area #3 Project Costs are not required to be paid from the Improvement Area #3 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Improvement Area #3 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to the Indenture if the Developer has submitted a Certificate for Payment to the City requesting payment from the Improvement Area #3 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment or amounts under a Certificate for Payment are still in dispute. Upon such transfers, the Improvement Area #3 Bond Improvement Account shall be closed.

Upon a determination by the City Representative that all Bond Issuance Costs have been paid, and as directed in a City Order filed with the Trustee, any amounts remaining in the Costs of Issuance Account shall be transferred to (i) the Improvement Area #2 Bond Improvement Account and used to pay Improvement Area #2

Project Costs and/or (ii) the Improvement Area #3 Bond Improvement Account and used to pay Improvement Area #3 Project Costs or, if no Improvement Area #2 Project Costs or Improvement Area #3 Project Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, and the Costs of Issuance Account shall be closed.

Redemption Fund

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

Reserve Fund

General Provisions. Pursuant to the Indenture, a Reserve Account and a Delinquency and Prepayment Reserve Account will each be created within the Reserve Fund for the benefit of the Bonds and held by the Trustee.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer *first*, from the Delinquency and Prepayment Reserve Account and *second*, from the Reserve Account to the Bond Fund the amounts necessary to cure such deficiency. In such event, notwithstanding anything to the contrary in the Indenture, the Additional Interest shall be used to replenish *first*, the Reserve Account and *second*, the Delinquency and Prepayment Reserve Account.

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

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

If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and interest due on all Outstanding Bonds on the next Interest Payment Date or date on which the Bonds may be optionally redeemed by the City at the Redemption Price, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

Reserve Account Provisions. Pursuant to the Indenture, the Reserve Account will be funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. The "Reserve Account Requirement" for the Bonds will be an amount equal to the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of calculation, (ii) 125% of average Annual Debt Service on the Bonds as of the date of calculation, and (iii) 10% of the lesser of the par amount of the Outstanding Bonds or the proceeds of the Bonds; provided, however, that, at the option of the City, such amount may be recalculated on any Interest Payment Date or any date of redemption, and the City shall provide a City Order to the Trustee with the applicable Reserve Account Requirement. As of the Delivery Date, the Reserve Account Requirement is $_____[*]. See "APPENDIX B – Form of Indenture."

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

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

or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of $1,000, from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

Whenever, on any Interest Payment Date, or on any other date as directed by a City Order, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date, unless within thirty (30) days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under the Rebate Fund provisions, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, (iii) to the Improvement Area #2 Bond Improvement Account to pay Improvement Area #2 Project Costs if such application and the expenditure of funds is expected to occur within three (3) years of the Delivery Date, (iv) to the Improvement Area #3 Bond Improvement Account to pay Improvement Area #3 Project Costs if such application and the expenditure of funds is expected to occur within three (3) years of the Delivery Date or (v) to the Redemption Fund to be applied to the redemption of Bonds.

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

Delinquency and Prepayment Reserve Account Provisions. Pursuant to the Indenture, on or before March 15, 2027, and on or before March 15 of each year thereafter, the Trustee will transfer the Additional Interest from the Pledged Revenue Fund into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. At the time the Delinquency and Prepayment Reserve Requirement is fully accumulated in the Delinquency and Prepayment Reserve Account, the Trustee shall provide written notice thereof to the City, and thereafter, the Trustee shall begin transferring the Additional Interest to either (i) the Administrative Fund for the payment of Annual Collection Costs or (ii) the Redemption Fund to be used to redeem Bonds pursuant to the provisions of the Indenture with respect to extraordinary optional redemption, as directed by the City pursuant to a City Order. In the event the Trustee does not receive a City Order directing the transfer of the Additional Interest to the Administrative Fund within 45 days of providing the foregoing notice to the City, the Trustee shall transfer the Additional Interest to the Redemption Fund to redeem Bonds pursuant to the provisions of the Indenture related to extraordinary optional redemption and provide the City with written notification of such transfer. Notwithstanding the foregoing, if at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee will resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated therein. In transferring the amounts pursuant to this paragraph, the Trustee may conclusively rely on a City Order (which shall be based on the Annual Installments as shown on the Assessment Rolls in the Service and Assessment Plan) unless and until it receives a City Order directing that a different amount be used. The Delinquency and Prepayment Reserve Requirement is 5.5% of the principal amount of the Outstanding Bonds. The Additional Interest will continue to be collected and deposited until the Bonds are no longer Outstanding.

Whenever, on any Interest Payment Date, or on any other date as directed by a City Order, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund to be used to redeem Bonds. In the event that the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within 45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds and provide the City with written notification of the transfer.

Administrative Fund

The City will create under the Indenture an Administrative Fund to be held by the Trustee. Periodically upon receipt thereof, the City will deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent

Collection Costs, as set forth in the Service and Assessment Plan, and any other funds directed by the Indenture to be deposited therein.

Moneys in the Administrative Fund will be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs.

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

Defeasance

Any Outstanding Bonds will, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of the Indenture (a "Defeased Debt") when payment of the principal of such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) will have been made in accordance with the terms thereof, or (2) will have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment: (A) money sufficient to make such payment or (B) Defeasance Securities, that mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Defeasance Securities will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal of and interest on the Bonds and shall not be part of the Trust Estate. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, will be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid will be made only against delivery of such Defeasance Securities.

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

"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 ("PFIA"), which investments are, at the time made, included in and authorized by the City's official investment policy as approved by the City Council from time to time. Under current State law, which is subject to change, 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 that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

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

(i) The failure of the City to deposit to the Pledged Revenue Fund the portion of the Assessment Revenues required to be deposited to such Fund;

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

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

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

Remedies in Event of Default

Subject to the provisions of the Indenture, upon the happening and continuance of any of the Events of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

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

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, 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 Order, 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 an Event of Default, irrespective of and whether other remedies authorized under the Indenture will 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 will 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 will 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 will ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner will have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, as provided in the Indenture, or of which it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of not less than a majority in 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 under the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in the Indenture, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers granted under the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of 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 in writing; 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 thereunder except in the manner provided therein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided therein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee as advised by its counsel, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy thereunder.

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

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

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds, 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 with respect to Events of Default will, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's counsel fees, costs and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, during the continuance of an Event of Default, notwithstanding provisions of the Indenture with respect to Events of Default, will be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

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

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

The Trustee shall make payments to the Owners pursuant to the above provisions not later than 30 days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

In the event funds are not adequate to cure an Event of Default, the available funds will 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, will not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture, other than the Reserve Fund, will be invested by the Trustee in Investment Securities as directed by the City pursuant to a City Order filed with the Trustee; provided that all such deposits and investments will be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Order filed with the Trustee; provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Order shall be a certification, upon which the Trustee may conclusively rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the requirements set forth in the preceding sentences and the Trustee shall not be responsible for determining such requirements. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, the Trustee is authorized to sell or redeem any such investments to prevent any default under the Indenture. In the absence of written or timely investment instructions from the City, the Trustee shall hold such monies uninvested until the Trustee is otherwise directed pursuant to a City Order.

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

Against Encumbrances

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

So long as Bonds are Outstanding under the Indenture, the City will not issue any bonds, notes or other evidences of indebtedness other than Refunding Bonds, secured by any pledge of or other lien or charge on the Trust Estate, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Other Obligations or Other Liens; Refunding Bonds

The City reserves the right to issue obligations under other indentures, assessment ordinances, or other agreements which do not constitute or create a lien on the Trust Estate and are not payable from the Trust Estate. The City shall not have the right to issue any bonds, notes or other obligations secured in whole or in part by liens on the Trust Estate that are senior to the lien on the Trust Estate securing payment of the Bonds.

Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be done or omit to be done any matter or things whatsoever whereby the lien of the Indenture or the priority thereof might or could be lost or impaired; provided, however, that 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 in the Indenture to the contrary, no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds are scheduled to mature or be subject to mandatory sinking fund redemption on September 15 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid.

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SOURCES AND USES OF FUNDS[1]

The table that follows summarizes the expected sources and uses of proceeds of the Bonds and additional funds provided by the Developer:

Sources of Funds:	
Principal Amount	$
Net Reoffering Premium (Discount)	
Total Sources	**$**
Use of Funds:	
Deposit to Improvement Area #2 Bond Improvement Account of the Project Fund[2]	$
Deposit to Improvement Area #3 Bond Improvement Account of the Project Fund[2]	
Deposit to Cost of Issuance Account of the Project Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to Administrative Fund	
Underwriter's Discount [3]	
Total Uses	**$**

(1) To be updated and completed upon pricing of the Bonds.

(2) In accordance with the Development Agreement, simultaneous with the closing of the Bonds, the Developer shall provide the City with evidence of financial security, as described in the Development Agreement, securing the remaining Improvement Area #2 Project Costs and Improvement Area #3 Project Costs not funded by the Bonds. See "THE DEVELOPMENT — Development Agreement," "THE IMPROVEMENT AREAS #2-3 AUTHORIZED IMPROVEMENTS — Costs of the Improvement Areas #2-3 Authorized Improvements," and "APPENDIX G — Development Agreement."

(3) Includes Underwriter's counsel's fee.

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DEBT SERVICE REQUIREMENTS[1]

The following table sets forth the anticipated 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	**$**	**$**	**$**

[1] To be updated and completed upon pricing of the Bonds.

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OVERLAPPING TAXES AND DEBT

The land within Improvement Areas #2-3 lies within the corporate limits of the City. The land within Improvement Areas #2-3 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.

Improvement Areas #2-3 are located within the City, Ellis County, and the Red Oak Independent School District ("Red Oak ISD"), all of which may levy ad valorem taxes upon land within Improvement Areas #2-3 for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in Improvement Areas #2-3.

Overlapping Taxes

Taxing Entity	Tax Year 2025 Ad Valorem Tax Rate[1]
City of Red Oak	$0.695306
Ellis County	0.273992
Red Oak Independent School District	1.063300
Ellis County Emergency Services District No. 4	0.100000
Total Current Tax Rate	**$2.132598**
Improvement Area #2	
Total Estimated Average Annual Installment as an Equivalent Tax Rate in Improvement Area #2 of the District	$0.430614[2]
Estimated Total Tax Rate and Average Annual Installment in Improvement Area #2 of the District as an Equivalent Tax Rate	**$2.563212**
Improvement Area #3	
Total Estimated Average Annual Installment as an Equivalent Tax Rate in Improvement Area #3 of the District	$0.430664[2]
Estimated Total Tax Rate and Average Annual Installment in Improvement Area #3 of the District as an Equivalent Tax Rate	**$2.563262**

(1) As reported by the Ellis Appraisal District. Per $100 taxable appraised value. Tax Year 2026 tax rates to be adopted no later than September 30, 2026.

(2) Inclusive of principal and interest on the Bonds, Additional Interest, and estimated Annual Collection Costs. Derived from information in the Service and Assessment Plan. Preliminary; subject to change. Assumes an average home taxable value of $475,000 (50' lots), $550,000 (62' lots), and $600,000 (74' lots). See "APPENDIX C — Form of Service and Assessment Plan."

Source: Ellis Appraisal District and the Service and Assessment Plan.

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

Overlapping Debt

Improvement Area #2

Taxing or Assessing Entity[2]	Gross Outstanding Debt as of September 1, 2026[2]	Estimated % Applicable[1]	Direct and Estimated Overlapping Debt[1][2]
The City (The Bonds) – IA#2	$ 6,403,000*	100.000%	$ 6,403,000*
The City (Ad Valorem)	94,528,000	0.821%	776,285
Ellis County	18,535,000	0.068%	12,533
Red Oak ISD	345,205,000	0.302%	1,041,788
Total	$ 464,671,000		$ 8,233,606

(1) Based on $28,138,000 estimated appraised value for Improvement Area #2 of the District as per the Appraisal (defined herein) and on the Tax Year 2026 Taxable Assessed Valuation for the taxing entities as certified by Ellis Appraisal District.
(2) Ellis County Emergency Services District No. 4 does not have outstanding bonded debt.
Source: Municipal Advisory Council of Texas, the Ellis Appraisal District and the Service and Assessment Plan.

Improvement Area #3

Taxing or Assessing Entity[2]	Total Outstanding Debt as of August 1, 2026[2]	Estimated % Applicable[1]	Direct and Estimated Overlapping Debt[1][2]
The City (The Bonds) – IA#3	$ 1,940,000*	100.000%	$ 1,940,000*
The City (Ad Valorem)	94,528,000	0.321%	303,170
Ellis County	18,535,000	0.026%	4,895
Red Oak ISD	345,205,000	0.118%	406,859
Total	$ 460,208,000		$ 2,654,924

(1) Based on $10,989,000 estimated appraised value for Improvement Area #3 of the District as per the Appraisal (defined herein) and on the Tax Year 2026 Taxable Assessed Valuation for the taxing entities as certified by Ellis Appraisal District.
(2) Ellis County Emergency Services District No. 4 does not have outstanding bonded debt.
Source: Municipal Advisory Council of Texas, the Ellis Appraisal District and the Service and Assessment Plan.

Homeowner's Association Dues

In addition to the taxes and the Assessments, the Developer anticipates that each owner of a single-family lot within Improvement Areas #2-3 will pay an annual maintenance and operation fee and/or a property owners' association fee to The Oaks at Red Oak Homeowners' Association, Inc. (the "HOA") in the approximate amount of $1,028 annually.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Areas #2-3 Authorized Improvements through the Assessments, it must adopt a resolution generally describing the Improvement Areas #2-3 Authorized Improvements and the land within Improvement Areas #2-3 to be subject to the Assessments to pay the costs therefor.

* Preliminary, subject to change.

The City has caused the Improvement Area #2 Assessment Roll and the Improvement Area #3 Assessment Roll to be prepared (collectively, the "Assessment Rolls"), which show the land within Improvement Areas #2-3 to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of Assessed Property within each respective Improvement Area, and the number of Annual Installments in which the Assessment is divided. The Assessment Rolls have been filed with the City Secretary and made available for public inspection. Statutory notice was or will be given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Areas #2-3 Authorized Improvements and funding the same with the Assessments. The City expects to levy the Assessments on the Assessed Property and adopt the Assessment Ordinance on September 14, 2026, after which the Assessments will become legal, valid and binding liens upon the Assessed Property.

Under the PID Act, the costs of the Improvement Areas #2-3 Authorized Improvements to be defrayed through the Assessments may be assessed by the City against the Assessed Property so long as (i) the special benefit conferred upon the Improvement Area #2 Assessed Property by the Improvement Area #2 Authorized Improvements equals or exceeds the Improvement Area #2 Assessment, and (ii) the special benefit conferred upon the Improvement Area #3 Assessed Property by the Improvement Area #3 Authorized Improvements equals or exceeds the Improvement Area #3 Assessment. The costs of the Improvement Areas #2-3 Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Property similarly benefited. The allocation of benefits and assessments to the benefitted land within the District is presented in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX C — Form of Service and Assessment Plan."

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each Parcel of Assessed Property as a result of the Improvement Areas #2-3 Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Areas #2-3 Authorized Improvements to Parcels in a manner that results in equal shares of costs being apportioned to Parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Areas #2-3 Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by the Trust Estate, consisting of the Pledged Revenues, including primarily the Assessments.

As set forth in the Service and Assessment Plan, by adoption of the Assessment Ordinance:

(i) The costs of the Improvement Area #2 Authorized Improvements will be allocated to each Parcel of Improvement Area #2 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #2 Assessed Property to the Estimated Buildout Value of all Improvement Area #2 Assessed Property. The Improvement Area #2 Assessed Property was allocated 100% of the Improvement Area #2 Authorized Improvements.

(ii) The costs of the Improvement Area #3 Authorized Improvements will be allocated to each Parcel of Improvement Area #3 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #3 Assessed Property to the Estimated Buildout Value of all Improvement Area #3 Assessed Property. The Improvement Area #3 Initial Parcel is the only Parcel within Improvement Area #3, and as such, the Improvement Area #3 Initial Parcel is allocated 100% of the Improvement Area #3 Authorized Improvements. See "APPENDIX C — Form of Service and Assessment Plan."

As further set forth in the Service and Assessment Plan, the benefits received from the Improvement Areas #2-3 Authorized Improvements are currently spread among the Assessed Property based on the ratio of the Estimated Buildout Value, as permitted by the PID Act.

The City Council has determined that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly situated within Improvement Areas #2-3. The Assessments and interest thereon are expected to be paid in Annual Installments as described herein. The determination by the City Council 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, all other current owners of property within Improvement Areas #2-3, and all future owners and developers within Improvement Areas #2-3. See "APPENDIX C — Form of Service and Assessment Plan."

The following table provides additional analysis with respect to the Assessment methodology, including the finished lot value to assessment burden ratio per Lot Type, finished home value to assessment burden ratio per Lot Type, maximum Assessment per lot type, and equivalent tax rate per Lot Type. The information in this table was obtained from and calculated using information provided in the Service and Assessment Plan and the Appraisal. See "APPENDIX C – Form of Service and Assessment Plan."

Improvement Area #2 and Improvement Area #3 Value to Lien Analysis and Equivalent Tax Rate

Lot Type (Improvement Area)	Lot Size	Planned Number of Units[1]	Estimated Finished Lot Value per Unit[2] ($)	Estimated Home Value per Unit[3]($)	Assessment per Unit[1]($)	Average Annual Installment per Unit[1] ($)	Estimated Ratio of Finished Lot Value to Assessment[1][2]	Estimated Ratio of Home Value to Assessment[1][2]	Tax Rate Equivalent (per $100 Home Value)[1] ($)
Lot Type 3 (IA#2)	50'	242	105,000	475,000	23,938.80	2,045.42	4.39	19.84	0.430614
Lot Type 4 (IA#2)	62'	22	124,000	550,000	27,718.61	2,368.38	4.47	19.84	0.430614
Lot Type 5 (IA#3)	74'	66	166,500	600,000	29,393.94	2,583.98	5.66	20.41	0.430664

(1) Derived from information in the Service and Assessment Plan. See "APPENDIX C – Form of Service and Assessment Plan."
(2) Based on information provided in the Appraisal. See "APPENDIX H – Appraisal."
(3) Provided by Developer.

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 regular 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 municipal 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 updated Assessment Rolls and a calculation of the Annual Installment for each Parcel. Assessments for Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

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

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

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

required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property.

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

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

Annual Installments will be paid to the City or its agent. Annual Installments are due when billed 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 Assessment has been established by the methodology described in the Service and Assessment Plan and will be calculated at the time a respective final plat is recorded. See "APPENDIX C — Form of Service and Assessment Plan."

The Improvement Area #2 Assessment Roll sets forth for each year the Improvement Area #2 Assessment for each Parcel within Improvement Area #2. The Improvement Area #2 Assessment may not exceed the amounts shown on the Improvement Area #2 Assessment Roll. The Improvement Area #2 Assessments will be levied against the Parcels comprising the Improvement Area #2 Assessed Property, as indicated on the Improvement Area #2 Assessment Roll. See "APPENDIX C — Form of Service and Assessment Plan."

The Improvement Area #3 Assessment Roll sets forth for each year the Improvement Area #3 Assessment for each Parcel within Improvement Area #3. The Improvement Area #3 Assessment may not exceed the amounts shown on the Improvement Area #3 Assessment Roll. The Improvement Area #3 Assessments will be levied against the Parcels comprising the Improvement Area #3 Assessed Property, as indicated on the Improvement Area #3 Assessment Roll. See "APPENDIX C — Form of Service and Assessment Plan."

The Annual Installments of each Assessment Roll will be reduced to equal the actual costs of repaying the Bonds, the Additional Interest, and actual Annual Collection Costs, 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 allocated to the Parcels within the Assessed Property

according to estimated average buildout value, as permitted by the PID Act. As the existing Parcels are subsequently divided, the Assessments will be apportioned pro rata according to the estimated buildout value of the newly created Parcels. See "ASSESSMENT PROCEDURES — Assessment Methodology" and "APPENDIX C — Form of Service and Assessment Plan."

Reallocation of Assessments. Upon the division of any Assessed Property without the recording of a subdivision plat, the PID Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meaning:

A = the Assessment for the newly divided Assessed Property
B = the Assessment for the Assessed Property prior to division
C = the Estimated Buildout Value of the newly divided Assessed Property
D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the PID 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 the newly subdivided Lots excluding Non-Benefitted Property
E = the number of newly subdivided Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the PID Administrator 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 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 shall be reflected in the next Annual Service Plan Update and approved by the City Council. See "APPENDIX C – Form of Service and Assessment Plan."

Maximum Assessment. Notwithstanding the foregoing, the Service and Assessment Plan establishes a "Maximum Assessment" for each Lot Type in Improvement Areas #2-3 of the District, which Maximum Assessment is shown in Exhibit E of the Service and Assessment Plan. See "APPENDIX C – Form of Service and Assessment Plan."

Prior to the City approving a final subdivision plat, the PID Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type exceeding the Maximum Assessment. If the PID Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment, then (i) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (ii) the person or entity filing the plat shall pay, as a mandatory prepayment of the Assessment, to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, prior to the City approving the final plat.

In addition, if the Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

For further information about apportionment of the Assessments, see "APPENDIX C – Form of Service and Assessment Plan."

Prepayment of Assessments

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

Mandatory Prepayment. If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment.

Prepayment as a Result of an Eminent Domain Proceeding or Taking. If any portion of any Parcel of Assessed Property is taken from a landowner 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. The landowner will remain liable to pay in Annual Installments, or payable as otherwise provided by the Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the landowner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the Maximum Assessment.

Following the initiation of the Taking, the PID Administrator will be required, as part of the next Annual Service Plan Update, to determine the portion of the Assessment that was levied against the Assessed Property that would have been allocated to the Taken Property prior to its reclassification as Non-Benefited Property based on a manner that results in imposing equal shares of the costs of the applicable Improvement Areas #2-3 Authorized Improvements on property similarly benefited.

Within 30 days of the receipt by the owner of the funds received from the entity taking the Taken Property, the landowner shall make a Prepayment of the Assessment in an amount equal to the lesser of (i) the amount the landowner received as a result of the Taking or (ii) the amount determined by the PID Administrator in the above paragraph; provided, however, that in all instances the Assessment remaining on the Remaining Property shall not exceed the Maximum Assessment.

Notwithstanding the preceding paragraphs under this subsection, if the landowner notifies the City and the PID Administrator that the Taking prevents the Remaining Property from being developed as shown on a final plat, such landowner shall, upon receipt of the compensation for the Taken Property, be required to prepay the total amount of the Assessment levied against both the Taken Property and Remaining Property. The landowner will

remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Reduction of Assessments. If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement the Actual Costs of any Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds that are not expected to be used for the purposes of the project fund as directed by the City pursuant to the terms of such Indenture. 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 PID 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.

The following table provides the initial assessment payers in Improvement Areas #2-3.

Owner	Allocated Assessment
Developer	$8,343,000*
Bloomfield Homes	$0
DRB Homes	$0
HMH	$0

Priority of Lien

The Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Assessment is paid and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any Assessed Property may pay the entire Assessment levied against any Lot or Parcel, together with accrued interest 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 the Bonds or such payment may not

* Preliminary, subject to change.

be made in full. The City is not required under any circumstance to purchase or make payment for the purchase of the delinquent Assessment on the corresponding Assessed Property.

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 of the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See "APPENDIX B — Form of Indenture." See also "APPENDIX E-1 — Form of Disclosure Agreement of Issuer" for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If Pledged Revenues are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See "APPENDIX B — Form of Indenture" and "APPENDIX C — Form of Service and Assessment Plan."

THE CITY

Background

The City is located in northern Ellis County, 20 miles south of downtown Dallas and is served by a major interstate highway I-35E bisecting the City, and I-20 located nine miles north. Red Oak is also bisected by state highways 664 and 342 giving easy access in all directions. Red Oak is uniquely situated to provide easy accessibility to the entire North Texas area. The close proximity to job opportunities in Dallas, Fort Worth and the Mid-Cities continues to contribute to growth in the City. The City covers approximately 15.06 square miles. The City's 2020 census population was 14,222, and the City's estimated 2025 population is 20,394.

City Government

The City was incorporated in 1949. The City is a political subdivision and municipal corporation and is a home rule municipality of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City first adopted its Home Rule Charter in 1997. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and five Councilmembers. The terms of office for the Mayor and Councilmembers are three years with the Mayor and Places 1 and 3 on the City Council to have concurrent terms of office and Places 2, 4 and 5 on the City Council to have concurrent terms of office. The City Manager is the chief administrative officer for the City.

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

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 includes approximately 210.522 acres and lies entirely within the corporate limits of the City. The District was created by Resolution No. 20-072R of the City adopted on December 19, 2020 in accordance with the PID Act (the "Creation Resolution") for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Areas #2-3 Projects, authorized by the PID Act and approved by the City Council, that confer a special benefit on the District property. The District is not a separate political subdivision of the State and is administered by the City Council. A map of the property within the District is included on page iv hereof.

Powers and Authority of the City

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, including Improvement Areas #2-3, whether located within the City limits or the City's extraterritorial jurisdiction. The PID Act provides that the City may levy and collect Assessments on the Assessed Property, or portions thereof, payable in full or in periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Improvement Areas #2-3 Projects. See "THE IMPROVEMENT AREAS #2-3 AUTHORIZED IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City determined to undertake the construction, acquisition or purchase of the following improvements and to finance the costs thereof through the issuance of bonds: (1) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements, (2) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of-way, (3) landscaping, (4) the establishment or improvement of parks, (5) erection of fountains, distinctive lighting, and signs, (6) projects similar to those listed in (1)-(5), (7) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement, (8) special supplemental service for improvement and promotion of the district, including service relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement, and (9) payment of expenses incurred in the establishment, administration, and operation of the District and financing of the improvements. The City has further determined to provide for the payment of debt service on the Bonds through the Pledged Revenues. See "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

Collection and Delinquency History of the District

The City issued the Improvement Area #1 Bonds to finance the costs of the Improvement Area #1 Improvements, as well as Improvement Area #1's allocable share of the Major Improvements. The Improvement Area #1 Bonds are secured by the Improvement Area #1 Assessments. As of September 1, 2026, the Improvement Area #1 Bonds were outstanding in the principal amount of $5,287,000.

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Collection and Delinquency History of the Improvement Area #1 Assessments

Assessments Due 1/31 [1]	Annual Installments	Parcels Levied	Delinquent Amount as of 3/1	Delinquent Percentage as of 3/1	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Annual Installments Collected[2]
2022	$58,285.01	4	$0	0%	$0	0%	$58,285.01
2023	$397,545.77	4	$0	0%	$0	0%	$397,545.77
2024	$397,545.77	4	$0	0%	$0	0%	$397,545.77
2025	$392,063.82	323	$0	0%	$0	0%	$392,063.82
2026	$406,428.29	323	$1,398.21	0.34%	N/A	N/A	$404,330.98

(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) Excludes penalties and interest and any prepayments of such assessments.

THE COLLECTION AND DELINQUENCY HISTORY OF THE IMPROVEMENT AREA #1 ASSESSMENTS ARE PROVIDED FOR INFORMATIONAL PURPOSES ONLY. NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE ASSESSMENTS IN IMPROVEMENT AREAS #2-3 OF THE DISTRICT WILL MIRROR THE COLLECTION HISTORY OF THE IMPROVEMENT AREA #1 ASSESSMENTS. THE IMPROVEMENT AREA #1 ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

THE IMPROVEMENT AREAS #2-3 AUTHORIZED IMPROVEMENTS

General

The Improvement Area #2 Authorized Improvements consist of (i) the Improvement Area #2 Projects; (ii) Improvement Area #2's allocable share of the first year's Annual Collection Costs related to the Bonds; and (iii) Improvement Area #2's allocable share of the Bond Issuance Costs incurred in connection with the issuance of the Bonds. The Improvement Area #2 Projects include (1) the pro rata portion of the Major Improvements allocable to Improvement Area #2 and (2) the Improvement Area #2 Improvements.

The Improvement Area #3 Authorized Improvements consist of (i) the Improvement Area #3 Projects; (ii) Improvement Area #3's allocable share of the first year's Annual Collection Costs related to the Bonds; and (iii) Improvement Area #3's allocable share of the Bond Issuance Costs incurred in connection with the issuance of the Bonds. The Improvement Area #3 Projects include (1) the pro rata portion of the Major Improvements allocable to Improvement Area #3 and (2) the Improvement Area #3 Improvements.

The Improvement Area #2 Authorized Improvements and the Improvement Area #3 Authorized Improvements are collectively referred to herein as the "Improvement Areas #2-3 Authorized Improvements."

A portion of the costs of the Improvement Areas #2-3 Authorized Improvements will be funded with proceeds of the Bonds. The balance of the costs of the Improvement Areas #2-3 Authorized Improvements will be paid by the Developer without reimbursement from the City, as further described in the Service and Assessment Plan. See "APPENDIX C — Form of Service and Assessment Plan." The Improvement Areas #2-3 Projects will be dedicated to and maintained by the City or Rockett Special Utility District ("Rockett SUD"), as otherwise noted below.

Improvement Area #2 Projects

Improvement Area #2 Improvements. The Improvement Area #2 Projects consist of the following Improvement Area #2 Improvements:

Streets. Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, stamped concrete pavement, concrete headers, laid down curb, sidewalks, testing, handicapped ramps, and streetlights. All related earthwork, excavation, clearing and grubbing, erosion control, intersections, barricades, signage, lighting and re-vegetation of all disturbed areas

within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #2.

Sewer. Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2.

Storm Drain. Improvements including curb inlets, RCP piping and reinforced concrete boxes, storm junction boxes, headwalls, rock rip rap, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #2.

Soft Costs. Costs related to designing, constructing, and installing the Improvement Area #2 Improvements, including land planning and design, City fees, final plat fees, engineering and surveying, materials testing, inspection, construction management, contingency, legal fees, and consultant fees.

Major Improvements. The Improvement Area #2 Projects consist of Improvement Area #2's allocable share of the following Major Improvements:

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

Water. Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within the District. All water system improvements will be dedicated to Rockett SUD, and Rockett SUD will operate and maintain the water system and provide water service to all properties located in the District.

Sewer. Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District.

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

Park. A 20.0 ± acre open space park designed for passive recreational uses that will contain an 8' (typical) wide concrete trail throughout that will serve as a running/bike trail. It will be landscaped and irrigated along Oaks Boulevard, in accordance with the Landscape Plan, however, the remainder will be in a more natural native state. This area will be improved in the initial phase of the development.

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

Improvement Area #3 Projects

Improvement Area #3 Improvements. The Improvement Area #3 Projects consist of the following Improvement Area #3 Improvements:

Streets. Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, stamped concrete pavement, sidewalks, testing, handicapped ramps, and streetlights.

All related earthwork, excavation, clearing and grubbing, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #3.

Sewer. Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, a lift station, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #3.

Storm Drain. Improvements including curb inlets, RCP piping and boxes, storm junction boxes, headwalls, rock rip rap, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #3.

Soft Costs. Costs related to designing, constructing, and installing the Improvement Area #3 Improvements, including land planning and design, City fees, final plat fees, engineering and surveying, materials testing, inspection, construction management, contingency, legal fees, and consultant fees.

Major Improvements. The Improvement Area #3 Projects consist of Improvement Area #3's allocable share of the following Major Improvements:

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

Water. Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within the District. All water system improvements will be dedicated to Rockett SUD, and Rockett SUD will operate and maintain the water system and provide water service to all properties located in the District.

Sewer. Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District.

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

Park. A 20.0 ± acre open space park designed for passive recreational uses that will contain an 8' (typical) wide concrete trail throughout that will serve as a running/bike trail. It will be landscaped and irrigated along Oaks Boulevard, in accordance with the Landscape Plan, however, the remainder will be in a more natural native state. This area will be improved in the initial phase of the development.

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

Bond Issuance Costs

Debt Service Reserve Fund. Equals the amount to be deposited in a debt service reserve fund under the Indenture in connection with the issuance of the Bonds.

Underwriter's Discount. Equals a percentage of the par amount of the Bonds related to the costs of underwriting the Bonds and includes the fee for underwriter's counsel.

Cost of Issuance. Includes costs of issuing the Bonds, including but not limited to issuer fees, attorney's fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City's costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of the Bonds.

Other Costs

Initial Administrative Fund Deposit. Equals the amount necessary to fund the first year's Annual Collection Costs for the Bonds.

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Costs of the Improvement Areas #2-3 Authorized Improvements

Costs of the Improvement Area #2 Authorized Improvements. The following table reflects the expected total costs of the Improvement Area #2 Authorized Improvements. A portion of the costs of the Improvement Area #2 Authorized Improvements are expected to be financed with proceeds of the Bonds.

Costs of the Improvement Area #2 Authorized Improvements

Improvement Area #2 Improvements	
Streets	$ 2,606,348
Sewer	1,132,762
Storm Drain	1,059,114
Soft Costs	2,039,082
Subtotal	$ 6,837,305
Major Improvements[(1)]	
Offsite - Streets	$ 9,523
Offsite - Water	152,372
Offsite - Sewer	85,771
Oaks Blvd – Streets	1,463,964
Oaks Blvd – Sewer	236,632
Oaks Blvd – Storm Drain	295,962
Oaks Blvd – Soft Costs	367,530
Stephenson Road – Storm Drain	33,295
Stephenson Road – Streets	449,423
Stephenson Road – Soft Costs	164,124
Park	216,021
Soft Costs	432,338
Subtotal	$ 3,906,955
Bond Issuance Costs[*]	
Debt Service Reserve Fund	$ 480,565
Underwriter's Discount	192,090
Cost of Issuance	416,195
Subtotal	$ 1,088,850
Other Costs	
Deposit to Administrative Fund	$ 49,886
Total	**$ 11,882,995**[*]

[(1)] Represents Improvement Area #2's allocable share of the Major Improvements, equal to 38.37% of the total costs of the Major Improvements.

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[*] Preliminary, subject to change.

Costs of the Improvement Area #3 Authorized Improvements. The following table reflects the expected total costs of the Improvement Area #3 Authorized Improvements. A portion of the costs of the Improvement Area #3 Authorized Improvements are expected to be financed with proceeds of the Bonds.

Costs of the Improvement Area #3 Authorized Improvements

Improvement Area #3 Improvements	
Sewer	$ 451,198
Storm Drain	181,004
Lift Station	1,500,000
Streets	1,165,019
Soft Costs	1,256,613
Subtotal	$ 4,553,834
Major Improvements[(1)]	
Offsite - Streets	$ 2,968
Offsite - Water	47,493
Offsite - Sewer	26,734
Oaks Blvd – Streets	456,300
Oaks Blvd – Sewer	73,755
Oaks Blvd – Storm Drain	92,248
Oaks Blvd – Soft Costs	114,555
Stephenson Road – Storm Drain	10,378
Stephenson Road – Streets	140,080
Stephenson Road – Soft Costs	51,156
Park	67,331
Soft Costs	134,755
Subtotal	$ 1,217,752
Bond Issuance Costs[*]	
Debt Service Reserve Fund	$ 145,918
Underwriter's Discount	58,200
Cost of Issuance	126,100
Subtotal	$ 330,218
Other Costs	
Deposit to Administrative Fund	$ 15,114
Total	**$ 6,116,919**[*]

[(1)] Represents Improvement Area #3's allocable share of the Major Improvements, equal to 11.96% of the total costs of the Major Improvements.

The total aggregate cost of the Improvement Areas #2-3 Authorized Improvements is expected to be approximately $17,999,914[*]. The Actual Costs of the Improvement Areas #2-3 Projects, the portion being constructed by the Developer, equals approximately $16,515,846. Only a portion of the costs of the Improvement Areas #2-3 Projects, in the approximate amount of $6,858,932[*], are expected to be paid to the Developer from the proceeds of the Bonds. The balance of the costs of the Improvement Areas #2-3 Projects, in the total approximate amount of $9,656,914[*], is expected to be financed by the Developer with the proceeds of the IA#2 Development Loan, the proceeds generated by lot sales to Homebuilders, corporate equity, and a future development loan secured by land in Improvement Area #3, as necessary, and such costs will not be reimbursed by the City. See "THE DEVELOPER — History and Financing of the District – *Developer Financing of Improvement Areas #2-3*."

As of August 1, 2026, the Developer has spent approximately $9,670,000 constructing the Improvement Area #2 Projects and approximately $215,000 constructing the Improvement Area #3 Projects.

In accordance with the Development Agreement, simultaneous with the closing of the Bonds, the Developer will either (i) fund or cause the funding of, or (ii) provide evidence of financial security sufficient to fund the Authorized Improvements to the extent that Authorized Improvements have not been completed and paid for by the Developer or otherwise to the extent that the Bonds are insufficient to fund such Authorized Improvements, (x) a letter of credit, or (y) other evidence of sufficient responsibility reasonably acceptable to the City. See "THE DEVELOPMENT — Development Agreement" and "APPENDIX G —Development Agreement."

[*] Preliminary, subject to change.

Reimbursement Agreement

The City and the Developer entered into that certain Reimbursement Agreement – Red Oak Public Improvement District No. 1 on July 13, 2026, which provides, in part, for the deposit of the Assessments and the proceeds from the issuance and sale of the Bonds, and the payment of the actual costs of the Improvement Areas #2-3 Projects. The Developer is responsible for the payment of any actual costs of the Improvement Areas #2-3 Projects not paid from the proceeds of the Bonds or the Assessments. See "SECURITY FOR THE BONDS," "APPENDIX C — Form of Service and Assessment Plan" and "APPENDIX F — Reimbursement Agreement."

Ownership and Maintenance of Improvement Areas #2-3 Projects

City Owned Improvement Areas #2-3 Projects. The Improvement Areas #2-3 Projects, except for the water improvements, 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 maintenance and repair of the Improvement Areas #2-3 Projects, except for the water improvements, constructed and conveyed, as outlined in the Service and Assessment Plan.

Rockett SUD. The Major Improvements consisting of water improvements will be dedicated to and accepted by Rockett SUD. Pursuant to an agreement between Rockett SUD and the City, Rockett SUD has agreed to use such water improvements to provide water service to the area within the District and to provide for the ongoing maintenance and repair of the water improvements.

THE DEVELOPMENT

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

Overview

The Development is a project that sits on approximately 210.522 acres of land located in the corporate limits of the City. More specifically, the Development is generally located south of Stephenson Road, east of Tranquil Place, northeast of East Highland Road, and west of Interstate 35 East, and as more particularly described by a metes and bounds descriptions available in Exhibit L-1 of the Service and Assessment Plan. The Development will have a relaxed, safe and comfortable feel to it all in a growing, affordable suburb of Dallas. The Development is located approximately 0.5 miles west of Interstate Highway 35 and approximately 19 miles from Dallas. The City, located in the northeast region of the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (the "DFW MSA"), is poised for growth as the overall DFW MSA continues its growth trajectory. The Development is within the corporate limits of the City.

Development Plan

The Developer, in conjunction with the IA#1 Developers, plans to develop the District in three Improvement Areas consisting of six development phases. The Developer expects the Development to contain approximately 653 single family residential lots at full buildout, with approximately 323 of such lots being within Improvement Area #1, 264 of such lots being in Improvement Area #2, and 66 of such lots being in Improvement Area #3. The Development is expected to contain a product mix including 50' lots, 62' lots, and 74' lots, with prices ranging from approximately $400,000 to $600,000. The Development will include sections containing typical suburban single-family homes, with open space, parks, walking trails and an amenity center.

Development in the District began with Improvement Area #1, which consists of development Phase 1, Phase 2, and Phase 4. The IA#1 Developers have completed construction of the Improvement Area #1 Projects. Development in the District is continuing with lot development in Improvement Areas #2-3 by the Developer, Red Oak 66 Holdings, LLC, a Texas limited liability company. The Developer commenced construction of the Improvement Area #2 Projects in May 2025, and completed construction of the Improvement Area #2 Projects in August 2026. The Developer currently expects to commence construction of the Improvement Area #3 Projects in July 2027 and to complete construction of the Improvement Area #3 Projects in July 2028.

In addition to the Authorized Improvements, the Developer has agreed, pursuant to the Development Agreement, to construct the Private Improvements. The Developer completed construction of the Practice Fields Facility and the Amenity Center in August 2024. The Developer currently expects to complete construction of the remaining Private Improvements in July 2028. See "— Private Improvements" below.

The following table shows the expected number and type of lots within the District.

Single-Family Lots within the District[1]

Lot Size	Improvement Area #1[2]	Improvement Area #2	Improvement Area #3	Total Number of Lots
50'	167	242	-	**409**
62'	156	22	-	**178**
74'	-	-	66	**66**
Total	**323**	**264**	**66**	**653**[2]

(1) Provided by the Developer.
(2) Includes four model lots located within Improvement Area #1.

Expected Buildout and Status of Construction in the District

The following table reflects the Developer's current expectations regarding with respect to the timing of lot buildout and absorption in the District.

Expected Buildout of Single-Family Lots within the District[1]

Improvement Area	Phase	Number of Lots	Expected/Actual Infrastructure Completion Date	Expected/Actual Initial Sale Date of Single-Family Lots to Homebuilders	Expected/Actual Final Sale Date of Single-Family Lots to Homebuilders[2]	Actual/Expected Initial Sale Date of Single-Family Homes to Homeowners
1	1	183	September 2023	October 2023	July 2025	January 2024
1	2	93	September 2023	October 2023	July 2025	January 2024
1	4	47	September 2023	October 2023	July 2025	January 2024
	Subtotal	323				
2	5A	116	August 2026	September 2026	December 2030	October 2026
2	5B	148	August 2026	September 2026	December 2030	October 2026
3	3	66	July 2028	August 2028	July 2030	December 2028
	Subtotal	330				
Total		**653**				

(1) These projections regarding final buildout and final sale dates were provided by the Developer. Expected buildout and final sale date projections in the Appraisal may vary.
(2) All lots were closed with the homebuilders in Improvement Area #1 by July 2025 with the exception of one lot closed with HMH in May 2026, which lot was used by HMH as a construction trailer and concrete washout lot.

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The following table reflects the current status of construction with respect to single-family lots and homes in the District.

Status of Single-Family Lots and Home Construction in the District[1]

Improvement Area	Lot Size	Total No. of Lots	Lots Developed	Lots Closed With Homebuilders	Homes Under Construction	Completed Homes not Sold to End Users	Homes Under Contract or Sold to End Users
1	50’	167	167	162	22	2	137
1	62’	156	156	99	29	5	62
2	50’	242	242	-	-	-	-
2	62’	22	22	-	-	-	-
3	74’	66	-	-	-	-	-
Total		***653***[2]	***587***	***261***	***51***	***7***	***199***

(1) Information as of June 30, 2026. Provided by the Developer.
(2) Includes four model lots in Improvement Area #1.

Development in Improvement Area #1

Improvement Area #1 was the first area in the District to be developed by the IA#1 Developers. Improvement Area #1 is comprised of approximately 123.078 acres and consists of development Phase 1, Phase 2, and Phase 4. Improvement Area #1 includes the 21-Acre City Park, as well as the approximately 10.92-acre Practice Fields Facility. Improvement Area #1 includes 323 finished lots, consisting of 167 50’ lots and 156 62’ lots. The IA#1 Developers completed construction of the Improvement Area #1 Projects, with the exception of the 21-Acre City Park, in September 2023. The IA#1 Developers completed construction of the 21-Acre City Park in August 2024. The status of single-family lots and home construction in Improvement Area #1 can be found in the table above under “– Expected Buildout and Status of Construction in the District.”

The average actual sales price of homes in Improvement Area #1 broken out by lot type are described in the table below.

Average Home Prices in Improvement Area #1

Lot Size	Average Home Price[1]
50’	$410,152
62’	$511,205

(1) Provided by the Developer.

Actual and Expected Absorption to Homeowners in Improvement Area #1[1]

Actual/Expected Sale Date	50’ Lot	62’ Lot	**Total**
2024	64	22	**86**
2025	53	22	**75**
2026	50	34	**84**
2027	-	39	**39**
2028	-	39	**39**
Total	**167**	**156**	**323**

(1) Per the Q1 2026 Quarterly Report for the Improvement Area #1 Bonds and as provided by the Developer.

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Development in Improvement Areas #2-3

Improvement Area #2 is comprised of approximately 54.418 acres, and is being developed as 264 single-family lots consisting of 242 50' lots and 22 62' lots. Improvement Area #2 is comprised of development Phase 5A and Phase 5B. The Developer commenced construction of the Improvement Area #2 Projects in May 2025, and completed construction of the Improvement Area #2 Projects in August 2026.

Improvement Area #3 is comprised of approximately 30.869 acres, and is being developed as 66 single-family lots consisting of 66 74' lots. Improvement Area #3 is comprised of development Phase 3 and Phase 6. The Developer currently expects to commence construction of the Improvement Area #3 Projects in July 2027 and to complete construction of the Improvement Area #3 Projects in July 2028.

Lot Purchase and Sale Agreements in Improvement Areas #2-3. The Developer has entered into lot purchase and sale agreements for all 264 lots in Improvement Area #2 with Bloomfield Homes, DRB Homes (f/k/a Gehan/Brightland Homes), and HistoryMaker Homes (collectively, the "Homebuilders"). The Developer has not entered into a lot purchase and sale agreement for any of the proposed lots in Improvement Area #3. The Developer has collected earnest money deposits from the Homebuilders in the total aggregate sum of $5,077,446, all of which has been released to the Developer.

Bloomfield Homes Lot Purchase Agreement. The Developer and Bloomfield Homes entered into that certain Agreement of Purchase and Sale (Finished Lots) effective as of October 10, 2024 (the "Bloomfield Lot PSA"). Pursuant to the Bloomfield Lot PSA, Bloomfield Homes has agreed to purchase all of the 22 62' lots located in Improvement Area #2 at a purchase price of $114,700 per lot, for a total purchase price of $2,523,400. The Developer has collected an earnest money deposit in the amount of $479,446.00, all of which has been released to the Developer. The Developer has achieved Substantial Completion under the terms of the Bloomfield Homes Lot PSA, and the Developer currently expects Bloomfield Homes to close on the 22 62' lots in September 2026.

DRB Homes Lot Purchase Agreement. The Developer and DRB Homes entered into that certain Agreement of Purchase and Sale (Finished Lots) effective as of November 6, 2024 (the "DRB Homes Lot PSA"). Pursuant to the DRB Homes Lot PSA, DRB Homes has agreed to purchase 121 50' lots in Improvement Area #2 at a purchase price of $100,000 per lot, for a total purchase price of $12,100,000. The Developer has collected an earnest money deposit in the amount of $2,299,000, all of which has been released to the Developer. Pursuant to the DRB Homes Lot PSA, DRB Homes is obligated to purchase at least ten 50' lots within 15 days of substantial completion of the 50' lots within Improvement Area #2 and at least 10 50' lots every 90 days thereafter, until all 121 lots under contract have been purchased. There are circumstances described in the DRB Homes Lot PSA, the existence of which, may result in the termination of the agreement, including termination by DRB Homes if substantial completion of the 50' Lots within Improvement Area #2 had not occurred by July 31, 2026. This Outside Date is subject to Force Majeure and 46 days of Force Majeure have been claimed as of July 1, 2026, moving the Outside Date to September 15, 2026. The Developer has achieved Substantial Completion under the terms of the DRB Homes Lot PSA, and currently expects DRB Homes to close on the initial 50' lots in September 2026.

HMH Lifestyles Lot Purchase Agreement. The Developer and HMH entered into that certain Agreement of Purchase and Sale (Finished Lots) effective as of November 1, 2024 (the "HMH Lot PSA" and collectively with the DRB Homes Lot PSA and the Bloomfield Lot PSA, the "IA#2 Lot Purchase Agreements"). Pursuant to the HMH Lot PSA, HMH has agreed to purchase 121 50' lots in Improvement Area #2 at a purchase price of $100,000 per lot, for a total purchase price of $12,100,000. The Developer has collected an earnest money deposit in the amount of $2,299,000, all of which has been released to the Developer. Pursuant to the HMH Lot PSA, HMH is obligated to purchase at least ten 50' lots within 15 days of substantial completion of the 50' lots within Improvement Area #2 and at least 10 50' lots every 90 days thereafter, until all 121 lots under contract have been purchased. There are circumstances described in the HMH Lot PSA, the existence of which, may result in the termination of the agreement, including termination by HMH if substantial completion of the 50' Lots within Improvement Area #2 had not occurred by July 31, 2026. This Outside Date (defined in the HMH Lot PSA) is subject to Force Majeure (defined in the HMH Lot PSA) and 46 days of Force Majeure have been claimed by the Developer as of July 1, 2026, moving the Outside Date to September 15, 2026. The Developer has achieved Substantial Completion under the terms of the HMH Lot PSA, and currently expects HMH to close on the initial 50' lots in September 2026.

The following table summarizes the total number of lots under contract by each IA#2 Homebuilder in Improvement Area #2.

Homebuilders in Improvement Area #2[(1)(2)]

Phase	Lot Type	Bloomfield Homes	DRB Homes	HMH	**Total**
5A	50’	-	48	46	**94**
5A	62’	22	-	-	**22**
5B	50’	-	73	75	**148**
	Total	**22**	**121**	**121**	**264**

(1) As provided in the IA#2 Lot Purchase Agreements.
(2) The Developer has not entered into any lot purchase agreements for lots in Improvement Area #3.

The following table summarizes the Developer’s current expectations regarding lot and home prices in Improvement Areas #2-3.

Single-Family Lot and Home Prices in Improvement Areas #2-3

Improvement Area	Lot Size	Quantity	Base Lot Price	Estimated Base Home Price[(2)]
2	50’	242	$100,000[(1)]	$475,000
2	62’	22	$114,700[(1)]	$550,000
3	74’	66	$136,900[(2)]	$600,000

(1) Actual base lot prices in the IA#2 Lot Purchase Agreements. The Appraisal value conclusions may differ.
(2) Estimate provided by the Developer.

Photographs of the Development

The following photograph depicts entryway monumentation.

The following photograph depicts the exterior of the Amenity Center.

The following photograph depicts an open space park in Improvement Area #1.

The following photograph depicts the Amenity Center pool.

The following photograph depicts a playground and pocket park in Improvement Area #1.

The following photograph depicts a playground and pocket park in Improvement Area #2.

Development Agreement

The City and the Developer, as successor in interest to the Phase 1 Developer, entered into the Development Agreement. Pursuant to the Development Agreement, the maximum amount of PID Bonds (defined in the Development Agreement), to be issued by the City for the District to finance the Authorized Improvements shall not exceed $14,000,000. Additionally, the maximum tax rate equivalent assessment rate for the District is anticipated to be up to $0.46 per $100 of assessed valuation. See "APPENDIX G – Development Agreement."

Fiscal Security. The Development Agreement requires that simultaneous with the closing of the Bonds the Developer will either (i) fund or cause the funding of, or (ii) provide evidence of financial security sufficient to fund the Authorized Improvements to the extent that Authorized Improvements have not been completed and paid for by the Developer or otherwise to the extent that the Bonds are insufficient to fund such Authorized Improvements, (x) a letter of credit, or (y) other evidence of sufficient responsibility reasonably acceptable to the City.

Oaks Boulevard and Stephenson Road. Oaks Boulevard and Stephenson Road improvements are Major Improvements. The portion of Oaks Boulevard located within Improvement Area #1 was constructed concurrently with the construction of Improvement Area #1 Improvements and such improvements were accepted by the City in September 2023. The portion of Oaks Boulevard located within Improvement Area #3 is being constructed by the Developer. The Developer currently expects to complete construction of the portion of Oaks Boulevard in Improvement Area #3 in July 2028.

The Developer agreed in the Development Agreement to construct two lanes (24' pavement) of Stephenson Road, from the IH-35 service road east of the Development to the northern property line along Improvement Area #3. Additionally, the Developer agreed to escrow funds for the unbuilt portions of Stephenson Road identified as "In Lieu of" in Exhibits F-2 and F-3 to the Development Agreement.

The Developer's obligation to construct Stephenson Road shall be satisfied by the issuance by the City of the Bonds and the escrow with the City of the proceeds of the Bonds sufficient to construct Stephenson Road (the

"Escrow Funds"). The Developer shall fund any shortfall between the Escrow Funds and the cost to construct Stephenson Road, if any.

Parks. The Developer is obligated to construct an approximately 10.92-acre park/open space with facilities for practice fields for various youth baseball, softball, and soccer uses, restroom facility and parking (also referred to herein as the "Practice Fields Facility"). The Practice Fields Facility was completed and accepted by the City in August 2024. An approximately 1.5-acre portion of the Practice Fields Facilities was dedicated to the Red Oak Fire Department for use as a substation location in February 2025. If the City fails to construct a fire substation on such land within five years after dedication, the City will integrate such land into the Practice Fields Facilities.

The Developer is obligated to construct an approximately 21.237-acre open space park designed for passive recreation uses (also referred to herein as the "21-Acre City Park"). The 21-Acre City Park was completed and accepted by the City in August 2024. The 21-Acre City Park contains concrete trails throughout that serve as a running/biking trail.

The costs of the 21-Acre City Park were financed through the District as a Major Improvement. The costs of the Practice Fields Facility were privately financed by the Phase 1 Developer.

Impact Fees. The City has agreed to provide a credit or reimbursement for impact fees related to the Authorized Improvements (except for sanitary sewer improvements) to the extent required in the City applicable Capital Improvements Plan. Further the City has agreed to exempt the land within the District from any road impact fees for a period of ten years from the effective date of the Development Agreement.

Amenities

HOA Amenities. The Developer plans to construct the "HOA Amenities," expected to consist of, among other things, (i) entry monumentation, (ii) an "Amenity Center," which will include a swimming pool, restroom facilities, shade structures, a playground and off-street parking, (iii) detention pond with a fountain located near the Amenity Center, and (iv) several small pocket parks. The Developer completed construction of the Amenity Center in August 2024 at a total cost of $1,305,325.00. The Amenity Center is located on a 4.5-acre parcel of land within Improvement Area #1 and is available to all single-family residents within the District. The portions of HOA Amenities located within Improvement Area #1, including entry monumentation, detention ponds, and several small pocket parks, were completed and accepted by the HOA in December 2023. The portions of the HOA Amenities located within Improvement Areas #2-3 are being constructed on the same development schedule as the Improvement Area #2 Projects and the Improvement Area #3 Projects, as applicable. The Developer expects the costs of the HOA Amenities located within Improvement Areas #2-3 to cost $474,365. All HOA Amenities will be owned, operated and maintained by the HOA.

Zoning/Permitting

The District is currently zoned under as a planned development pursuant to Ordinance 19-027, as amended, adopted by the City Council on June 10, 2019 (the "PD Ordinance"). The PD Ordinance allows certain residential uses and establishes guidelines pertaining to purpose, height, area and setbacks. Because the District lies within the city limits of the City, the City's zoning and subdivision regulations control the aspects of development not specifically set forth in the PD Ordinance.

Education

The District is located in Red Oak Independent School District ("Red Oak ISD"). Red Oak ISD encompasses 42 square miles within Ellis County. Red Oak ISD operates five (5) elementary schools, one (1) middle school and one (1) high school. Donald T. Shields Elementary School, which is approximately 3 miles from the District, Red Oak Middle School, which is approximately 5 miles from the District, and Red Oak High School, which is approximately 3 miles from the District, are expected to serve residents in the District.

According to GreatSchools.org, Donald T. Shields Elementary School is rated 8 out of 10, Red Oak Middle School is rated 4 out of 10, and Red Oak High School is rated 4 out of 10. According to the Texas Education Agency (the "TEA"), Donald T. Shields Elementary School received an accountability rating of "B", Red Oak

Middle School received an accountability rating of "C", Red Oak High School received an accountability rating of "B, and Red Oak ISD received an accountability rating of "C" from the TEA for the 2025-2026 school year.

Environmental

Site Evaluation. A Phase One Environmental Site Assessment of the property within the District (the "Phase One ESA") was completed on November 30, 2020. Based on the information presented in the Phase One ESA, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site.

Endangered Species. According to the website for the United States Fish and Wildlife Service, the Whooping Crane is an endangered species in Ellis County. The Developer is not aware of any endangered or threatened species located on District property.

Geotechnical Exploration

A preliminary geotechnical exploration report covering the property in the District (the "Geotech") was completed on November 19, 2020. The Geotech indicated some moisture conditioning of the soil may be required in three of the boring locations. The Geotech made certain recommendations to prevent post construction movement of slab-on-grade foundations but recommended that more detailed subgrade improvement recommendations can be provided in the final geotechnical exploration report based on addition test boring and actual lot grading information. The pavement and utility structures should be designed and constructed in accordance with City standards. A final Geotech report for Improvement Area #1 and Improvement Area #2 was obtained, and minimal soil remediation was required in either improvement area. A final Geotech report will be ordered prior to the development of Improvement Area #3.

Utilities

Wastewater. The City holds the sanitary sewer certificate of convenience and necessity (the "Wastewater CCN") and will provide wastewater service to the Development. The City is the retail provider of wastewater services and contracts with the Trinity River Authority ("TRA") to meet the City's sewage treatment and disposal needs. The City also owns various facilities including storage and pump facilities and sewage collection lines, meters, valves, and other facilities necessary to provide sewer service to its customers. The City then charges its customers such rates that are sufficient to pay the City's obligations to TRA and to pay for the maintenance, operation, and improvement of the City's sewer facilities. The City's wastewater collection system currently has sufficient capacity to provide water and wastewater service to the Development.

Water. Rockett SUD holds the water Certificate of Convenience and Necessity ("Water CCN") for a majority of the land within the District and, pursuant to an agreement with the City, has agreed to serve the remaining land within the District not currently in its Water CCN.

Additional Utilities. The Developer anticipates additional utilities to be provided by: (1) Telecom – AT&T and Spectrum; (2) Electric – Oncore; and (3) Natural Gas – Atmos Energy.

Flood Plain

None of the land within Improvement Areas #2-3 is located within an official Federal Emergency Management Agency ("FEMA") 100-year or 500-year flood plain, as shown on the current FEMA Flood Insurance Rate Maps Community Panel Nos. 48139C0180G and 48139C0065G effective October 19, 2023. See "BONDHOLDERS' RISKS – Flood Plain" herein.

Existing Mineral Rights

There are certain mineral rights reservations of prior owners of real property within the Property (the "Mineral Owners") pursuant to one or more deeds in the chain of title for the Property. 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 rights of the Mineral Owners to have a material adverse effect on the Development, the property within the District, or the ability of landowners within Improvement Areas #2-3 of the District to pay the Assessments, the Developer makes no guarantee as to such expectation. See "BONDHOLDERS' RISKS – Exercise of Mineral Rights."

THE DEVELOPER

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

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of the revenue bonds, such as the Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation to a municipality regarding 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 single purpose entity formed for the purpose of managing and developing certain property in the District. The Developer is a nominally capitalized limited liability company, the primary asset of which is unsold property within Improvement Areas #2-3 of the District. The Developer will have no source of funds with which to pay Assessments or taxes levied by the City or any other taxing entity other than funds resulting from the sale of property within Improvement Areas #2-3 of the District to the Homebuilders, or future homebuilders, capital contributions, funds advanced to the Developer by an affiliated party, or funds advanced under the IA#2 Development Loan or funds advanced under a future development loan secured by land within Improvement Area #3, as necessary, as described under the subcaption "History and Financing of the District" below. The Developer's ability to make full and timely payments of Assessments will directly affect the City's ability to meet its obligation to make payments on the Bonds. See "BONDHOLDERS' RISKS — Dependence Upon Developer."

The sole member of the Developer is Amalgamated Development II, LLC, a Delaware limited liability company ("Amalgamated Development II"). The members of Amalgamated Development II are John D. Hutchinson (75%), and Frederick S. Phillips (25%). Mr. Hutchinson and Mr. Phillips have, combined, over 50 years of development and residential housing experience. See "THE DEVELOPER — Executive Biography of Principals of Amalgamated Development II."

Description of Past and Current Projects of Amalgamated Development II

Amalgamated Development II's expertise and experience is wide-ranging and includes land entitlement, construction management, development financing, district formation, district management, project accounting and fee development. The following is a brief sampling of past and current development projects of Amalgamated Development II and its related entities:

Name	Location	Description	Lot Completion
Renaissance	Plano, TX	A single-phase project of 32 lots	Q2 of 2015
Beacon Hill	McKinney, TX	A single-phase project of 55 lots	Q4 of 2013
Eastlake	Coppell, TX	A single-phase project of 58 lots	Q3 of 2014
Willow Wood	McKinney, TX	A multi-phase community consisting of 969 lots developed in eight phases	Q4 of 2024
Auburn Hills	McKinney, TX	A multi-phase community consisting of 859 lots	Master Infrastructure Only
Avondale	Carrollton, TX	A single-phase project of 65 lots	Q3 of 2014
Austin Hills	Carrollton, TX	A single-phase project of 52 lots	Q2 of 2016
Waterside	Las Colinas, TX	A single-phase project of 41 lots	Q4 of 2017
Copper Creek	Fort Worth, TX	A multi-phase community consisting of 960 lots developed in four phases.	Projected Q1 of 2022
Grayhawk Park	Wylie, TX	A single-phase project of 151 lots	Q3 of 2019
Stone River	Royse City, TX	A two-phase development of 191 lots	Q3 of 2019
Ansley Meadow	Allen, TX	A single-phase project of 178 lots	Q1 of 2016
Avondale	Fate, TX	A multi-phase project of 470 lots	Q2 of 2030

Executive Biography of Principals of the Amalgamated Development II

John D. Hutchinson. John D. Hutchinson is the President and Member of Amalgamated Development II, LLC. From 1996 through 2009, Mr. Hutchinson was President of the Dallas Division of The Ryland Group, Inc., a major developer, builder and marketer of residential housing in the United States. In 1994-95, Mr. Hutchinson served as President of Perry Homes, Inc., a regional builder with offices in Houston and San Antonio, Texas. Earlier, Mr. Hutchinson was Vice President and General Counsel of Hillwood Development Corporation, a Dallas, Texas based mixed-use real estate development firm controlled by the Perot family. From 1978 to 1992, Mr. Hutchinson was engaged in the full-time practice of law in the Hughes & Luce, LLP law firm in Dallas, which subsequently merged into the national law firm of K&L Gates, and today is the Dykema Law Firm.

During his nearly 14 years as President of Ryland's Dallas Division, Mr. Hutchinson was chief executive for the operations of the Division and oversaw the construction of more than 11,000 homes and the development of more than 5,000 residential lots. At various times the Dallas Division had over 200 employees and produced revenues of over $175,000,000 annually.

Mr. Hutchinson currently serves as President of Central and Southwestern U.S. of Trez Capital. In this role, he is responsible for overseeing the company's central and southwestern commercial real estate finance business. Under Mr. Hutchinson's leadership, Trez Capital's Dallas regional office has financed more than $1.7 billion in real estate projects in the U.S. since 2011.

Prior to joining Trez Capital, Mr. Hutchinson spent nearly 20 years in the home building business. For the majority of that time, he served as President of the Dallas Division of The Ryland Group, Inc., a large developer, builder and marketer of residential housing in the United States. While at Ryland, Mr. Hutchinson oversaw the construction of more than 11,000 homes and the development of more than 5,000 residential lots.

Frederick S. Phillips. Frederick S. Phillips is Senior Vice President and Member of Amalgamated Development II, LLC. From 1993 to 2011, Mr. Phillips was Vice President of Land Acquisition and Development for the Dallas Division of Ryland Group, which was one of the largest homebuilders in Dallas and the United States and managed the entire land purchase and subdivision development process for the Division. In 1992 and 1993, Mr. Phillips was a partner in a Dallas custom homebuilding operation. From 1983 to 1991, Mr. Phillips was a construction supervisor, new home sales counselor and director of land and development for Gemcraft Homes, a publicly traded regional homebuilder. Mr. Phillips supervised the acquisition, entitlement, engineering and development of lots for new home communities in Dallas-Ft. Worth, San Antonio, Houston, Atlanta and Oklahoma City.

Since January 2012, Frederick S. Phillips has been Senior Vice President and Partner of Amalgamated Development. During this time Mr. Phillips has overseen the development and sale of over 4,150 single-family residential lots in the Dallas / Fort Worth Metroplex.

Steven M. Fluker. Steven M. Fluker is Vice President of Amalgamated Development II, LLC, joining the firm in April 2014. From 2009 to 2014, Mr. Fluker was Purchasing Manager in Austin, Texas for Highland Homes, a large privately-owned Texas homebuilder. Between 2008 and 2009, Mr. Fluker was Purchasing Manager for The Ryland Group's Austin Division. Between January 2008 and October 2008, Mr. Fluker was Director of Operations for Ryland's Texas Region with responsibility for architecture, purchasing, operations and customer service for the Houston, Dallas/Ft. Worth, Austin and San Antonio Divisions. From 1996 to 2008, Mr. Fluker held several positions in the Dallas Division of Ryland including Architectural Manager and Purchasing Manager. Prior to 1996, Mr. Fluker was Manager of Land Acquisition for Perry Homes, Inc. in Houston and San Antonio.

History and Financing of the District

The Property Acquisition. The property within the District was originally under contract (the "Contract of Sale") with Amalgamated Properties. By that certain Partial Assignment of Contract of Sale entered into on December 20, 2020, by and between Amalgamated Properties and the Phase 1 Developer, Amalgamated Properties assigned to the Phase 1 Developer its rights and obligations under the Contract of Sale, but only as such rights and obligations relate to the 54-Acre Parcel. By that certain Partial Assignment of Contract of Sale entered into on December 20, 2020, by and between Amalgamated Properties and the Developer, Amalgamated Properties assigned to the Developer all of Amalgamated Properties' rights and obligations under the Contract of Sale, but only as such rights and obligations relate to the 156-Acre Parcel. The Phase 1 Developer acquired the 54-Acre Parcel on December 20, 2020, for the purchase price of $882,000 and the Developer acquired the 156-Acre Parcel on December 20, 2020, for a purchase price of $2,595,000. Immediately after purchasing the 156-Acre Parcel, the Developer sold approximately 37.054 acres of such tract to the Phase 2&4 Developer for a purchase price of $2,300,000. The Phase 1 Developer and the Developer used equity and the purchase money received from the Phase 2&4 Developer to purchase the land within the District.

Developer Financing of Improvement Areas #2-3. In order to finance the development of the property within Improvement Area #2, including the Improvement Area #2 Projects, the Developer obtained a loan in the amount of $10,293,120, approximately $7,859,554 of which is available for the payment of hard costs, from Simmons Bank (the "Lender"), pursuant to a promissory note dated March 14, 2025 (collectively, the "IA#2 Development Loan"), which is secured by, among other things, a lien on all of the real property within Improvement Area #2 of the District, and the improvements thereon, owned by the Developer. Pursuant to the IA#2 Development Loan, the Developer must deplete the earnest money deposited by the Homebuilders, in the amount of $5,077,446, prior to requesting an advance under such loan. The IA#2 Development Loan is not a revolving loan. The IA#2 Development Loan bears interest at the lesser of (i) prime + 0.50% and (ii) the maximum non-usurious rate of interest permitted by law. The IA#2 Development Loan matures on March 14, 2028, and may be extended once, for additional twelve months, at the sole discretion of the Lender. As of July 1, 2026, the Developer has requested $6,225,276 in advances under the Development Loan.

The Developer expects to enter into a development loan with the Lender to finance the Improvement Area #3 Projects, such loan to be secured by the land within Improvement Area #3.

The Developer and Trustee intend to enter into a completion agreement (the "Completion Agreement") pursuant to which the Developer will agree to provide the representations, warranties and covenants directly to the Trustee (on behalf of the owners of the Bonds) to assure that the Improvement Area #2 Projects, the Improvement Area #3 Projects, and the Private Improvements are funded and completed.

The PID Act provides that the Assessment Lien is a first and prior lien against the Assessed Property and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the Bonds, the Lender has agreed to consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the IA#2 Development Loan to the assessment liens on property within Improvement Areas #2-3 securing payment of the Assessments. As a result, the lien on the property within Improvement Areas #2-3 securing the Assessments will have priority over any liens on the property within Improvement Areas #2-3 securing the IA#2 Development Loan.

Summary of At-Risk Entities and Investments in the District Subordinate to the Assessment Lien. In order to finance the development of Improvement Areas #2-3, the Developer and certain third parties, including the Homebuilders, have expended equity or extended promissory notes that are secured by a lien on some or all of the real property within Improvement Areas #2-3 of the District, that are subordinate to the Assessment Lien. A list of the entities with at-risk capital whose position or lien is subordinate to that of the Assessments is listed in the following table and more fully described in the subheadings below.

Summary of Entities with At-Risk Capital Subordinate to the Lien Securing the Bonds[1]

At Risk Entity	Funding Type	Funding Purpose	Security	Position to Assessment Lien	Initial Amount[3]	Outstanding Balance[1]
Simmons Bank	Promissory Note	IA#2 Development Loan	Lien on Real Property within the District	Subordinate	$10,293,120[2]	$6,225,276
DRB Homes	Cash	Single-Family Lot Earnest Money	Lien on Contracted Single-Family Improvement Area #2 Lots	Subordinate	$ 2,299,000[3]	$2,299,000
HMH Lifestyles, L.P.	Cash	Single-Family Lot Earnest Money	Lien on Contracted Single-Family Improvement Area #2 Lots	Subordinate	$2,299,000[3]	$2,299,000
Bloomfield Homes, L.P.	Cash	Single-Family Lot Earnest Money	Lien on Contracted Single-Family Improvement Area #2 Lots	Subordinate	$479,446[3]	$479,446
Total Outstanding Balance of Equity and Loan/Notes Secured by a Subordinate Lien Against Real Property within Improvement Areas #2-3 of the District, as of July 1, 2026:						**$11,302,722**

(1) As of July 1, 2026.

(2) Pursuant to the IA#2 Development Loan, upon meeting certain conditions thereunder, Simmons Bank will make advances to the Developer up to and not exceeding $10,293,120, approximately $7,859,554 of which is available for the payment of the Improvement Area #2 Projects. As of July 1, 2026, the Developer has requested $6,225,276 in advances under the IA#2 Development Loan. Pursuant to the IA#2 Development Loan, the Developer must deplete Developer Equity prior to requesting an advance under such loan. The IA#2 Development Loan is not intended, in whole or in part, to be "revolving" in nature. The IA#2 Development Loan is secured by a lien on all real property within Improvement Area #2 of the District, and the improvements thereon owned by the Developer.

(3) Pursuant to the IA#2 Lot Purchase Agreements, the earnest money will be applied to the purchase price of the lots.

PID ADMINISTRATOR

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

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

The PID Administrator's duties will include:

- Preparation of the annual update to the Service and Assessment Plan;
- Preparation of assessment rolls for county billing and collection;
- Establishing and maintaining a database of all County Parcel IDs within the District;
- Trust account analysis and reconciliation;

- Property owner inquiries;
- Determination of prepayment amounts;
- Preparation and review of disclosure notices with Dissemination Agent; and
- Review of developer draw requests for reimbursement of public improvement costs.

APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREAS #2-3

The Appraisal

General. Integra Realty Resources – Dallas (the "Appraiser"), prepared an appraisal report for the City dated August 11, 2026, based upon a physical inspection of the District conducted by the Appraiser on July 5, 2026 (the "Appraisal"). The Appraisal was prepared at the request of the City and is addressed solely to the Underwriter for use in preparing an estimated value of property in connection with the issuance of the Bonds. The estimates of value presented in the Appraisal are no indication of the appraised property's actual market value. Investors should not assume that the disposition of the lots in Improvement Areas #2-3 in the event of default would provide sufficient funds to pay the principal of Bonds outstanding at that time. The Appraisal does not constitute a recommendation to any person to purchase or sell the Bonds. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Improvement Areas #2-3 of the District. The Appraisal is attached hereto as APPENDIX H 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 H — Appraisal."

Value Estimates. The Appraiser estimated the prospective market value at completion of the fee simple interest in Improvement Area #2 and Improvement Area #3, each based upon certain extraordinary assumptions. The Appraisal does not reflect the value of Improvement Areas #2-3 if sold to a single purchaser in a single transaction. The extraordinary assumptions include, among other things, that the proposed improvements are completed in accordance with the plans and specifications as of July 31, 2026, for Improvement Area #2, and July 31, 2028, for Improvement Area #3. See "THE IMPROVEMENT AREAS #2-3 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT" and "APPENDIX H — Appraisal."

The total prospective cumulative retail market value at completion estimate for Improvement Area #2 using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of July 31, 2026, is $28,138,000. The total prospective cumulative retail value at completion estimate for Improvement Area #3 using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of July 31, 2028, is $10,989,000. The total aggregate appraised value of the property in Improvement Areas #2-3 ($39,127,000) when compared to the total Assessments securing the Bonds ($8,343,000[*]), has an estimated value to lien ratio of 4.69:1[*].

None of the City, the Developer or the Underwriter makes any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or 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.

[*] Preliminary; subject to change.

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 TRUST ESTATE IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OR ASSETS 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 OR ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE. SEE "SECURITY FOR THE BONDS."

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 Municipal Advisor that a market for the Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Bonds. See "—Limited Secondary Market for the Bonds" herein.

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

Deemed Representations and Acknowledgment by Initial Purchasers

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

General Factors relating to Payment of the Bonds

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Areas #2-3 to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Areas #2-3 and (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects.

The rate of development of the property in Improvement Areas #2-3 is directly related to the vitality of the residential housing industry. In the event that the sale of the land within Improvement Areas #2-3 should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the Assessed Property, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Areas #2-3. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

Assessment Limitations

Annual Installments of Assessments are billed to property owners of Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as described under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the

Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of the Bonds maturing in each year, interest and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

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

Upon an ad valorem tax lien foreclosure event of a property within Improvement Areas #2-3, any Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

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

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

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed in Improvement Areas #2-3. Furthermore, the Developer is not eligible to claim homestead rights and the Developer has represented that it will own all property within Improvement Areas #2-3 of the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

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

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREAS #2-3.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Improvement Areas #2-3 to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of Improvement Areas #2-3 currently impose ad valorem taxes on the property within Improvement Areas #2-3 and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Areas #2-3. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Assessments. See "OVERLAPPING TAXES AND DEBT."

Depletion of Accounts of the Reserve Fund

Failure of the owners of property within Improvement Areas #2-3 to pay the Assessments when due could result in the rapid, total depletion of the Reserve Account and the Delinquency and Prepayment 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 Delinquency and Prepayment Reserve Account is accumulated over time, by the mechanism described in "SECURITY FOR THE BONDS." The Indenture provides that if after a withdrawal from the Reserve Account the amounts therein are less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account sufficient to cure such deficiency. The Indenture also provides that if the amount on deposit in the Delinquency and Prepayment Reserve Account shall at any time be less than the Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated therein, as described under "SECURITY FOR THE BONDS."

Lien Foreclosure and Bankruptcy

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

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and at the written direction of the Owners of not less than a majority in aggregate Outstanding principal amount of the Bonds and its receipt of indemnity satisfactory to it shall, proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained therein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so its use rests within the discretion of the court but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within Improvement Areas #2-3 or sell property within Improvement Areas #2-3 in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued

unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within Improvement Areas #2-3 of the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Assessments, or delinquent ad valorem taxes, against such property owner.

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

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

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

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted (subject to provisions set forth in the Indenture) to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Areas #2-3 available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

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

Bankruptcy Limitation to Bondholders' Rights

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

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

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

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract for the purchase of such real property, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a purchase contract is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the purchase contract. If the Developer or the homebuilders within Improvement Areas #2-3 do not provide the required notice and prospective purchasers of property within Improvement Areas #2-3 terminate a purchase contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed $5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property should be prepaid. In the event of such prepayment, a partial redemption of the Bonds could occur. See "DESCRIPTION OF THE BONDS – Redemption Provisions." On payment of all damages

respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the Developer or homebuilders do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers are attached as Appendix B to the Service and Assessment Plan and will be included in each Annual Service Plan Update. See "APPENDIX C — Form of Service and Assessment Plan."

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 89th Legislative Session of the State, including two special sessions, ended on September 4, 2025. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

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 Areas #2-3 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.

Adverse Developments Affecting the Financial Services Industry

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

The Developer expects to finance the costs of the Improvement Areas #2-3 Projects not paid from bond proceeds with the proceeds of the IA#2 Development Loan, the proceeds generated by lot sales to Homebuilders, corporate equity, and a future development loan secured by land in Improvement Area #3, as necessary. If the Developer is unable to access such funds, the Developer's ability to complete the Improvement Areas #2-3 Projects

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

General Risks of Real Estate Investment and Development

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

Furthermore, the operating revenues of the Developer may be materially adversely affected if specific conditions in the lot purchase contracts are not met. Contracts that the Developer may have with individual homebuilders are subject to a myriad of contractual conditions and contingencies, all or some of which if not complied with, could precipitate a termination or winding up of such contractual arrangement for the sale of lots, causing the Developer to possibly need to execute a different strategy for the development and sale of lots and residential units within the Development. As described herein, the Assessments are an imposition against the land only. Neither the Developer nor any other subsequent landowner is a guarantor of the Assessments and the recourse for the failure of the Developer or any other landowner to pay the Assessments is limited to the collection proceedings against the land as described herein. Failure to meet any lot purchase contract's conditions may allow the applicable lot purchaser to terminate its obligation to purchase lots from the Developer and obtain its earnest money deposits. See "THE DEVELOPMENT – Development in Improvement Areas #2-3" herein.

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

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

Risks Related to the Current Residential Real Estate Market

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. It is difficult to determine what effects the tariffs imposed by the

federal administration and the threatened retaliatory tariffs will have on inflation and mortgage interest rates. Downturns in the real estate market, mortgage rates, and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot, and home sales within Improvement Areas #2-3. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

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

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's impositions and threatened impositions of tariffs and the imposition or threatened imposition of retaliatory tariffs will impact the ability of the Developer to estimate costs. If the Actual Costs of the Improvement Areas #2-3 Projects are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Improvement Areas #2-3 Projects or pay the Assessments when due. See "THE DEVELOPER — History and Financing of the District." If the cost of materials remains high or increases, it may affect the ability of the homebuilders to construct homes within Improvement Areas #2-3 of the District.

The federal administration's immigration policies impact the State's workforce. Undocumented construction workers make up a large percentage of construction workers in the State. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages, particularly in construction. Labor shortages will impact the Developer's ability to estimate costs and to complete the Improvement Areas #2-3 Projects and the homebuilders' ability to construct homes within Improvement Areas #2-3 of the District.

Completion of Homes

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

Absorption Rates

There can be no assurance that the Developer will be able to achieve anticipated absorption rates. Failure to achieve the absorption rate estimates may adversely affect the estimated value of property within Improvement Areas #2-3 of the District, could impair the economic viability of the District, and could reduce the ability or desire of property owners in Improvement Areas #2-3 and to pay the Assessments.

Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developer, the City, the Municipal Advisor or the Underwriter can give any assurance that the building programs of the single-family residential development within the District which are planned will ever commence or be completed in accordance with the Developer's expectations. The competitive position of the Developer or of any homebuilder in the sale of developed lots or the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise become able to compete with the Development. Below is a list of competitive projects in the area.

Project Name	# of Units/SF	Proximity to Dev	Developer	Prices
Summerwood Estates	92	4 Miles	Altura Homes	$359k to $449k
Glenbrook	89	6.1 Miles	Bloomfield Homes	$424k to $641k
Crystal Lake Estates	64	6.25 Miles	Sumeer Homes	$499k to $629k
Crystal Lake Estates	24	6.25 Miles	Bloomfield Homes	$519k to $690k

Hazardous Substances

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

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

Further, it is possible that liabilities may arise in the future with respect to any of the land within Improvement Areas #2-3 of the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. These possibilities could significantly affect the value of a parcel that is realizable upon a foreclosure.

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

Regulation

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

Availability of Utilities

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

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

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

Flood Plain

The District is situated south of Red Oak Creek, however, no lands within Improvement Areas #2-3 are currently located within an official FEMA 500-year flood plain, as shown on the current FEMA Flood Insurance Rate Map Community Panel Nos. 48139C0180G and 48139C0065G, Ellis County, Texas dated October 19, 2023 (the "Floodplain").

Additionally, 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 500-year flood plain from being included in the 500-year flood plain in the future, or whether extreme flooding events may exceed the Floodplain.

Risk from Weather Events

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

Exercise of Mineral Rights

As described herein under "THE DEVELOPMENT – Existing Mineral Rights" there are certain mineral rights reservations located within Improvement Areas #2-3 of the District 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 Improvement Areas #2-3 of the District recorded in the real property records of Ellis County.

The Developer does not expect the existence or exercise of any mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within Improvement Areas #2-3 of the District to pay Assessments. However, none of the City, the Municipal Advisor, or the Underwriter provide any assurances as to such expectations.

Tax-Exempt Status of the Bonds

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

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or State level, may adversely affect the tax-exempt status of interest on the Bonds under federal or State law and could

affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

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

Management and Ownership

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

Dependence Upon Developer

Currently, the Developer has the obligation for payment of 100% of the Assessments. The ability of an owner to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The only assets of the Developer are land within the District, related permits and development rights and minor operating accounts. There can be no assurances given as to the financial ability of such owners to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the owners will advance such funds. The Developer will not guarantee or otherwise be obligated to pay debt service on the Bonds. Payment of the Assessments on the Assessed Property will initially be the responsibility of the owners described herein, as the owners of such Assessed Property prior to purchase by homeowners.

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 Improvement Areas #2-3 of the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in Improvement Areas #2-3 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.

Cybersecurity Risks

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

2026 Iran War

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

TAX MATTERS

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

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

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the City is conditioned on compliance by the City with the covenants and the requirements described in

the preceding paragraph, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

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

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

Federal Income Tax Accounting Treatment of Original Issue Discount

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

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

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

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

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

purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

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

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

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

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

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

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

State, Local and Foreign Taxes

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

Information Reporting and Backup Withholding

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

Future and Proposed Legislation

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

LEGAL MATTERS

Legal Proceedings

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

McCall, Parkhurst & Horton L.L.P. serves as Bond Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as Underwriter's Counsel. The City expects to pay the legal fee of McCall, Parkhurst & Horton L.L.P. for services rendered in connection with the issuance of the Bonds from proceeds of the Bonds. The legal fees paid to 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 the State, 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 of and interest thereon, are payable from and secured by a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of the Pledged Revenues derived from the proceeds of the Assessments. 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 D — Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds herein under the captions or subcaptions "PLAN OF FINANCE — The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "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 INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," "APPENDIX B — Form of Indenture", and "APPENDIX D — Form of Opinion of Bond Counsel" and such firm is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional

judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of 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 or any of its affiliates wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its parent companies, or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Service and Assessment Plan, the Reimbursement Agreement, the Development Agreement or the Completion Agreement, or otherwise described in this Limited Offering Memorandum or (2) 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 governmental immunity, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery, and by general principles of equity that permit the exercise of judicial discretion.

NO RATING

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

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

The City's Compliance with Prior Undertakings

During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

The Developer

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

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

The Developer's Compliance with Prior Undertakings

During the last five years, the Developer has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule.

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 a reoffering discount of $[_____][*] less an underwriting discount of $[_____][*]). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the 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 of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

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

INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

INFORMATION RELATING TO THE TRUSTEE

The City has appointed Wilmington Trust, National Association, Dallas, Texas, 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 https://www.wilmingtontrust.com/. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

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

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Developer, the Development and the Improvement Areas #2-3 Authorized Improvements generally and, in

particular, the information included in this Limited Offering Memorandum and in the sections captioned "PLAN OF FINANCE" (except the information under "— The Bonds" and "— Additional Indebtedness"), "OVERLAPPING TAXES AND DEBT — Homeowners' Associations," "THE IMPROVEMENT AREAS #2-3 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Areas #2 Projects, the Improvement Area #3 Projects, and the Development), "LEGAL MATTERS — Litigation — The Developer," and "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings", "APPENDIX E-2," "APPENDIX F," and "APPENDIX G" has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in 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 P3Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of assessment allocation/methodology and district administration.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by Integra Realty Resources – Dallas and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property. Integra Realty Resources – Dallas has consented to the inclusion of the Appraisal herein.

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 ninety (90) days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words.

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

AUTHORIZATION AND APPROVAL

The City Council has authorized the use of this Preliminary Limited Offering Memorandum by the Underwriter in connection with the marketing and sale of the Bonds.

CITY OF RED OAK, TEXAS

_____
Mayor

ATTEST:

_____
City Secretary

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

History and Location

The City of Red Oak (the "City" or "Red Oak") is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City first adopted its home Rule Charter in 1997. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and five Council members. The Mayor and City Councilmembers are elected for staggered three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides arc: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, health and social services, culture-recreation, public improvement, planning and zoning, and general administrative services. The City covers approximately 15.06 square miles. The City's 2020 census population was 14,222, and the City's estimated 2025 population is 20,394.

The City is located in northern Ellis County, 20 miles south of downtown Dallas and is served by a major interstate highway 1-35E bisecting the City, and 1-20 located nine miles north. Red Oak is also bisected by state highways 664 and 342 giving easy access in all directions. Red Oak is uniquely situated to provide accessibility to the entire North Texas area. The close proximity to job opportunities in Dallas, Fort Worth and the Mid-Cities continues to contribute to growth in the City. The City is a member of the Best-Southwest Communities, which also consists of Cedar Hill, Desoto, Duncanville and Lancaster.

Historical Employment in Ellis County (Average Annual)

	Average Annual				
	2025	2024	2023	2022	2021
Civilian Labor Force	125,629	123,375	118,702	112,320	105,429
Total Employed	120,824	118,771	114,397	108,464	100,785
Total Unemployed	4,805	4,604	4,305	3,856	4,644
Unemployment Rate	3.8%	3.7%	3.6%	3.4%	4.4%

Source: Texas Labor Market Information.

Major Employers

The City's major employers are as follows:

Major Employers in the City

Major Business	Type of Business	Number of Employees
Red Oak Independent School District	Education	1,028
Bombardier US Aerospace Corporation	Industry	583
Qarbon Aerospace	Advanced Military Aircraft Manufacture	425
Walmart	Retail/Grocery	185
Chick-Fil-A	Restaurant	150
City of Red Oak	Local Government	140
John Houston Custom Homes	Home Builder	134
Schneider	Industry	125
Red Oak Health & Rehab	Medical	112
Brookshire Grocery	Grocery and Pharmacy	98

Source: City staff.

Services Available within the Community

Six banks presently offer quality services to the citizens of Red Oak and the surrounding areas.

Red Oak residents are indeed fortunate that world-class hospitals and healthcare centers are readily available. Conveniently located within a 10-minute drive time at the intersection of IH-3 5E and US 287, the Baylor Scott & White Medical Center - North Texas provides superior medical and special services from allergists to urologists. In addition, Baylor Medical Center at Lancaster, located 6 miles away, and Methodist Medical Center, a major healthcare facility in Dallas County is located 20 miles away. Hospital Corporation of America/Arlington Medical Center is currently constructing a 20,400 square foot multiple component health care facility which will include an emergency room, women's services, imaging, and internal medicine.

Three hotels are available to visitors to the Red Oak and North Texas area. In addition, La Quinta is constructing a new "del Sol" prototype hotel. The new four-story hotel will feature eighty-five luxurious guest rooms, business center, meeting rooms, and fitness center.

The City operates two municipal parks and a nature center. Several lakes are within an hour's drive of the City. Joe Pool Lake is located 30 minutes away and is a multi-purpose water resource project covering approximately 7,500 acres. Cedar Hill State Park adjoins Joe Pool Lake with abundant camping, hiking, and picnicking facilities.

Several religious faiths are represented in the nine churches established in the City.

The Metroplex offers a wide array of entertainment, cultural and sports activities, including the Dallas Zoo, Fort Worth Zoo, Dallas World Aquarium, Six Flags Over Texas, Dallas Symphony Orchestra, Dallas Theater Center, and many museums. Within driving distance, professional and college football, baseball, basketball, hockey, and soccer games are available for area residents to attend.

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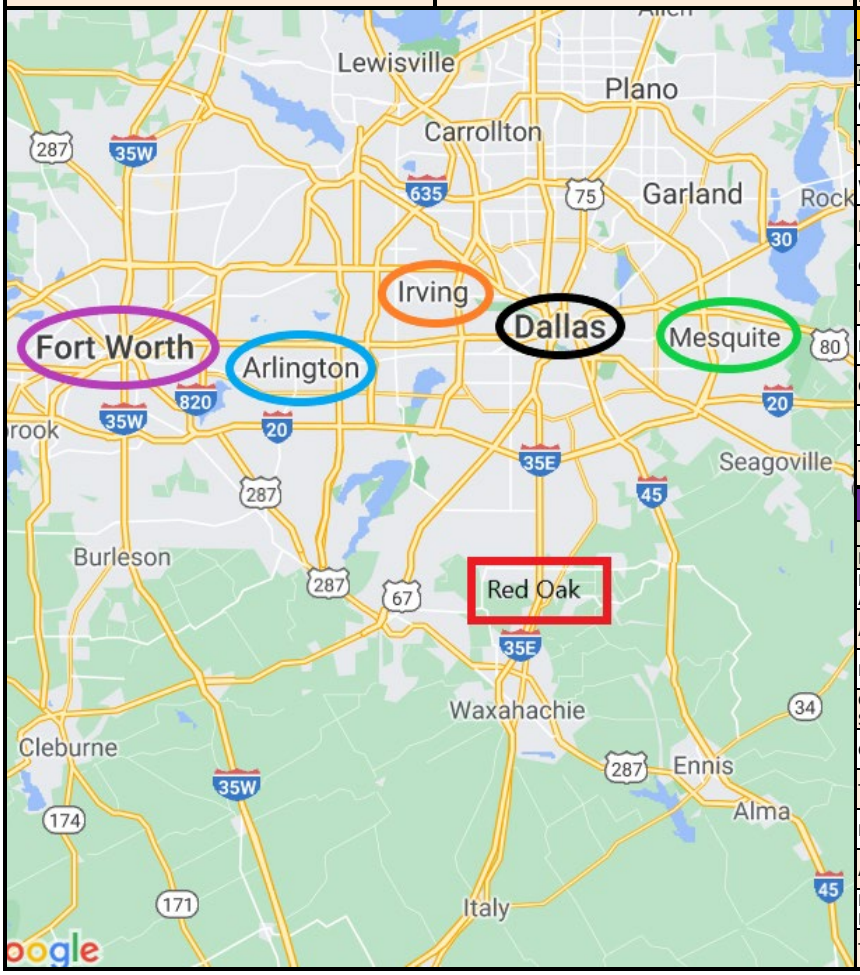
DALLAS-FORT WORTH-ARLINGTON MSA - REGIONAL EMPLOYMENT

Surrounding Economic Activity

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

City of Dallas		City of Mesquite		City of Arlington	
Approximately 19 miles from the City		Approximately 28 miles from the City		Approximately 29 miles from the City	
Employer	**Employees**	**Employer**	**Employees**	**Employer**	**Employees**
UT Southwestern Medical Center	22,721	Mesquite ISD	5,940	General Motors	10,500
Dallas ISD	22,162	Town East Mall	2,750	University of Texas at Arlington	8,600
Southwest Airlines Co	17,324	United Parcel Service Inc.	2,300	Arlington ISD	8,600
Parkland Health & Hosp System	14,000	Canadian Solar	1,500	Texas Health Resources	4,000
City of Dallas	13,000	City of Mesquite	1,448	Six Flags Over Texas.	3,900
AT&T Inc.	10,868	Pepsi Beverages Co.	1,000	City of Arlington	3,700
Texas Instruments Inc.	7,704	Eastfield College	950	The Parks at Arlington	3,500
Baylor Scott & White Health	7,284	Dallas Regional Medical Center	900	Texas Rangers baseball	2,300
Methodist Dallas Medical Center	6,752	Wal-Mart Supercenter	850	JP Morgan Chase Bank	2,000
Dallas County	6,500	Ashley Furniture	785	Texas Health Arlington Memorial Hospital	1,700



City of Irving	
Approximately 30 miles from the City	
Employer	**Employees**
Citigroup Inc.	10,000
Vistra Energy	4,000
Wells Fargo	3,000
Boeing	3,000
Christus Health	2,000
Baylor Scott-White Med Center	1,907
Fluor	1,881
Caterpillar	1,176
McKesson Corp	1,057
The Michaels Companies Inc.	1,045

City of Fort Worth	
Approximately 43 miles from the City	
Employer	**Employees**
Lockheed Martin Tactical Aircraft Systems	19,200
American Airlines Group	10,800
Fort Worth ISD	9,800
Cook Children's Health Care System	8,900
Cit of Fort Worth	8,300
Texas Health Resources	7,200
Bell Helicopter – Textron Inc.	4,600
Alcon Laboratories Inc.	3,200
Burlington Northern Santa Fe LLC	2,800
Texas Christian University	2,600

Source: Municipal Advisory Council of Texas

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APPENDIX B

FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF RED OAK, TEXAS

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

DATED AS OF SEPTEMBER 15, 2026

SECURING

$_____
CITY OF RED OAK, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(RED OAK PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREAS #2-3 PROJECTS)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of September 15, 2026, is by and between the CITY OF RED OAK, TEXAS (the "City"), and Wilmington Trust, National Association, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, on October 21, 2020, a petition (the "Petition") was submitted and filed with the City Secretary of the City (the "City Secretary") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act"), requesting the creation of a public improvement district located within the corporate limits of the City to be known as "Red Oak Public Improvement District No. 1" (the "District"); and

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

WHEREAS, following receipt of the Petition, the City Council of the City (the "City Council") adopted a resolution accepting the Petition and calling a public hearing (the "Creation Hearing") on (i) the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the PID Act and (ii) the creation of the District, to be held on December 14, 2020; and

WHEREAS, after due notice pursuant to the PID Act, on December 14, 2020 the City Council (i) opened, conducted and closed the Creation Hearing, (ii) made the findings required by Section 372.009(b) of the PID Act and (iii) adopted Resolution No. 20-072R (the "Creation Resolution") authorizing the creation of the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of the Creation Resolution, the City published notice of its authorization of the District in a newspaper of general circulation in the City; and

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

WHEREAS, pursuant to Section 372.016(b) of the PID Act, the City published notice of a public hearing (the "Assessment Hearing") in a newspaper of general circulation in the City to consider the proposed "Assessment Rolls" and the "Service and Assessment Plan" and the levy of the "Assessments" on property in Improvement Areas #2-3 and, pursuant to Section 372.016(c) of the PID Act, the City mailed notice of the Assessment Hearing to consider the proposed Assessment Rolls and the Service and Assessment Plan and the levy of Assessments on property in Improvement Areas #2-3 to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the Assessment Hearing on September 14, 2026, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Rolls and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Improvement Area #2 Project Costs and the Improvement Area #3 Project Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, at the Assessment Hearing, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the Improvement Area #2 Project Costs and the Improvement Area #3 Project Costs, the Assessment Rolls, or the levy of the Assessments; and

WHEREAS, the City Council closed the Assessment Hearing and, after considering all written and documentary evidence presented at the Assessment Hearing, including all written comments and statements filed with the City, at a meeting held on September 14, 2026, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Assessment Rolls and levied the Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Improvement Area #2 Project Costs, (ii) paying a portion of the Improvement Area #3 Project Costs, (iii) funding the initial deposit to the Administrative Fund for the payment of Annual Collection Costs, and (iv) paying Bond Issuance Costs; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, with such bonds to be designated "City of Red Oak, Texas, Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Areas #2-3 Projects)" (the "Bonds"), such Bonds being payable as provided in this Indenture; and

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

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

FIRST GRANTING CLAUSE

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

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

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

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

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

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

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

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

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

"Actual Costs" shall have the meaning given to such term in the Service and Assessment Plan.

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

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

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

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

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

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

"Annual Installment" means, collectively, the Improvement Area #2 Annual Installment and the Improvement Area #3 Annual Installment.

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

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

"Assessed Property" means, collectively, the Improvement Area #2 Assessed Property and the Improvement Area #3 Assessed Property.

"Assessment Ordinance" means the ordinance adopted by the City Council on September 14, 2026, as may be amended or supplemented, that levied the Assessments on the Assessed Property.

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

"Assessment Rolls" means, collectively, the Improvement Area #2 Assessment Roll and the Improvement Area #3 Assessment Roll.

"Assessments" means, collectively, the Improvement Area #2 Assessment and the Improvement Area #3 Assessment.

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

"Authorized Denomination" means $100,000 and any integral multiple of $1,000 in excess thereof. Except as authorized under Section 4.5 of this Indenture, the City prohibits any Bond to be issued in a denomination of less than $100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than $100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect.

"Authorized Improvements" mean those improvements authorized by Section 372.003 of the PID Act, including those described in the Service and Assessment Plan.

"Bond" means any of the Bonds.

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

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

"Bond Issuance Costs" means the costs associated with issuing the Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, initial Trustee fee, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter's discount (including the fee to underwriter's counsel), 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 September 14, 2026, authorizing the issuance of the Bonds pursuant to this Indenture.

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

"Bond Year" means the one-year period beginning on September 16 in each year and ending on September 15 in the following year.

"Bonds" means the City's bonds authorized to be issued by Section 3.1 of this Indenture designated "City of Red Oak, Texas, Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Areas #2-3 Projects)" and, in the event the City issues Refunding Bonds pursuant to Section 13.2 of this Indenture, the term "Bonds" shall include such Refunding Bonds.

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

"Certificate for Payment" means, with respect to payment or reimbursement of the Improvement Area #2 Project Costs and/or the Improvement Area #3 Project Costs, a certificate substantially in the form of Exhibit A attached to the Reimbursement Agreement and executed by the Developer and approved by a City Representative that is delivered to the Trustee specifying the amount of work performed and the Improvement Area #2 Project Costs and/or the Improvement Area #3 Project Costs thereof, and requesting payment for such Improvement Area #2 Project Costs and/or Improvement Area #3 Project Costs from money on deposit in the Improvement Area #2 Bond Improvement Account and/or the Improvement Area #3 Bond Improvement Account, as applicable, as further described in the Reimbursement Agreement and Section 6.5 of this Indenture.

"City Order" means written instructions by the City executed by a City Representative.

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

"Closing Disbursement Request" means the certificate, substantially in the form of Exhibit B to the Reimbursement Agreement or such other form agreed to by the Developer, Administrator, and City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, specifying the amounts to be disbursed for the costs related to the creation of the District and the costs of issuance of the Bonds.

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

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

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

"Defeasance Securities" means Investment Securities now or hereafter authorized by Applicable Laws for the investment of funds to defease public securities.

"Delinquency and Prepayment Reserve Account" means the reserve account established by Section 6.1 of this Indenture administered by the City and segregated from other funds of the City.

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

"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 the Service and Assessment Plan, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

"Delivery Date" means September 30, 2026, which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office designated by the Paying Agent/Registrar 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 Red Oak 66 Holdings, LLC, a Texas limited liability company, and any successors thereto.

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

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

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

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

"Improvement Area #2" means that portion of the District generally described in Section II of the Service and Assessment Plan and generally shown in Exhibit A-3 to the Service and Assessment Plan and as specifically described in Exhibit L-3 to the Service and Assessment Plan.

"Improvement Area #2 Annual Installment" means, with respect to each Improvement Area #2 Assessed Property, each annual payment of: (i) the principal amount of the Improvement Area #2 Assessment; (ii) the interest associated with the Improvement Area #2 Assessment, each as shown on the Improvement Area #2 Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit G-2 to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan; (iii) Annual Collection Costs related to Improvement Area #2; and (iv) Improvement Area #2's portion of the Additional Interest.

"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 against Improvement Area #2 Assessed Property to pay the Actual Costs of the Improvement Area #2 Authorized Improvements.

"Improvement Area #2 Assessment Roll" means the "Improvement Area #2 Assessment Roll", as defined in the Service and Assessment Plan, which document is included in the Service and Assessment Plan as Exhibit G-1, as updated, modified or amended from time to time.

"Improvement Area #2 Authorized Improvements" means, collectively, (1) the Improvement Area #2 Projects; (2) Improvement Area #2's allocable share of the first year's Annual Collection Costs related to the Bonds; and (3) Improvement Area #2's allocable share of the Bond Issuance Costs incurred in connection with the issuance of the Bonds.

"Improvement Area #2 Bond Improvement Account" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"Improvement Area #2 Improvements" means the Authorized Improvements which only benefit the property located in Improvement Area #2 and are described in Section III.C. and Exhibit I-3 to the Service and Assessment Plan.

"Improvement Area #2 Project Costs" means the Actual Costs solely for the Improvement Area #2 Projects.

"Improvement Area #2 Projects" means, collectively, (1) the pro rata portion of the Major Improvements allocable to Improvement Area #2 and (2) the Improvement Area #2 Improvements.

"Improvement Area #3" means that portion of the District generally described in Section II of the Service and Assessment Plan and generally shown in Exhibit A-4 to the Service and Assessment Plan and as specifically described in Exhibit L-4 to the Service and Assessment Plan.

"Improvement Area #3 Annual Installment" means, with respect to each Improvement Area #3 Assessed Property, each annual payment of: (i) the principal amount of the Improvement Area #3 Assessment; (ii) the interest associated with the Improvement Area #3 Assessment, each as shown on the Improvement Area #3 Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit H-2 to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan; (iii) Annual Collection Costs related to Improvement Area #3; and (iv) Improvement Area #3's portion of the Additional Interest.

"Improvement Area #3 Assessed Property" means any Parcel within Improvement Area #3 against which an Improvement Area #3 Assessment is levied.

"Improvement Area #3 Assessment" means an assessment levied against Improvement Area #3 Assessed Property to pay the Actual Costs of the Improvement Area #3 Authorized Improvements.

"Improvement Area #3 Assessment Roll" means the "Improvement Area #3 Assessment Roll", as defined in the Service and Assessment Plan, which document is included in the Service and Assessment Plan as Exhibit H-1, as updated, modified or amended from time to time.

"Improvement Area #3 Authorized Improvements" means, collectively, (1) the Improvement Area #3 Projects; (2) Improvement Area #3's allocable share of the first year's Annual Collection Costs related to the Bonds; and (3) Improvement Area #3's allocable share of the Bond Issuance Costs incurred in connection with the issuance of the Bonds.

"Improvement Area #3 Bond Improvement Account" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"Improvement Area #3 Improvements" means the Authorized Improvements which only benefit the property located in Improvement Area #3 and are described in Section III.D. and Exhibit I-4 to the Service and Assessment Plan.

"Improvement Area #3 Project Costs" means the Actual Costs solely for the Improvement Area #3 Projects.

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

"Improvement Areas #2-3" means, collectively, Improvement Area #2 and Improvement Area #3.

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

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

"Initial Bonds" means the Initial Bond(s) authorized by Section 5.2 of this Indenture.

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

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

"Major Improvements" means those Authorized Improvements that confer a special benefit to benefitted properties in the District, including all of the Assessed Property, as further described in Section III.A and depicted on Exhibit I-1 to 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.

"Outstanding" means, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under this Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in Article IV of this Indenture, (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 of this Indenture and (iv) any Bond alleged to have been mutilated, destroyed, lost or stolen which has been paid as provided in this Indenture.

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

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

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

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

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

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

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

"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.

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

"Project Fund" means that Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.5 of this Indenture.

"Purchaser" means the initial purchaser of the Bonds.

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

"Rebate Fund" means that Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.8 of this Indenture.

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

"Redemption Fund" means that Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.6 of this Indenture.

"Redemption Price", when used with respect to any Bond or portion thereof that has been called for redemption, means the principal amount of such Bond or portion thereof plus accrued and unpaid interest on such Bond to the date fixed for redemption.

"Refunding Bonds" means bonds issued to refund all or any portion of any Outstanding Bonds that are payable from and secured by a parity lien on the Trust Estate, and such Refunding Bonds and any Bonds that remain Outstanding following the issuance of such Refunding Bonds shall be equally and ratably secured by a parity lien on the Trust Estate in all respects, all as more specifically described in the indenture authorizing such Refunding Bonds.

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

"Reimbursement Agreement" means the Reimbursement Agreement by and between the City and the Developer, dated July 13, 2026, as may be amended and/or supplemented from time to time, which provides, in part, for the construction and maintenance of the Improvement Area #2 Projects and the Improvement Area #3 Projects, the issuance of the Bonds, the payment or reimbursement of costs of the Improvement Area #2 Projects and the Improvement Area #3 Projects from the Project Fund, and other matters related thereto.

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

"Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of calculation, (ii) 125% of average Annual Debt Service on the Bonds as of the date of calculation, and (iii) 10% of the lesser of the par amount of the Outstanding Bonds or the proceeds of the Bonds; provided, however, that, at the option of the City, such amount may be recalculated on any Interest Payment Date or any date of redemption, and the City shall provide a City Order to the Trustee with the applicable Reserve Account Requirement. As of the Delivery Date, the Reserve Account Requirement is $_____.

"Reserve Fund" means that Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.7 of this Indenture.

"Service and Assessment Plan" means the Red Oak Public Improvement District No. 1 2026 Amended and Restated Service and Assessment Plan, which is attached to the Assessment Ordinance, as may be updated, amended or supplemented from time to time.

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

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

"State" means the State of Texas.

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

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

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

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

"Trustee" means Wilmington Trust, National 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 of this Indenture, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

"Value of Investment Securities" means the lower of the cost of or the market value of Investment Securities. The Trustee retains the ability and may rely upon the City's financial advisor to provide a determination as to the foregoing.

Section 1.2. **Findings.**

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

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

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

Section 1.4. **Interpretation.**

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

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

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

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

ARTICLE II

THE BONDS

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

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

(b) The lien on, security interest in and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Delivery 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 Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under this Indenture is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the lien on and security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. **Limited Obligations.**

The Bonds are special and limited obligations of the City, payable solely from a first lien on, security interest in, and pledge of the Trust Estate, and the Bonds shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. **Authorization for Indenture.**

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

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

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the

Bonds and to prescribe the rights of the Owners, and the rights and duties of the City and the Trustee.

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. **Authorization.**

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act. The Bonds shall be issued in the aggregate principal amount of $_____ for the purpose of (i) paying a portion of the Improvement Area #2 Project Costs, (ii) paying a portion of the Improvement Area #3 Project Costs, (iii) funding the initial deposit to the Administrative Fund for the payment of Annual Collection Costs, and (iv) paying Bond Issuance Costs.

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

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

(b) Interest shall accrue and be paid on each Bond from the later of the Delivery Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below, or on a date of earlier redemption, or otherwise provided for. Such interest shall be payable semiannually on March 15 and September 15 of each year, commencing September 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 at the rates set forth on the following page:

Year	Principal Amount	Interest Rate
***	***	***
***	***	***

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV

hereof, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 5.2 hereof.

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

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

(a) a certified copy of the Assessment Ordinance;

(b) a certified copy of the Bond Ordinance;

(c) a copy of the executed Reimbursement Agreement with all executed amendments thereto;

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

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

(f) an executed Signature Identification, No-Litigation and General Certificate of the City;

(g) an executed opinion of Bond Counsel;

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

(i) copies of the continuing disclosure agreements relating to the Bonds entered into with the Developer and the City, respectively.

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

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

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

(c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary

banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

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

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

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State.

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

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

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

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

(d) On the Delivery 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, in the absence of the Mayor, the Mayor Pro Tem) and the City Secretary, approved by the Attorney General, and registered and signed by the Comptroller in the manner prescribed by law, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and, upon City Order, deliver to DTC on behalf of the Purchaser 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 Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond is overdue, and none of the City, the Trustee or the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond 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 maintain a copy of the Register, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

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

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of

the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

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

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

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different 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 where such redemption is scheduled to occur within forty-five (45) calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond called for redemption in part.

Section 3.8. **Cancellation.**

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall dispose of cancelled Bonds in accordance with the written direction of the City.

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

Section 3.10. **Replacement Bonds.**

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

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the City shall issue, and the Trustee, pursuant to the Applicable Laws of the State and in the absence of notice or knowledge that such Bond 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.**

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

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

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

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

Section 3.13. **Payments to Cede & Co.**

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. **Limitation on Redemption.**

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

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

(a) The Bonds maturing on September 15 in each of the years 20__, 20__ and 20__ (collectively, the "Term Bonds"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account 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 Amount
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__*	

Term Bonds maturing September 15, 20__

Redemption Date	Sinking Fund Installment Amount
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__*	

Term Bonds maturing September 15, 20__

Redemption Date	Sinking Fund Installment Amount
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 thirty (30) days prior to each 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 for redemption randomly by lot a principal amount of Bonds 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 hereof.

(c) The principal amount of Bonds required to be redeemed on any mandatory

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

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

Section 4.3. **Optional Redemption.**

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

Section 4.4. **Extraordinary Optional Redemption.**

In the event of a Prepayment, or if any other transfers are made into the Redemption Fund under the terms of this Indenture, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates or optional redemption date specified in Section 4.3 hereof, in whole or in part, on any date, from amounts on deposit in the Redemption Fund, at the Redemption Price.

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 hereof, Bonds shall be redeemed in minimum principal amounts of $1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the principal 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) If less than all of the Bonds are called for optional redemption pursuant to Section 4.3 hereof, the Trustee shall rely on directions provided in a City Order in selecting the Bonds to be redeemed.

(c) 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 to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

(d) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such

exchange being without charge.

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

(a) Upon receipt of a City Order of redemption provided by the City to the Trustee not less than thirty-five (35) days prior to the date fixed for redemption, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(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 of the Outstanding Bonds are to be redeemed, and subject to Section 4.5 of this Indenture, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bonds 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) 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 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.

(e) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 of this 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 by 10:00 a.m. Central Standard Time on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. Upon receipt of a City Order of such rescission from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Section 4.7. **Payment Upon Redemption.**

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

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the

Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. **Effect of Redemption.**

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. **Form Generally.**

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

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

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

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

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

(a) Form of Bond.

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

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

CITY OF RED OAK, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2026
(RED OAK PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREAS #2-3 PROJECTS)

INTEREST RATE	MATURITY DATE	DELIVERY DATE	CUSIP NUMBER
_____%	September 15, 20__	September 30, 2026	_____

The City of Red Oak, 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 Delivery Date, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 15 and September 15 of each year, commencing September 15, 2027.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Wilmington, Delaware (the "Designated Payment/Transfer Office"),

of Wilmington Trust, National Association, as trustee and paying agent/registrar (the "Trustee"), 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 thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) 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 September 15, 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 September 15, 2026 (the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Improvement Area #2 Project Costs, (ii) paying a portion of the Improvement Area #3 Project Costs, (iii) funding the initial deposit to the Administrative Fund for the payment of Annual Collection Costs, and (iv) paying Bond Issuance Costs.

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. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

In the Indenture, the City has reserved the right to issue Refunding Bonds payable from and secured by a first lien on, security interest in and pledge of the Trust Estate.

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

The Bonds are issuable as fully registered bonds only in denominations of $100,000 and any multiple of $1,000 in excess thereof ("Authorized Denominations"). Except to the extent permitted by the Indenture, the City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than $100,000, and any attempt to do so will be void and of no effect. Notwithstanding the foregoing, (A) if necessary to effectuate or as a result of the partial redemption of any Bond, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000 may be authorized, or (B) the Bonds or any portion thereof is defeased, the Bonds or portion thereof defeased may be authorized in denominations of $1,000 or any integral multiple thereof.

The Bonds maturing on September 15 in each of the years 20__, 20__ and 20__ (collectively, "Term Bonds"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption (the "Redemption Price") from moneys available for such purpose in the Principal and Interest Account pursuant to Article VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds maturing September 15, 20__

Redemption Date	Sinking Fund Installment Amount
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__*	

Term Bonds maturing September 15, 20__

Redemption Date	Sinking Fund Installment Amount
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__*	

Term Bonds maturing September 15, 20__

Redemption Date	Sinking Fund Installment Amount
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 thirty (30) 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 randomly by lot a principal amount of Bonds 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 of the Indenture.

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

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

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

The Bonds are subject to extraordinary optional redemption prior to maturity, in whole or in part, on any date, at the Redemption Price, from amounts on deposit in the Redemption Fund, as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture ("Extraordinary Optional Redemption").

If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in minimum principal amounts of $1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $1,000.

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

If less than all of the Bonds are called for Optional Redemption, the Trustee shall rely on directions provided in a City Order in selecting the Bonds to be redeemed.

If less than all of the Bonds are called for Extraordinary Optional Redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

Upon written direction from the City to the Trustee of the exercise of any redemption provision provided under the Indenture, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (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 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 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 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 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 by 10:00 a.m. Central Standard Time on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. Upon written direction from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds,

to waive compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within forty-five (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 called for redemption 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.

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

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

IN WITNESS WHEREOF, the City has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the City (or in the Mayor's absence, by the Mayor Pro Tem) and countersigned with the manual or facsimile signature of the City Secretary of the City, and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Bond.

_____	_____
City Secretary City of Red Oak, Texas	Mayor City of Red Oak, Texas

(City Seal)

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office an opinion to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

_____
Acting Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including zip code, of Transferee.)

_____

_____

_____

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

Dated: _____

Signature Guaranteed by:

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

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

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

(ii) the Initial Bond shall be numbered T-1; and

(iii) 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:

Year	Principal Amount	Interest Rate
***	***	***
***	***	***

"

Section 5.3. **CUSIP Registration.**

The City may secure identification numbers through CUSIP Global Services, managed by S&P Global Markets Intelligence on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. Except as authorized under Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than $100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than $100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers. Notwithstanding the foregoing, (A) if necessary to effectuate or as a result of the partial redemption of any Bond, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000 may be authorized, or (B) the Bonds or any portion thereof is defeased, the Bonds or portion thereof defeased may be authorized in denominations of $1,000 or any integral multiple thereof, and CUSIP numbers may be assigned to such denominations in each of the foregoing instances.

Section 5.4. **Legal Opinion.**

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

ARTICLE VI

FUNDS AND ACCOUNTS

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

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

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund; and

(vii) Administrative Fund.

(b) Creation of Accounts.

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

(A) Principal and Interest Account.

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

(A) Reserve Account; and

(B) Delinquency and Prepayment Reserve Account.

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

(A) Improvement Area #2 Bond Improvement Account;

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

(C) Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

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

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

(e) The Trustee may, from time to time, upon written direction from the City pursuant to a City Order, create additional Funds or Accounts hereunder as may be necessary or convenient.

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: $_____, which is equal to the initial Reserve Account Requirement;

(ii) to the Costs of Issuance Account: $_____;

(iii) to the Improvement Area #2 Bond Improvement Account: $_____;

(iv) to the Improvement Area #3 Bond Improvement Account: $_____; and

(v) to the Administrative Fund: $_____.

Section 6.3. **Pledged Revenue Fund.**

(a) Upon receipt thereof, and no later than February 15 of each year, beginning February 15, 2027, the City shall transfer, or cause to be transferred, to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with Section 6.9 hereof. Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, the following amounts from the Pledged Revenue Fund to the following Accounts: (i) first, to the Bond Pledged Revenue Account, an amount sufficient to pay all debt service on the Bonds coming due in the immediately following Bond Year, and (ii) second, if necessary, to the Reserve Account, the amount required to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in Section 6.7 hereof and, immediately following the initial deposit to the Pledged Revenue Fund, and prior to any other transfers or deposits being made under this Section 6.3(a), the Additional Interest shall be transferred to the Funds and Accounts as prescribed by Sections 6.7(a) and 6.7(f) hereof. In addition, in the event the City owes Rebatable Arbitrage to the United States Government pursuant to Section 6.8 hereof, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer under this Section 6.3(a), the full amount of Rebatable Arbitrage owed by the City, as further described in Section 6.10(f) hereof. If any Assessments and Annual Installments remain on deposit in the Pledged Revenue Fund after the foregoing deposits and the deposits of Prepayments and Foreclosure Proceeds, as described below, are made, the City shall have the option, in its sole and absolute discretion, to use such excess Assessments and Annual Installments for any one or more of the following purposes: (i) pay Improvement Area #2 Project Costs, (ii) pay Improvement Area #3 Project Costs, (iii) pay other costs permitted by the PID Act or (iv) deposit such excess into the Redemption Fund to redeem Bonds as provided in Article IV hereof. Along with each transfer to the Trustee, the City shall provide a certificate as to the Funds, Accounts and payments into which the amounts are to be deposited or paid.

(b) From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account, 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.

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

(d) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit, within two Business Days after receipt thereof, Prepayments to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 of this Indenture.

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit, within two Business Days after receipt thereof, the Foreclosure Proceeds into the Pledged Revenue Fund and after such deposit shall transfer such Foreclosure Proceeds, as directed by the City pursuant to a City Order, first to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate (first, to replenish the Reserve Account Requirement and second, to replenish the Delinquency and Prepayment Reserve Requirement), and second, to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 of this Indenture.

(f) 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 the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in Section 6.3(a) hereof, as directed by the City in a City Order.

Section 6.4. **Bond Fund.**

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

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

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

Section 6.5. **Project Fund.**

(a) Money on deposit in the Project Fund shall be used for the purposes specified in clauses (i), (ii), (iii) and (iv) (excluding the portion of the Bond Issuance Costs deposited into the Reserve Account) of Section 3.1 of this Indenture. Except as provided in Section 6.5(c) and (e), money on deposit in (1) the Improvement Area #2 Bond Improvement Account shall only be

used to pay Improvement Area #2 Project Costs and (2) the Improvement Area #3 Bond Improvement Account shall only be used to pay Improvement Area #3 Project Costs.

(b) (1) Disbursements from the Costs of Issuance Account shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Orders or the final closing memorandum for the Bonds prepared by the City's municipal advisor, Hilltop Securities Inc. In order to receive disbursement of funds on the Delivery Date from (i) the Costs of Issuance Account, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than fifteen (15) Business Days prior to the Delivery Date, (ii) the Improvement Area #2 Bond Improvement Account for Improvement Area #2 Project Costs, the Developer shall execute a Certificate for Payment to be delivered to the City no later than fifteen (15) Business Days prior to the Delivery Date, and (iii) the Improvement Area #3 Bond Improvement Account for Improvement Area #3 Project Costs, the Developer shall execute a Certificate for Payment to be delivered to the City no later than fifteen (15) Business Days prior to the Delivery Date. Upon approval by the City, the City shall submit such Closing Disbursement Request and/or Certificate for Payment, together with a City Order directing such disbursement, to the Trustee for disbursement to be made from the Costs of Issuance Account, the Improvement Area #2 Bond Improvement Account or the Improvement Area #3 Bond Improvement Account, as applicable.

(2) Disbursements from (i) the Improvement Area #2 Bond Improvement Account to pay Improvement Area #2 Project Costs and (ii) the Improvement Area #3 Bond Improvement Account to pay Improvement Area #3 Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment or City Order. Each such City Order and/or Certificate for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Order and/or Certificate for Payment, and the Trustee may conclusively rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) (1) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #2 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #2 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more 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 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #2 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Improvement Area #2 Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #2 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund or Account. Upon such transfers, the Improvement Area #2 Bond Improvement Account shall be closed.

(2) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #3 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #3 Bond Improvement Account due to the

abandonment, or constructive abandonment, of one or more of the Improvement Area #3 Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #3 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #3 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Improvement Area #3 Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #3 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund or Account. Upon such transfers, the Improvement Area #3 Bond Improvement Account shall be closed.

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

(e) (1) In the event the City Representative files a City Order with the Trustee stating that all Improvement Area #2 Projects have been completed and that all Improvement Area #2 Project Costs have been paid, or that any Improvement Area #2 Project Costs are not required to be paid from the Improvement Area #2 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Improvement Area #2 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to this Section if the Developer has submitted a Certificate for Payment to the City requesting payment from the Improvement Area #2 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment or amounts under a Certificate for Payment are still in dispute. Upon such transfers, the Improvement Area #2 Bond Improvement Account shall be closed.

(2) In the event the City Representative files a City Order with the Trustee stating that all Improvement Area #3 Projects have been completed and that all Improvement Area #3 Project Costs have been paid, or that any Improvement Area #3 Project Costs are not required to be paid from the Improvement Area #3 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Improvement Area #3 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to this Section if the Developer has submitted a Certificate for Payment to the City requesting payment from the Improvement Area #3 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment or amounts under a Certificate for Payment are still in dispute. Upon such transfers, the Improvement Area #3 Bond Improvement Account shall be closed.

(f) Upon a determination by the City Representative that all Bond Issuance Costs have been paid, and as directed in a City Order filed with the Trustee, any amounts remaining in the Costs of Issuance Account shall be transferred to (i) the Improvement Area #2 Bond Improvement Account and used to pay Improvement Area #2 Project Costs and/or (ii) the Improvement Area #3 Bond Improvement Account and used to pay Improvement Area #3 Project Costs or, if no Improvement Area #2 Project Costs or Improvement Area #3 Project Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, and the Costs of Issuance Account shall be closed.

Section 6.6. **Redemption Fund.**

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

Section 6.7. **Reserve Fund.**

(a) The City agrees with the Owners of the Bonds to accumulate and, when accumulated, maintain in the Reserve Account an amount equal to not less than the Reserve Account Requirement. Amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purposes set forth in this Indenture. In addition, on or before March 15, 2027, and on or before March 15 of each year thereafter, the Trustee shall transfer the Additional Interest from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At the time the Delinquency and Prepayment Reserve Requirement is fully accumulated in the Delinquency and Prepayment Reserve Account, the Trustee shall provide written notice thereof to the City, and thereafter, the Trustee shall begin transferring the Additional Interest to either (i) the Administrative Fund for the payment of Annual Collection Costs or (ii) the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 hereof, as directed by the City pursuant to a City Order. In the event the Trustee does not receive a City Order directing the transfer of the Additional Interest to the Administrative Fund within forty-five (45) days of providing the foregoing notice to the City, the Trustee shall transfer the Additional Interest to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof and provide the City with written notification of such transfer. Notwithstanding the foregoing, if at any time the amount on deposit in the Delinquency and Prepayment Reserve Account falls below the Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated therein. In transferring the amounts pursuant to this Section, the Trustee may conclusively rely on a City Order (which shall be based on the Annual Installments as shown on the Assessment Rolls in the Service and Assessment Plan) unless and until it receives a City Order directing that a different amount be used. The Additional Interest shall continue to be collected and deposited pursuant to this Section 6.7 until the Bonds are no longer Outstanding.

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

(c) In the event of an extraordinary optional redemption of Bonds resulting from funds being deposited into the Redemption Fund pursuant to any provision of this Indenture, the Trustee, pursuant to a City Order, shall transfer from the Reserve Account to the Redemption Fund the amount specified in such written directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to

be in the Reserve Account divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the funds on deposit in the Redemption Fund toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed pursuant to this Section 6.7(c), the Trustee shall transfer an amount equal to the shortfall, or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of $1,000, from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(d) Whenever, on any Interest Payment Date, or on any other date as directed by a City Order, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within thirty (30) days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, (iii) to the Improvement Area #2 Bond Improvement Account to pay Improvement Area #2 Project Costs if such application and the expenditure of funds is expected to occur within three (3) years of the Delivery Date, (iv) to the Improvement Area #3 Bond Improvement Account to pay Improvement Area #3 Project Costs if such application and the expenditure of funds is expected to occur within three (3) years of the Delivery Date or (v) to the Redemption Fund to be applied to the redemption of Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date as directed by a City Order, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 hereof. In the event the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within forty-five (45) days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with this Section.

(f) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Delinquency and Prepayment Reserve Account and second from the Reserve Account to the Bond Fund the amounts necessary to cure such deficiency. In such event, notwithstanding anything to the contrary in Section 6.7(a) above, the Additional Interest shall be used to replenish first, the Reserve Account and second, the Delinquency and Prepayment Reserve Account.

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

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

(i) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and interest due on all Outstanding Bonds on the next Interest Payment Date or date on which the Bonds may be optionally redeemed by the City at the Redemption Price, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

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

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

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

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

(d) The first calculation to determine whether Rebatable Arbitrage is owed to the United States Government (each, a "Rebate Calculation") will be done on the date that is five years from the Delivery Date, and each subsequent Rebate Calculation will be done, at a minimum, (i) on the same date every five years thereafter and (ii) on the date the Bonds have been paid in full, either as a result of maturity or prior redemption. The City shall provide the Trustee with a City Order in connection with each Rebate Calculation made pursuant to this Section, and each City Order shall include a copy of the Rebate Calculation and shall state whether or not the City owes Rebatable Arbitrage to the United States Government.

(e) In the event it is found, after a Rebate Calculation has been done pursuant to this Section, that the City owes Rebatable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Order, to transfer to the Rebate Fund the investment

earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatable Arbitrage owed by the City. Such City Order shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the funds shall be transferred. If the final Rebate Calculation shows that the City owes Rebatable Arbitrage to the United States Government, and there are insufficient funds in the Pledged Funds to pay such Rebatable Arbitrage, the Trustee shall notify the City of such insufficiency, and the City shall transfer to the Trustee an amount equal to such insufficiency for deposit into the Rebate Fund within five (5) Business Days of receiving notice from the Trustee.

(f) If, on any date a Rebate Calculation is done, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a City Order, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.9. **Administrative Fund.**

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

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs, or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with Section 9.6. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10. **Investment of Funds.**

(a) Money in any Fund or Account, other than the Reserve Fund, shall be invested by the Trustee in Investment Securities as directed by the City pursuant to a City Order filed with the Trustee; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Order filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Order shall be a certification, upon which the Trustee may conclusively rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the requirements set forth in the preceding sentences and the Trustee shall not be responsible for determining such requirements. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the

investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, the Trustee is hereby authorized and directed to sell or redeem any such investments to prevent any default under this Indenture. In the absence of written or timely investment instructions from the City, the Trustee shall hold such monies uninvested until the Trustee is otherwise directed pursuant to a City Order.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment and may charge its ordinary and customary fees for such trades. The Trustee shall have no discretion for investing funds or advising any parties on investment of funds and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Order. The Trustee shall not incur any liability for losses (including depreciation) 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 or whether investments comply with Section 6.10(a) above. The Parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

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

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

(f) In the event it is found, after a Rebate Calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Order, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the

Rebatable Arbitrage owed by the City. The City Order shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. **Security of Funds.**

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

ARTICLE VII

COVENANTS

Section 7.1. **Confirmation of Assessments.**

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

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

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

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

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

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

Section 7.3. **Against Encumbrances.**

(a) 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, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and any Refunding Bonds, secured by any pledge of or other lien or charge on the Trust Estate, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

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

The City hereby covenants and agrees that so long as any Bonds are Outstanding, the City will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and holder or holders of any Bonds or any duly authorized agent or agents of such holders shall have the right at all reasonable times, but not the responsibility or duty, 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 thirty (30) days after the City receives such request.

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

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

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

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

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

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

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

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

(A) proceeds of the Bonds invested for a reasonable temporary period of five (5) years or less or, in the case of refunding bonds, for a period of ninety (90) days or less until such proceeds are needed for the purpose for which the Bonds or refunding bonds are issued,

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

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

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

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

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

(10) to establish reasonable expectations to prevent using the proceeds of the Bonds in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) In order to facilitate compliance with the above covenant (a)(9), the Rebate Fund is established by the City pursuant to Section 6.1 hereof for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

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

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Improvement Area #2 Project Costs and Improvement Area #3 Project Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Improvement Area #2 Projects and Improvement Area #3 Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. **Liability of City.**

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

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

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

(d) No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (collectively, the "Bond Documents"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate or the amounts 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.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. **Acceptance of Trust; Trustee as Registrar and Paying Agent**.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds agree.

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

Section 9.2. **Trustee Entitled to Indemnity**.

The Trustee shall be under no obligation to spend its own funds, institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction (satisfactory to the Trustee in its sole and absolute discretion) by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers (provided such payment or transfer is prior to an Event of Default) when required hereunder, or to deliver any notice when required hereunder. During the occurrence of an Event of Default, the Trustee shall be entitled to 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 exercise any such rights and powers as Trustee, 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 fees, costs and expenses, outlays, and counsel fees and other reasonable disbursements incurred in good faith in connection therewith and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

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

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) any loss suffered in connection with any investment of funds (including depreciation) in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically and expressly set forth in this Indenture. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs. The Trustee shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Indenture against the Trustee. The Trustee is not responsible for the terms of any agreement to which it is not a party and is not responsible for determining compliance with the terms of any document to which it is not a party. Neither the Trustee, nor any of its directors,

officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of any other person or entity or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person. In any event, the Trustee shall not be liable for any amount in excess of the value of the Trust Estate.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for such losses, damages or expense which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special, punitive or consequential loss or damages of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action in connection with or arising from this Indenture. 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 written direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

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

(e) 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, and the discharge of this Indenture.

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through receivers, agents or attorneys and the Trustee shall not be responsible for any acts or omissions on the part of any receiver, agent or attorney appointed with due care and in good faith by it hereunder, and the Trustee shall be entitled to rely and act upon the opinion or advice of counsel selected by the Trustee with due care, who may be counsel to the City, 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 liable 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 counsel.

(g) 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. The Trustee shall not be responsible or liable for any

loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

(h) 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 pursuant to any provision of this Indenture.

(i) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, except Events of Default under Section 11.1(iv), unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least 50% in aggregate principal amount of Bonds then Outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default. 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 the officer or representative of the Trustee having responsibility under this Indenture.

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

Section 9.4. **Property Held in Trust**.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. **Trustee Protected in Relying on Certain Documents**.

(a) The Trustee, at the expense of the City, may request and conclusively rely and shall be protected in acting or refraining from acting upon any resolution, instrument, opinion, report, order, judgment, notice, request, consent, waiver, certificate, statement, affidavit, requisition, direction, bond, debenture, note, other evidence of indebtedness or other paper or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant that the Trustee shall in good faith reasonably believe to be qualified in relation to the subject matter or is

selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may, at the expense of the City, consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, the Trustee may request a City Order, and such matter may be deemed to be conclusively proved and established by a City Order, unless other evidence in respect thereof be hereby specifically prescribed. Such City Order shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative. The Trustee shall be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Order shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

(c) The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13.

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

Section 9.6. **Compensation**.

(a) Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, the previously determined and agreed upon, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar and extraordinary services rendered, 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, all pursuant to a City Order and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Order, and the Trustee shall have a first lien therefor on any and all

funds at any time held by it hereunder prior to any Bonds Outstanding. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the Trustee has reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee shall make such payment from monies in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from lawfully available funds (other than funds designated by the City for arbitrage rebate purposes) in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder. The right of the Trustee to fees, expense, and indemnification shall survive the release, discharge, and satisfaction of the Indenture, and the resignation or removal of the Trustee.

(b) If any material controversy arises hereunder, or the Trustee is made a party to any litigation pertaining to this Indenture or the subject matter hereof, then the Trustee shall be compensated for any services or work performed by Trustee in connection with any delay, controversy, litigation or event, and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event, unless any such events are the result of the Trustee's negligence or willful misconduct.

Section 9.7. **Permitted Acts**.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority of the Bonds. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and, with respect to such permissive rights, the Trustee shall not be answerable for other than its own negligence or willful misconduct.

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 thirty (30) days' 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 thirty (30) 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, 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 on thirty (30) days' advance written notice to the Trustee by (i) the Owners of at least a majority in aggregate Outstanding principal amount of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument

shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% in aggregate Outstanding principal amount of the Bonds.

Section 9.10. **Successor Trustee**.

(a) If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 50% of the aggregate Outstanding principal amount of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

(e) Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least $50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

(g) Trustee shall not be responsible or liable for the acts or omissions of any successor Trustee, nor shall it be responsible or liable for any costs of appointment or transition of such successor Trustee.

Section 9.11. **Transfer of Rights and Property to Successor Trustee**.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor and upon receipt of its outstanding charges, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and, upon the receipt of payment of its outstanding charges, shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. **Merger, Conversion or Consolidation of Trustee**.

Any corporation or association into which the Trustee may be converted or merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder and will have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. **Trustee To File Continuation Statements**.

The City will cause to be filed all initial financing statements. If necessary, the Trustee, as directed in writing by the City, shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC; provided unless the Trustee is otherwise notified in writing by the City, the Trustee may conclusively rely upon the initial financing statements delivered to it in filing any continuation statements hereunder. The Trustee is not responsible for the initial filing, execution, delivery, recording or authorization of any financing statements.

Section 9.14 **Offering Documents**.

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 **Accounts, Periodic Reports and Certificates**.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

Section 9.16. **Construction of Indenture**.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. **Amendments Permitted.**

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of not less than a majority in aggregate of the principal amount of the Bonds then Outstanding, and the City's approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the principal of or interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of and interest 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, or any portion thereof, superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except for the issuance of Refunding Bonds or as otherwise permitted by Applicable Laws or this Indenture), or (iii) reduce the percentage of Owners of the Bonds required for the amendment hereof. Any such amendment shall not modify any of the rights, immunities or obligations of the Trustee without its prior written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law, and only for 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 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 set forth additional provisions, if deemed necessary or advisable, in connection with the issuance of Refunding Bonds permitted under the terms of this Indenture; 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.

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, to provide for the giving of notice thereof, and to fix and adopt reasonable rules and regulations for the conduct of said meeting; provided, however, that the same may not conflict with the terms of this Indenture. Without limiting the generality of the immediately preceding sentence, such rules and regulations may not reduce the percentage of Owners of Bonds required for the amendment of this Indenture as provided herein.

Section 10.3. **Procedure for Amendment with Written Consent of Owners.**

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture, a notice shall have been mailed as hereinafter in this Section provided, and the City 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 the Bonds 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. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. **Procedure for Amendment Not Requiring Owner Consent.**

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. The City shall direct the Trustee in writing to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, mailed by first class mail to each Owner of Bonds, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds as of the date of such execution and delivery.

Section 10.5. **Effect of Supplemental Indenture.**

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.6. **Endorsement or Replacement of Bonds Issued After Amendments.**

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.7. **Amendatory Endorsement of Bonds.**

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.8. **Waiver of Default.**

With the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. **Execution of Supplemental Indenture.**

(a) In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise. All fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) incurred in connection with any Supplemental Indenture, amendment or modification shall be reimbursed to the Trustee.

(b) No such amendment shall 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 qualified counsel addressed and delivered to the Trustee stating that (i) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (ii) the execution and delivery thereof will not adversely affect the exclusion from federal gross income of the interest on the Bonds, and (iii) such Supplemental Indenture will, upon the execution and delivery thereof, be a valid and binding obligation of the City.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. **Events of Default.**

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit to the Pledged Revenue Fund the portion of the Assessment Revenues required to be deposited to such Fund pursuant to Section 6.3(a) hereof;

(ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2 hereof;

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

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

The Trustee shall not be charged with knowledge of (a) any events or other information, or (b) any default or Event of Default under this Indenture or any other agreement unless a responsible officer of the Trustee shall have actual knowledge thereof.

Section 11.2. **Immediate Remedies for Default.**

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding hereunder and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or

injunction; provided, however, that 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) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, 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 Order, 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 and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate, and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. **Restriction on Owner's Action.**

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing as provided in Section 11.1, (ii) such default has become an Event of Default and the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has

been given to the Trustee during such 60-day period by the Owners of 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 in writing; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee as advised by its counsel, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

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

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

Section 11.4. **Application of Revenues and Other Moneys After Default.**

(a) All moneys, securities, funds, 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, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs, and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

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

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due or

Redemption Price and to the Owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners pursuant to this Section 11.4 not later than thirty (30) days after receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. **Effect of Waiver.**

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. **Evidence of Ownership of Bonds.**

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. **No Acceleration.**

In the event of the occurrence of an Event of Default under Section 11.1, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. **Mailing of Notice.**

Full compliance with any provision in this Article for the mailing of a notice or other document to Owners shall be deemed to have occurred if the notice is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. **Exclusion of Bonds.**

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. **Representations as to 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 Trust Estate is and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. **General.**

The City shall do and perform or cause to be done and performed all reasonable acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. **Further Assurances; Due Performance.**

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. **Other Obligations or Other Liens; Refunding Bonds.**

(a) The City reserves the right to issue obligations under other indentures, assessment ordinances, or other agreements which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues. The City shall not have the right to issue any bonds, notes or other obligations secured in whole or in part by liens on the Trust Estate that are senior to the lien on the Trust Estate securing payment of the Bonds.

(b) Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be done or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; provided, however, that 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.

(c) Notwithstanding anything herein to the contrary, no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds are scheduled to mature or be subject to mandatory sinking fund redemption on September 15 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid.

Section 13.3. **Books of Record.**

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the City, which relate to the Trust Estate and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THIS INDENTURE

Section 14.1. **Trust Irrevocable.**

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. **Satisfaction of Indenture.**

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. **Bonds Deemed Paid.**

(a) Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a "Defeased Debt"), and particularly this Article XIV, when payment of the principal of such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities that mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or

interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds and shall not be part of the Trust Estate. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

(c) Until all Defeased Debt shall have become due and payable, the Trustee and the Paying Agent/Registrar each shall perform the services of Trustee and Paying Agent/Registrar for such Defeased Debt the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Indenture.

ARTICLE XV

MISCELLANEOUS

Section 15.1. **Benefits of Indenture Limited to Parties.**

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 15.2. **Successor is Deemed Included in All References to Predecessor.**

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. **Execution of Documents and Proof of Ownership by Owners.**

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. **No Waiver of Personal Liability.**

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. **Notices to and Demands on City and Trustee.**

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be delivered by hand, or mailed by first class mail, postage prepaid, or email, and addressed as follows:

If to the City	City of Red Oak, Texas 101 S. Live Oak Street Red Oak, Texas 75154 Attn: City Manager Telephone: (972) 617-6831 Email: tfuller@redoaktx.org
If to the Trustee, initially also acting in the capacity of Paying Agent/Registrar	Wilmington Trust, National Association 15950 North Dallas Parkway, Suite 200 Dallas, Texas 75248 Attn: Brian Jensen Telephone: (972) 876-6902 Email: bjensen@wilmingtontrust.com

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five (5) Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Owner of a Bond notice of the redemption or defeasance of all Bonds Outstanding.

Section 15.6. **Partial Invalidity.**

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that 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 applicable to contracts made and performed in the State, excluding its conflict of laws rules to the extent such rules would apply the law of another jurisdiction. Venue and exclusive jurisdiction for any action to enforce or construe this Indenture shall be a state court of competent jurisdiction in Ellis County, Texas.

Section 15.8. **Payment on Business Day.**

In any case where the date of the maturity of interest or principal 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 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. **Verification of Statutory Representations and Covenants.**

The Trustee makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Government Code"), in entering into this Indenture. As used in such verifications, "affiliate" means an entity that

controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

(a) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF RED OAK, TEXAS

By: _____
Mayor
City of Red Oak, Texas

Attest:

_____
City Secretary
City of Red Oak, Texas

(City Seal)

City Signature Page to Indenture of Trust

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

Trustee Signature Page to Indenture of Trust

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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Red Oak Public Improvement District No. 1

2026 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

SEPTEMBER 14, 2026

AUSTIN, TX | NORTH RICHLAND HILLS, 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 December 19, 2020, the City Council passed and approved Resolution No. 20-072R authorizing the establishment of Red Oak Public Improvement District No. 1 in accordance with Chapter 372, Texas Local Government Code, which authorization was effective upon publication 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 210.522 acres located within the corporate limits of the City as described by the legal description on **Exhibit L-1** and depicted on **Exhibit A-1**.

On March 23, 2021, the City Council approved Ordinance No. 2021-21 which approved the 2021 Service and Assessment Plan for the District and levied Improvement Area #1 Assessments to finance the Improvement Area #1 Authorized Improvements to be constructed for the benefit of the Improvement Area #1 Assessed Property within the District and approved the Improvement Area #1 Assessment Roll.

On August 23, 2022, the City Council approved the 2022 Annual Service Plan Update for the District by Ordinance No. 2022-47, which updated the Assessment Roll for 2022.

On August 22, 2023, the City Council approved the 2023 Annual Service Plan Update for the District by Ordinance No. 2023-30, which updated the Assessment Roll for 2023.

On August 13, 2024, the City Council approved the 2024 Annual Service Plan Update for the District by Ordinance No. 2024-34, which updated the Assessment Roll for 2024.

On August 12, 2025, the City Council approved the 2025 Annual Service Plan Update for the District by Ordinance No. 2025-42, which updated the Assessment Roll for 2025.

This 2026 A&R Service and Assessment Plan serves to amend and restate the 2021 Service and Assessment Plan, including any previously approved Annual Service Plan Updates by the City Council, in its entirety for the purposes of (1) identifying the (i) Improvement Area #2 Projects and (ii) Improvement Area #3 Projects; (2) identifying the costs of the (i) Improvement Area #2 Projects and (ii) Improvement Area #3 Projects and the manner of assessing the related Assessed

Property for such costs; (3) identifying the indebtedness to be incurred for the (i) Improvement Area #2 Projects and (ii) Improvement Area #3 Projects, and issuing the Improvement Areas #2-3 Bonds; (4) levying (i) the Improvement Area #2 Assessments against the Improvement Area #2 Assessed Property and (ii) the Improvement Area #3 Assessments against the Improvement Area #3 Assessed Property; (5) approving the (i) Improvement Area #2 Assessment Roll and (ii) Improvement Area #3 Assessment Roll; and (6) updating the Improvement Area #1 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 forms are attached as **Appendix B.**

The PID Act requires that the Service Plan include an Assessment Plan that assesses the Actual Costs of the Authorized Improvements against the Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Assessment Rolls for Improvement Area #1, Improvement Area #2, and Improvement Area #3 are included as **Exhibit F-1**, **Exhibit G-1**, and **Exhibit H-1**, respectively**.**

SECTION I: DEFINITIONS

"2021 Assessment Ordinance" means the ordinance approved by the City Council on June 14, 2021, which levied the Improvement Area #1 Assessments and approved the 2021 Service and Assessment Plan.

"2021 Service and Assessment Plan" means the Red Oak Public Improvement District No. 1 Service and Assessment Plan approved by the 2021 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 Red Oak Public Improvement District No. 1 2026 A&R Service and Assessment Plan as updated, amended, and supplemented from time to time, which replaces in its entirety the 2021 Service and Assessment Plan and all prior Annual Service Plan Updates.

"2026 Assessment Ordinance" means an Assessment Ordinance approved and adopted by the City Council on September 14, 2026, which levied certain Assessments against Parcels of Improvement Area #2 Assessed Property and Improvement Area #3 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 or incurred by or on behalf of the Developers, 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, and 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 if managed by or on behalf of the Developers.

"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, and any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this 2026 A&R Service and Assessment Plan, the PID Act, and any Indenture with respect to the PID Bonds, including the City's continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

"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 within the District, other than Non-Benefited Property, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation 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, Improvement Area #2 Assessment Roll, and Improvement Area #3 Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Update.

"Authorized Improvements" means the improvements authorized by Section 372.003 of the PID Act, as depicted on **Exhibit B-1** and described in **Section III,** as further depicted on **Exhibit I-1**, **Exhibit I-2**, **Exhibit I-3**, and **Exhibit I-4**.

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

"City" means the City of Red Oak, Texas.

"City Council" means the governing body of the City.

"County" means Ellis 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.

"Developers" means the Phase 1 Developer, the Phase 2 and 4 Developer, and the Improvement Areas #2-3 Developer, and any successors or assigns thereof. The Owner is the Developers.

"District" means the Red Oak Public Improvement District No. 1, containing approximately 210.522 acres located within the corporate limits of the City and more specifically described in **Exhibit L-1** and depicted on **Exhibit A-1**.

"District Formation Costs" means the costs associated with forming the District, including, but not limited to, attorney fees, engineering costs, and any other cost or expense incurred by the City or Developers 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 and other improvements, including their costs, location, and benefit, and is attached hereto as **Appendix A.**

"Estimated Buildout Value" means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Developers, either directly or through affiliates, 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 123.078 acres located within the District, more specifically described in **Exhibit L-2** and includes non-assessed property of 10.92 acres for a regional park.

"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 amount of an Improvement Area #1 Assessment; (2) interest associated with an Improvement Area #1 Assessment; (3) Annual Collection Costs related to Improvement Area #1; and (4) Additional Interest related to the Improvement Area #1 Bonds, as shown in **Exhibit F-2.**

"Improvement Area #1 Assessed Property" means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied, as depicted **on Exhibit A-2**.

"Improvement Area #1 Assessment" means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to the 2021 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation or reduction according to the provisions 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) the first year's Annual Collection Costs related to the Improvement Area #1 Bonds; and (3) Bond Issuance Costs incurred in connection with the issuance of Improvement Area #1 Bonds.

"Improvement Area #1 Bonds" means those certain "City of Red Oak, Texas, Special Assessment Revenue Bonds, Series 2021 (Red Oak Public Improvement District No. 1 Improvement Area #1 Project)" that are secured by Improvement Area #1 Assessments.

"Improvement Area #1 Improvements" means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property, as further described in **Section III.B** and depicted on **Exhibit I-2.**

"Improvement Area #1 Initial Parcel" means all of the Improvement Area #1 Assessed Property against which the entire Improvement Area #1 Assessment was levied by the adoption of the 2021 Assessment Ordinance, as shown on the initial Improvement Area #1 Assessment Roll in the 2021 Service and Assessment Plan. The Improvement Area #1 Initial Parcel has since been subdivided and the Improvement Area #1 Assessment has been reallocated, and the current Improvement Area #1 Assessment Roll is included in this 2026 A&R Service and Assessment Plan as **Exhibit F-1**.

"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 54.418 acres located within the District, more specifically described in **Exhibit L-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 amount of an Improvement Area #2 Assessment; (2) interest associated with an Improvement Area #2 Assessment; (3) Annual Collection Costs related to Improvement Area #2; and (4) Additional Interest related to the Improvement Areas #2-3 Bonds, as shown in **Exhibit G-2.**

"Improvement Area #2 Assessed Property" means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied, as depicted **on Exhibit A-3**.

"Improvement Area #2 Assessment" means an Assessment levied, by adoption of the 2026 Assessment Ordinance, against Improvement Area #2 Assessed Property and imposed pursuant to the 2026 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation or reduction according to the provisions 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) Improvement Area #2's pro rata portion of the first year's Annual Collection Costs related to the Improvement Areas #2-3 Bonds; and (3) Improvement Area #2's pro rata portion of the Bond Issuance Costs incurred in connection with the issuance of Improvement Areas #2-3 Bonds.

"Improvement Area #2 Improvements" means the Authorized Improvements which only benefit the Improvement Area #2 Assessed Property, as further described in **Section III.C** and depicted on **Exhibit I-3.**

"Improvement Area #2 Projects" means, collectively, (1) the pro rata portion of the Major Improvements allocable to Improvement Area #2, and (2) the Improvement Area #2 Improvements.

"Improvement Area #3" means approximately 30.869 acres located within the District, more specifically described in **Exhibit L-4**.

"Improvement Area #3 Annual Installment" means the Annual Installment of the Improvement Area #3 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal amount of an Improvement Area #3 Assessment; (2) interest associated with an Improvement Area #3 Assessment; (3) Annual Collection Costs related to Improvement Area #3; and (4) Additional Interest related to the Improvement Areas #2-3 Bonds, as shown in **Exhibit H-2.**

"Improvement Area #3 Assessed Property" means any Parcel within Improvement Area #3 against which an Improvement Area #3 Assessment is levied, as depicted **on Exhibit A-4**.

"Improvement Area #3 Assessment" means an Assessment levied, by adoption of the 2026 Assessment Ordinance, against Improvement Area #3 Assessed Property and imposed pursuant to the 2026 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #3 Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

"Improvement Area #3 Assessment Roll" means the Assessment Roll for the Improvement Area #3 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 #3 Assessment Roll is included in this 2026 A&R Service and Assessment Plan as **Exhibit H-1.**

"Improvement Area #3 Authorized Improvements" means collectively, (1) the Improvement Area #3 Projects; (2) Improvement Area #3's pro rata portion of the first year's Annual Collection Costs related to the Improvement Areas #2-3 Bonds; and (3) Improvement Area #3's pro rata

portion of the Bond Issuance Costs incurred in connection with the issuance of Improvement Areas #2-3 Bonds.

"Improvement Area #3 Improvements" means the Authorized Improvements which only benefit the Improvement Area #3 Assessed Property, as further described in **Section III.D** and depicted on **Exhibit I-4.**

"Improvement Area #3 Initial Parcel" means all of the Improvement Area #3 Assessed Property against which the entire Improvement Area #3 Assessment will be levied by the adoption of the 2026 Assessment Ordinance, as shown on the Improvement Area #3 Assessment Roll.

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

"Improvement Areas #2-3 Bonds" means those certain "City of Red Oak, Texas, Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Areas #2-3 Projects)" that are secured by Improvement Area #2 Assessments and Improvement Area #3 Assessments.

"**Improvement Areas #2-3 Developer**" means Red Oak 66 Holdings, LLC a Texas limited liability company.

"Indenture" means an Indenture of Trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended from time to time, setting forth the terms and conditions related to a series of PID Bonds.

"Lot" means (1) for any portion of the District for which a final subdivision plat has been recorded in the Plat or Official Public Records of the County, a tract of land described by "lot" in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the Plat or Official Public Records of the County, a tract of land anticipated to be described as a "lot" in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A "Lot" shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded Subdivision Plat.

"Lot Type" means a classification of final building Lots with similar characteristics (e.g., lot size, home product, Estimated Buildout Value, etc.), as determined 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 Developers, either directly or through affiliates and confirmed by the City Council, as shown on **Exhibit E.** The buyer disclosure for each Lot Type is attached hereto as part of **Appendix B**.

"Lot Type 1" means a Lot within Improvement Area #1, generally marketed to homebuilders as a 50' Lot.

"Lot Type 2" means a Lot within Improvement Area #1, generally marketed to homebuilders as a 62' Lot.

"Lot Type 3" means a Lot within Improvement Area #2, generally marketed to homebuilders as a 50' Lot.

"Lot Type 4" means a Lot within Improvement Area #2, generally marketed to homebuilders as a 62' Lot.

"Lot Type 5" means a Lot within Improvement Area #3, generally marketed to homebuilders as a 74' Lot.

"Major Improvements" means those Authorized Improvements that confer a special benefit to all of the Assessed Property within the District, as further described in **Section III.A.** and depicted on **Exhibit I-1.**

"Maximum Assessment" means, for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) the amount shown on **Exhibit E.**

"Non-Benefited Property" means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

"Notice of Assessment Termination" means a document that shall be recorded in the Official Public Records of the County relating to the termination of an Assessment, a form of which is attached as **Exhibit J.**

"Owner" means The Oaks at Red Oak, LLC, a Texas limited liability company; Red Oak 66 Holdings, LLC a Texas limited liability company; and the Phase 2 & 4 Developer, and any successors or assigns thereof that own any portion of the property within the District.

"Parcel" or **"Parcels"** means a specific property within the District identified by either a tax parcel identification number assigned by the Ellis Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of the County, or by any other means determined by the City.

"Phase 1 Developer" means The Oaks at Red Oak, LLC, a Texas limited liability company, and any successors or assigns thereof.

"Phase 2 & 4 Developer" means Bloomfield Homes, L.P., a Texas limited partnership, and any successors or assigns thereof.

"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 certain hardscape, landscape and irrigation, park, amenity center, and soft costs related thereto necessary, in addition to the Authorized Improvements, to bring land to finished Lot value.

"Rockett SUD" means Rockett Special Utility District.

"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**.

"Trustee" means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 210.522 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit L-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 653 Lots developed with single-family homes.

Improvement Area #1 includes approximately 123.078 contiguous acres, the boundaries of which are more particularly described on **Exhibit L-2** and depicted on **Exhibit A-2**. Development of Improvement Area #1 includes 323 Lots developed with single-family homes (167 single-family homes that are on Lots classified as Lot Type 1, and 156 single-family homes that are Lots classified as Lot Type 2) and 10.92 acres of regional park property.

Improvement Area #2 includes approximately 54.418 contiguous acres, the boundaries of which are more particularly described on **Exhibit L-3** and depicted on **Exhibit A-3**. Development of Improvement Area #2 is anticipated to include approximately 264 Lots developed with single-family homes (242 single-family homes that are on Lots classified as Lot Type 3, and 22 single-family homes that are Lots classified as Lot Type 4).

Improvement Area #3 includes approximately 30.869 contiguous acres, the boundaries of which are more particularly described on **Exhibit L-4** and depicted on **Exhibit A-4**. Development of Improvement Area #3 is anticipated to include approximately 66 Lots developed with single-family homes that are on Lots classified as Lot Type 5.

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Developers, either directly or through affiliates, and its engineer and reviewed by 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, except as otherwise described below. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the City, except as otherwise noted below. The budget for the Authorized Improvements is shown on **Exhibit B-1**.

A. Major Improvements

- *Streets*

  Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-

vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within the District.

- *Water*

  Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within the District. All water system improvements will be dedicated to Rockett SUD, and Rockett SUD will operate and maintain the water system and provide water service to all properties located in the District.

- *Sewer*

  Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District.

- *Storm Drain*

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

- *Park*

  A 20.0 ± acre open space park designed for passive recreational uses that will contain an 8' (typical) wide concrete trail throughout that will serve as a running/bike trail. It will be landscaped and irrigated along Oaks Boulevard, in accordance with the Landscape Plan, however, the remainder will be in a more natural native state. This area will be improved in the initial phase of the development.

- *Soft Costs*

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

B. Improvement Area #1 Improvements

- *Streets*

  Improvements including subgrade stabilization, concrete and reinforcing steel for

roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #1.

- *Water*

  Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1. All water system improvements will be dedicated to Rockett SUD, and Rockett SUD will operate and maintain the water system and provide water service to all properties located in the District.

- *Sewer*

  Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

- *Storm Drain*

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

- *Soft Costs*

  Costs related to designing, constructing, and installing the Improvement Area #1 Improvements, including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, and consultant fees.

C. Improvement Area #2 Improvements

- *Streets*

  Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, stamped concrete pavement, concrete headers, laid down curb, sidewalks, testing, handicapped ramps, and streetlights. All related earthwork, excavation, clearing and grubbing, erosion control, intersections, barricades, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #2.

- *Sewer*

  Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2.

- *Storm Drain*

  Improvements including curb inlets, RCP piping and reinforced concrete boxes, storm junction boxes, headwalls, rock rip rap, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #2.

- *Soft Costs*

  Costs related to designing, constructing, and installing the Improvement Area #2 Improvements, including land planning and design, City fees, final plat fees, engineering and surveying, materials testing, inspection, construction management, contingency, legal fees, and consultant fees.

D. Improvement Area #3 Improvements

- *Streets*

  Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, stamped concrete pavement, sidewalks, testing, handicapped ramps, and streetlights. All related earthwork, excavation, clearing and grubbing, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #3.

- *Sewer*

  Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, a lift station, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #3.

- *Storm Drain*

  Improvements including curb inlets, RCP piping and boxes, storm junction boxes, headwalls, rock rip rap, and testing as well as all related earthwork, excavation, erosion

control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #3.

- *Soft Costs*

  Costs related to designing, constructing, and installing the Improvement Area #3 Improvements, including land planning and design, City fees, final plat fees, engineering and surveying, materials testing, inspection, construction management, contingency, legal fees, and consultant fees.

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.

- *Capitalized Interest*

  Equals the amount required to be deposited for the purpose of paying capitalized interest 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 and includes the fee for 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, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

F. Other Costs

- *Initial Administrative Fund Deposit*

  Equals the amount necessary to fund the first year's Annual Collection Costs for a particular series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also

required to include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the initial Service Plan for the Improvement Area #1, Improvement Area #2 and Improvement Area #3. Per 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 disclosure for the District. The buyer disclosures are attached hereto as **Appendix B.**

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update to reflect any budget revisions at the time the PID Bonds are issued.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance 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 Parcel of Assessed Property within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developers, either directly or through affiliates, 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 Developers, either directly or through affiliates, and its engineer and reviewed by City staff and by third-party

consultants retained by the City, the City Council has determined that the costs related to the Authorized Improvements shall be allocated as follows:

- By the adoption of the 2021 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 Improvement Area #3 Assessed Property based upon Estimated Buildout Value of each Improvement Area #2 Assessed Property and Improvement Area #3 Assessed Property to the Estimated Buildout Value of all of the Improvement Area #2 Assessed Property and the Improvement Area #3 Assessed Property. See **Exhibit B-2** for the allocation and apportionment of the Major Improvements to Improvement Area #1, Improvement Area #2, and Improvement Area #3.

- By the adoption of the 2021 Assessment Ordinance, the costs of the Improvement Area #1 Authorized Improvements were allocated to each Parcel of Improvement Area #1 Assessed Property based on the ratio of the Estimated Buildout Value of each Lot type designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property. The Improvement Area #1 Initial Parcel was the only Parcel within Improvement Area #1, and, as such, the Improvement Area #1 Initial Parcel was allocated 100% of the cost of the Improvement Area #1 Authorized Improvements.

- By the adoption of the 2026 Assessment Ordinance, the costs of the Improvement Area #2 Authorized Improvements will be allocated to each Parcel of Improvement Area #2 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #2 Assessed Property to the Estimated Buildout Value of all Improvement Area #2 Assessed Property. The Improvement Area #2 Assessed Property was allocated 100% of the Improvement Area #2 Authorized Improvements.

- By the adoption of the 2026 Assessment Ordinance, the costs of the Improvement Area #3 Authorized Improvements will be allocated to each Parcel of Improvement Area #3 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #3 Assessed Property to the Estimated Buildout Value of all Improvement Area #3 Assessed Property. The Improvement Area #3 Initial Parcel is the only Parcel within Improvement Area #3, and as such, the Improvement Area #3 Initial Parcel is allocated 100% of the Improvement Area #3 Authorized Improvements.

B. Assessments

By the adoption of the 2021 Assessment Ordinance, the Improvement Area #1 Assessment was levied on the Improvement Area #1 Initial Parcel and is 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**.

By the adoption of the 2026 Assessment Ordinance, the Improvement Area #2 Assessment was levied on the Improvement Area #2 Assessed Property is 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-2**.

By the adoption of the 2026 Assessment Ordinance, the Improvement Area #3 Assessment was levied on the Improvement Area #3 Initial Parcel is in the amount shown on the Improvement Area #3 Assessment Roll, attached hereto as **Exhibit H-1**. The Improvement Area #3 Annual Installments are shown on **Exhibit H-2**. Upon division or subdivision of the Improvement Area #3 Initial Parcel, the Improvement Area #3 Assessment will be reallocated pursuant to Section VI.

The outstanding Assessments securing PID Bonds shown herein are net of the scheduled September PID Bond payment of the current year at the time of this 2026 A&R Service and Assessment Plan, if applicable. 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 outstanding Assessments may not match the outstanding PID Bonds amount.

The Maximum Assessment for each Lot Type is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, and Lot Type 5 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 Developers, either directly or through affiliates, and its engineer and reviewed by City staff and by third-party consultants retained by the City, the City Council has found and determined the following:

- *Improvement Area #1*
    - The costs of the Improvement Area #1 Authorized Improvements equal $16,278,674 as shown on **Exhibit B-1**;

- 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;
- By adoption of the 2021 Assessment Ordinance, the Improvement Area #1 Initial Parcel was allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements, which equaled $5,657,000 and is currently outstanding in the amount of $5,157,000.00 as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F-1**;
- The special benefit (≥ $16,278,674) received by the Improvement Area #1 Initial Parcel from the Improvement Area #1 Authorized Improvements is equal to or greater than the amount of the Improvement Area #1 Assessment ($5,657,000) levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Authorized Improvements; and
- At the time the City Council adopted the 2021 Assessment Ordinance, the Developers owned 100% of the Improvement Area #1 Initial Parcel. The Developers acknowledged that the Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Initial Parcel and consented to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The Developers 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 2021 Assessment Ordinance; (2) the 2021 Service and Assessment Plan and the 2021 Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Initial Parcel.

- *Improvement Area #2*
  - The costs of the Improvement Area #2 Authorized Improvements equal $11,882,995 as shown on **Exhibit B-1**;
  - 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;
  - By the adoption of the 2026 Assessment Ordinance, the Improvement Area #2 Assessed Property is allocated 100% of the Improvement Area #2 Assessment levied for the Improvement Area #2 Authorized Improvements, which equals $6,403,000 as shown on the Improvement Area #2 Assessment Roll attached hereto as **Exhibit G-1**;

- The special benefit (≥ $11,882,995) 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 ($6,403,000) levied on the Improvement Area #2 Assessed Property for the Improvement Area #2 Authorized Improvements; and
- At the time the City Council adopts the 2026 Assessment Ordinance, the Improvement Areas #2-3 Developer owned 100% of the Improvement Area #2 Assessed Property. The Improvement Areas #2-3 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 Improvement Areas #2-3 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.

- *Improvement Area #3*
  - The costs of the Improvement Area #3 Authorized Improvements equal $6,116,919 as shown on **Exhibit B-1**;
  - The Improvement Area #3 Assessed Property receives special benefit from the Improvement Area #3 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #3 Authorized Improvements;
  - By the adoption of the 2026 Assessment Ordinance, the Improvement Area #3 Initial Parcel is allocated 100% of the Improvement Area #3 Assessment levied for the Improvement Area #3 Authorized Improvements, which equals $1,940,000 as shown on the Improvement Area #3 Assessment Roll attached hereto as **Exhibit H-1**;
  - The special benefit (≥ $6,116,919) received by the Improvement Area #3 Initial Parcel from the Improvement Area #3 Authorized Improvements is equal to or greater than the amount of the Improvement Area #3 Assessment ($1,940,000) levied on the Improvement Area #3 Initial Parcel for the Improvement Area #3 Authorized Improvements; and
  - At the time the City Council adopted the 2026 Assessment Ordinance, the Improvement Areas #2-3 Developer owned 100% of the Improvement Area #3

Initial Parcel. The Improvement Areas #2-3 Developer acknowledged that the Improvement Area #3 Authorized Improvements confer a special benefit on the Improvement Area #3 Initial Parcel and consented to the imposition of the Improvement Area #3 Assessment to pay for the Actual Costs associated therewith. The Improvement Areas #2-3 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 #3 Assessment on the Improvement Area #3 Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding applicable Assessment. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments securing each respective series of PID Bonds may exceed the interest rate on each respective series of PID Bonds by the Additional Interest Rate. To the extent required by any Indenture, Additional Interest shall be collected as part of each Annual Installment securing 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 provided by the Developers either directly or with its affiliates, and such calculation shall be approved by the City Council in the immediately following Annual Service Plan Update. The calculation as confirmed by the City Council shall be conclusive and binding. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, and Lot Type 5 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates **Exhibit E** may be updated in future Annual Service Plan Updates to account for additional Lot Types.

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot
B = the Assessment for the Parcel prior to subdivision
C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type

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

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

Prior to the recording of a subdivision plat, the Developers 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 based on Estimated Buildout Value information provided by the Developers, homebuilders, third party consultants, and/or the Official Public Records of the County regarding the Lot, and such calculation shall be approved by the City Council in the immediately following Annual Service Plan Update. The calculation as confirmed by the City Council shall be conclusive and binding. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, and Lot Type 5 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates.

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 Parcel or Lot, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update immediately following such consolidation. The calculation as confirmed by the City Council shall be conclusive and binding. 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 J.**

C. True-Up of Assessments if Maximum Assessment Exceeded at Plat

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

D. Reduction of Assessments

If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement the Actual Costs of any Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds that are not expected to be used for the purposes of the project fund as directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of any Assessed Property may, at any time, pay all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established

under the applicable Indenture. If an Annual Installment has been billed, or the Annual Service Plan Update has been approved by the City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed Property; and (4) the City shall provide the owner with a recordable "Notice of Assessment Termination."

If an Assessment on an Assessed Property is prepaid in part with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the estimated Improvement Area #1 Annual Installments. **Exhibit G-2** shows the estimated Improvement Area #2 Annual Installments. **Exhibit H-2** shows the estimated Improvement Area #3 Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the Parcel not including any Non-Benefited Property as shown by the Ellis Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such

purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. To the extent permitted by the PID Act or other applicable law, the City Council may provide for other means of collecting Annual Installments, but in no case shall the City take any action, or fail to take any action, that would cause it to be in default under any Indenture. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Improvement Area #1 Assessments were due when billed and were delinquent if not paid prior to February 1, 2022. The initial Annual Installments of the Improvement Area #2 Assessments and Improvement Area #3 Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2027.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

G. Prepayment as a Result of an Eminent Domain Proceeding or Taking

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the

Assessed Property less the Taken Property) (the "**Remaining Property**"), following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay, pursuant to the terms of this 2026 A&R Service and Assessment Plan, as updated, and the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remaining Property.

In all instances the Assessment remaining on the Remaining Property shall not exceed the applicable Maximum Assessment.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a $100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres constituting the Remaining Property shall be subject to the $100 Assessment (provided that this $100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the $100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment, as applicable, on the Remaining Property by $10, then the owner shall be required to pay $10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to $90.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Remaining Property notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the applicable Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Assessment on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

SECTION VII: ASSESSMENT ROLL

The 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.

The Improvement Area #3 Assessment Roll is attached as **Exhibit H-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #3 Assessment Roll and Improvement Area #3 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 the year's calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner, the Administrator shall provide a written response to the City Council and the owner not later than 30 days after receipt of such written notice of error. 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 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.

D. Form of Buyer Disclosure/Filing 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 (1) post a copy of this 2026 A&R Service and Assessment Plan and any future Annual Service Plan Updates on the City's internet website and (2) file and record in the real property records of the County the executed Assessment Ordinance approving this 2026 A&R Service and Assessment Plan, and any future Annual Service Plan Updates. The executed Assessment Ordinance, including any attachments, approving this 2026 A&R Service and Assessment Plan and 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 The Oaks Phase 1 was filed and recorded with the County as document number 2316299 on June 07, 2023.
- The final plat of The Oaks Phase 2 was filed and recorded with the County as document number 2316283 on June 07, 2023.
- The final plat of The Oaks Phase 4 was filed and recorded with the County as document number 2316282 on June 07, 2023.

Improvement Area #2

- The final plat of The Oaks, Phase 5A was filed and recorded with the County as document number 2528949 on August 29, 2025.
- The final plat of The Oaks, Phase 5B was filed and recorded with the County as document number 2528950 on August 29, 2025.

B. Lot and Home Sales

Current ownership within the District is based on information provided by the Developers and 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 MSRB's EMMA by searching for the District. For Assessments securing reimbursement obligations to the Developers, the summary of current ownership within the property securing such Assessment is based on information provided by the Developers and other publicly available records.

C. Authorized Improvements

Improvement Area #1

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 Developers 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 $5,157,000.00

Information for Assessments securing PID Bonds may be available through continuing disclosure filings accessible via the MSRB's EMMA website by searching for the District. For Assessments securing reimbursement obligations to the Developers, the summary of current construction status within the property securing such Assessment is based on information provided by the Developers and other publicly available records.

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 Delinquency and Prepayment Reserve Account. The Delinquency and Prepayment Reserve Account will be funded with Additional Interest on the outstanding Assessment, resulting in an Additional Interest for Improvement Area #1 Annual Installment as shown below.

Improvement Area #1	
Due January 31, 2027	
Principal	$ 133,000.00
Interest	$ 188,713.76
Additional Interest	$ 25,785.00
Annual Collection Costs	$ 40,588.45
Total Annual Installment Due	**$ 388,087.21**

- ***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.

Annual Collection Costs Breakdown Improvement Area #1	
Administration	$ 32,472.96
City Auditor	$ 2,500.00
Filing Fees	$ 1,000.00
County Collection	$ 1,000.00
PID Trustees Fees	$ 4,500.00
P3 Works Dev/Issuer CDA Review	$ 2,645.00
Collection Cost Maintenance Balance	$ 10,000.00
Less CCMB Credit from Prior Years	$ (15,029.51)
Arbitrage Calculation	$ 1,500.00
Total Annual Collection Costs	**$ 40,588.45**

F. Prepayment of Assessment

Information regarding any full or partial prepayments of the Assessments are reflected in the corresponding Assessment Roll.

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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 Improvement Area #3
Exhibit A-5	Lot Type Classification Map
Exhibit B-1	Project Costs
Exhibit B-2	Major Improvements Allocation 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 Annual Installments
Exhibit H-1	Improvement Area #3 Assessment Roll
Exhibit H-2	Improvement Area #3 Annual Installments
Exhibit I-1	Maps of Major Improvements
Exhibit I-2	Maps of Improvement Area #1 Improvements
Exhibit I-3	Maps of Improvement Area #2 Improvements
Exhibit I-4	Maps of Improvement Area #3 Improvements
Exhibit J	Form of Notice of Assessment Termination
Exhibit K-1	Debt Service Schedule for Improvement Area #1 Bonds
Exhibit K-2	Debt Service Schedule for Improvement Areas #2-3 Bonds
Exhibit L-1	District Legal Description
Exhibit L-2	Improvement Area #1 Legal Description
Exhibit L-3	Improvement Area #2 Legal Description
Exhibit L-4	Improvement Area #3 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

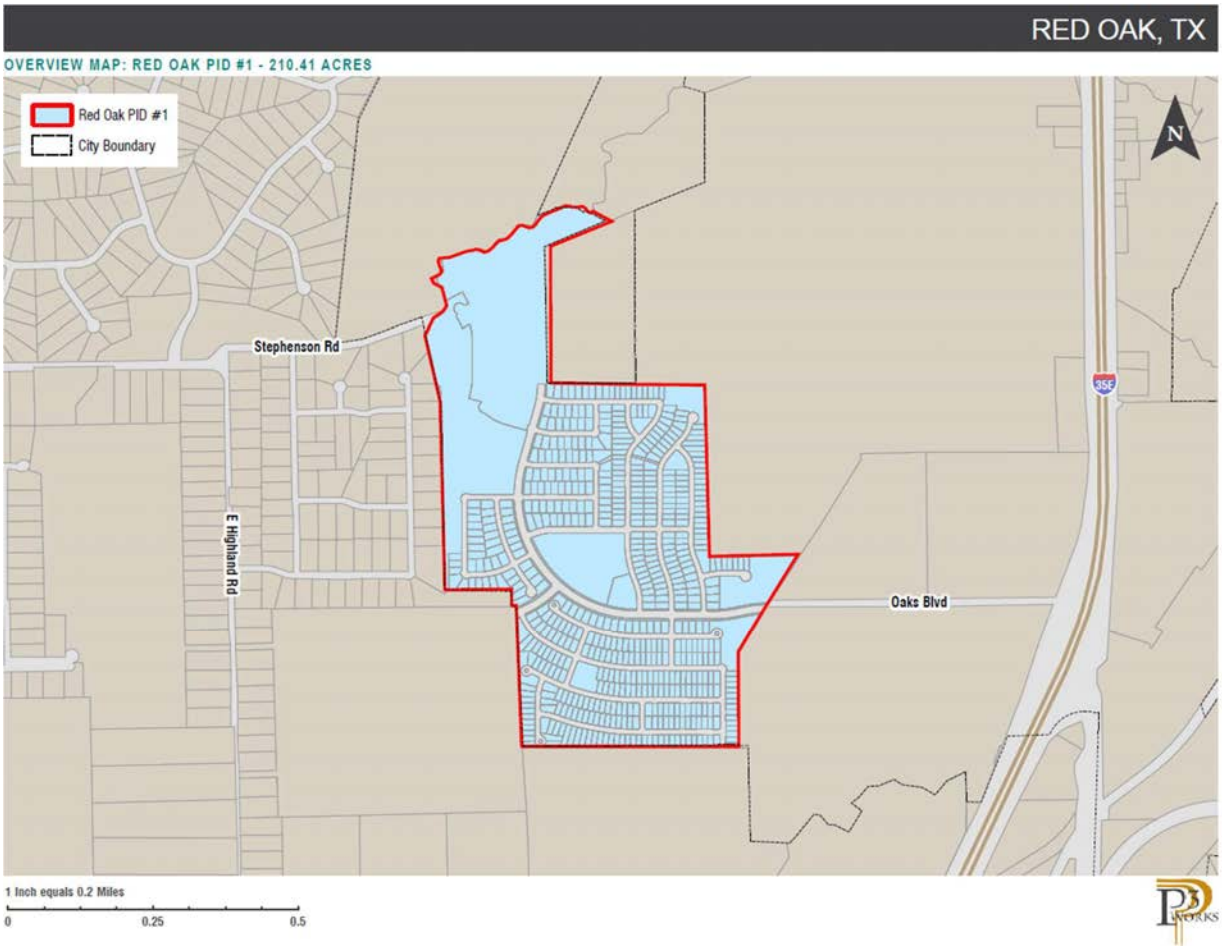


EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1

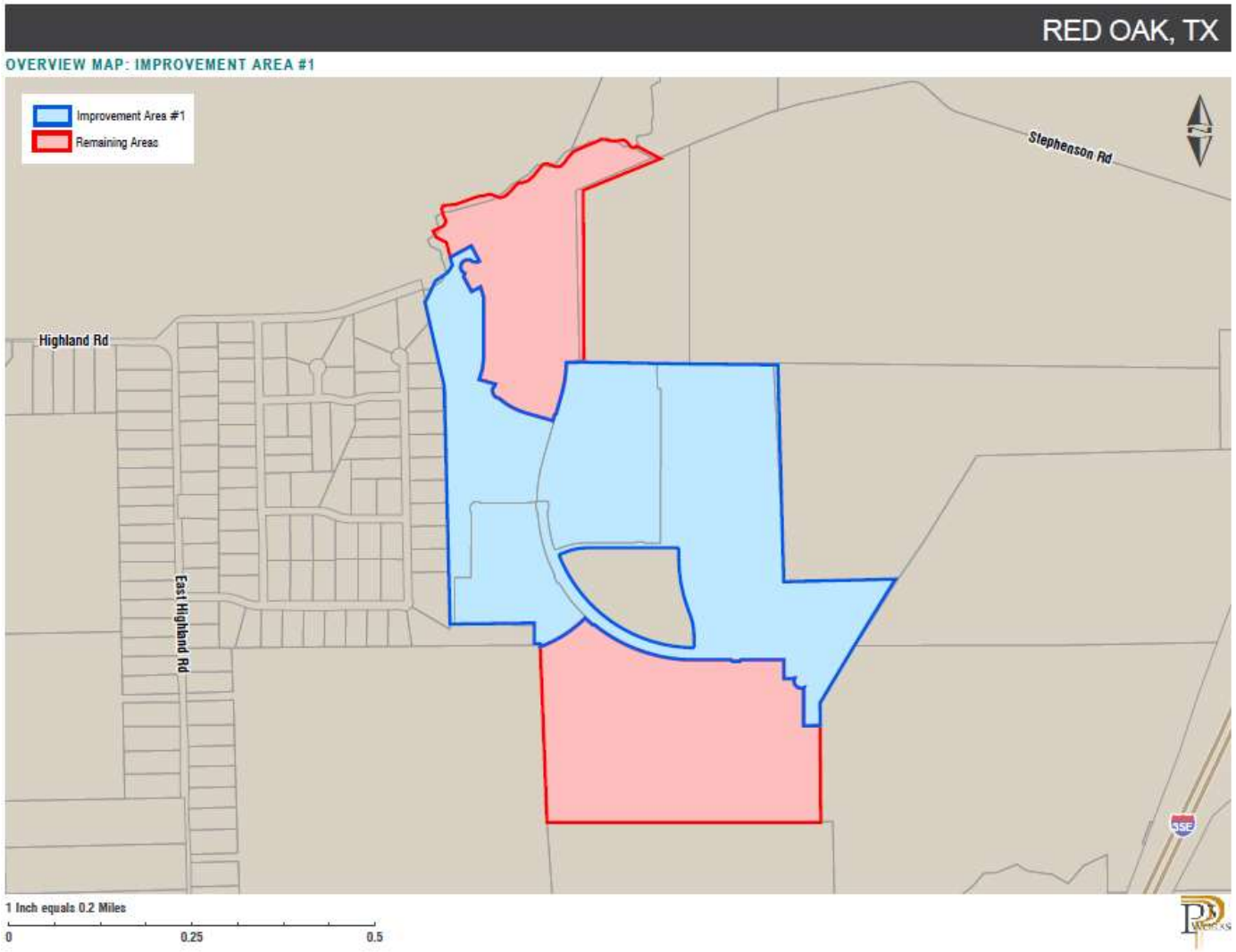


EXHIBIT A-3 – MAP OF IMPROVEMENT AREA #2

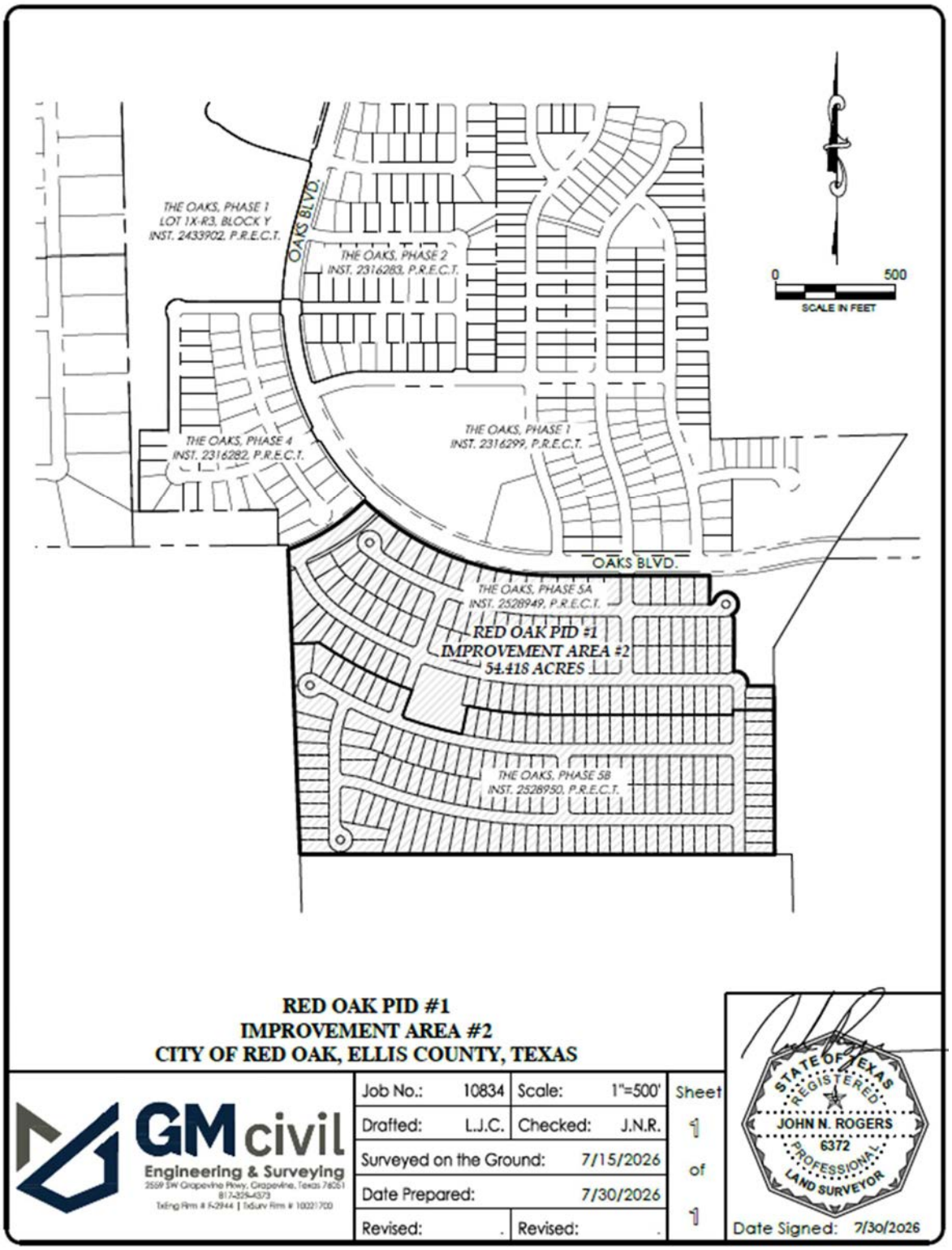
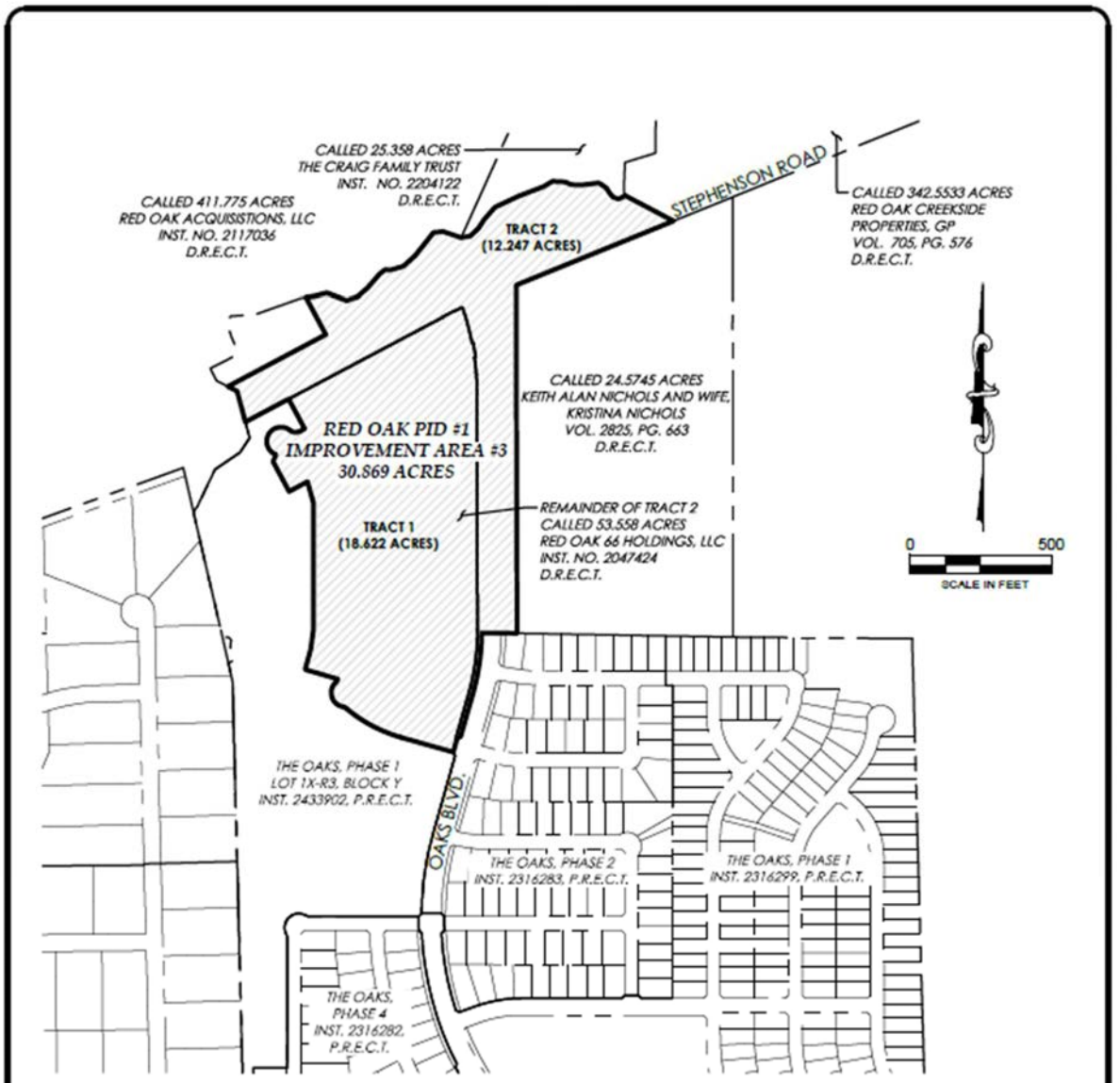


EXHIBIT A-4 – MAP OF IMPROVEMENT AREA #3



RED OAK PID #1
IMPROVEMENT AREA #3
CITY OF RED OAK, ELLIS COUNTY, TEXAS

GMcivil
Engineering & Surveying
2559 SW Grapevine Pkwy, Grapevine, Texas 76051
817-329-4373
TxEng Firm # F-2944 | TxSurv Firm # 10021700

Job No.: 10834		Scale: 1"=500'		Sheet
Drafted: L.J.C.		Checked: J.N.R.		1
Surveyed on the Ground: 7/15/2026				of
Date Prepared: 7/30/2026				1
Revised: .		Revised: .		

STATE OF TEXAS
REGISTERED
JOHN N. ROGERS
6372
PROFESSIONAL
LAND SURVEYOR

Date Signed: 7/30/2026

EXHIBIT A-5 – LOT TYPE CLASSIFICATION MAP

EXHIBIT B-1 – PROJECT COSTS

								Improvement Area #2-3 Bonds			
	Original Costs	Change in Costs	Updated Total Costs[a]	Privately Funded[d]	Authorized Improvements	Improvement Area #1		Improvement Area #2		Improvement Area #3	
Major Improvements [b]						%	Cost	%	Cost	%	Cost
Offsites											
Streets	$ 24,819	$ -	$ 24,819	$ -	$ 24,819	49.67%	$ 12,328	38.37%	$ 9,523	11.96%	$ 2,968
Water	397,116	-	397,116	-	397,116	49.67%	197,251	38.37%	152,372	11.96%	47,493
Sewer	223,538	-	223,538	-	223,538	49.67%	111,033	38.37%	85,771	11.96%	26,734
Oaks Boulevard											
Streets	$ 2,843,490	$ 971,930	$ 3,815,420	$ -	$ 3,815,420	49.67%	$ 1,895,155	38.37%	$ 1,463,964	11.96%	$ 456,300
Sewer	474,918	141,798	616,716	-	616,716	49.67%	306,328	38.37%	236,632	11.96%	73,755
Storm Drain	402,182	369,162	771,344	-	771,344	49.67%	383,134	38.37%	295,962	11.96%	92,248
Soft Costs[c]	402,183	555,683	957,866	-	957,866	49.67%	475,781	38.37%	367,530	11.96%	114,555
Stephenson Road											
Storm Drain	$ -	$ 86,775	$ 86,775	$ -	$ 86,775	49.67%	$ 43,102	38.37%	$ 33,295	11.96%	$ 10,378
Streets	-	1,171,297	1,171,297	-	1,171,297	49.67%	581,794	38.37%	449,423	11.96%	140,080
Soft Costs[c]	-	427,744	427,744	-	427,744	49.67%	212,465	38.37%	164,124	11.96%	51,156
Park	563,000	-	563,000	-	563,000	49.67%	279,647	38.37%	216,021	11.96%	67,331
Soft Costs[c]	1,126,769	-	1,126,769	-	1,126,769	49.67%	559,677	38.37%	432,338	11.96%	134,755
	$ 6,458,014	$ 3,724,388	$ 10,182,403	$ -	$ 10,182,403		$ 5,057,696		$ 3,906,955		$ 1,217,752
Improvement Area #1 Improvements											
Streets	$ 4,076,620	$ -	$ 4,076,620	$ -	$ 4,076,620	100%	$ 4,076,620	0.00%	$ -	0.00%	$ -
Water	952,874	-	952,874	-	952,874	100%	952,874	0.00%	-	0.00%	-
Sewer	1,289,763	-	1,289,763	-	1,289,763	100%	1,289,763	0.00%	-	0.00%	-
Storm Drain	1,937,501	-	1,937,501	-	1,937,501	100%	1,937,501	0.00%	-	0.00%	-
Soft Costs[e]	1,838,642	-	1,838,642	-	1,838,642	100%	1,838,642	0.00%	-	0.00%	-
	$ 10,095,399	$ -	$ 10,095,399	$ -	$ 10,095,399		$ 10,095,399		$ -		$ -
Improvement Area #2 Improvements											
Sewer			$ 1,132,762	$ -	$ 1,132,762	0.00%	$ -	100%	$ 1,132,762	0.00%	$ -
Storm Drain			1,059,114	-	1,059,114	0.00%	-	100%	1,059,114	0.00%	-
Streets			2,606,348	-	2,606,348	0.00%	-	100%	2,606,348	0.00%	-
Soft Costs[c]			2,039,082	-	2,039,082	0.00%	-	100%	2,039,082	0.00%	-
			$ 6,837,305	$ -	$ 6,837,305		$ -		$ 6,837,305		$ -
Improvement Area #3 Improvements											
Sewer			$ 451,198	$ -	$ 451,198	0.00%	$ -	0.00%	$ -	100%	$ 451,198
Storm Drain			181,004	-	181,004	0.00%	-	0.00%	-	100%	181,004
Lift Station			1,500,000		1,500,000	0.00%	-	0.00%	-	100%	1,500,000
Streets			1,165,019	-	1,165,019	0.00%	-	0.00%	-	100%	1,165,019
Soft Costs[c]			1,256,613	-	1,256,613	0.00%	-	0.00%	-	100%	1,256,613
			$ 4,553,834	$ -	$ 4,553,834		$ -		$ -		$ 4,553,834
Private Improvements [d]											
Hardscape	$ 1,137,400	$ -	$ 1,137,400	$ 1,137,400	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
Water	-	1,579,204	1,579,204	1,579,204	-	0.00%	-	0.00%	-	0.00%	-
Landscape and Irrigation	940,917	6,837	947,754	947,754	-	0.00%	-	0.00%	-	0.00%	-
Park	1,155,875	-	1,155,875	1,155,875	-	0.00%	-	0.00%	-	0.00%	-
Amenity Center	1,305,325	-	1,305,325	1,305,325	-	0.00%	-	0.00%	-	0.00%	-
Soft Costs[c]	453,952	-	453,952	453,952	-	0.00%	-	0.00%	-	0.00%	-
	$ 4,993,469	$ 1,586,041	$ 6,579,510	$ 6,579,510	$ -		$ -		$ -		$ -
Bond Issuance Costs [f]											
Debt Service Reserve Fund			$ 952,043	$ -	$ 952,043		$ 325,560		$ 480,565		$ 145,918
Capitalized Interest			243,888	-	243,888		243,888		-		-
Underwriter's Discount[e]			420,000	-	420,000		169,710		192,090		58,200
Cost of Issuance			898,715	-	898,715		356,420		416,195		126,100
			$ 2,514,647	$ -	$ 2,514,647		$ 1,095,579		$ 1,088,850		$ 330,218
Other Costs [f]											
Deposit to Administrative Fund			$ 95,000	$ -	$ 95,000		$ 30,000		$ 49,886		$ 15,114
			$ 95,000	$ -	$ 95,000		$ 30,000		$ 49,886		$ 15,114
Total	**$ 21,546,882**	**$ 5,310,429**	**$ 40,858,097**	**$ 6,579,510**	**$ 34,278,588**		**$ 16,278,674**		**$ 11,882,995**		**$ 6,116,919**

Footnotes:

[a] Major Improvements change in costs, Improvement Area #2 Improvements, and Improvement Area #3 Costs as per Engineer's Reports dated June 24, 2026.

[b] The Major Improvement costs were allocated to Improvement Area #1 and apportioned to the property now within Improvement Area #2 and Improvement Area #3 at the time the City Council approved the 2021 Assessment Ordinance. The costs apportioned to Improvement Area #2 and Improvement Area #3 are allocated to Improvement Area #2 and Improvement Area #3 at the time the City Council approved the 2026 Assessment Ordinance as further shown on **Exhibit B-2**.

[c] Soft costs include contingency, inspection, material testing, engineering, and surveying.

[d] Private improvements are required, alongside Authorized Improvements, to bring land to finished Lot value. Not reimbursable through Assessments or the issuance of PID Bonds.

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

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

EXHIBIT B-2 – MAJOR IMPROVEMENTS ALLOCATION OF COSTS

		Major Improvements[a]				
		2021 Assessment Ordinance	2026 Assessment Ordinance		Total Allocation of Costs	
Improvement Area	Estimated Buildout Value	Costs	%	Costs	%	Costs
Improvement Area #1	$ 105,879,250	$ 5,057,696			49.67%	$ 5,057,696
Improvement Area #2	$ 127,050,000		76.24%	$ 3,906,955	38.37%	$ 3,906,955
Improvement Area #3	$ 39,600,000		23.76%	$ 1,217,752	11.96%	$ 1,217,752
Total	**$ 272,529,250**	**$ 5,057,696**		**$ 5,124,707**	**100.00%**	**$ 10,182,403**

Footnotes:

[a] The costs of the Major Improvements were allocated to Improvement Area #1 Assessed Property at the time the City Council approved the 2021 Assessment Ordinance. The remainder of such costs are now allocated proportionately based on Estimated Buildout Value between Improvement Area #2 and Improvement Area #3.

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		$ 133,000.00	$ 137,000.00	$ 142,000.00	$ 146,000.00	$ 151,000.00
Interest		188,713.76	184,557.50	180,276.26	175,838.76	171,276.26
	(1)	$ 321,713.76	$ 321,557.50	$ 322,276.26	$ 321,838.76	$ 322,276.26
Additional Interest	(2)	$ 25,785.00	$ 25,120.00	$ 24,435.00	$ 23,725.00	$ 22,995.00
Annual Collection Costs	(3)	$ 40,588.45	$ 45,000.32	$ 45,900.33	$ 46,818.33	$ 47,754.70
Total Annual Installment Due	**(4) = (1) + (2) + (3)**	**$ 388,087.21**	**$ 391,677.82**	**$ 392,611.59**	**$ 392,382.09**	**$ 393,025.96**

Improvement Area #2						
Annual Installment Due		**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**	**1/31/2031**
Principal		$ 77,000.00	$ 82,000.00	$ 87,000.00	$ 92,000.00	$ 98,000.00
Interest		403,389.00	398,538.00	393,372.00	387,891.00	382,095.00
	(1)	$ 480,389.00	$ 480,538.00	$ 480,372.00	$ 479,891.00	$ 480,095.00
Additional Interest	(2)	$ 32,015.00	$ 31,630.00	$ 31,220.00	$ 30,785.00	$ 30,325.00
Annual Collection Costs	(3)	$ 33,693.75	$ 34,367.63	$ 35,054.98	$ 35,756.08	$ 36,471.20
Total Annual Installment Due	**(4) = (1) + (2) + (3)**	**$ 546,097.75**	**$ 546,535.63**	**$ 546,646.98**	**$ 546,432.08**	**$ 546,891.20**

Improvement Area #3						
Annual Installment Due		**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**	**1/31/2031**
Principal		$ 23,000.00	$ 25,000.00	$ 26,000.00	$ 28,000.00	$ 30,000.00
Interest		122,220.00	120,771.00	119,196.00	117,558.00	115,794.00
	(1)	$ 145,220.00	$ 145,771.00	$ 145,196.00	$ 145,558.00	$ 145,794.00
Additional Interest	(2)	$ 9,700.00	$ 9,585.00	$ 9,460.00	$ 9,330.00	$ 9,190.00
Annual Collection Costs	(3)	$ 13,781.25	$ 14,056.88	$ 14,338.02	$ 14,624.78	$ 14,917.28
Total Annual Installment Due	**(4) = (1) + (2) + (3)**	**$ 168,701.25**	**$ 169,412.88**	**$ 168,994.02**	**$ 169,512.78**	**$ 169,901.28**

EXHIBIT D – SOURCES AND USES OF FUNDS

	Privately Funded	Improvement Area #1	Improvement Area #2-3 Bonds: Improvement Area #2	Improvement Area #2-3 Bonds: Improvement Area #3	Total
Sources of Funds					
Improvement Area #1 Bonds	$ -	$ 5,657,000	$ -	$ -	$ 5,657,000
Improvement Area #1 Bond Net Premium	-	53,579	-	-	53,579
Improvement Area #2-3 Bonds	-	-	6,403,000	1,940,000	8,343,000
Developer Contribution - Private Improvements[a]	6,579,510	-	-	-	6,579,510
Developer Contribution[a]	-	10,568,095	5,479,995	4,176,919	20,225,009
Total Sources of Funds	**$ 6,579,510**	**$ 16,278,674**	**$ 11,882,995**	**$ 6,116,919**	**$ 40,858,097**
Uses of Funds					
Major Improvements	$ -	$ 5,057,696	$ 3,906,955	$ 1,217,752	$ 10,182,403
Improvement Area #1 Improvements	-	10,095,399	-	-	10,095,399
Improvement Area #2 Improvements	-	-	6,837,305	-	6,837,305
Improvement Area #3 Improvements	-	-	-	4,553,834	4,553,834
Private Improvements[a]	6,579,510	-	-	-	6,579,510
	$ 6,579,510	$ 15,153,095	$ 10,744,260	$ 5,771,586	$ 38,248,450
Bond Issuance Costs [b]					
Debt Service Reserve Fund	$ -	$ 325,560	$ 480,565	$ 145,918	$ 952,043
Capitalized Interest	-	243,888	-	-	243,888
Underwriter Discount[c]	-	169,710	192,090	58,200	420,000
Cost of Issuance	-	356,420	416,195	126,100	898,715
	$ -	$ 1,095,579	$ 1,088,850	$ 330,218	$ 2,514,647
Other Costs [b]					
Deposit to Administrative Fund	$ -	$ 30,000	$ 49,886	$ 15,114	$ 95,000
	$ -	$ 30,000	$ 49,886	$ 15,114	$ 95,000
Total Uses of Funds	**$ 6,579,510**	**$ 16,278,674**	**$ 11,882,995**	**$ 6,116,919**	**$ 40,858,097**

Footnotes:

[a] Not reimbursable to the Developer through Assessments or the issuance of PID Bonds.
[b] Preliminary estimates only and subject to change upon the issuance of PID Bonds.
[c] Includes the fee of counsel to the Underwriter.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units[a]	Estimated Buildout Value[a]		Assessment		Average Annual Installment[b]		Gross PID TRE[b]
		Per Unit	Total	Per Unit	Total	Per Unit	Total	
Improvement Area #1								
Lot Type 1	167	$ 293,750	$ 49,056,250	$ 14,307.51	$ 2,389,355	$ 1,056.73	$ 176,474	$ 0.3597
Lot Type 2	156	364,250	56,823,000	17,741.32	2,767,645	1,310.34	204,413	$ 0.3597
Improvement Area #1 Subtotal	**323**		**$ 105,879,250**		**$ 5,157,000**		**$ 380,887**	**$ 0.3597**
Improvement Area #2								
Lot Type 3	242	$ 475,000	$ 114,950,000	$ 23,938.80	$ 5,793,190	$ 2,045.42	$ 494,991	$ 0.4306
Lot Type 4	22	550,000	12,100,000	27,718.61	609,810	2,368.38	52,104	$ 0.4306
Improvement Area #2 Subtotal	**264**		**$ 127,050,000**		**$ 6,403,000**		**$ 547,095**	**$ 0.4306**
Improvement Area #3								
Lot Type 5	66	$ 600,000	$ 39,600,000	$ 29,393.94	$ 1,940,000	$ 2,583.98	$ 170,543	$ 0.4307
Improvement Area #3 Subtotal	**66**		**$ 39,600,000**		**$ 1,940,000**		**$ 170,543**	**$ 0.4307**
Total	**653**		**$ 272,529,250**		**$ 13,500,000**		**$ 1,098,525**	

Footnotes:

[a] As provided in the Developer model dated 4/20/2026.

[b] Improvement Area #1 average Annual Installment and TRE at the time the City Council approved the 2021 Assessment Ordinance.

EXHIBIT F-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID [a]	Lot Type	Note	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
302804	Non-Benefitted		$ -	$ -
302805	Non-Benefitted		$ -	$ -
302806	Non-Benefitted		$ -	$ -
302478	2		$ 17,741.32	$ 1,335.11
302479	2		$ 17,741.32	$ 1,335.11
302480	2		$ 17,741.32	$ 1,335.11
302481	2		$ 17,741.32	$ 1,335.11
302482	1		$ 14,307.51	$ 1,076.70
302483	1		$ 14,307.51	$ 1,076.70
302484	1		$ 14,307.51	$ 1,076.70
302485	1		$ 14,307.51	$ 1,076.70
302486	1		$ 14,307.51	$ 1,076.70
302487	1		$ 14,307.51	$ 1,076.70
302488	1		$ 14,307.51	$ 1,076.70
302489	1		$ 14,307.51	$ 1,076.70
302490	1		$ 14,307.51	$ 1,076.70
302491	1		$ 14,307.51	$ 1,076.70
302492	1		$ 14,307.51	$ 1,076.70
302493	1		$ 14,307.51	$ 1,076.70
302494	1		$ 14,307.51	$ 1,076.70
302495	1		$ 14,307.51	$ 1,076.70
302496	1		$ 14,307.51	$ 1,076.70
302497	1		$ 14,307.51	$ 1,076.70
302498	1		$ 14,307.51	$ 1,076.70
302499	1		$ 14,307.51	$ 1,076.70
302500	1		$ 14,307.51	$ 1,076.70
302501	1	[c]	$ 14,307.51	$ 538.35
314841	1	[c]	$ 14,307.51	$ 538.35
302502	1		$ 14,307.51	$ 1,076.70
302503	1		$ 14,307.51	$ 1,076.70
302504	1		$ 14,307.51	$ 1,076.70
302505	1		$ 14,307.51	$ 1,076.70
302506	1		$ 14,307.51	$ 1,076.70
302507	1		$ 14,307.51	$ 1,076.70
302509	1		$ 14,307.51	$ 1,076.70
302510	1		$ 14,307.51	$ 1,076.70
302511	1		$ 14,307.51	$ 1,076.70
302512	1		$ 14,307.51	$ 1,076.70
302513	1		$ 14,307.51	$ 1,076.70
302514	1		$ 14,307.51	$ 1,076.70

Property ID [a]	Lot Type	Note	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
302515	1		$ 14,307.51	$ 1,076.70
302516	1		$ 14,307.51	$ 1,076.70
302517	1		$ 14,307.51	$ 1,076.70
302518	1		$ 14,307.51	$ 1,076.70
302519	1		$ 14,307.51	$ 1,076.70
302521	1		$ 14,307.51	$ 1,076.70
302522	1		$ 14,307.51	$ 1,076.70
302523	1		$ 14,307.51	$ 1,076.70
302524	1		$ 14,307.51	$ 1,076.70
302525	1		$ 14,307.51	$ 1,076.70
302526	1		$ 14,307.51	$ 1,076.70
302527	1		$ 14,307.51	$ 1,076.70
302528	1		$ 14,307.51	$ 1,076.70
302529	1		$ 14,307.51	$ 1,076.70
302530	1		$ 14,307.51	$ 1,076.70
302531	1		$ 14,307.51	$ 1,076.70
302532	1		$ 14,307.51	$ 1,076.70
302533	1		$ 14,307.51	$ 1,076.70
302534	1		$ 14,307.51	$ 1,076.70
302535	1		$ 14,307.51	$ 1,076.70
302536	1		$ 14,307.51	$ 1,076.70
302537	1		$ 14,307.51	$ 1,076.70
302538	1		$ 14,307.51	$ 1,076.70
302539	1		$ 14,307.51	$ 1,076.70
302540	1		$ 14,307.51	$ 1,076.70
302541	1		$ 14,307.51	$ 1,076.70
302542	1		$ 14,307.51	$ 1,076.70
302543	1		$ 14,307.51	$ 1,076.70
302544	1		$ 14,307.51	$ 1,076.70
302545	1		$ 14,307.51	$ 1,076.70
302546	1		$ 14,307.51	$ 1,076.70
302547	1		$ 14,307.51	$ 1,076.70
302548	1		$ 14,307.51	$ 1,076.70
302549	1		$ 14,307.51	$ 1,076.70
302550	1		$ 14,307.51	$ 1,076.70
302551	1		$ 14,307.51	$ 1,076.70
302552	1		$ 14,307.51	$ 1,076.70
302553	1		$ 14,307.51	$ 1,076.70
302554	1		$ 14,307.51	$ 1,076.70
302555	1		$ 14,307.51	$ 1,076.70

Property ID [a]	Lot Type	Note	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
302556	1		$ 14,307.51	$ 1,076.70
302791	1		$ 14,307.51	$ 1,076.70
302792	1		$ 14,307.51	$ 1,076.70
302793	1		$ 14,307.51	$ 1,076.70
302794	1		$ 14,307.51	$ 1,076.70
302795	1		$ 14,307.51	$ 1,076.70
302796	1		$ 14,307.51	$ 1,076.70
302797	1		$ 14,307.51	$ 1,076.70
302798	1		$ 14,307.51	$ 1,076.70
302799	1		$ 14,307.51	$ 1,076.70
302800	1		$ 14,307.51	$ 1,076.70
302558	Non-Benefitted		$ -	$ -
302559	Non-Benefitted		$ -	$ -
302560	Non-Benefitted		$ -	$ -
302561	Non-Benefitted		$ -	$ -
302562	Non-Benefitted		$ -	$ -
302563	1		$ 14,307.51	$ 1,076.70
302564	1		$ 14,307.51	$ 1,076.70
302565	1		$ 14,307.51	$ 1,076.70
302566	1		$ 14,307.51	$ 1,076.70
302567	1		$ 14,307.51	$ 1,076.70
302568	1		$ 14,307.51	$ 1,076.70
302569	1		$ 14,307.51	$ 1,076.70
302570	1		$ 14,307.51	$ 1,076.70
302571	1		$ 14,307.51	$ 1,076.70
302572	1		$ 14,307.51	$ 1,076.70
302573	1		$ 14,307.51	$ 1,076.70
302574	1		$ 14,307.51	$ 1,076.70
302575	1		$ 14,307.51	$ 1,076.70
302576	1		$ 14,307.51	$ 1,076.70
302577	1		$ 14,307.51	$ 1,076.70
302578	1		$ 14,307.51	$ 1,076.70
302579	1		$ 14,307.51	$ 1,076.70
302580	1		$ 14,307.51	$ 1,076.70
302581	1		$ 14,307.51	$ 1,076.70
302582	1		$ 14,307.51	$ 1,076.70
302583	1		$ 14,307.51	$ 1,076.70
302584	Non-Benefitted		$ -	$ -
302586	1		$ 14,307.51	$ 1,076.70
302587	1		$ 14,307.51	$ 1,076.70

Property ID [a]	Lot Type	Note	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
302588	1		$ 14,307.51	$ 1,076.70
302589	1		$ 14,307.51	$ 1,076.70
302590	Non-Benefitted		$ -	$ -
302612	1		$ 14,307.51	$ 1,076.70
302613	1		$ 14,307.51	$ 1,076.70
302614	1		$ 14,307.51	$ 1,076.70
302615	1		$ 14,307.51	$ 1,076.70
302616	1		$ 14,307.51	$ 1,076.70
302617	1		$ 14,307.51	$ 1,076.70
302618	1		$ 14,307.51	$ 1,076.70
302619	1		$ 14,307.51	$ 1,076.70
302620	1		$ 14,307.51	$ 1,076.70
302621	1		$ 14,307.51	$ 1,076.70
302691	1		$ 14,307.51	$ 1,076.70
302692	1		$ 14,307.51	$ 1,076.70
302693	1		$ 14,307.51	$ 1,076.70
302694	1		$ 14,307.51	$ 1,076.70
302695	1		$ 14,307.51	$ 1,076.70
302696	1	[d]	$ 14,307.51	$ 538.35
310443	1	[d]	$ 14,307.51	$ 538.35
302697	1		$ 14,307.51	$ 1,076.70
302698	1		$ 14,307.51	$ 1,076.70
302699	1		$ 14,307.51	$ 1,076.70
302700	1		$ 14,307.51	$ 1,076.70
302701	Non-Benefitted		$ -	$ -
302702	1		$ 14,307.51	$ 1,076.70
302703	1		$ 14,307.51	$ 1,076.70
302704	1		$ 14,307.51	$ 1,076.70
302705	1		$ 14,307.51	$ 1,076.70
302706	1		$ 14,307.51	$ 1,076.70
302707	1		$ 14,307.51	$ 1,076.70
302708	1		$ 14,307.51	$ 1,076.70
302709	1		$ 14,307.51	$ 1,076.70
302710	1		$ 14,307.51	$ 1,076.70
302711	1		$ 14,307.51	$ 1,076.70
302712	1		$ 14,307.51	$ 1,076.70
302713	2		$ 17,741.32	$ 1,335.11
302714	2		$ 17,741.32	$ 1,335.11
302747	2		$ 17,741.32	$ 1,335.11
302748	2		$ 17,741.32	$ 1,335.11

Property ID [a]	Lot Type	Note	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
302749	1		$ 14,307.51	$ 1,076.70
302750	1		$ 14,307.51	$ 1,076.70
302751	1		$ 14,307.51	$ 1,076.70
302752	1		$ 14,307.51	$ 1,076.70
302753	1		$ 14,307.51	$ 1,076.70
302754	1		$ 14,307.51	$ 1,076.70
302755	1		$ 14,307.51	$ 1,076.70
302756	1		$ 14,307.51	$ 1,076.70
302757	1		$ 14,307.51	$ 1,076.70
302758	1		$ 14,307.51	$ 1,076.70
302759	1		$ 14,307.51	$ 1,076.70
302760	Non-Benefitted		$ -	$ -
302761	1		$ 14,307.51	$ 1,076.70
302762	1		$ 14,307.51	$ 1,076.70
302763	1		$ 14,307.51	$ 1,076.70
302764	1		$ 14,307.51	$ 1,076.70
302765	1		$ 14,307.51	$ 1,076.70
302766	1		$ 14,307.51	$ 1,076.70
302767	1		$ 14,307.51	$ 1,076.70
302768	1		$ 14,307.51	$ 1,076.70
302769	1		$ 14,307.51	$ 1,076.70
302770	1		$ 14,307.51	$ 1,076.70
302771	1		$ 14,307.51	$ 1,076.70
302772	2		$ 17,741.32	$ 1,335.11
302773	2		$ 17,741.32	$ 1,335.11
302774	2		$ 17,741.32	$ 1,335.11
302775	2		$ 17,741.32	$ 1,335.11
302776	2		$ 17,741.32	$ 1,335.11
302777	2		$ 17,741.32	$ 1,335.11
302778	2		$ 17,741.32	$ 1,335.11
302779	2		$ 17,741.32	$ 1,335.11
302780	1		$ 14,307.51	$ 1,076.70
302781	1		$ 14,307.51	$ 1,076.70
302782	1		$ 14,307.51	$ 1,076.70
302783	1		$ 14,307.51	$ 1,076.70
302784	1		$ 14,307.51	$ 1,076.70
302785	1		$ 14,307.51	$ 1,076.70
302786	Non-Benefitted		$ -	$ -
302788	Non-Benefitted		$ -	$ -
302789	Non-Benefitted		$ -	$ -
302790	Non-Benefitted		$ -	$ -

Property ID [a]	Lot Type	Note	Outstanding Assessment [b]	Annual Installment Due 1/31/2026 [b]
302842	Non-Benefitted		$ -	$ -
308177	Non-Benefitted		$ -	$ -
302946	Non-Benefitted		$ -	$ -
302857	2		$ 17,741.32	$ 1,335.11
302858	2		$ 17,741.32	$ 1,335.11
302859	2		$ 17,741.32	$ 1,335.11
302860	2		$ 17,741.32	$ 1,335.11
302861	2		$ 17,741.32	$ 1,335.11
302862	2		$ 17,741.32	$ 1,335.11
302863	2		$ 17,741.32	$ 1,335.11
302864	2		$ 17,741.32	$ 1,335.11
302865	2		$ 17,741.32	$ 1,335.11
302866	2		$ 17,741.32	$ 1,335.11
302867	2		$ 17,741.32	$ 1,335.11
302868	2		$ 17,741.32	$ 1,335.11
302869	2		$ 17,741.32	$ 1,335.11
302870	2		$ 17,741.32	$ 1,335.11
302871	Non-Benefitted		$ -	$ -
302872	2		$ 17,741.32	$ 1,335.11
302873	2		$ 17,741.32	$ 1,335.11
302874	2		$ 17,741.32	$ 1,335.11
302875	2		$ 17,741.32	$ 1,335.11
302876	2		$ 17,741.32	$ 1,335.11
302877	2		$ 17,741.32	$ 1,335.11
302878	2		$ 17,741.32	$ 1,335.11
302879	2		$ 17,741.32	$ 1,335.11
302880	2		$ 17,741.32	$ 1,335.11
302881	2		$ 17,741.32	$ 1,335.11
302882	2		$ 17,741.32	$ 1,335.11
302883	2		$ 17,741.32	$ 1,335.11
302884	2		$ 17,741.32	$ 1,335.11
302885	2		$ 17,741.32	$ 1,335.11
302886	2		$ 17,741.32	$ 1,335.11
302887	2		$ 17,741.32	$ 1,335.11
302888	2		$ 17,741.32	$ 1,335.11
302889	2		$ 17,741.32	$ 1,335.11
302890	2		$ 17,741.32	$ 1,335.11
302891	2		$ 17,741.32	$ 1,335.11
302892	2		$ 17,741.32	$ 1,335.11
302893	2		$ 17,741.32	$ 1,335.11

Property ID [a]	Lot Type	Note	Outstanding Assessment [b]	Annual Installment Due 1/31/2026 [b]
302894	2		$ 17,741.32	$ 1,335.11
302895	2		$ 17,741.32	$ 1,335.11
302896	2		$ 17,741.32	$ 1,335.11
302897	2		$ 17,741.32	$ 1,335.11
302898	2		$ 17,741.32	$ 1,335.11
302899	2		$ 17,741.32	$ 1,335.11
302900	2		$ 17,741.32	$ 1,335.11
302901	2		$ 17,741.32	$ 1,335.11
302902	2		$ 17,741.32	$ 1,335.11
302903	2		$ 17,741.32	$ 1,335.11
302904	2		$ 17,741.32	$ 1,335.11
302905	Non-Benefitted		$ -	$ -
302906	Non-Benefitted		$ -	$ -
302907	2		$ 17,741.32	$ 1,335.11
302908	2		$ 17,741.32	$ 1,335.11
302909	2		$ 17,741.32	$ 1,335.11
302910	2		$ 17,741.32	$ 1,335.11
302911	2		$ 17,741.32	$ 1,335.11
302912	2		$ 17,741.32	$ 1,335.11
302913	2		$ 17,741.32	$ 1,335.11
302914	2		$ 17,741.32	$ 1,335.11
302915	2		$ 17,741.32	$ 1,335.11
302916	2		$ 17,741.32	$ 1,335.11
302917	2		$ 17,741.32	$ 1,335.11
302918	2		$ 17,741.32	$ 1,335.11
302919	2		$ 17,741.32	$ 1,335.11
302920	2		$ 17,741.32	$ 1,335.11
302921	2		$ 17,741.32	$ 1,335.11
302922	2		$ 17,741.32	$ 1,335.11
302923	2		$ 17,741.32	$ 1,335.11
302924	2		$ 17,741.32	$ 1,335.11
302925	2		$ 17,741.32	$ 1,335.11
302926	Non-Benefitted		$ -	$ -
302927	2		$ 17,741.32	$ 1,335.11
302928	2		$ 17,741.32	$ 1,335.11
302929	2		$ 17,741.32	$ 1,335.11
302930	2		$ 17,741.32	$ 1,335.11
302931	2		$ 17,741.32	$ 1,335.11
302932	2		$ 17,741.32	$ 1,335.11
302933	2		$ 17,741.32	$ 1,335.11

Property ID [a]	Lot Type	Note	Outstanding Assessment [b]	Annual Installment Due 1/31/2026 [b]
302934	2		$ 17,741.32	$ 1,335.11
302935	2		$ 17,741.32	$ 1,335.11
302936	2		$ 17,741.32	$ 1,335.11
302937	2		$ 17,741.32	$ 1,335.11
302938	2		$ 17,741.32	$ 1,335.11
302939	2		$ 17,741.32	$ 1,335.11
302940	2		$ 17,741.32	$ 1,335.11
302941	2		$ 17,741.32	$ 1,335.11
302942	2		$ 17,741.32	$ 1,335.11
302943	2		$ 17,741.32	$ 1,335.11
302944	2		$ 17,741.32	$ 1,335.11
302945	Non-Benefitted		$ -	$ -
302848	2		$ 17,741.32	$ 1,335.11
302849	2		$ 17,741.32	$ 1,335.11
302850	2		$ 17,741.32	$ 1,335.11
302851	2		$ 17,741.32	$ 1,335.11
302852	2		$ 17,741.32	$ 1,335.11
302853	2		$ 17,741.32	$ 1,335.11
302854	2		$ 17,741.32	$ 1,335.11
302855	2		$ 17,741.32	$ 1,335.11
302856	2		$ 17,741.32	$ 1,335.11
302950	2		$ 17,741.32	$ 1,335.11
302951	2		$ 17,741.32	$ 1,335.11
302952	2		$ 17,741.32	$ 1,335.11
302953	2		$ 17,741.32	$ 1,335.11
302954	2		$ 17,741.32	$ 1,335.11
302955	2		$ 17,741.32	$ 1,335.11
302956	2		$ 17,741.32	$ 1,335.11
302957	2		$ 17,741.32	$ 1,335.11
302958	2		$ 17,741.32	$ 1,335.11
302959	2		$ 17,741.32	$ 1,335.11
302960	2		$ 17,741.32	$ 1,335.11
302961	2		$ 17,741.32	$ 1,335.11
302962	2		$ 17,741.32	$ 1,335.11
302963	2		$ 17,741.32	$ 1,335.11
302964	2		$ 17,741.32	$ 1,335.11
302965	2		$ 17,741.32	$ 1,335.11
302966	2		$ 17,741.32	$ 1,335.11
302967	2		$ 17,741.32	$ 1,335.11
302968	2		$ 17,741.32	$ 1,335.11

Property ID [a]	Lot Type	Note	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
302969	2		$ 17,741.32	$ 1,335.11
302970	2		$ 17,741.32	$ 1,335.11
302971	2		$ 17,741.32	$ 1,335.11
302972	2		$ 17,741.32	$ 1,335.11
302973	2		$ 17,741.32	$ 1,335.11
302974	2		$ 17,741.32	$ 1,335.11
302975	2		$ 17,741.32	$ 1,335.11
302976	2		$ 17,741.32	$ 1,335.11
302977	2		$ 17,741.32	$ 1,335.11
302978	Non-Benefitted		$ -	$ -
302980	2		$ 17,741.32	$ 1,335.11
302981	2		$ 17,741.32	$ 1,335.11
302982	2		$ 17,741.32	$ 1,335.11
302983	2		$ 17,741.32	$ 1,335.11
302984	2		$ 17,741.32	$ 1,335.11
302985	2		$ 17,741.32	$ 1,335.11
302986	2		$ 17,741.32	$ 1,335.11
302987	2		$ 17,741.32	$ 1,335.11
302988	2		$ 17,741.32	$ 1,335.11
302989	2		$ 17,741.32	$ 1,335.11
302990	2		$ 17,741.32	$ 1,335.11
302991	2		$ 17,741.32	$ 1,335.11
302992	2		$ 17,741.32	$ 1,335.11
302993	2		$ 17,741.32	$ 1,335.11
302994	2		$ 17,741.32	$ 1,335.11
302995	2		$ 17,741.32	$ 1,335.11
302996	2		$ 17,741.32	$ 1,335.11
302997	2		$ 17,741.32	$ 1,335.11
302998	2		$ 17,741.32	$ 1,335.11
302999	Non-Benefitted		$ -	$ -
Total			**$ 5,157,000.00**	**$ 388,086.06**

Footnotes:

[a] The list of Parcels shown on the Assessment Roll is subject to change based on the final certified rolls provided by the County prior to billing

[b] Totals may not match the total Outstanding Assessment and Annual Installment due to rounding

[c] 50% ownership to each property owner based on CAD data

[d] 50% ownership to each property owner based on CAD data

EXHIBIT F-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Debt Service Reserve Fund	Annual Collection Costs	Total Annual Installment[b]
2027	$ 133,000.00	$ 188,713.76	$ 25,785.00	$ -	$ 40,588.45	$ 388,087.21
2028	$ 137,000.00	$ 184,557.50	$ 25,120.00	$ -	$ 45,000.32	$ 391,677.82
2029	$ 142,000.00	$ 180,276.26	$ 24,435.00	$ -	$ 45,900.33	$ 392,611.59
2030	$ 146,000.00	$ 175,838.76	$ 23,725.00	$ -	$ 46,818.33	$ 392,382.09
2031	$ 151,000.00	$ 171,276.26	$ 22,995.00	$ -	$ 47,754.70	$ 393,025.96
2032	$ 155,000.00	$ 166,557.50	$ 22,240.00	$ -	$ 48,709.79	$ 392,507.29
2033	$ 161,000.00	$ 161,326.26	$ 21,465.00	$ -	$ 49,683.99	$ 393,475.25
2034	$ 166,000.00	$ 155,892.50	$ 20,660.00	$ -	$ 50,677.67	$ 393,230.17
2035	$ 172,000.00	$ 150,290.00	$ 19,830.00	$ -	$ 51,691.22	$ 393,811.22
2036	$ 178,000.00	$ 144,485.00	$ 18,970.00	$ -	$ 52,725.05	$ 394,180.05
2037	$ 184,000.00	$ 138,477.50	$ 18,080.00	$ -	$ 53,779.55	$ 394,337.05
2038	$ 190,000.00	$ 132,267.50	$ 17,160.00	$ -	$ 54,855.14	$ 394,282.64
2039	$ 197,000.00	$ 125,855.00	$ 16,210.00	$ -	$ 55,952.24	$ 395,017.24
2040	$ 204,000.00	$ 119,206.26	$ 15,225.00	$ -	$ 57,071.29	$ 395,502.55
2041	$ 211,000.00	$ 112,321.26	$ 14,205.00	$ -	$ 58,212.71	$ 395,738.97
2042	$ 218,000.00	$ 105,200.00	$ 13,150.00	$ -	$ 59,376.97	$ 395,726.97
2043	$ 227,000.00	$ 96,480.00	$ 12,060.00	$ -	$ 60,564.50	$ 396,104.50
2044	$ 236,000.00	$ 87,400.00	$ 10,925.00	$ -	$ 61,775.79	$ 396,100.79
2045	$ 246,000.00	$ 77,960.00	$ 9,745.00	$ -	$ 63,011.31	$ 396,716.31
2046	$ 256,000.00	$ 68,120.00	$ 8,515.00	$ -	$ 64,271.54	$ 396,906.54
2047	$ 267,000.00	$ 57,880.00	$ 7,235.00	$ -	$ 65,556.97	$ 397,671.97
2048	$ 277,000.00	$ 47,200.00	$ 5,900.00	$ -	$ 66,868.11	$ 396,968.11
2049	$ 289,000.00	$ 36,120.00	$ 4,515.00	$ -	$ 68,205.47	$ 397,840.47
2050	$ 301,000.00	$ 24,560.00	$ 3,070.00	$ -	$ 69,569.58	$ 398,199.58
2051	$ 313,000.00	$ 12,520.00	$ 1,565.00	$ (325,560.00)	$ 70,960.97	$ 72,485.97
Total	**$ 5,157,000.00**	**$ 2,920,781.32**	**$ 382,785.00**	**$ (325,560.00)**	**$ 1,409,581.97**	**$ 9,544,588.29**

Footnotes:

[a] Interest is calculated at a 2.625%, 3.125%, 3.375% and 4.000% rate for term bonds maturing 9/15/2026, 9/15/2031, 9/15/2041, and 9/15/2051, respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 – IMPROVEMENT AREA #2 ASSESSMENT ROLL

Property ID [a]	Lot Type	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
313351	4	$ 27,718.61	$ 2,364.06
313352	4	$ 27,718.61	$ 2,364.06
313353	4	$ 27,718.61	$ 2,364.06
313354	4	$ 27,718.61	$ 2,364.06
313355	4	$ 27,718.61	$ 2,364.06
313356	4	$ 27,718.61	$ 2,364.06
313357	4	$ 27,718.61	$ 2,364.06
313358	4	$ 27,718.61	$ 2,364.06
313359	4	$ 27,718.61	$ 2,364.06
313360	4	$ 27,718.61	$ 2,364.06
313361	4	$ 27,718.61	$ 2,364.06
313362	4	$ 27,718.61	$ 2,364.06
313363	4	$ 27,718.61	$ 2,364.06
313364	4	$ 27,718.61	$ 2,364.06
313365	4	$ 27,718.61	$ 2,364.06
313366	4	$ 27,718.61	$ 2,364.06
313367	3	$ 23,938.80	$ 2,041.69
313368	3	$ 23,938.80	$ 2,041.69
313369	3	$ 23,938.80	$ 2,041.69
313370	3	$ 23,938.80	$ 2,041.69
313371	3	$ 23,938.80	$ 2,041.69
313372	3	$ 23,938.80	$ 2,041.69
313373	3	$ 23,938.80	$ 2,041.69
313374	3	$ 23,938.80	$ 2,041.69
313375	3	$ 23,938.80	$ 2,041.69
313376	3	$ 23,938.80	$ 2,041.69
313377	3	$ 23,938.80	$ 2,041.69
313378	3	$ 23,938.80	$ 2,041.69
313379	3	$ 23,938.80	$ 2,041.69
313380	3	$ 23,938.80	$ 2,041.69
313381	3	$ 23,938.80	$ 2,041.69
313382	4	$ 27,718.61	$ 2,364.06
313383	Non-Benefited	$ -	$ -
313384	Non-Benefited	$ -	$ -
313385	Non-Benefited	$ -	$ -
313386	3	$ 23,938.80	$ 2,041.69
313387	3	$ 23,938.80	$ 2,041.69
313388	3	$ 23,938.80	$ 2,041.69
313389	3	$ 23,938.80	$ 2,041.69
313390	3	$ 23,938.80	$ 2,041.69

Property ID [a]	Lot Type	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
313391	3	$ 23,938.80	$ 2,041.69
313392	3	$ 23,938.80	$ 2,041.69
313393	3	$ 23,938.80	$ 2,041.69
313394	3	$ 23,938.80	$ 2,041.69
313395	3	$ 23,938.80	$ 2,041.69
313396	Non-Benefited	$ -	$ -
313397	4	$ 27,718.61	$ 2,364.06
313398	4	$ 27,718.61	$ 2,364.06
313399	4	$ 27,718.61	$ 2,364.06
313400	4	$ 27,718.61	$ 2,364.06
313401	4	$ 27,718.61	$ 2,364.06
313402	3	$ 23,938.80	$ 2,041.69
313403	3	$ 23,938.80	$ 2,041.69
313404	Non-Benefited	$ -	$ -
313405	3	$ 23,938.80	$ 2,041.69
313406	3	$ 23,938.80	$ 2,041.69
313407	3	$ 23,938.80	$ 2,041.69
313408	3	$ 23,938.80	$ 2,041.69
313409	3	$ 23,938.80	$ 2,041.69
313410	3	$ 23,938.80	$ 2,041.69
313411	3	$ 23,938.80	$ 2,041.69
313412	3	$ 23,938.80	$ 2,041.69
313413	3	$ 23,938.80	$ 2,041.69
313414	3	$ 23,938.80	$ 2,041.69
313415	3	$ 23,938.80	$ 2,041.69
313416	3	$ 23,938.80	$ 2,041.69
313417	3	$ 23,938.80	$ 2,041.69
313418	3	$ 23,938.80	$ 2,041.69
313419	3	$ 23,938.80	$ 2,041.69
313420	3	$ 23,938.80	$ 2,041.69
313421	3	$ 23,938.80	$ 2,041.69
313422	3	$ 23,938.80	$ 2,041.69
313423	3	$ 23,938.80	$ 2,041.69
313424	3	$ 23,938.80	$ 2,041.69
313425	3	$ 23,938.80	$ 2,041.69
313426	3	$ 23,938.80	$ 2,041.69
313427	Non-Benefited	$ -	$ -
313428	3	$ 23,938.80	$ 2,041.69
313429	3	$ 23,938.80	$ 2,041.69
313430	3	$ 23,938.80	$ 2,041.69

Property ID [a]	Lot Type	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
313431	3	$ 23,938.80	$ 2,041.69
313432	3	$ 23,938.80	$ 2,041.69
313433	3	$ 23,938.80	$ 2,041.69
313434	3	$ 23,938.80	$ 2,041.69
313435	3	$ 23,938.80	$ 2,041.69
313436	3	$ 23,938.80	$ 2,041.69
313437	3	$ 23,938.80	$ 2,041.69
313438	3	$ 23,938.80	$ 2,041.69
313439	3	$ 23,938.80	$ 2,041.69
313440	3	$ 23,938.80	$ 2,041.69
313441	3	$ 23,938.80	$ 2,041.69
313442	3	$ 23,938.80	$ 2,041.69
313443	3	$ 23,938.80	$ 2,041.69
313444	3	$ 23,938.80	$ 2,041.69
313445	3	$ 23,938.80	$ 2,041.69
313446	3	$ 23,938.80	$ 2,041.69
313447	3	$ 23,938.80	$ 2,041.69
313448	3	$ 23,938.80	$ 2,041.69
313449	3	$ 23,938.80	$ 2,041.69
313450	3	$ 23,938.80	$ 2,041.69
313451	3	$ 23,938.80	$ 2,041.69
313452	3	$ 23,938.80	$ 2,041.69
313453	3	$ 23,938.80	$ 2,041.69
313454	3	$ 23,938.80	$ 2,041.69
313455	3	$ 23,938.80	$ 2,041.69
313456	3	$ 23,938.80	$ 2,041.69
313457	3	$ 23,938.80	$ 2,041.69
313458	3	$ 23,938.80	$ 2,041.69
313459	3	$ 23,938.80	$ 2,041.69
313460	3	$ 23,938.80	$ 2,041.69
313461	3	$ 23,938.80	$ 2,041.69
313462	3	$ 23,938.80	$ 2,041.69
313463	3	$ 23,938.80	$ 2,041.69
313464	3	$ 23,938.80	$ 2,041.69
313465	3	$ 23,938.80	$ 2,041.69
313466	3	$ 23,938.80	$ 2,041.69
313467	3	$ 23,938.80	$ 2,041.69
313468	3	$ 23,938.80	$ 2,041.69
313469	3	$ 23,938.80	$ 2,041.69
313470	3	$ 23,938.80	$ 2,041.69

Property ID [a]	Lot Type	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
313471	3	$ 23,938.80	$ 2,041.69
313472	3	$ 23,938.80	$ 2,041.69
313543	3	$ 23,938.80	$ 2,041.69
313544	3	$ 23,938.80	$ 2,041.69
313545	3	$ 23,938.80	$ 2,041.69
313546	3	$ 23,938.80	$ 2,041.69
313547	3	$ 23,938.80	$ 2,041.69
313548	3	$ 23,938.80	$ 2,041.69
313549	3	$ 23,938.80	$ 2,041.69
313550	3	$ 23,938.80	$ 2,041.69
313551	3	$ 23,938.80	$ 2,041.69
313552	3	$ 23,938.80	$ 2,041.69
313553	3	$ 23,938.80	$ 2,041.69
313554	3	$ 23,938.80	$ 2,041.69
313555	3	$ 23,938.80	$ 2,041.69
313556	3	$ 23,938.80	$ 2,041.69
313557	3	$ 23,938.80	$ 2,041.69
313558	3	$ 23,938.80	$ 2,041.69
313559	3	$ 23,938.80	$ 2,041.69
313560	3	$ 23,938.80	$ 2,041.69
313561	3	$ 23,938.80	$ 2,041.69
313562	3	$ 23,938.80	$ 2,041.69
313563	3	$ 23,938.80	$ 2,041.69
313564	3	$ 23,938.80	$ 2,041.69
313565	3	$ 23,938.80	$ 2,041.69
313566	3	$ 23,938.80	$ 2,041.69
313567	3	$ 23,938.80	$ 2,041.69
313568	3	$ 23,938.80	$ 2,041.69
313569	3	$ 23,938.80	$ 2,041.69
313570	3	$ 23,938.80	$ 2,041.69
313571	3	$ 23,938.80	$ 2,041.69
313572	3	$ 23,938.80	$ 2,041.69
313573	3	$ 23,938.80	$ 2,041.69
313574	3	$ 23,938.80	$ 2,041.69
313575	3	$ 23,938.80	$ 2,041.69
313576	3	$ 23,938.80	$ 2,041.69
313577	3	$ 23,938.80	$ 2,041.69
313578	3	$ 23,938.80	$ 2,041.69
313579	3	$ 23,938.80	$ 2,041.69
313580	3	$ 23,938.80	$ 2,041.69

Property ID [a]	Lot Type	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
313581	3	$ 23,938.80	$ 2,041.69
313582	3	$ 23,938.80	$ 2,041.69
313583	3	$ 23,938.80	$ 2,041.69
313584	3	$ 23,938.80	$ 2,041.69
313585	3	$ 23,938.80	$ 2,041.69
313586	3	$ 23,938.80	$ 2,041.69
313587	3	$ 23,938.80	$ 2,041.69
313588	3	$ 23,938.80	$ 2,041.69
313589	3	$ 23,938.80	$ 2,041.69
313590	3	$ 23,938.80	$ 2,041.69
313591	3	$ 23,938.80	$ 2,041.69
313592	3	$ 23,938.80	$ 2,041.69
313593	3	$ 23,938.80	$ 2,041.69
313594	3	$ 23,938.80	$ 2,041.69
313595	3	$ 23,938.80	$ 2,041.69
313596	3	$ 23,938.80	$ 2,041.69
313597	Non-Benefited	$ -	$ -
313598	Non-Benefited	$ -	$ -
313599	3	$ 23,938.80	$ 2,041.69
313600	3	$ 23,938.80	$ 2,041.69
313601	3	$ 23,938.80	$ 2,041.69
313602	3	$ 23,938.80	$ 2,041.69
313603	3	$ 23,938.80	$ 2,041.69
313604	3	$ 23,938.80	$ 2,041.69
313605	3	$ 23,938.80	$ 2,041.69
313606	3	$ 23,938.80	$ 2,041.69
313607	3	$ 23,938.80	$ 2,041.69
313608	3	$ 23,938.80	$ 2,041.69
313609	3	$ 23,938.80	$ 2,041.69
313610	3	$ 23,938.80	$ 2,041.69
313611	3	$ 23,938.80	$ 2,041.69
313612	3	$ 23,938.80	$ 2,041.69
313613	3	$ 23,938.80	$ 2,041.69
313614	3	$ 23,938.80	$ 2,041.69
313615	3	$ 23,938.80	$ 2,041.69
313616	3	$ 23,938.80	$ 2,041.69
313617	3	$ 23,938.80	$ 2,041.69
313618	3	$ 23,938.80	$ 2,041.69
313619	3	$ 23,938.80	$ 2,041.69
313620	3	$ 23,938.80	$ 2,041.69
313621	3	$ 23,938.80	$ 2,041.69

Property ID [a]	Lot Type	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
313622	3	$ 23,938.80	$ 2,041.69
313623	3	$ 23,938.80	$ 2,041.69
313624	3	$ 23,938.80	$ 2,041.69
313625	3	$ 23,938.80	$ 2,041.69
313626	3	$ 23,938.80	$ 2,041.69
313627	3	$ 23,938.80	$ 2,041.69
313628	3	$ 23,938.80	$ 2,041.69
313629	3	$ 23,938.80	$ 2,041.69
313630	3	$ 23,938.80	$ 2,041.69
313631	3	$ 23,938.80	$ 2,041.69
313632	3	$ 23,938.80	$ 2,041.69
313633	3	$ 23,938.80	$ 2,041.69
313634	3	$ 23,938.80	$ 2,041.69
313635	3	$ 23,938.80	$ 2,041.69
313636	3	$ 23,938.80	$ 2,041.69
313637	3	$ 23,938.80	$ 2,041.69
313638	3	$ 23,938.80	$ 2,041.69
313639	3	$ 23,938.80	$ 2,041.69
313640	3	$ 23,938.80	$ 2,041.69
313641	3	$ 23,938.80	$ 2,041.69
313642	3	$ 23,938.80	$ 2,041.69
313643	3	$ 23,938.80	$ 2,041.69
313644	3	$ 23,938.80	$ 2,041.69
313645	3	$ 23,938.80	$ 2,041.69
313646	3	$ 23,938.80	$ 2,041.69
313647	3	$ 23,938.80	$ 2,041.69
313648	3	$ 23,938.80	$ 2,041.69
313649	3	$ 23,938.80	$ 2,041.69
313650	3	$ 23,938.80	$ 2,041.69
313651	3	$ 23,938.80	$ 2,041.69
313652	3	$ 23,938.80	$ 2,041.69
313653	3	$ 23,938.80	$ 2,041.69
313654	3	$ 23,938.80	$ 2,041.69
313655	3	$ 23,938.80	$ 2,041.69
313656	3	$ 23,938.80	$ 2,041.69

Property ID [a]	Lot Type	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b]
313657	3	$ 23,938.80	$ 2,041.69
313658	3	$ 23,938.80	$ 2,041.69
313659	3	$ 23,938.80	$ 2,041.69
313660	3	$ 23,938.80	$ 2,041.69
313661	3	$ 23,938.80	$ 2,041.69
313662	3	$ 23,938.80	$ 2,041.69
313663	3	$ 23,938.80	$ 2,041.69
313664	3	$ 23,938.80	$ 2,041.69
313665	3	$ 23,938.80	$ 2,041.69
313666	3	$ 23,938.80	$ 2,041.69
313667	3	$ 23,938.80	$ 2,041.69
313668	3	$ 23,938.80	$ 2,041.69
313669	3	$ 23,938.80	$ 2,041.69
313670	3	$ 23,938.80	$ 2,041.69
313671	3	$ 23,938.80	$ 2,041.69
313672	3	$ 23,938.80	$ 2,041.69
313673	3	$ 23,938.80	$ 2,041.69
313674	3	$ 23,938.80	$ 2,041.69
313675	3	$ 23,938.80	$ 2,041.69
313676	3	$ 23,938.80	$ 2,041.69
313677	3	$ 23,938.80	$ 2,041.69
313678	3	$ 23,938.80	$ 2,041.69
313679	3	$ 23,938.80	$ 2,041.69
313680	3	$ 23,938.80	$ 2,041.69
313681	3	$ 23,938.80	$ 2,041.69
313682	3	$ 23,938.80	$ 2,041.69
313683	3	$ 23,938.80	$ 2,041.69
313684	3	$ 23,938.80	$ 2,041.69
313685	3	$ 23,938.80	$ 2,041.69
313686	3	$ 23,938.80	$ 2,041.69
313687	3	$ 23,938.80	$ 2,041.69
313688	3	$ 23,938.80	$ 2,041.69
313689	3	$ 23,938.80	$ 2,041.69
313690	3	$ 23,938.80	$ 2,041.69
313691	3	$ 23,938.80	$ 2,041.69
313692	3	$ 23,938.80	$ 2,041.69
Total		**$ 6,403,000.00**	**$ 546,098.30**

Footnotes:

[a] The list of Parcels shown on the Assessment Roll is subject to change based on the final certified rolls provided by the County prior to billing

[b] Totals may not match the total Outstanding Assessment and Annual Installment due to rounding

EXHIBIT G-2 – 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	$ 77,000.00	$ 403,389.00	$ -	$ 32,015.00	$ 33,693.75	$ 546,097.75
2028	$ 82,000.00	$ 398,538.00	$ -	$ 31,630.00	$ 34,367.63	$ 546,535.63
2029	$ 87,000.00	$ 393,372.00	$ -	$ 31,220.00	$ 35,054.98	$ 546,646.98
2030	$ 92,000.00	$ 387,891.00	$ -	$ 30,785.00	$ 35,756.08	$ 546,432.08
2031	$ 98,000.00	$ 382,095.00	$ -	$ 30,325.00	$ 36,471.20	$ 546,891.20
2032	$ 104,000.00	$ 375,921.00	$ -	$ 29,835.00	$ 37,200.62	$ 546,956.62
2033	$ 111,000.00	$ 369,369.00	$ -	$ 29,315.00	$ 37,944.63	$ 547,628.63
2034	$ 118,000.00	$ 362,376.00	$ -	$ 28,760.00	$ 38,703.52	$ 547,839.52
2035	$ 125,000.00	$ 354,942.00	$ -	$ 28,170.00	$ 39,477.59	$ 547,589.59
2036	$ 133,000.00	$ 347,067.00	$ -	$ 27,545.00	$ 40,267.14	$ 547,879.14
2037	$ 141,000.00	$ 338,688.00	$ -	$ 26,880.00	$ 41,072.48	$ 547,640.48
2038	$ 150,000.00	$ 329,805.00	$ -	$ 26,175.00	$ 41,893.93	$ 547,873.93
2039	$ 160,000.00	$ 320,355.00	$ -	$ 25,425.00	$ 42,731.81	$ 548,511.81
2040	$ 170,000.00	$ 310,275.00	$ -	$ 24,625.00	$ 43,586.45	$ 548,486.45
2041	$ 181,000.00	$ 299,565.00	$ -	$ 23,775.00	$ 44,458.18	$ 548,798.18
2042	$ 192,000.00	$ 288,162.00	$ -	$ 22,870.00	$ 45,347.34	$ 548,379.34
2043	$ 204,000.00	$ 276,066.00	$ -	$ 21,910.00	$ 46,254.29	$ 548,230.29
2044	$ 217,000.00	$ 263,214.00	$ -	$ 20,890.00	$ 47,179.38	$ 548,283.38
2045	$ 231,000.00	$ 249,543.00	$ -	$ 19,805.00	$ 48,122.97	$ 548,470.97
2046	$ 245,000.00	$ 234,990.00	$ -	$ 18,650.00	$ 49,085.43	$ 547,725.43
2047	$ 261,000.00	$ 219,555.00	$ -	$ 17,425.00	$ 50,067.14	$ 548,047.14
2048	$ 277,000.00	$ 203,112.00	$ -	$ 16,120.00	$ 51,068.48	$ 547,300.48
2049	$ 294,000.00	$ 185,661.00	$ -	$ 14,735.00	$ 52,089.85	$ 546,485.85
2050	$ 313,000.00	$ 167,139.00	$ -	$ 13,265.00	$ 53,131.65	$ 546,535.65
2051	$ 333,000.00	$ 147,420.00	$ -	$ 11,700.00	$ 54,194.28	$ 546,314.28
2052	$ 354,000.00	$ 126,441.00	$ -	$ 10,035.00	$ 55,278.17	$ 545,754.17
2053	$ 376,000.00	$ 104,139.00	$ -	$ 8,265.00	$ 56,383.73	$ 544,787.73
2054	$ 400,000.00	$ 80,451.00	$ -	$ 6,385.00	$ 57,511.40	$ 544,347.40
2055	$ 425,000.00	$ 55,251.00	$ -	$ 4,385.00	$ 58,661.63	$ 543,297.63
2056	$ 452,000.00	$ 28,476.00	$ (480,565.00)	$ 2,260.00	$ 59,834.86	$ 62,005.86
Total	**$ 6,403,000.00**	**$ 8,003,268.00**	**$ (480,565.00)**	**$ 635,180.00**	**$ 1,366,890.59**	**$ 15,927,773.59**

Footnotes:

[a] Interest is calculated at a 6.30% 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 Reserve Fund is fully funded and available to reduce Annual Installments in the final year.

EXHIBIT H-1 – IMPROVEMENT AREA #3 ASSESSMENT ROLL

Property ID[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
284676	Improvement Area #3 Initial Parcel	$ 1,940,000.00	$ 168,701.25
Total		**$ 1,940,000.00**	**$ 168,701.25**

Footnotes:

[a] The Assessment and Annual Installment have initially been allocated between all Property IDs within Improvement Area #3 pro rata based on acreage as reported by Ellis Central Appraisal District. Future allocation of the Assessment will be done in accordance with **Section VI** of this 2026 A&R Service and Assessment Plan.

[b] Annual Installment due may not match Service Plan or Annual Installment schedule due to rounding.

EXHIBIT H-2 – IMPROVEMENT AREA #3 ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest[a]	Reserve Fund[c]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 23,000.00	$ 122,220.00	$ -	$ 9,700.00	$ 13,781.25	$ 168,701.25
2028	$ 25,000.00	$ 120,771.00	$ -	$ 9,585.00	$ 14,056.88	$ 169,412.88
2029	$ 26,000.00	$ 119,196.00	$ -	$ 9,460.00	$ 14,338.02	$ 168,994.02
2030	$ 28,000.00	$ 117,558.00	$ -	$ 9,330.00	$ 14,624.78	$ 169,512.78
2031	$ 30,000.00	$ 115,794.00	$ -	$ 9,190.00	$ 14,917.28	$ 169,901.28
2032	$ 32,000.00	$ 113,904.00	$ -	$ 9,040.00	$ 15,215.63	$ 170,159.63
2033	$ 33,000.00	$ 111,888.00	$ -	$ 8,880.00	$ 15,519.94	$ 169,287.94
2034	$ 36,000.00	$ 109,809.00	$ -	$ 8,715.00	$ 15,830.34	$ 170,354.34
2035	$ 38,000.00	$ 107,541.00	$ -	$ 8,535.00	$ 16,146.95	$ 170,222.95
2036	$ 40,000.00	$ 105,147.00	$ -	$ 8,345.00	$ 16,469.89	$ 169,961.89
2037	$ 43,000.00	$ 102,627.00	$ -	$ 8,145.00	$ 16,799.29	$ 170,571.29
2038	$ 46,000.00	$ 99,918.00	$ -	$ 7,930.00	$ 17,135.28	$ 170,983.28
2039	$ 48,000.00	$ 97,020.00	$ -	$ 7,700.00	$ 17,477.99	$ 170,197.99
2040	$ 51,000.00	$ 93,996.00	$ -	$ 7,460.00	$ 17,827.55	$ 170,283.55
2041	$ 55,000.00	$ 90,783.00	$ -	$ 7,205.00	$ 18,184.10	$ 171,172.10
2042	$ 58,000.00	$ 87,318.00	$ -	$ 6,930.00	$ 18,547.78	$ 170,795.78
2043	$ 62,000.00	$ 83,664.00	$ -	$ 6,640.00	$ 18,918.74	$ 171,222.74
2044	$ 66,000.00	$ 79,758.00	$ -	$ 6,330.00	$ 19,297.11	$ 171,385.11
2045	$ 70,000.00	$ 75,600.00	$ -	$ 6,000.00	$ 19,683.05	$ 171,283.05
2046	$ 74,000.00	$ 71,190.00	$ -	$ 5,650.00	$ 20,076.71	$ 170,916.71
2047	$ 79,000.00	$ 66,528.00	$ -	$ 5,280.00	$ 20,478.24	$ 171,286.24
2048	$ 84,000.00	$ 61,551.00	$ -	$ 4,885.00	$ 20,887.80	$ 171,323.80
2049	$ 89,000.00	$ 56,259.00	$ -	$ 4,465.00	$ 21,305.56	$ 171,029.56
2050	$ 95,000.00	$ 50,652.00	$ -	$ 4,020.00	$ 21,731.67	$ 171,403.67
2051	$ 101,000.00	$ 44,667.00	$ -	$ 3,545.00	$ 22,166.30	$ 171,378.30
2052	$ 107,000.00	$ 38,304.00	$ -	$ 3,040.00	$ 22,609.63	$ 170,953.63
2053	$ 114,000.00	$ 31,563.00	$ -	$ 2,505.00	$ 23,061.82	$ 171,129.82
2054	$ 121,000.00	$ 24,381.00	$ -	$ 1,935.00	$ 23,523.06	$ 170,839.06
2055	$ 129,000.00	$ 16,758.00	$ -	$ 1,330.00	$ 23,993.52	$ 171,081.52
2056	$ 137,000.00	$ 8,631.00	$ (145,918.00)	$ 685.00	$ 24,473.39	$ 24,871.39
Total	**$ 1,940,000.00**	**$ 2,424,996.00**	**$ (145,918.00)**	**$ 192,460.00**	**$ 559,079.55**	**$ 4,970,617.55**

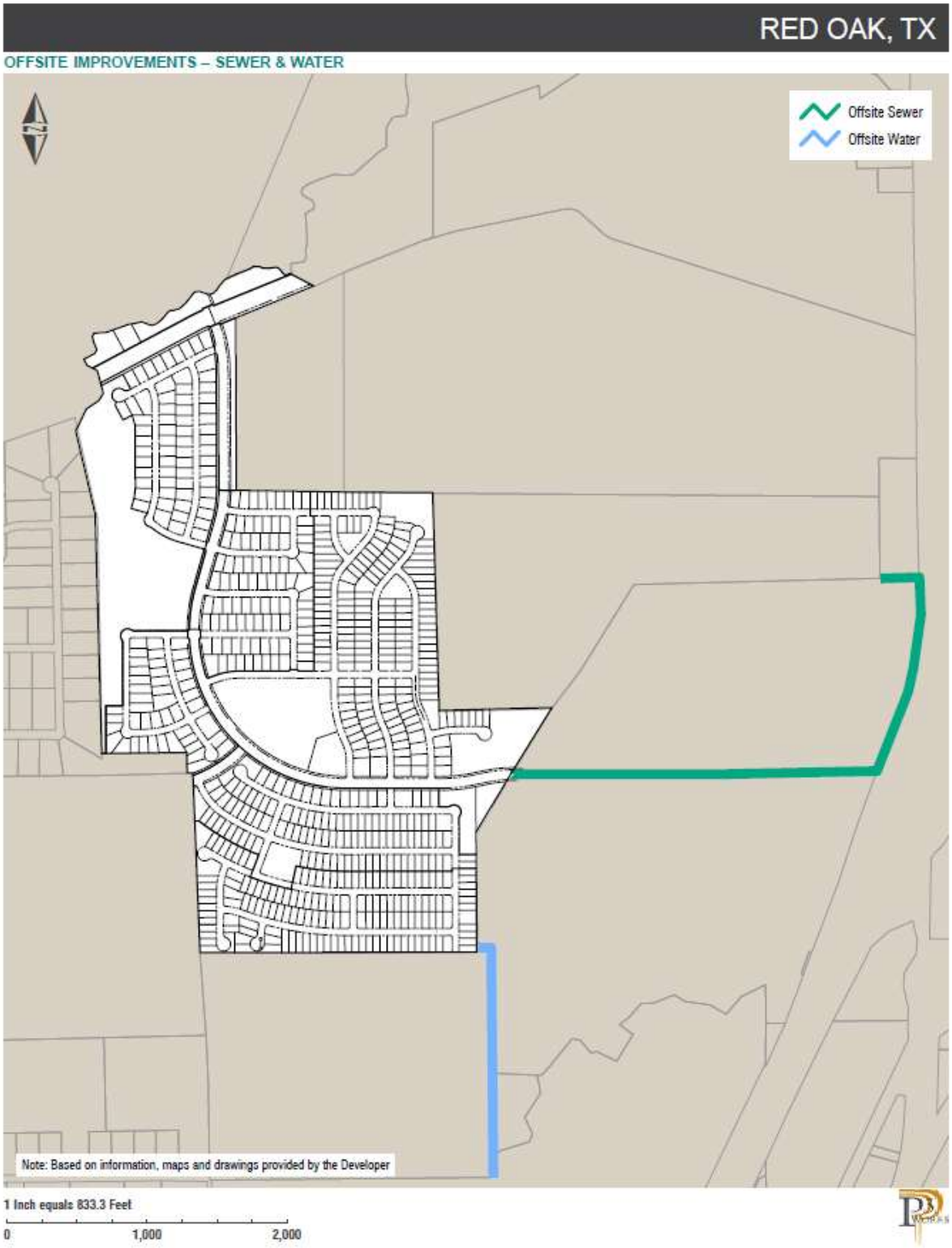
Footnotes:

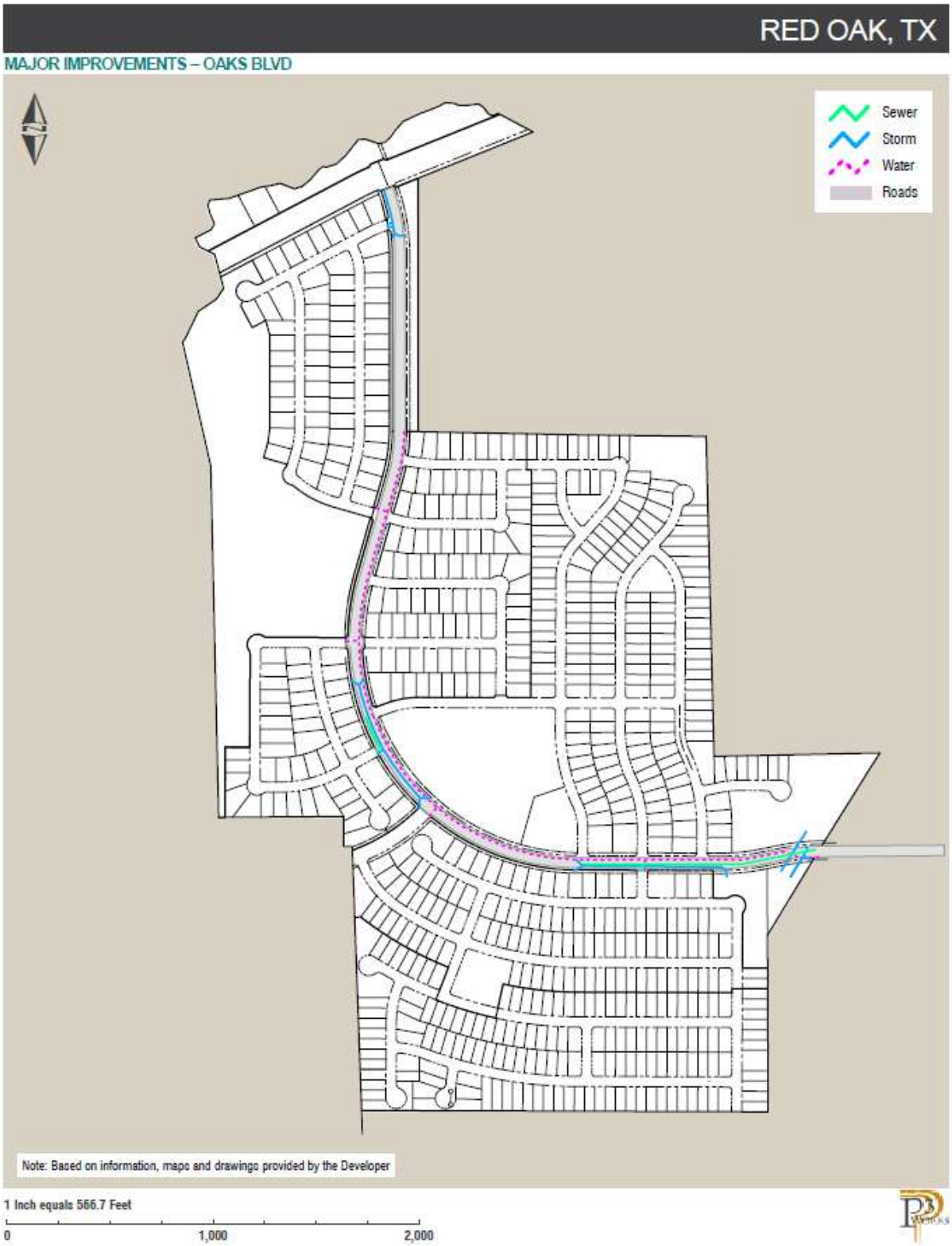
[a] Interest is calculated at a 6.30% rate for illustrative purposes.

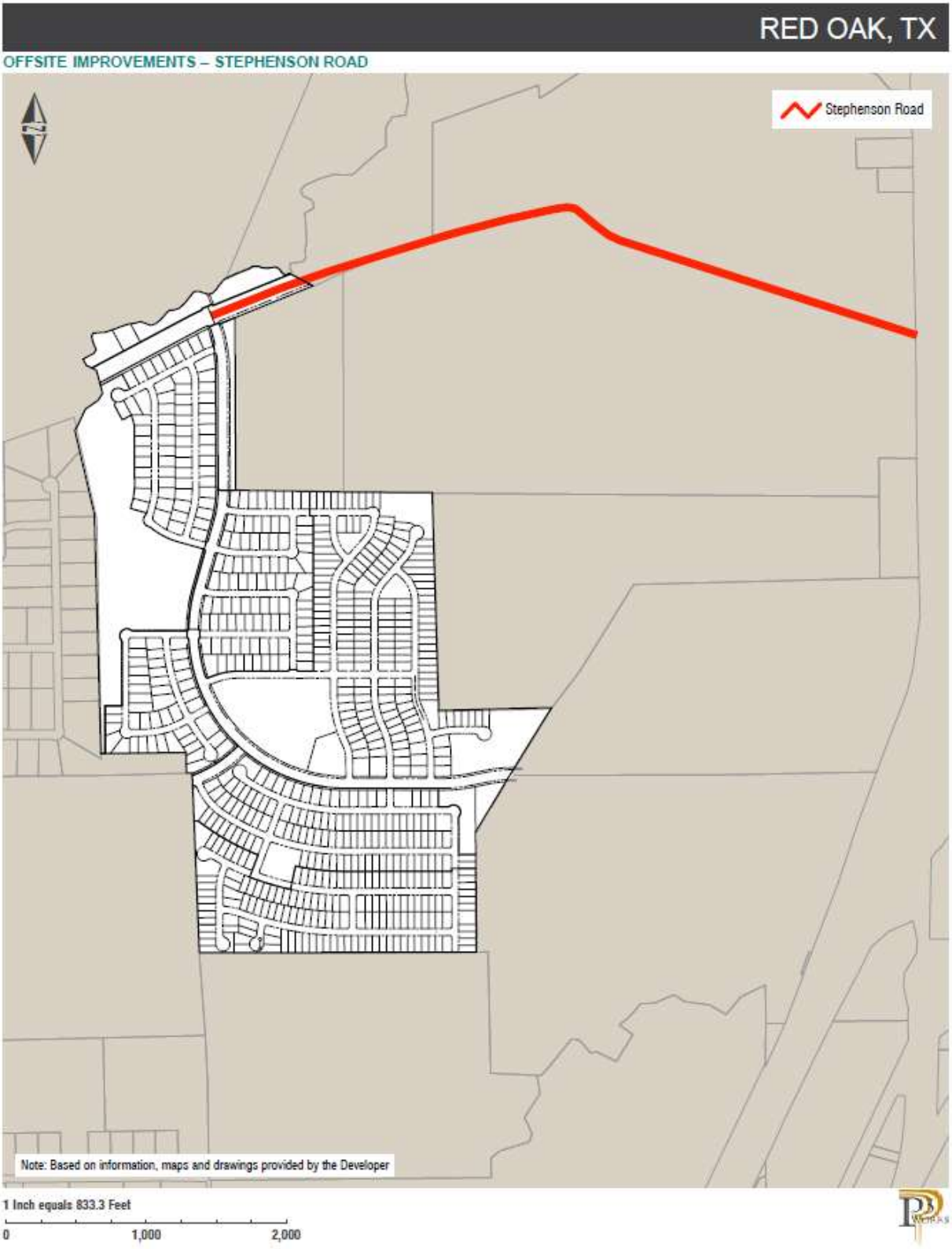
[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

[c] Assumes Reserve Fund is fully funded and available to reduce Annual Installments in the final year.

EXHIBIT I-1 – MAPS OF MAJOR IMPROVEMENTS




RED OAK, TX
MAJOR IMPROVEMENTS – OAKS BLVD
Sewer
Storm
Water
Roads
Note: Based on information, maps and drawings provided by the Developer
1 Inch equals 566.7 Feet
0
1,000
2,000


RED OAK, TX
OFFSITE IMPROVEMENTS – STEPHENSON ROAD
Stephenson Road
Note: Based on information, maps and drawings provided by the Developer
1 Inch equals 833.3 Feet
0
1,000
2,000

RED OAK, TX

IMPROVEMENT AREA #1 IMPROVEMENTS – PARK

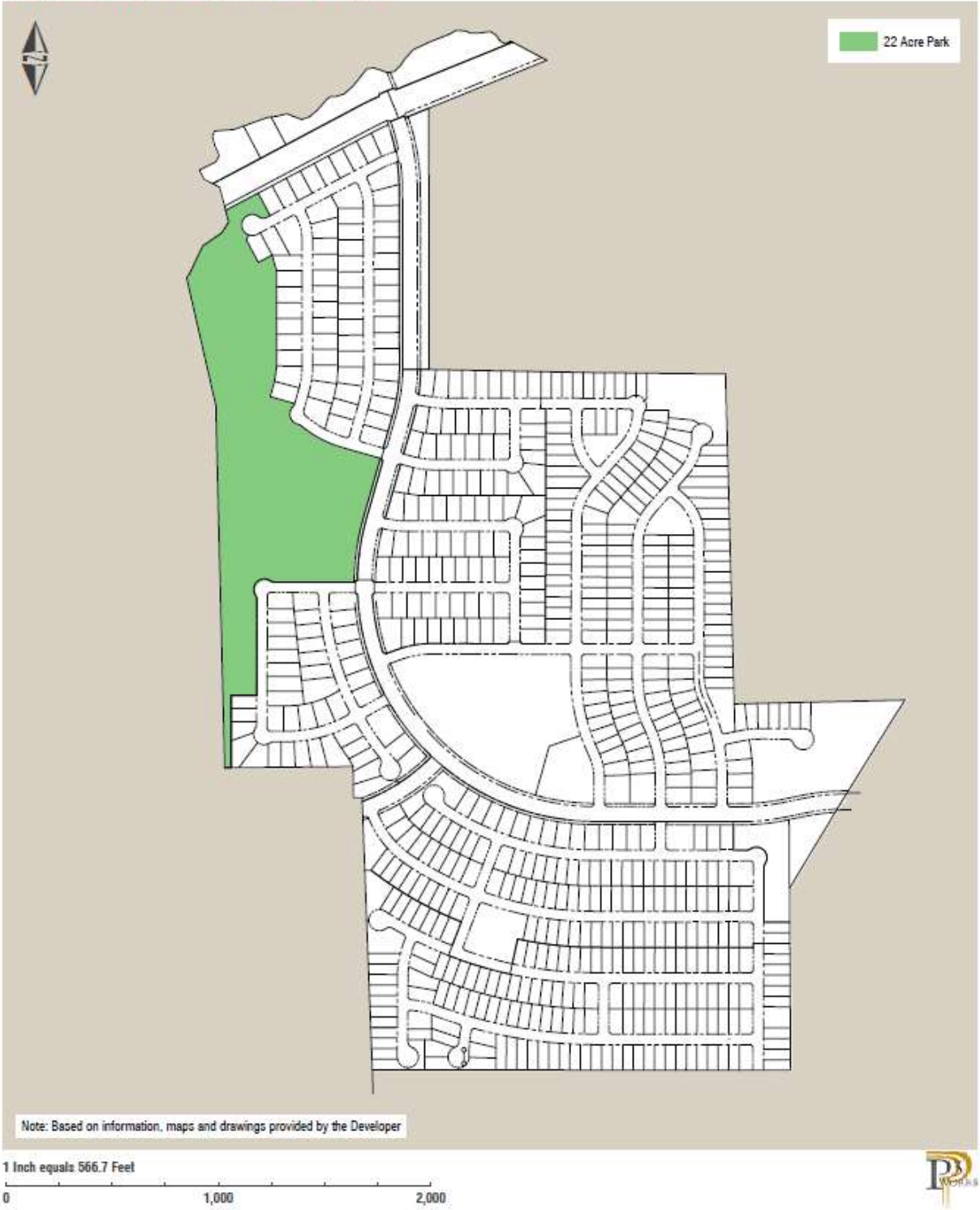


EXHIBIT I-2 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS

RED OAK, TX
IMPROVEMENT AREA #1 IMPROVEMENTS – WATER
Phase 1
Phase 2
Phase 4
Note: Based on information, maps and drawings provided by the Developer
1 Inch equals 566.7 Feet
0
1,000
2,000

RED OAK, TX
IMPROVEMENT AREA #1 IMPROVEMENTS – SEWER
Phase 1
Phase 2
Phase 4
Note: Based on information, maps and drawings provided by the Developer
1 Inch equals 566.7 Feet
0
1,000
2,000

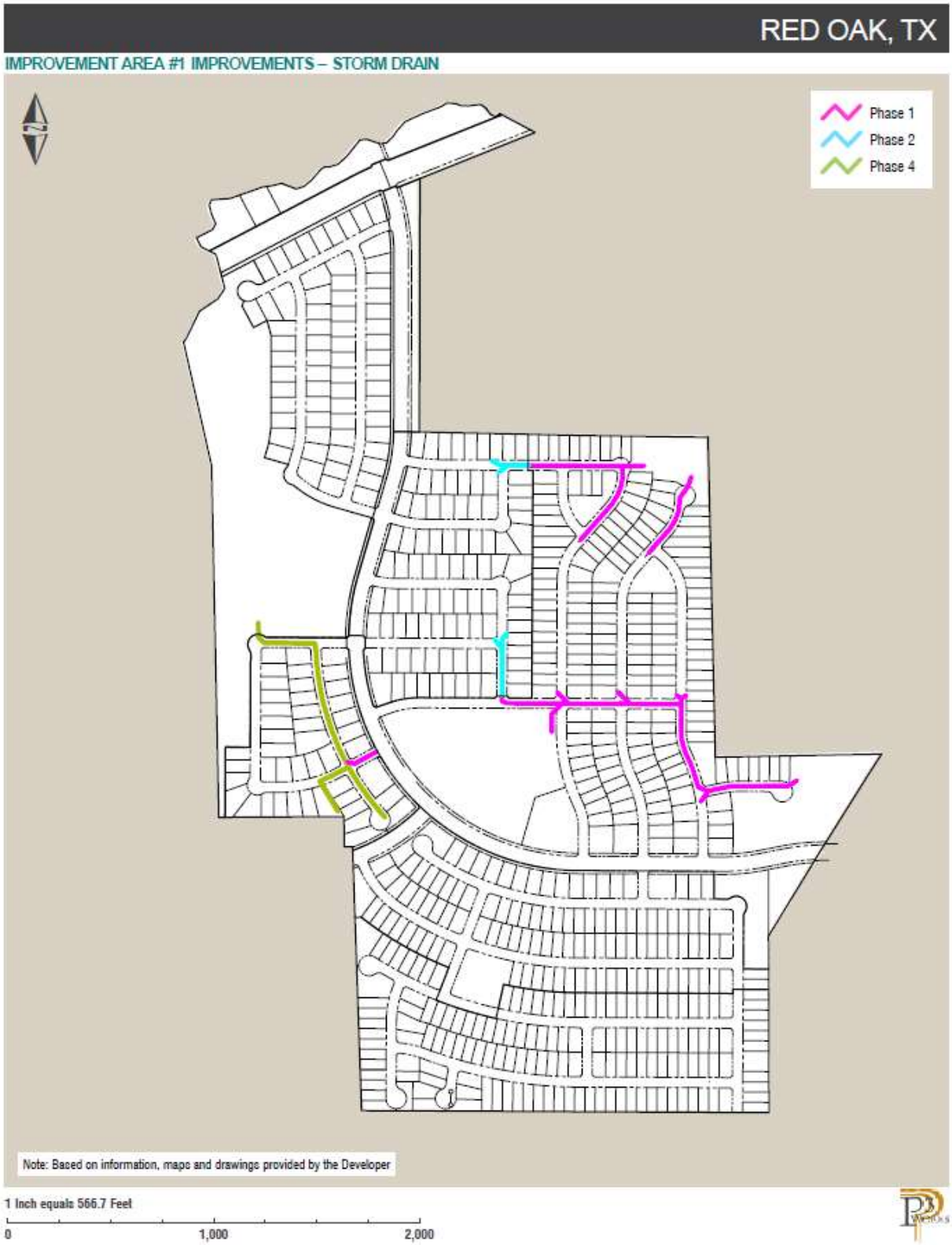
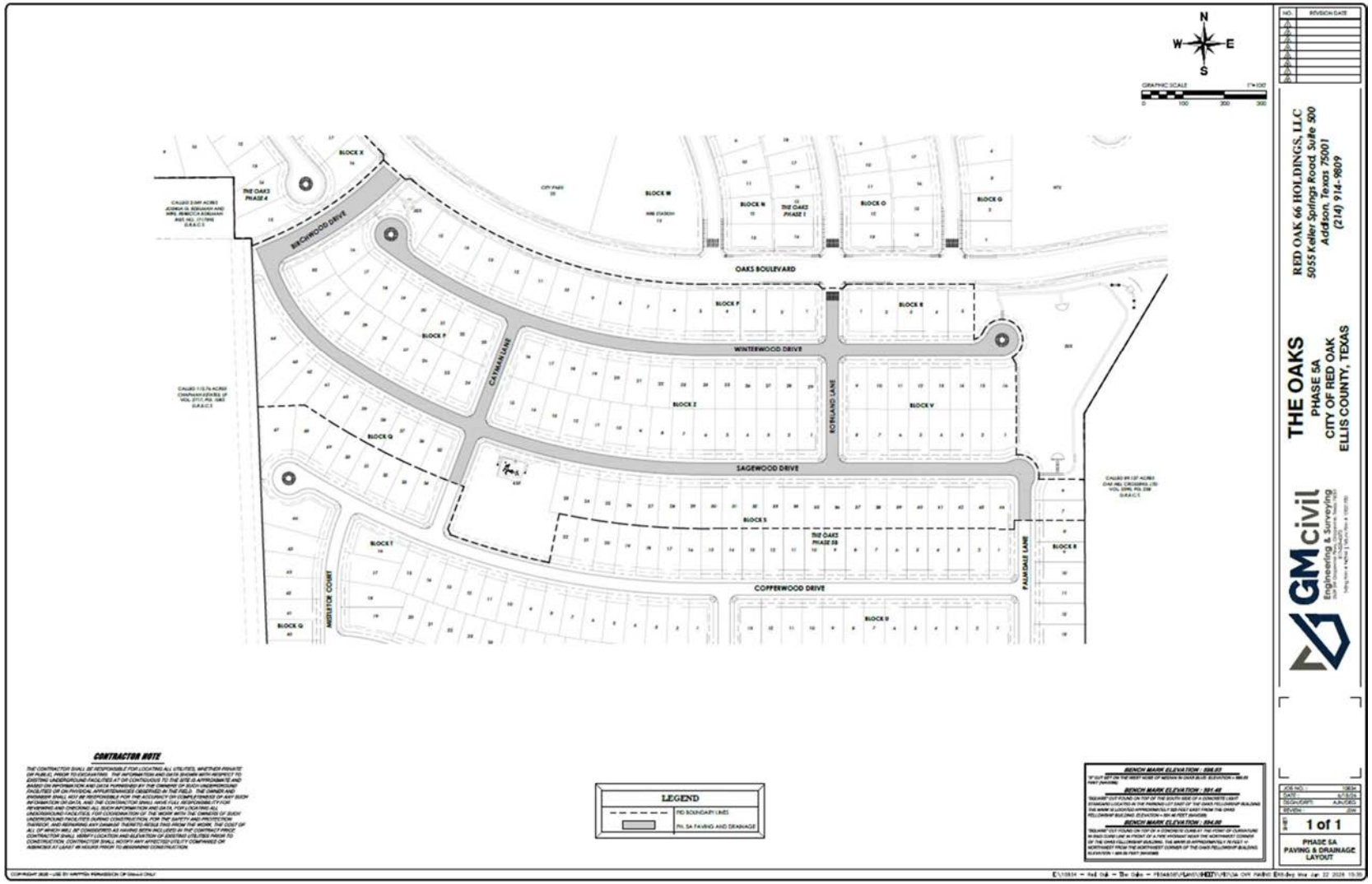
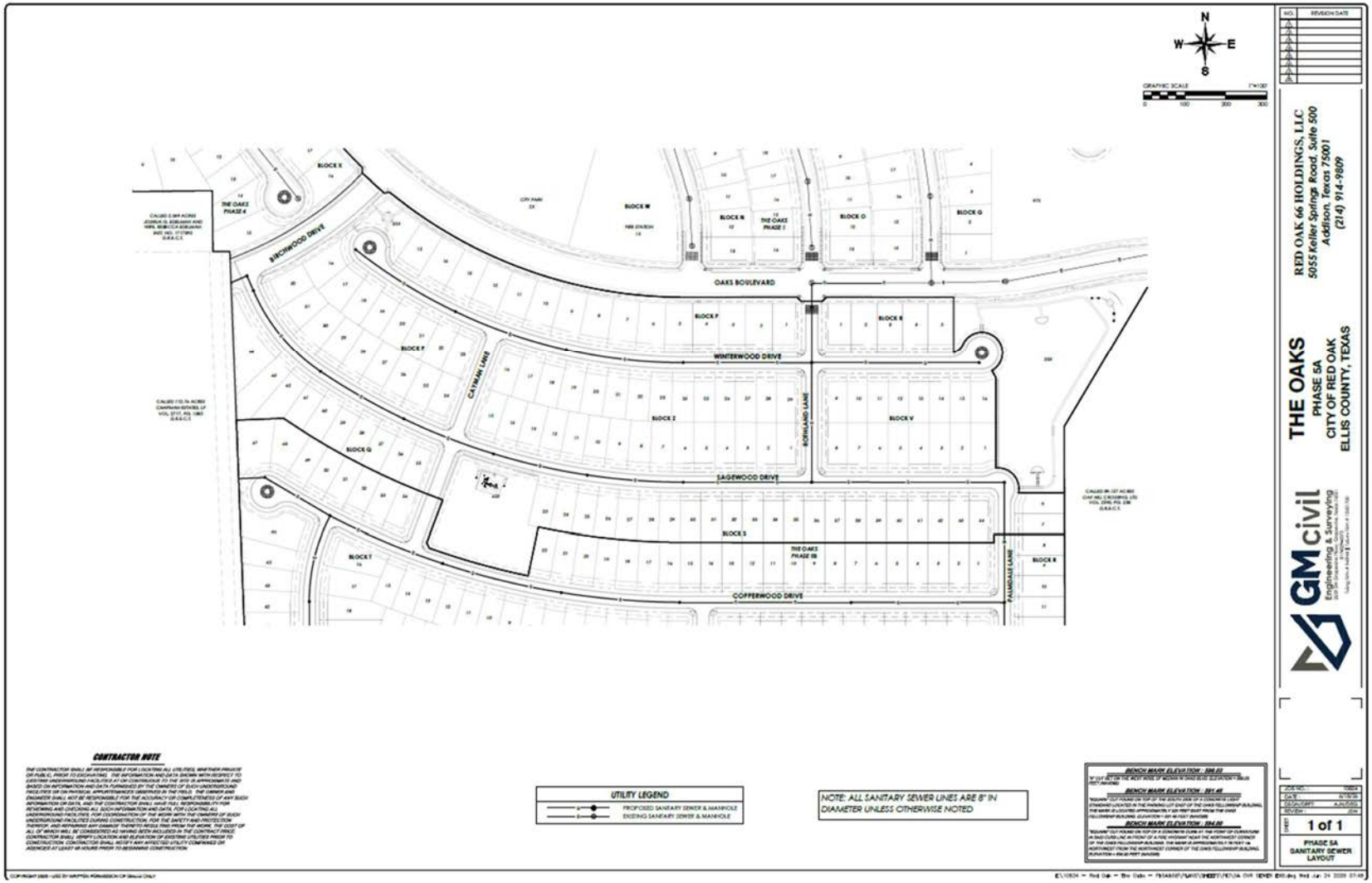
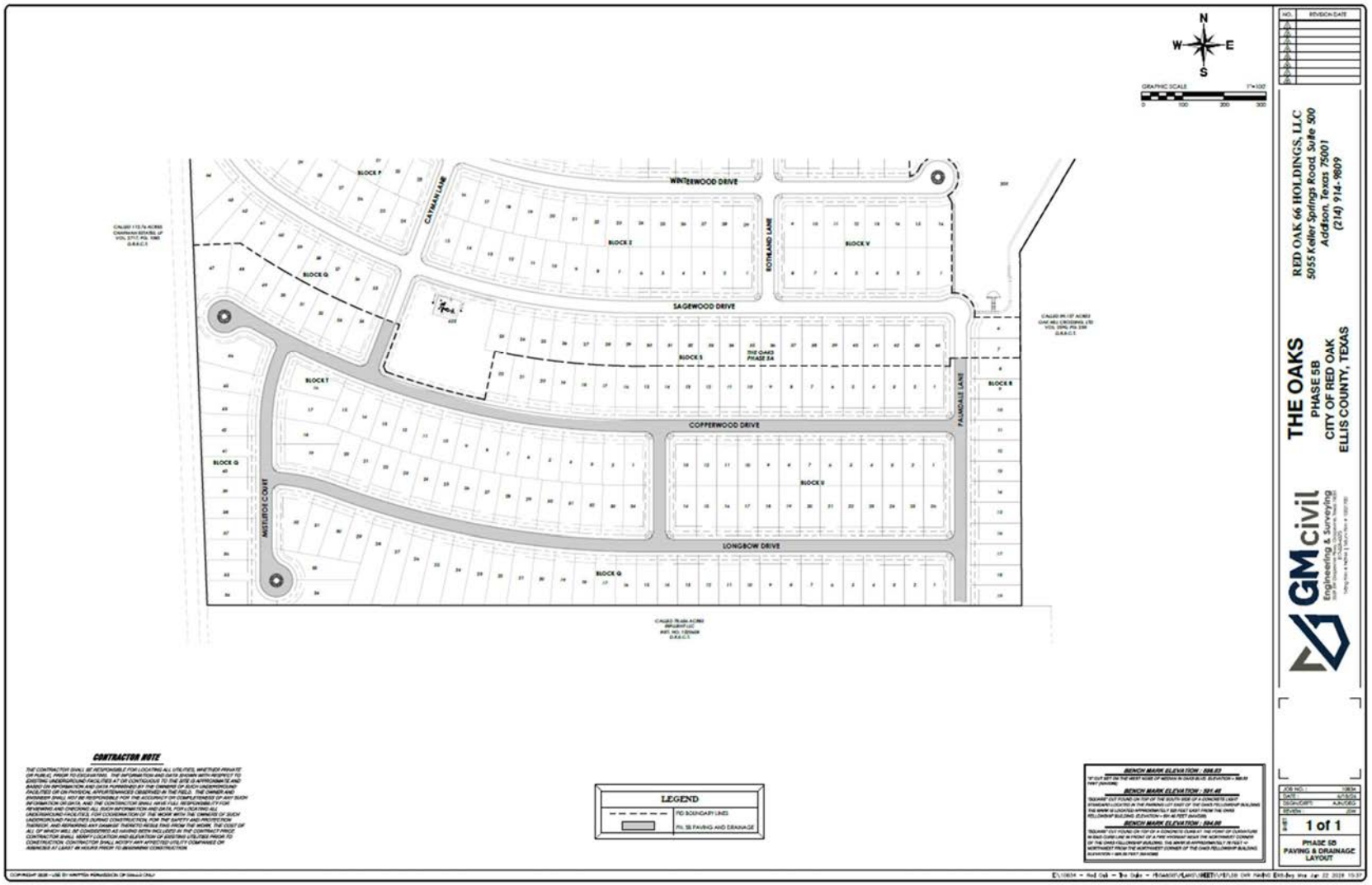

RED OAK, TX
IMPROVEMENT AREA #1 IMPROVEMENTS – STORM DRAIN
Phase 1
Phase 2
Phase 4
Note: Based on information, maps and drawings provided by the Developer
1 Inch equals 566.7 Feet
0
1,000
2,000

EXHIBIT I-3 – MAPS OF IMPROVEMENT AREA #2 IMPROVEMENTS




N
W
E
S
GRAPHIC SCALE
0
100
200
300
BLOCK X
THE OAKS PHASE 4
BLOCK W
BLOCK N
THE OAKS PHASE 1
BLOCK O
BLOCK G
OAKS BOULEVARD
BLOCK P
BLOCK R
WINTERWOOD DRIVE
CATMAN LANE
BLOCK Z
BLOCK V
BORDLAND LANE
BLOCK Q
SAGEWOOD DRIVE
BLOCK S
THE OAKS PHASE 5B
BLOCK T
COPPERWOOD DRIVE
PALMDALE LANE
BLOCK R
RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Road, Suite 500
Addison, Texas 75001
(214) 914-9809
THE OAKS
PHASE 5A
CITY OF RED OAK
ELLIS COUNTY, TEXAS
GMcivil
Engineering & Surveying
1 of 1
PHASE 5A
SANITARY SEWER
LAYOUT
CONTRACTOR NOTE
UTILITY LEGEND
PROPOSED SANITARY SEWER & MANHOLE
EXISTING SANITARY SEWER & MANHOLE
NOTE: ALL SANITARY SEWER LINES ARE 8" IN DIAMETER UNLESS OTHERWISE NOTED
BENCH MARK ELEVATION


N
W
E
S
GRAPHIC SCALE
WINTERWOOD DRIVE
CATMAN LANE
ROTHLAND LANE
SAGEWOOD DRIVE
COPPERWOOD DRIVE
LONGBOW DRIVE
PALMDALE LANE
MISTLETOE COURT
BLOCK F
BLOCK Q
BLOCK T
BLOCK S
BLOCK R
BLOCK V
BLOCK X
BLOCK G
THE OAKS PHASE 5A
CONTRACTOR NOTE
LEGEND
PD BOUNDARY LINES
PH. 5B PAVING AND DRAINAGE
BENCH MARK ELEVATION
RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Road, Suite 500
Addison, Texas 75001
(214) 914-9809
THE OAKS
PHASE 5B
CITY OF RED OAK
ELLIS COUNTY, TEXAS
GMcivil
Engineering & Surveying
JOB NO.
DATE
DESIGN/DRFT.
REVIEW
SHEET
1 of 1
PHASE 5B
PAVING & DRAINAGE
LAYOUT

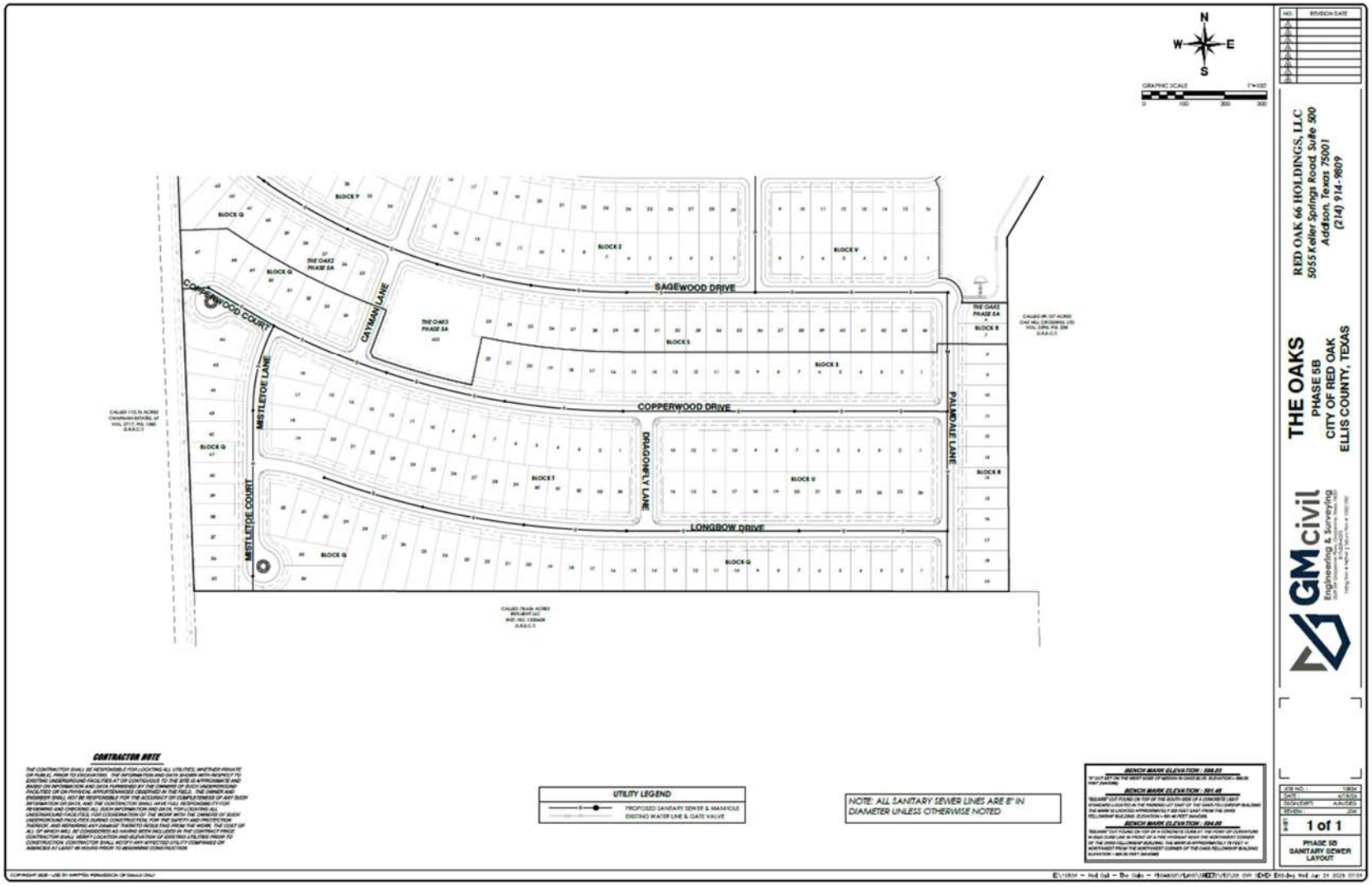
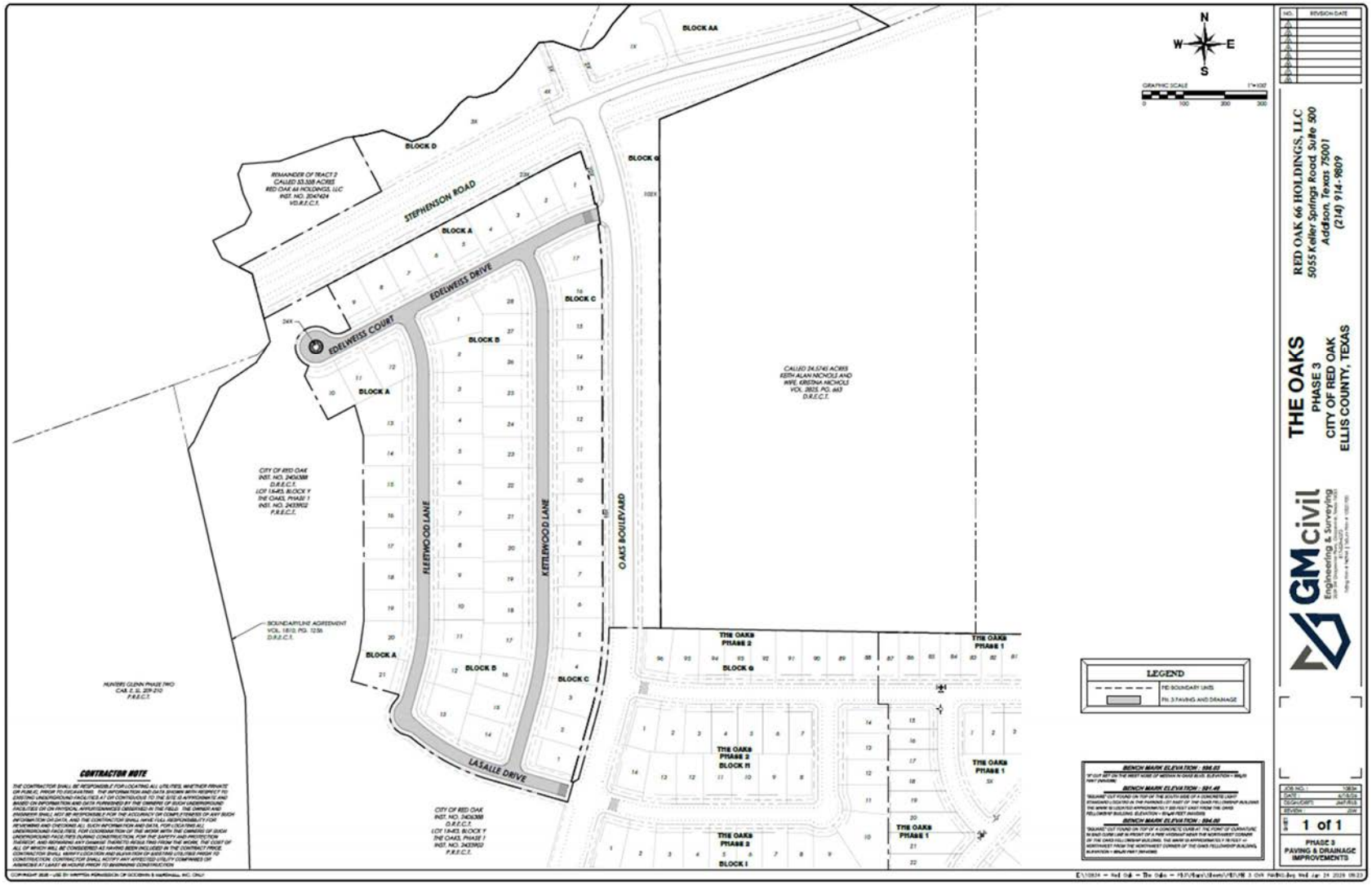

N
W
E
S
GRAPHIC SCALE
SAGEWOOD DRIVE
COPPERWOOD DRIVE
LONGBOW DRIVE
COPPERWOOD COURT
CAYMAN LANE
MISTLETOE LANE
MISTLETOE COURT
DRAGONFLY LANE
PALMDALE LANE
THE OAKS PHASE 5A
BLOCK Q
BLOCK P
BLOCK S
BLOCK T
BLOCK U
BLOCK V
BLOCK R
CONTRACTOR NOTE
UTILITY LEGEND
PROPOSED SANITARY SEWER & MANHOLE
EXISTING WATER LINE & GATE VALVE
NOTE: ALL SANITARY SEWER LINES ARE 8" IN DIAMETER UNLESS OTHERWISE NOTED
BENCH MARK ELEVATION - 598.83
BENCH MARK ELEVATION - 591.48
BENCH MARK ELEVATION - 594.00
RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Road, Suite 300
Addison, Texas 75001
(214) 914-9809
THE OAKS
PHASE 5B
CITY OF RED OAK
ELLIS COUNTY, TEXAS
GMcivil
Engineering & Surveying
1 of 1
PHASE 5B
SANITARY SEWER
LAYOUT

EXHIBIT I-4 – MAPS OF IMPROVEMENT AREA #3 IMPROVEMENTS



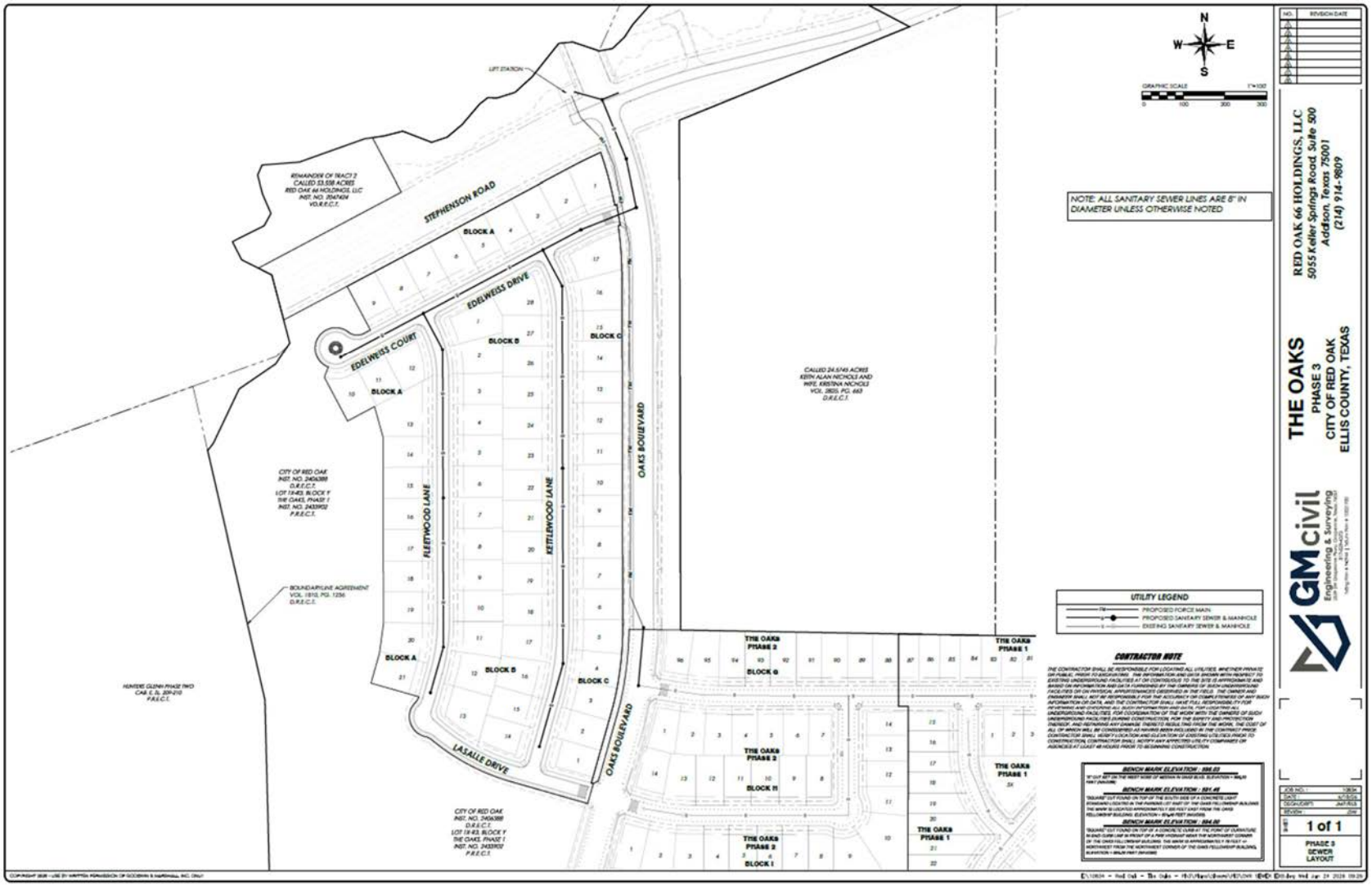

STEPHENSON ROAD
EDELWEISS DRIVE
EDELWEISS COURT
FLEETWOOD LANE
KETTLEWOOD LANE
OAKS BOULEVARD
LASALLE DRIVE
BLOCK A
BLOCK B
BLOCK C
THE OAKS PHASE 1
THE OAKS PHASE 2
THE OAKS PHASE 3
NOTE: ALL SANITARY SEWER LINES ARE 8" IN DIAMETER UNLESS OTHERWISE NOTED
UTILITY LEGEND
PROPOSED FORCE MAIN
PROPOSED SANITARY SEWER & MANHOLE
EXISTING SANITARY SEWER & MANHOLE
CONTRACTOR NOTE
RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Road, Suite 500
Addison, Texas 75001
(214) 914-9809
THE OAKS
PHASE 3
CITY OF RED OAK
ELLIS COUNTY, TEXAS
GMcivil
Engineering & Surveying
1 of 1
PHASE 3
SEWER
LAYOUT

EXHIBIT J – FORM OF NOTICE OF ASSESSMENT TERMINATION

P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Ellis County Clerk's Office
Honorable [County Clerk]
109 S Jackson St
Waxahachie, TX 75165

Re: City of Red Oak Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Red Oak is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents to my attention:

City of Red Oak
Attn: City Secretary
Red Oak Municipal Center
200 Lakeview Parkway
Red Oak, TX 75154

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
(817) 393-0353
Admin@P3-Works.com
www.P3-Works.com

AFTER RECORDING RETURN TO:

[City Secretary Name]
Red Oak Municipal Center
200 Lakeview Parkway
Red Oak, TX 75154

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	**§**	
	§	**KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF ELLIS	**§**	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Red Oak, Texas, a Texas home rule municipality (the "City").

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City, Texas 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 December 19, 2020, the City Council of the City approved Resolution No. 20-072R creating the Red Oak Public Improvement District No. 1 (the "District"); and

WHEREAS, the District consists of approximately 210.522 contiguous acres within the corporate limits of the City; and

WHEREAS, on _____, the City Council, approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the real property located with the District, the Assessment Ordinance being recorded on _____, as Instrument No. _____ in the Official Public Records of Ellis County, TX; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") and further imposed a lien to secure the payment of the Lien Amount (the "Lien") against the following property located within the District, to wit:

[legal description], an addition to the City of [City], [County], Texas, according to the map or plat thereof recorded as Instrument No. _____ in the Map Records of Ellis County, Texas (the "Property"); and

WHEREAS, the Lien Amount has been paid in full.

RELEASE

NOW THEREFORE, for and in consideration of the full payment of the Lien Amount, the City hereby releases and discharges, and by these presents does hereby release and discharge, the Lien to the extent that is affects and encumbers the Property.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

CITY OF RED OAK, TEXAS,
A Texas home rule municipality,

By: _____
[Manager Name], City Manager

ATTEST:

_____
[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF ELLIS §

This instrument was acknowledged before me on the ____ day of _____, 20__, by the City Manager for the City of Red Oak, Texas, a Texas home rule municipality, on behalf of said municipality.

_____
Notary Public, State of Texas

EXHIBIT K-1 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1 BONDS

DEBT SERVICE REQUIREMENTS

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

Year Ending (September 30)	Principal	Interest	Total
2022[1]	$ -	$ 243,888.49	$ 243,888.49
2023	120,000	201,838.76	321,838.76
2024	123,000	198,688.76	321,688.76
2025	127,000	195,460.00	322,460.00
2026	130,000	192,126.26	322,126.26
2027	133,000	188,713.76	321,713.76
2028	137,000	184,557.50	321,557.50
2029	142,000	180,276.26	322,276.26
2030	146,000	175,838.76	321,838.76
2031	151,000	171,276.26	322,276.26
2032	155,000	166,557.50	321,557.50
2033	161,000	161,326.26	322,326.26
2034	166,000	155,892.50	321,892.50
2035	172,000	150,290.00	322,290.00
2036	178,000	144,485.00	322,485.00
2037	184,000	138,477.50	322,477.50
2038	190,000	132,267.50	322,267.50
2039	197,000	125,855.00	322,855.00
2040	204,000	119,206.26	323,206.26
2041	211,000	112,321.26	323,321.26
2042	218,000	105,200.00	323,200.00
2043	227,000	96,480.00	323,480.00
2044	236,000	87,400.00	323,400.00
2045	246,000	77,960.00	323,960.00
2046	256,000	68,120.00	324,120.00
2047	267,000	57,880.00	324,880.00
2048	277,000	47,200.00	324,200.00
2049	289,000	36,120.00	325,120.00
2050	301,000	24,560.00	325,560.00
2051	313,000	12,520.00	325,520.00
Total[1]	**$5,657,000**	**$3,952,783.59**	**$9,609,783.59**

(1) Capitalized interest will be used to pay interest due on the Bonds in 2022.

EXHIBIT K-2 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREAS #2-3 BONDS

[to be provided at pricing]

EXHIBIT L-1 – DISTRICT LEGAL DESCRIPTION

LEGAL DESCRIPTION

All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, the Joel S. Davis Survey, Abstract No. 323, the James Chapman Survey, Abstract No. 214, the James E. Patton Survey, Abstract No. 839, Ellis County, Texas, being part of that certain called 212.5393 acre tract described in a deed to 212 Red Oak, L.P. recorded in Volume 2066, Page 990 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 3/4" iron pipe found for the most southerly Southwest corner of said 212.5393 acre tract, the Northwest corner of a called 78.656 acre tract described in a deed to Refluent LLC recorded in Instrument No. 1520658 (DRECT), and being in the East line of a called 112.76 acre tract described in a deed to Chapman Estates, LP recorded in Volume 2717, Page 1085 (DRECT);

THENCE North 2 deg. 12 min. 4 sec. West along the West line of said 212.5393 acre tract and the East line of said 112.76 acre tract, a distance of 1,286.62 feet to a 1/2" iron rod found for an ell corner of said 212.5393 acre tract and the Northeast corner of said 112.76 acre tract;

THENCE South 89 deg. 30 min. 13 sec. West along a South line of said 212.5393 acre tract and the North line of said 112.76 acre tract, a distance of 40.96 feet to a 1/2" capped iron rod found "illegible" for the Southeast corner of a called 2.049 acre tract described in a deed to Joshua G. Edelman and wife, Rebecca Edelman recorded in Instrument No. 1717395 (DRECT);

THENCE North 0 deg. 35 min. 49 sec. West departing said North and South line and continue along the East line of said 2.049 acre tract, a distance of 147.41 feet to a 1/2" capped iron rod found "illegible" for the Northeast corner of same;

THENCE South 89 deg. 23 min. 28 sec. West along the North line of said 2.049 acre tract, a distance of 606.78 feet to a 1/2" iron rod found for the Northwest corner of same, being in the West line of said 212.5393 acre tract, and being the most easterly Northeast corner of Lot 10, Block 1 and the Southeast corner of Lot 11, Block 1 of Hunters Glenn Phase One recorded in Cabinet D, Slide 211-212 of the Plat Records of Ellis County, Texas (PRECT);

THENCE North 01 deg. 27 min. 23 sec. West along the West line of said 212.5393 acre tract, the East line of said Hunters Glenn Phase One, and the East line of Hunters Glenn Phase Two recorded in Cabinet E, Slide 209-210 (PRECT), at 249.25 feet pass a 5/8" iron rod found for the Northeast corner of Lot 11, Block 1 and the Southeast corner of Lot 12, Block 1 as shown in said Hunters Glenn Phase One, at 414.00 feet pass a 3/8" iron rod found for the Northeast corner of Lot 12, Block 1 and the Southeast corner of Lot 13, Block 1 as shown in said Hunters Glenn Phase One, at 579.12 feet pass a 5/8" iron rod found for the Northeast corner of Lot 13, Block 1 and the Southeast corner of Lot 14, Block 1 as shown in said Hunters Glenn Phase One, at 744.21 feet pass a 5/8" iron rod found for the Northeast corner of Lot 14, Block 1 and the Southeast corner of Lot 15, Block 1 as shown in said Hunters Glenn Phase One, continue a total distance of 1,714.00 feet to a 1/2" capped iron rod set stamped "GOODWIN & MARSHALL", hereinafter referred to as 1/2" capped iron rod set for an angle point in the West line of said 212.5393 acre tract and the East line of said Hunters Glenn Phase Two, from which a 1/2" capped iron rod found "illegible" bears South 20 deg. 28 min. 39 sec. East - 4.38 feet;

THENCE North 12 deg. 57 min. 46 sec. West along the West line of said 212.5393 acre tract and the East line of said Hunters Glenn Phase Two, at 204.08 feet pass a 1/2" capped iron rod found "illegible" for the Northeast corner of Lot 21, Block 1 and the Southeast corner of Lot 22, Block 1 as shown in said Hunters Glenn Phase Two, continue a total distance of 618.38 feet to a point in the center of a creek, from which a 5/8" iron rod found in the East line of said Hunters Glenn Phase Two bears North 12 deg. 57 min. 46 sec. West - 128.37 feet;

THENCE in a northeasterly direction along the North line of said 212.5393 acre tract and along the centerline of a creek the following forty-six (46) courses;

North 38 deg. 7 min. 2 sec. East, a distance of 21.66 feet;

North 25 deg. 27 min. 0 sec. East, a distance of 146.59 feet;

North 55 deg. 35 min. 24 sec. East, a distance of 107.29 feet;

North 33 deg. 24 min. 54 sec. East, a distance of 61.85 feet;

North 14 deg. 44 min. 19 sec. West, a distance of 171.05 feet;

North 63 deg. 4 min. 50 sec. West, a distance of 82.21 feet;

North 26 deg. 56 min. 1 sec. West, a distance of 48.95 feet;

North 63 deg. 14 min. 37 sec. East, a distance of 86.37 feet;

North 28 deg. 33 min. 36 sec. East, a distance of 33.75 feet;

North 23 deg. 26 min. 53 sec. West, a distance of 50.76 feet;

North 14 deg. 41 min. 25 sec. West, a distance of 46.83 feet;

North 23 deg. 40 min. 41 sec. East, a distance of 26.62 feet;

North 85 deg. 25 min. 41 sec. East, a distance of 90.75 feet;

North 70 deg. 20 min. 13 sec. East, a distance of 168.30 feet;

North 81 deg. 47 min. 5 sec. East, a distance of 47.76 feet;

North 75 deg. 30 min. 52 sec. East, a distance of 45.98 feet;

South 68 deg. 56 min. 39 sec. East, a distance of 75.21 feet;

North 71 deg. 42 min. 40 sec. East, a distance of 39.74 feet;

North 49 deg. 43 min. 10 sec. East, a distance of 47.55 feet;

North 40 deg. 31 min. 0 sec. East, a distance of 66.25 feet;

North 52 deg. 16 min. 23 sec. East, a distance of 24.60 feet;

South 86 deg. 34 min. 42 sec. East, a distance of 21.27 feet;

North 72 deg. 34 min. 13 sec. East, a distance of 46.42 feet;

North 47 deg. 42 min. 6 sec. East, a distance of 56.57 feet;

North 38 deg. 32 min. 16 sec. East, a distance of 103.29 feet;

North 84 deg. 22 min. 50 sec. East, a distance of 33.86 feet;

South 71 deg. 27 min. 56 sec. East, a distance of 67.95 feet;

North 79 deg. 54 min. 59 sec. East, a distance of 32.23 feet;

North 46 deg. 28 min. 47 sec. East, a distance of 40.01 feet;

North 33 deg. 22 min. 57 sec. East, a distance of 37.03 feet;

North 41 deg. 30 min. 58 sec. East, a distance of 58.96 feet;

North 64 deg. 58 min. 14 sec. East, a distance of 89.74 feet;

North 68 deg. 39 min. 43 sec. East, a distance of 97.72 feet;

North 58 deg. 56 min. 25 sec. East, a distance of 35.47 feet;

South 86 deg. 14 min. 23 sec. East, a distance of 45.48 feet;

South 65 deg. 20 min. 53 sec. East, a distance of 21.84 feet;

South 87 deg. 30 min. 28 sec. East, a distance of 37.12 feet;

North 82 deg. 46 min. 44 sec. East, a distance of 60.04 feet;

South 67 deg. 42 min. 32 sec. East, a distance of 8.84 feet;

South 53 deg. 45 min. 16 sec. East, a distance of 25.75 feet;

South 33 deg. 0 min. 34 sec. East, a distance of 21.81 feet;

South 42 deg. 58 min. 8 sec. East, a distance of 18.81 feet;

South 71 deg. 39 min. 10 sec. East, a distance of 17.97 feet;

North 76 deg. 25 min. 38 sec. East, a distance of 8.28 feet;

North 59 deg. 35 min. 45 sec. East, a distance of 16.20 feet;

North 39 deg. 9 min. 7 sec. East, a distance of 2.76 feet;

THENCE South 62 deg. 10 min. 59 sec. East departing said centerline and continue along the North line of said 212.5393 acre tract, at 193.17 feet pass a 1/2" iron rod found, continue a total distance of 195.10 feet to a 1/2" capped iron rod set for the most northerly Northeast corner of said 212.5393 acre tract and being in the Northwest line of a called 24.5745 acre tract described in a deed to Keith Alan Nichols and wife, Kristina Nichols recorded in Volume 2825, Page 663 (DRECT), from which a 5/8" iron pipe found for the Northeast corner of said 24.5745 acre tract bears North 67 deg. 50 min. 44 sec. East - 226.12 feet;

THENCE South 67 deg. 50 min. 44 sec. West along a Southeast line of said 212.5393 acre tract and the Northwest line of said 24.5745 acre tract, a distance of 602.30 feet to a 5/8" iron pipe found for an ell corner of said 212.5393 acre tract and the Northwest corner of said 24.5745 acre tract;

THENCE South 0 deg. 8 min. 45 sec. East along an East line of said 212.5393 acre tract and the West line of said 24.5745 acre tract, a distance of 1,235.09 feet to a 1/2" iron pipe found for an ell corner of said 212.5393 acre tract and the Southwest corner of said 24.5745 acre tract;

THENCE South 88 deg. 59 min. 37 sec. East along a North line of said 212.5393 acre tract and the South line of said 24.5745 acre tract, a distance of 763.45 feet to a 1/2" iron pipe found "bent" for the Southeast corner of said 24.5745 acre tract and the most westerly Southwest corner of a called 342.5533 acre tract described in a deed to Red Oak Creekside Properties, GP recorded in Volume 705, Page 576 (DRECT);

THENCE South 89 deg. 26 min. 45 sec. East along a North line of said 212.5393 acre tract and the South line of said 342.5533 acre tract, a distance of 636.69 feet to a 5" metal fence corner for an ell corner of same;

THENCE South 01 deg. 34 min. 23 sec. East along an East line of said 212.5393 acre tract and a West line of said 342.5533 acre tract, a distance of 1,559.76 feet to a 1/2" capped iron rod set in the center of a creek for an ell corner of said 212.5393 acre tract and the most southerly Southwest corner of said 342.5533 acre tract, from which a 3/4" iron rod found "bent" in the center of creek bears North 01 deg. 34 min. 23 sec. West - 5.45 feet;

THENCE North 88 deg. 33 min. 48 sec. East along a North line of said 212.5393 acre tract and the South line of said 342.5533 acre tract, a distance of 818.77 feet to a 1/2" iron pipe found for the most southerly Southeast corner of said 342.5533 acre tract and being in the agreed upon boundary line between 212 Red Oak , L.P. and Oak Cliff Fellowship as shown in the Boundary Line Agreement recorded in Instrument No. 2043890 (DRECT);

THENCE South 32 deg. 50 min. 56 sec. West along said Boundary Line Agreement, a distance of 571.18 feet to a 60D nail found at the base of a 2" iron pipe (Bent) for the end of said Boundary Line Agreement and being the most northerly Northwest corner of a called 89.157 acre tract described in a deed to Oak Hill Crossing, Ltd recorded in Volume 2590, Page 238 (DRECT), from which a 1" iron pipe found for the original corner of Lot 1, Block 1 of The Oak Cliff Fellowship Addition recorded in Cabinet G, Slide 21-22 (PRECT) bears South 87 deg. 39 min. 12 sec. East - 16.84 feet;

THENCE South 30 deg. 44 min. 59 sec. West along the East line of said 212.5393 acre tract and the West line of said 89.157 acre tract, a distance of 479.54 feet to a P.K. nail found in concrete at a fence corner;

THENCE South 00 deg. 16 min. 35 sec. East along said East and West lines, a distance of 859.71 feet to a 5/8" iron pipe found (bent) at the base of a 6" wood fence corner for the Southeast corner of said 212.5393 acre tract and an ell corner of said 89.157 acre tract;

THENCE North 89 deg. 58 min. 2 sec. West along the South line of said 212.5393 acre tract and the North line of said 78.656 acre tract, a distance of 1,975.78 feet to the **POINT OF BEGINNING**, containing 9,170,246 square feet or 210.520 acres of land, more or less.

EXHIBIT L-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

Phase 1:
All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, the James E. Patton Survey, Abstract No. 839, Ellis County, Texas, being part of that certain called 212.5393 acre tract described in a deed to 212 Red Oak, L.P. recorded in Volume 2066, Page 990 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 1/2" iron pipe found (bent) for the Southeast corner of a called 24.5745 acre tract described in a deed to Keith Alan Nichols and wife, Kristina Nichols recorded in Volume 2825, Page 663 (DRECT), the most westerly Southwest corner of a called 342.5533 acre tract described in a deed to Red Oak Creekside Properties, GP recorded in Volume 705, Page 576 (DRECT), and being in the North line of said 212.5393 acre tract;

THENCE South 89 deg. 26 min. 45 sec. East along the North line of said 212.5393 acre tract and the South line of said 342.5533 acre tract, a distance of 636.69 feet to a 5" metal fence corner for an ell corner of same;

THENCE South 01 deg. 34 min. 23 sec. East along an East line of said 212.5393 acre tract and a West line of said 342.5533 acre tract, a distance of 1,559.76 feet to a 1/2" capped iron rod set stamped "GOODWIN & MARSHALL" hereinafter referred to as 1/2" capped iron rod set, in the center of a creek for an ell corner of said 212.5393 acre tract and the most southerly Southwest corner of said 342.5533 acre tract, from which a 3/4" iron rod found (bent) in the center of creek bears North 01 deg. 34 min. 23 sec. West - 5.45 feet;

THENCE North 88 deg. 33 min. 48 sec. East along a North line of said 212.5393 acre tract and the South line of said 342.5533 acre tract, a distance of 818.77 feet to a 1/2" iron pipe found for the most southerly Southeast corner of said 342.5533 acre tract and being in the agreed upon boundary line between 212 Red Oak, L.P. and Oak Cliff Fellowship as shown in the Boundary Line Agreement recorded in Instrument No. 2043890 (DRECT);

THENCE South 32 deg. 50 min. 56 sec. West along said Boundary Line Agreement, a distance of 571.18 feet to a 60D nail found at the base of a 2" iron pipe (Bent) for the end of said Boundary Line Agreement and being the most northerly Northwest corner of a called 89.157 acre tract described in a deed to Oak Hill Crossing, Ltd recorded in Volume 2590, Page 238 (DRECT), from which a 1" iron pipe found for the original corner of Lot 1, Block 1 of The Oak Cliff Fellowship Addition recorded in Cabinet G, Slide 21-22 (PRECT) bears South 87 deg. 39 min. 12 sec. East – 16.84 feet;

THENCE South 30 deg. 44 min. 59 sec. West along the East line of said 212.5393 acre tract and the West line of said 89.157 acre tract, a distance of 479.54 feet to a P.K. nail found in concrete at a fence corner;

THENCE South 00 deg. 16 min. 35 sec. East along said East and West lines, a distance of 159.70 feet to a 1/2" capped iron rod set, from which a 5/8" iron pipe found (bent) at the base of a 6" wood fence corner for the Southeast corner of said 212.5393 acre tract and an ell corner of said 89.157 acre tract bears South 00 deg. 16 min. 35 sec. East – 700.01 feet;

THENCE North 89 deg. 58 min. 02 sec. West departing said East and West lines, a distance of 120.13 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 01 min. 58 sec. East, a distance of 260.00 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the right, having a radius of 35.00 feet, a central angle of 28 deg. 04 min. 21 sec., and being subtended by a chord which bears North 14 deg. 04 min. 09 sec. East - 16.98 feet;

THENCE in a northerly direction along said curve to the right, a distance of 17.15 feet to a 1/2" capped iron rod set for a Point of Curvature of a reverse circular curve to the left, having a radius of 50.00 feet, a central angle of 146 deg. 08 min. 42 sec., and being subtended by a chord which bears North 44 deg. 58 min. 02 sec. West - 95.67 feet;

THENCE in a northwesterly direction along said curve to the left, a distance of 127.54 feet to a 1/2" capped iron rod set for a Point of Curvature of a reverse circular curve to the right, having a radius of 35.00 feet, a central angle of 28 deg. 04 min. 21 sec., and being subtended by a chord which bears South 75 deg. 59 min. 48 sec. West - 16.98 feet;

THENCE in a westerly direction along said curve to the right, a distance of 17.15 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 58 min. 02 sec. West, tangent to said curve, a distance of 67.96 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 01 min. 58 sec. East, a distance of 135.00 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 58 min. 02 sec. West, a distance of 309.00 feet to a 1/2" capped iron rod set;

THENCE South 45 deg. 01 min. 58 sec. West, a distance of 14.14 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 58 min. 02 sec. West, a distance of 50.00 feet to a 1/2" capped iron rod set;

THENCE North 44 deg. 58 min. 02 sec. West, a distance of 14.14 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 58 min. 02 sec. West, a distance of 276.25 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the right, having a radius of 1,123.00 feet, a central angle of 39 deg. 16 min. 52 sec., and being subtended by a chord which bears North 70 deg. 19 min. 36 sec. West - 754.92 feet;

THENCE in a westerly direction along said curve to the right, a distance of 769.91 feet to a 1/2" capped iron rod set;

THENCE South 86 deg. 47 min. 53 sec. West, non-tangent to said curve, a distance of 14.68 feet to a 1/2" capped iron rod set;

THENCE North 48 deg. 23 min. 14 sec. West, a distance of 70.09 feet to a 1/2" capped iron rod set;

THENCE North 01 deg. 03 min. 42 sec. West, a distance of 14.07 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 1,123.00 feet, a central angle of 15 deg. 12 min. 39 sec., and being subtended by a chord which bears North 38 deg. 29 min. 08 sec. West - 297.26 feet;

THENCE in a northwesterly direction along said curve to the right, a distance of 298.13 feet to a 1/2" capped iron rod set;

THENCE North 74 deg. 51 min. 35 sec. West, non-tangent to said curve, a distance of 14.33 feet to a 1/2" capped iron rod set;

THENCE North 29 deg. 05 min. 40 sec. West, a distance of 50.00 feet to a 1/2" capped iron rod set;

THENCE North 16 deg. 40 min. 16 sec. East, a distance of 14.33 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 1,123.00 feet, a central angle of 24 deg. 36 min. 06 sec., and being subtended by a chord which bears North 15 deg. 00 min. 28 sec. West - 478.50 feet;

THENCE in a northerly direction along said curve to the right, a distance of 482.19 feet to a 1/2" capped iron rod set;

THENCE North 46 deg. 12 min. 34 sec. West, non-tangent to said curve, a distance of 14.45 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 55 min. 15 sec. West, a distance of 50.01 feet to a 1/2" capped iron rod set;

THENCE North 45 deg. 19 min. 17 sec. East, a distance of 14.21 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 01 sec. East, a distance of 70.01 feet to a 1/2" capped iron rod set;

THENCE South 44 deg. 39 min. 34 sec. East, a distance of 14.07 feet to a 1/2" capped iron rod set;

THENCE South 00 deg. 59 min. 04 sec. East, a distance of 50.01 feet to a 1/2" capped iron rod set;

THENCE South 43 deg. 42 min. 28 sec. West, a distance of 13.81 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 1,053.00 feet, a central angle of 15 deg. 07 min. 57 sec., and being subtended by a chord which bears South 10 deg. 27 min. 20 sec. East - 277.30 feet;

THENCE in a southerly direction along said curve to the left, a distance of 278.11 feet to a 1/2" capped iron rod set;

THENCE South 64 deg. 06 min. 36 sec. East, non-tangent to said curve, a distance of 13.94 feet to a 1/2" capped iron rod set;

THENCE North 70 deg. 04 min. 25 sec. East, a distance of 59.20 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the right, having a radius of 475.00 feet, a central angle of 19 deg. 57 min. 33 sec., and being subtended by a chord which bears North 80 deg. 03 min. 12 sec. East - 164.63 feet;

THENCE in an easterly direction along said curve to the right, a distance of 165.47 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 02 sec. East, tangent to said curve, a distance of 357.28 feet to a 1/2" capped iron rod set;

THENCE North 45 deg. 01 min. 58 sec. East, a distance of 14.14 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 02 sec. East, a distance of 50.00 feet to a 1/2" capped iron rod set;

THENCE South 44 deg. 58 min. 02 sec. East, a distance of 14.14 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 02 sec. East, a distance of 110.00 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 01 min. 58 sec. East, a distance of 1,110.00 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 58 min. 02 sec. West, a distance of 23.82 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 01 min. 58 sec. East, a distance of 175.62 feet to a 1/2" capped iron rod set in the South line of said 24.5745 acre tract and the North line of said 212.5393 acre tract, from which a 1/2" iron pipe found for the Southwest corner of said 24.5745 acre tract bears North 88 deg. 59 min. 37 sec. West – 527.95 feet;

THENCE South 88 deg. 59 min. 37 sec. East along said North and South lines, a distance of 235.50 feet to the **POINT OF BEGINNING**, containing 2,822,104 square feet or 64.787 acres of land, more or less.

SAVE AND EXCEPT:

All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, Ellis County, Texas, being part of that certain called 212.5393 acre tract described in a deed to 212 Red Oak, L.P. recorded in Volume 2066, Page 990 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

COMMENCING at a 1/2" iron pipe found (bent) for the Southeast corner of a called 24.5745 acre tract described in a deed to Keith Alan Nichols and wife, Kristina Nichols recorded in Volume 2825, Page 663 (DRECT) and the most westerly Southwest corner of a called 342.5533 acre tract described in a deed to Red Oak Creekside Properties, GP recorded in Volume 705, Page 576 (DRECT), and being in the North line of said 212.5393 acre tract, from which a 1/2" iron pipe found for the Southwest corner of said 24.5745 acre tract bears North 88 deg. 59 min. 37 sec. West – 763.45 feet and a 5" metal fence corner found for an ell corner of said 342.5533 acre tract bears South 89 deg. 26 min. 45 sec. East – 636.69 feet;

THENCE South 03 deg. 56 min. 28 sec. West departing said deed lines, a distance of 1,344.74 feet to a 1/2" capped iron rod set stamped "GOODWIN & MARSHALL" hereinafter referred to as 1/2" capped iron rod set for the **TRUE POINT OF BEGINNING**;

THENCE South 00 deg. 01 min. 58 sec. West, a distance of 58.92 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the left, having a radius of 1,055.00 feet, a central angle of 20 deg. 21 min. 12 sec., and being subtended by a chord which bears South 10 deg. 08 min. 38 sec. East - 372.80 feet;

THENCE in a southerly direction along said curve to the left, a distance of 374.77 feet to a 1/2" capped iron rod set;

THENCE South 20 deg. 19 min. 14 sec. East, tangent to said curve, a distance of 50.00 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the right, having a radius of 425.00 feet, a central angle of 20 deg. 21 min. 12 sec., and being subtended by a chord which bears South 10 deg. 08 min. 38 sec. East - 150.18 feet;

THENCE in a southerly direction along said curve to the right, a distance of 150.97 feet to a 1/2" capped iron rod set;

THENCE South 00 deg. 01 min. 58 sec. West, tangent to said curve, a distance of 78.75 feet to a 1/2" capped iron rod set, from which a 1/2" capped iron rod set in the center of a creek for an ell corner of said 212.5393 acre tract and the most southerly Southwest corner of 342.5533 acre tract bears North 54 deg. 19 min. 34 sec. East – 815.54 feet;

THENCE South 45 deg. 16 min. 15 sec. West, a distance of 14.08 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 1,053.00 feet, a central angle of 67 deg. 23 min. 18 sec., and being subtended by a chord which bears North 55 deg. 31 min. 30 sec. West - 1,168.32 feet;

THENCE in a northwesterly direction along said curve to the right, a distance of 1,238.48 feet to a 1/2" capped iron rod set;

THENCE North 24 deg. 15 min. 27 sec. East, non-tangent to said curve, a distance of 13.94 feet to a 1/2" capped iron rod set;

THENCE North 70 deg. 04 min. 25 sec. East, a distance of 59.20 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the right, having a radius of 425.00 feet, a central angle of 19 deg. 57 min. 33 sec., and being subtended by a chord which bears North 80 deg. 03 min. 12 sec. East - 147.30 feet;

THENCE in an easterly direction along said curve to the right, a distance of 148.05 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 02 sec. East, tangent to said curve, a distance of 647.28 feet to a 1/2" capped iron rod set;

THENCE South 44 deg. 58 min. 02 sec. East, a distance of 14.14 feet to the **POINT OF BEGINNING**, containing 475,670 square feet or 10.920 acres of land, more or less. LEAVING A NET AREA OF 2,346,434 SQUARE FEET OR 53.867 ACRES OF LAND, MORE OR LESS.

Phase 2:
All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, the James E. Patton Survey, Abstract No. 839, Ellis County, Texas, being part of that certain called 212.5393 acre tract described in a deed to 212

Red Oak, L.P. recorded in Volume 2066, Page 990 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

COMMENCING at a 1/2" iron pipe found (bent) for the Southeast corner of a called 24.5745 acre tract described in a deed to Keith Alan Nichols and wife, Kristina Nichols recorded in Volume 2825, Page 663 (DRECT), the most westerly Southwest corner of a called 342.5533 acre tract described in a deed to Red Oak Creekside Properties, GP recorded in Volume 705, Page 576 (DRECT), and being in a North line of said 212.5393 acre tract;

THENCE North 88 deg. 59 min. 37 sec. West along the South line of said 24.5745 acre tract and the North line of said 212.5393 acre tract, a distance of 235.50 feet to a 1/2" capped iron rod set stamped "GOODWIN & MARSHALL", hereinafter referred to as 1/2" capped iron rod set, said point being the **TRUE POINT OF BEGINNING**;

THENCE South 00 deg. 01 min. 58 sec. West departing said North and South lines, a distance of 175.62 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 02 sec. East, a distance of 23.82 feet to a 1/2" capped iron rod set;

THENCE South 00 deg. 01 min. 58 sec. West, a distance of 1,110.00 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 58 min. 02 sec. West, a distance of 110.00 feet to a 1/2" capped iron rod set;

THENCE North 44 deg. 58 min. 02 sec. West, a distance of 14.14 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 58 min. 02 sec. West, a distance of 50.00 feet to a 1/2" capped iron rod set;

THENCE South 45 deg. 01 min. 58 sec. West, a distance of 14.14 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 58 min. 02 sec. West, a distance of 357.28 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the left, having a radius of 475.00 feet, a central angle of 19 deg. 57 min. 33 sec., and being subtended by a chord which bears South 80 deg. 03 min. 12 sec. West - 164.63 feet;

THENCE in a westerly direction along said curve to the left, a distance of 165.47 feet to a 1/2" capped iron rod set;

THENCE South 70 deg. 04 min. 25 sec. West tangent to said curve, a distance of 59.20 feet to a 1/2" capped iron rod set;

THENCE North 64 deg. 06 min. 36 sec. West, a distance of 13.94 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 1,053.00 feet, a central angle of 15 deg. 07 min. 57 sec., and being subtended by a chord which bears North 10 deg. 27 min. 20 sec. West - 277.30 feet;

THENCE in a northerly direction along said curve to the right, a distance of 278.11 feet to a 1/2" capped iron rod set;

THENCE North 43 deg. 42 min. 28 sec. East non-tangent to said curve, a distance of 13.81 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 59 min. 04 sec. West, a distance of 50.01 feet to a 1/2" capped iron rod set;

THENCE North 44 deg. 39 min. 34 sec. West, a distance of 14.07 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 58 min. 01 sec. West, a distance of 70.01 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 1,123.00 feet, a central angle of 15 deg. 00 min. 06 sec., and being subtended by a chord which bears North 08 deg. 21 min. 57 sec. East - 293.20 feet;

THENCE in a northerly direction along said curve to the right, a distance of 294.04 feet to a 1/2" capped iron rod set;

THENCE North 15 deg. 52 min. 01 sec. East tangent to said curve, a distance of 281.75 feet to a 1/2" capped iron rod set;

THENCE North 29 deg. 07 min. 59 sec. West, a distance of 14.14 feet to a 1/2" capped iron rod set;

THENCE North 15 deg. 52 min. 01 sec. East, a distance of 50.00 feet to a 1/2" capped iron rod set;

THENCE North 60 deg. 52 min. 01 sec. East, a distance of 14.14 feet to a 1/2" capped iron rod set;

THENCE North 15 deg. 52 min. 01 sec. East, a distance of 157.04 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the left, having a radius of 825.00 feet, a central angle of 15 deg. 13 min. 29 sec., and being subtended by a chord which bears North 08 deg. 15 min. 16 sec. East - 218.57 feet;

THENCE in a northerly direction along said curve to the left, a distance of 219.22 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 21 min. 28 sec. East radial to said curve, a distance of 125.09 feet to a 1/2" iron pipe found for the Southwest corner of said 24.5745 acre tract and an ell corner of said 212.5393 acre tract;

THENCE South 88 deg. 59 min. 37 sec. East along the South line of said 24.5745 acre tract and a North line of said 212.5393 acre tract, a distance of 527.95 feet to the **POINT OF BEGINNING**, containing 1,021,506 square feet or 23.451 acres of land, more or less.

Phase 4:
All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, the James Chapman Survey, Abstract No. 214, Ellis County, Texas, being part of that certain called 212.5393 acre tract described in a deed to 212 Red Oak, L.P. recorded in Volume 2066, Page 990 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 1/2" capped iron rod found "illegible" for the Southeast corner of a called 2.049 acre tract described in a deed to Joshua G. Edelman and wife, Rebecca Edelman recorded in Instrument No. 1717395 (DRECT), in a South line of said 212.5393 acre tract, and in the North line of a called 112.76 acre tract described in a deed to Chapman Estates, LP recorded in Volume 2717, Page 1085 (DRECT);

THENCE North 00 deg. 35 min. 49 sec. West departing said North and South lines and continue along the East line of said 2.049 acre tract, a distance of 147.41 feet to a 1/2" capped iron rod found (illegible) for the Northeast corner of same;

THENCE South 89 deg. 23 min. 28 sec. West along the North line of said 2.049 acre tract, a distance of 576.51 feet to a 1/2" capped iron rod set stamped "GOODWIN & MARSHALL", hereinafter referred to as 1/2" capped iron rod set, from which a 1/2" iron rod found for the Northwest corner of said 2.049 acre tract and being in the West line of said 212.5393 acre tract bears South 89 deg. 23 min. 28 sec. West – 30.26 feet;

THENCE North 00 deg. 01 min. 58 sec. East departing said North line, a distance of 341.14 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 02 sec. East, a distance of 120.00 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 01 min. 58 sec. East, a distance of 456.95 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the left, having a radius of 35.00 feet, a central angle of 28 deg. 04 min. 21 sec., and being subtended by a chord which bears North 14 deg. 00 min. 12 sec. West - 16.98 feet;

THENCE in a northerly direction along said curve to the left, a distance of 17.15 feet to a 1/2" capped iron rod set for a Point of Curvature of a reverse circular curve to the right,

having a radius of 50.00 feet, a central angle of 146 deg. 08 min. 42 sec., and being subtended by a chord which bears North 45 deg. 01 min. 58 sec. East - 95.67 feet;

THENCE in a northeasterly direction along said curve to the right, a distance of 127.54 feet to a 1/2" capped iron rod set for a Point of Curvature of a reverse circular curve to the left, having a radius of 35.00 feet, a central angle of 28 deg. 04 min. 21 sec., and being subtended by a chord which bears South 75 deg. 55 min. 51 sec. East - 16.98 feet;

THENCE in an easterly direction along said curve to the left, a distance of 17.15 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 02 sec. East tangent to said curve, a distance of 384.88 feet to a 1/2" capped iron rod set;

THENCE South 00 deg. 55 min. 15 sec. East, a distance of 50.01 feet to a 1/2" capped iron rod set;

THENCE South 46 deg. 12 min. 34 sec. East, a distance of 14.45 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 1,123.00 feet, a central angle of 24 deg. 36 min. 06 sec., and being subtended by a chord which bears South 15 deg. 00 min. 28 sec. East - 478.50 feet;

THENCE in a southerly direction along said curve to the left, a distance of 482.19 feet to a 1/2" capped iron rod set;

THENCE South 16 deg. 40 min. 16 sec. West non-tangent to said curve, a distance of 14.33 feet to a 1/2" capped iron rod set;

THENCE South 29 deg. 05 min. 40 sec. East, a distance of 50.00 feet to a 1/2" capped iron rod set;

THENCE South 74 deg. 51 min. 35 sec. East, a distance of 14.33 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 1,123.00 feet, a central angle of 15 deg. 12 min. 39 sec., and being subtended by a chord which bears South 38 deg. 29 min. 08 sec. East - 297.26 feet;

THENCE in a southeasterly direction along said curve to the left, a distance of 298.13 feet to a 1/2" capped iron rod set;

THENCE South 01 deg. 03 min. 42 sec. East non-tangent to said curve, a distance of 14.07 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 865.00 feet, a central angle of 22 deg. 20 min. 04 sec., and being subtended by a chord which bears South 55 deg. 43 min. 16 sec. West - 335.06 feet;

THENCE in a southwesterly direction along said curve to the right, a distance of 337.19 feet to a 1/2" capped iron rod set;

THENCE South 66 deg. 53 min. 18 sec. West tangent to said curve, a distance of 47.03 feet to a 1/2" capped iron rod set in the West line of said 212.5393 acre tract and the East line of said 112.76 acre tract, from which a 3/4" iron pipe found for the most southerly Southwest corner of said 212.5393 acre tract, the Northwest corner of a called 78.656 acre tract described in a deed to Refluent LLC recorded in Instrument No. 1520658 (DRECT), and being in the East line of said 112.76 acre tract bears South 02 deg. 12 min. 04 sec. East – 1,268.04 feet;

THENCE North 02 deg. 12 min. 04 sec. West along said East and West lines, a distance of 18.59 feet to a 1/2" iron rod found for an ell corner of said 212.5393 acre tract and the Northeast corner of said 112.76 acre tract;

THENCE South 89 deg. 30 min. 13 sec. West along a South line of said 212.5393 acre tract and the North line of said 112.76 acre tract, a distance of 40.96 feet to the **POINT OF BEGINNING**, containing 592,528 square feet or 13.603 acres of land, more or less.

Park:
All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, the James Chapman Survey, Abstract No. 214, the Joel S. Davis Survey, Abstract No. 323, the James E. Patton Survey, Abstract No. 839, Ellis County, Texas, being part of that certain called 212.5393 acre tract described in a deed to 212 Red Oak, L.P. recorded in Volume 2066, Page 990 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 1/2" iron rod found for the Northwest corner of a called 2.049 acre tract described in a deed to Joshua G. Edelman and wife, Rebecca Edelman recorded in Instrument No. 1717395 (DRECT), being in the West line of said 212.5393 acre tract, and being the most easterly Northeast corner of Lot 10, Block 1 and the Southeast corner of Lot 11, Block 1 of Hunters Glenn Phase One recorded in Cabinet D, Slide 211-212 of the Plat Records of Ellis County, Texas (PRECT);

THENCE North 01 deg. 27 min. 23 sec. West along the West line of said 212.5393 acre tract, the East line of said Hunters Glenn Phase One, and the East line of Hunters Glenn Phase Two recorded in Cabinet E, Slide 209-210 (PRECT), at 249.25 feet pass a 5/8" iron rod found for the Northeast corner of Lot 11, Block 1 and the Southeast corner of Lot 12, Block 1 as shown in said Hunters Glenn Phase One, at 414.00 feet pass a 3/8" iron rod found for the Northeast corner of Lot 12, Block 1 and the Southeast corner of Lot 13, Block 1 as shown in said Hunters Glenn Phase One, at 579.12 feet pass a 5/8" iron rod found for the Northeast corner of Lot 13, Block 1 and the Southeast corner of Lot 14, Block 1 as shown in said Hunters Glenn Phase One, at 744.21 feet pass a 5/8" iron rod found for the Northeast corner of Lot 14, Block 1 and the Southeast corner of Lot 15, Block 1 as shown in said Hunters Glenn Phase One, continue a total distance of 1,714.00

feet to an angle point in the West line of said 212.5393 acre tract and the East line of said Hunters Glenn Phase Two, from which a 1/2" capped iron rod found "illegible" bears South 20 deg. 28 min. 39 sec. East - 4.38 feet;

THENCE North 12 deg. 57 min. 46 sec. West along the West line of said 212.5393 acre tract and the East line of said Hunters Glenn Phase Two, at 204.08 feet pass a 1/2" capped iron rod found "illegible" for the Northeast corner of Lot 21, Block 1 and the Southeast corner of Lot 22, Block 1 as shown in said Hunters Glenn Phase Two, continue a total distance of 618.38 feet to a point in the center of a creek, from which a 5/8" iron rod found in the East line of said Hunters Glenn Phase Two bears North 12 deg. 57 min. 46 sec. West – 128.37 feet;

THENCE in a northeasterly direction along the North line of said 212.5393 acre tract and along the centerline of a creek the following five (5) courses;

North 38 deg. 07 min. 02 sec. East, a distance of 21.66 feet;

North 25 deg. 27 min. 00 sec. East, a distance of 146.59 feet;

North 55 deg. 35 min. 24 sec. East, a distance of 107.29 feet;

North 33 deg. 24 min. 54 sec. East, a distance of 61.85 feet;

North 14 deg. 44 min. 19 sec. West, a distance of 57.95 feet;

THENCE North 61 deg. 58 min. 45 sec. East departing said North line and centerline, a distance of 174.07 feet;

THENCE South 28 deg. 01 min. 15 sec. East, a distance of 120.00 feet;

THENCE South 61 deg. 58 min. 45 sec. West, a distance of 17.68 feet to a Point of Curvature of a circular curve to the right, having a radius of 35.00 feet, a central angle of 65 deg. 41 min. 03 sec., and being subtended by a chord which bears North 85 deg. 10 min. 43 sec. West - 37.96 feet;

THENCE in a westerly direction along said curve to the right, a distance of 40.12 feet to a Point of Curvature of a reverse circular curve to the left, having a radius of 50.00 feet, a central angle of 196 deg. 31 min. 50 sec., and being subtended by a chord which bears South 29 deg. 23 min. 54 sec. West - 98.96 feet;

THENCE in a southwesterly direction along said curve to the left, a distance of 171.51 feet;

THENCE South 21 deg. 07 min. 59 sec. West non-tangent to said curve, a distance of 26.45 feet;

THENCE South 28 deg. 01 min. 15 sec. East, a distance of 120.00 feet;

THENCE North 61 deg. 58 min. 45 sec. East, a distance of 74.00 feet;

THENCE South 15 deg. 37 min. 19 sec. East, a distance of 76.78 feet;

THENCE South 00 deg. 08 min. 45 sec. East, a distance of 375.00 feet;

THENCE South 00 deg. 06 min. 54 sec. East, a distance of 74.18 feet;

THENCE South 07 deg. 44 min. 54 sec. West, a distance of 74.00 feet;

THENCE South 15 deg. 49 min. 11 sec. West, a distance of 75.00 feet;

THENCE South 74 deg. 07 min. 59 sec. East, a distance of 120.00 feet to a Point of Curvature of a non-tangent circular curve to the right, having a radius of 35.00 feet, a central angle of 28 deg. 04 min. 21 sec., and being subtended by a chord which bears South 29 deg. 54 min. 11 sec. West - 16.98 feet;

THENCE in a southwesterly direction along said curve to the right, a distance of 17.15 feet to a Point of Curvature of a reverse circular curve to the left, having a radius of 50.00 feet, a central angle of 121 deg. 26 min. 52 sec., and being subtended by a chord which bears South 16 deg. 47 min. 04 sec. East - 87.23 feet;

THENCE in a southerly direction along said curve to the left, a distance of 105.98 feet to a Point of Curvature of a reverse circular curve to the right, having a radius of 35.00 feet, a central angle of 27 deg. 12 min. 41 sec., and being subtended by a chord which bears South 63 deg. 54 min. 10 sec. East - 16.47 feet;

THENCE in a southeasterly direction along said curve to the right, a distance of 16.62 feet to a Point of Curvature of a reverse circular curve to the left, having a radius of 525.00 feet, a central angle of 23 deg. 50 min. 10 sec., and being subtended by a chord which bears South 62 deg. 12 min. 54 sec. East - 216.84 feet;

THENCE in a southeasterly direction along said curve to the left, a distance of 218.41 feet;

THENCE South 74 deg. 07 min. 59 sec. East tangent to said curve, a distance of 193.69 feet;

THENCE South 29 deg. 07 min. 59 sec. East, a distance of 14.14 feet;

THENCE South 15 deg. 52 min. 01 sec. West, a distance of 281.75 feet to a Point of Curvature of a circular curve to the left, having a radius of 1,123.00 feet, a central angle of 15 deg. 00 min. 06 sec., and being subtended by a chord which bears South 08 deg. 21 min. 57 sec. West - 293.20 feet;

THENCE in a southerly direction along said curve to the left, a distance of 294.04 feet;

THENCE South 45 deg. 19 min. 17 sec. West non-tangent to said curve, a distance of 14.21 feet;

THENCE North 89 deg. 58 min. 02 sec. West, a distance of 384.88 feet to a Point of Curvature of a circular curve to the right, having a radius of 35.00 feet, a central angle of 28 deg. 04 min. 21 sec., and being subtended by a chord which bears North 75 deg. 55 min. 51 sec. West - 16.98 feet;

THENCE in a westerly direction along said curve to the right, a distance of 17.15 feet to a Point of Curvature of a reverse circular curve to the left, having a radius of 50.00 feet, a central angle of 146 deg. 08 min. 42 sec., and being subtended by a chord which bears South 45 deg. 01 min. 58 sec. West - 95.67 feet;

THENCE in a southwesterly direction along said curve to the left, a distance of 127.54 feet to a Point of Curvature of a reverse circular curve to the right, having a radius of 35.00 feet, a central angle of 28 deg. 04 min. 21 sec., and being subtended by a chord which bears South 14 deg. 00 min. 12 sec. East - 16.98 feet;

THENCE in a southerly direction along said curve to the right, a distance of 17.15 feet;

THENCE South 00 deg. 01 min. 58 sec. West tangent to said curve, a distance of 456.95 feet;

THENCE North 89 deg. 58 min. 02 sec. West, a distance of 120.00 feet;

THENCE South 00 deg. 01 min. 58 sec. West, a distance of 341.14 feet to the North line of said 2.049 acre tract, from which a 1/2" capped iron rod found (illegible) for the Northeast corner of said 2.049 acre tract bears North 89 deg. 23 min. 28 sec. East – 576.52 feet;

THENCE South 89 deg. 23 min. 28 sec. West along said North line, a distance of 30.26 feet to the **POINT OF BEGINNING**, containing 925,065 square feet or 21.237 acres of land, more or less.

EXHIBIT L-3 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

RED OAK PID #1 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

TRACT 1 (THE OAKS PHASE 5A):
All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, City of Red Oak, Ellis County, Texas, being part of that certain called 55.122 acre tract described as Tract 4 in a deed to Red Oak 66 Holdings, LLC recorded in Instrument No. 2047424 of the Deed Records of Ellis County, Texas (DRECT), being all of a called 0.086 acre tract and all of a called 0.007 acre tract described in a deed to same recorded in Instrument No. 2334585 (DRECT) and being more completely described as follows, to-wit:

COMMENCING at a 1/2" iron rod found for the Northeast corner of a called 97.339 acre tract described in a deed to Harlan Properties, Inc. recorded in Instrument No. 2100508 (DRECT) and an ell corner of The Oaks, Phase 4 recorded in Instrument No. 2316282 of the Plat Records of Ellis County, Texas (PRECT), from which a 1/2" capped iron rod found (illegible) for the most westerly Southwest corner of said The Oaks, Phase 4 and the Southeast corner of a called 2.049 acre tract described in a deed to Joshua G. Edelman and wife, Rebecca Edelman recorded in Instrument No. 1717395 (DRECT) bears South 89 deg. 30 min. 13 sec. West – 40.96 feet;

THENCE South 02 deg. 12 min. 04 sec. East along the East line of said 97.339 acre tract and the West line of said The Oaks, Phase 4, a distance of 18.59 feet to a 1/2" capped iron rod found stamped "GMCIVIL", hereinafter referred to as 1/2" capped iron rod found, for the most westerly Northwest corner of said 55.122 acre tract and the most southerly Southwest corner of said The Oaks, Phase 4, said point being the **TRUE POINT OF BEGINNING**;

THENCE North 66 deg. 53 min. 18 sec. East departing said East line and continue along the Northwest line of said 55.122 acre tract and the Southeast line of said The Oaks, Phase 4, a distance of 47.03 feet to a 1/2" capped iron rod found stamped "GMCIVIL", hereinafter referred to as 1/2" capped iron rod found, for a Point of Curvature of a circular curve to the left, having a radius of 865.00 feet, a central angle of 22 deg. 00 min. 11 sec., and being subtended by a chord which bears North 55 deg. 53 min. 13 sec. East - 330.15 feet;

THENCE in a northeasterly direction along said curve to the left and said Northwest and Southeast lines, a distance of 332.18 feet to a 1/2" capped iron rod found for an ell corner of The Oaks, Phase 1 recorded in Instrument No. 2316299 (PRECT), said point being a Point of Curvature of a non-tangent circular

curve to the left, having a radius of 1,138.00 feet, a central angle of 43 deg. 22 min. 44 sec., and being subtended by a chord which bears South 68 deg. 16 min. 40 sec. East - 841.15 feet;

THENCE in a southeasterly direction departing said Northwest and Southeast lines and continue along the South line of said The Oaks, Phase 1 the following nine (9) courses;

Continue in an easterly direction along said curve to the left, a distance of 861.59 feet to a 1/2" capped iron rod found;

South 89 deg. 58 min. 02 sec. East tangent to said curve, a distance of 655.25 feet to a 1/2" capped iron rod found;

South 00 deg. 01 min. 58 sec. West, a distance of 118.69 feet to a 1/2" capped iron rod found for an ell corner of same and the Northwest corner of said 0.086 acre tract, said point being a Point of Curvature of a non-tangent circular curve to the left, having a radius of 35.00 feet, a central angle of 49 deg. 56 min. 08 sec., and being subtended by a chord which bears North 49 deg. 18 min. 59 sec. East - 29.55 feet;

Continue in a northeasterly direction along said curve to the left and the North line of said 0.086 acre tract, a distance of 30.50 feet to a 1/2" capped iron rod found for a Point of Curvature of a reverse circular curve to the right, having a radius of 50.00 feet, a central angle of 216 deg. 15 min. 28 sec., and being subtended by a chord which bears South 47 deg. 31 min. 21 sec. East - 95.04 feet;

Continue in a southeasterly direction along said curve to the right and said North line, at an arc length of 126.65 feet pass the Southeast corner of said 0.086 acre tract, continue a total distance along said curve of 188.72 feet to a 1/2" capped iron rod found;

South 29 deg. 23 min. 37 sec. East non-tangent to said curve, a distance of 18.89 feet to a 1/2" capped iron rod found;

South 00 deg. 01 min. 58 sec. West, a distance of 220.38 feet to a 1/2" capped iron rod found for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 50.00 feet, a central angle of 108 deg. 36 min. 50 sec., and being subtended by a chord which bears South 42 deg. 44 min. 13 sec. East - 81.22 feet;

Continue in a southeasterly direction along said curve to the right, a distance of 94.78 feet to a 1/2" capped iron rod found for an ell corner of said The Oaks, Phase 1 and the Southeast corner of said 0.007 acre tract;

South 89 deg. 58 min. 02 sec. East non-tangent to said curve, a distance of 111.15 feet to a 1/2" capped iron rod found for the Southeast corner of said The Oaks, Phase 1, the most easterly Northeast corner of said 55.122 acre tract and being in the West line of a called 89.157 acre tract described in a deed to Oak Hill Crossing, LTD recorded in Volume 2590, Page 238 (DRECT), from which a P.K. nail found in concrete at a fence corner of an ell corner of Lot 20X, Block R of said The Oaks, Phase 1 and an ell corner of said 89.157 acre tract bears North 00 deg. 16 min. 35 sec. West – 159.70 feet;

THENCE South 00 deg. 16 min. 35 sec. East along the East line of said 55.122 acre tract and said West line, a distance of 100.00 feet to a 1/2" capped iron rod set stamped "GMCIVIL" hereinafter referred to as 1/2" capped iron rod set, from which a 5/8" iron pipe found at the base of a 6" wood fence corner for the Southeast corner of said 55.122 acre tract bears South 00 deg. 16 min. 35 sec. East – 600.01 feet;

THENCE North 89 deg. 58 min. 02 sec. West departing said East and West lines, a distance of 170.67 feet to a 1/2" capped iron rod set;

THENCE South 00 deg. 01 min. 58 sec. West, a distance of 20.00 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 58 min. 02 sec. West, a distance of 710.00 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 57 min. 07 sec. West, a distance of 49.94 feet to a 1/2" capped iron rod set;

THENCE North 88 deg. 54 min. 59 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 87 deg. 15 min. 48 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 85 deg. 36 min. 38 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 83 deg. 57 min. 27 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 82 deg. 18 min. 16 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 80 deg. 39 min. 06 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 78 deg. 59 min. 55 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 11 deg. 49 min. 40 sec. West, a distance of 120.00 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 1,838.00 feet, a central angle of 07 deg. 46 min. 07 sec., and being subtended by a chord which bears North 74 deg. 17 min. 16 sec. West - 249.02 feet;

THENCE in a westerly direction along said curve to the right, a distance of 249.21 feet to a 1/2" capped iron rod set;

THENCE North 24 deg. 46 min. 49 sec. West non-tangent to said curve, a distance of 14.03 feet to a 1/2" capped iron rod set;

THENCE North 20 deg. 41 min. 15 sec. East, a distance of 110.01 feet to a 1/2" capped iron rod set;

THENCE North 69 deg. 18 min. 45 sec. West, a distance of 50.00 feet to a 1/2" capped iron rod set;

THENCE North 67 deg. 29 min. 40 sec. West, a distance of 59.02 feet to a 1/2" capped iron rod set;

THENCE North 65 deg. 41 min. 02 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 64 deg. 01 min. 51 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 62 deg. 22 min. 40 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 60 deg. 43 min. 30 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 59 deg. 04 min. 19 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 56 deg. 50 min. 19 sec. West, a distance of 78.11 feet to a 1/2" capped iron rod set;

THENCE South 87 deg. 47 min. 56 sec. West, a distance of 114.14 feet to a 1/2" capped iron rod set in the East line of said 97.339 acre tract and the West line of said 55.122 acre tract, from which a 3/4" iron pipe found for the Southwest corner of said 55.122 acre tract bears South 02 deg. 12 min. 04 sec. East – 875.55 feet;

THENCE North 02 deg. 12 min. 04 sec. West along said East and West lines, a distance of 392.48 feet to the **POINT OF BEGINNING**, containing 1,120,110 square feet or 25.714 acres of land, more or less.

TRACT 2 (THE OAKS PHASE 5B):
All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, City of Red Oak, Ellis County, Texas, being part of that certain called 55.122 acre tract described as Tract 4 in a deed to Red Oak 66 Holdings, LLC recorded in Instrument No. 2047424 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 3/4" iron pipe found for the Southwest corner of said 55.122 acre tract, the Northwest corner of a called 78.656 acre tract described in a deed to Refluet, LLC recorded in instrument No. 1520658 (DRECT) and being in the East line of a called 97.339 acre tract described in a deed to Harlan Properties, Inc. recorded in Instrument No. 2100508 (DRECT);

THENCE North 02 deg. 12 min. 04 sec. West along said East line and the West line of said 55.122 acre tract, a distance of 875.55 feet to a 1/2" capped iron rod set stamped "GMCIVIL", hereinafter referred to as a 1/2" capped iron rod set;

THENCE North 87 deg. 47 min. 56 sec. East departing said East and West lines, a distance of 114.14 feet to a 1/2" capped iron rod set;

THENCE South 56 deg. 50 min. 19 sec. East, a distance of 78.11 feet to a 1/2" capped iron rod set;

THENCE South 59 deg. 04 min. 19 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 60 deg. 43 min. 30 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 62 deg. 22 min. 40 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 64 deg. 01 min. 51 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 65 deg. 41 min. 02 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 67 deg. 29 min. 40 sec. East, a distance of 59.02 feet to a 1/2" capped iron rod set;

THENCE South 69 deg. 18 min. 45 sec. East, a distance of 50.00 feet to a 1/2" capped iron rod set;

THENCE South 20 deg. 41 min. 15 sec. West, a distance of 110.01 feet to a 1/2" capped iron rod set;

THENCE South 24 deg. 46 min. 49 sec. East, a distance of 14.03 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 1,838.00 feet, a central angle of 07 deg. 46 min. 07 sec., and being subtended by a chord which bears South 74 deg. 17 min. 16 sec. East - 249.02 feet;

THENCE in an easterly direction along said curve to the left, a distance of 249.21 feet to a 1/2" capped iron rod set;

THENCE North 11 deg. 49 min. 40 sec. East non-tangent to said curve, a distance of 120.00 feet to a 1/2" capped iron rod set;

THENCE South 78 deg. 59 min. 55 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 80 deg. 39 min. 06 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 82 deg. 18 min. 16 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 83 deg. 57 min. 27 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 85 deg. 36 min. 38 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 87 deg. 15 min. 48 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 88 deg. 54 min. 59 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 57 min. 07 sec. East, a distance of 49.94 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 02 sec. East, a distance of 710.00 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 01 min. 58 sec. East, a distance of 20.00 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 02 sec. East, a distance of 170.67 feet to a 1/2" capped iron rod set in the East line of said 55.122 acre tract and in the West line of a called 89.157 acre tract described in a deed to Oak Hill Crossing, LTD recorded in Volume 2590, Page 238 (DRECT);

THENCE South 00 deg. 16 min. 35 sec. East along said East and West lines, a distance of 600.01 feet to a 5/8" iron pipe found at the base of a 6" wood fence corner for the Southeast corner of said 55.122 acre tract and the most westerly Southwest corner of said 89.157 acre tract and being in the North line of said

78.656 acre tract, from which a 5/8" iron pipe found for the Northeast corner of said 78.656 acre tract bears South 89 deg. 58 min. 02 sec. East – 71.42 feet;

THENCE North 89 deg. 58 min. 02 sec. West along said North line and the South line of said 55.122 acre tract, at 1964.14 feet pass a 5/8" iron pipe found, continue a total distance of 1,975.78 feet to the **POINT OF BEGINNING**, containing 1,250,354 square feet or 28.704 acres of land, more or less.

Containing a combined 2,370,464 square feet or 54.418 acres of land, more or less.

EXHIBIT L-4 – IMPROVEMENT AREA #3 LEGAL DESCRIPTION

RED OAK PID #1 – IMPROVEMENT AREA #3 LEGAL DESCRIPTION

TRACT 1:
All that certain lot, tract, or parcel of land, situated in a portion of the James E. Patton Survey, Abstract No. 839, the Albert Frederick Survey, Abstract No. 375, James Chapman Survey, Abstract No. 214, and the Joel S. Davis Survey, Abstract No. 323, City of Red Oak, Ellis County, Texas, being part of that certain called 53.558 acre tract described as Tract 2 in a deed to Red Oak 66 Holdings, LLC recorded in Instrument No. 2047424 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 1/2" capped iron rod found stamped "GOODWIN & MARSHALL", hereinafter referred to as a 1/2" capped iron rod found, in the West right-of-way line of Oaks Boulevard (70' width right-of-way) recorded in Instrument No. 2316283 of the Plat Records of Ellis County, Texas (PRECT) and the northerly most corner of a clip corner in an East line of Lot 1X-R3, Block Y of The Oaks, Phase 1 recorded in Instrument No. 2433902 (PRECT);

THENCE in a northerly direction along the East line of said Lot 1X-R3, Block Y the following eighteen (18) courses:

North 74 deg. 07 min. 59 sec. West, a distance of 193.69 feet to a 1/2" capped iron rod found for a Point of Curvature of a circular curve to the right, having a radius of 525.00 feet, a central angle of 23 deg. 50 min. 10 sec., and being subtended by a chord which bears North 62 deg. 12 min. 54 sec. West - 216.84 feet;

Continue in a northwesterly direction along said curve to the right, a distance of 218.41 feet to a 1/2" capped iron rod found for a Point of Curvature of a reverse circular curve to the left, having a radius of 35.00 feet, a central angle of 27 deg. 12 min. 41 sec., and being subtended by a chord which bears North 63 deg. 54 min. 10 sec. West - 16.47 feet;

Continue in a northwesterly direction along said curve to the left, a distance of 16.62 feet to a 1/2" capped iron rod found for a Point of Curvature of a reverse circular curve to the right, having a radius of 50.00 feet, a central angle of 121 deg. 26 min. 52 sec., and being subtended by a chord which bears North 16 deg. 47 min. 04 sec. West - 87.23 feet;

Continue in a northerly direction along said curve to the right, a distance of 105.98 feet to a 1/2" capped iron rod found for a Point of Curvature of

a reverse circular curve to the left, having a radius of 35.00 feet, a central angle of 28 deg. 04 min. 21 sec., and being subtended by a chord which bears North 29 deg. 54 min. 11 sec. East - 16.98 feet;

Continue in a northeasterly direction along said curve to the left, a distance of 17.15 feet to a 1/2" capped iron rod found;

North 74 deg. 07 min. 59 sec. West non-tangent to said curve, a distance of 120.00 feet to a 1/2" capped iron rod found for an interior ell corner in the East line of said Lot 1X-R3;

North 15 deg. 49 min. 11 sec. East, a distance of 75.00 feet to a 1/2" capped iron rod found;

North 07 deg. 44 min. 54 sec. East, a distance of 74.00 feet to a 1/2" capped iron rod found;

North 00 deg. 06 min. 54 sec. West, a distance of 74.18 feet to a 1/2" capped iron rod found;

North 00 deg. 08 min. 45 sec. West, a distance of 375.00 feet to a 1/2" capped iron rod found;

North 15 deg. 37 min. 19 sec. West, a distance of 76.78 feet to a 1/2" capped iron rod found for an ell corner in the East line of said Lot 1X-R3;

South 61 deg. 58 min. 45 sec. West, a distance of 74.00 feet to a 1/2" capped iron rod found for an interior ell corner in the East line of said Lot 1X-R3;

North 28 deg. 01 min. 15 sec. West, a distance of 120.00 feet to a 1/2" capped iron rod found;

North 21 deg. 07 min. 59 sec. East, a distance of 26.45 feet to a 1/2" capped iron rod found for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 50.00 feet, a central angle of 196 deg. 31 min. 50 sec., and being subtended by a chord which bears North 29 deg. 23 min. 54 sec. East - 98.96 feet;

Continue in a northeasterly direction along said curve to the right, a distance of 171.51 feet to a 1/2" capped iron rod found for a Point of

Curvature of a reverse circular curve to the left, having a radius of 35.00 feet, a central angle of 65 deg. 41 min. 03 sec., and being subtended by a chord which bears South 85 deg. 10 min. 43 sec. East - 37.96 feet;

Continue in an easterly direction along said curve to the left, a distance of 40.12 feet to a 1/2" capped iron rod found;

North 61 deg. 58 min. 45 sec. East tangent to said curve, a distance of 17.68 feet to a 1/2" capped iron rod found;

North 28 deg. 01 min. 15 sec. West, a distance of 120.00 feet to a 1/2" capped iron rod found for the most northerly Northeast corner of said Lot 1X-R3, Block Y;

THENCE North 61 deg. 58 min. 45 sec. East, a distance of 618.53 feet to a 1/2" capped iron rod set stamped "GMCIVIL", hereinafter referred to as 1/2" capped iron rod set, for a Point of Curvature of a circular curve to the right, having a radius of 1,040.00 feet, a central angle of 04 deg. 12 min. 05 sec., and being subtended by a chord which bears North 64 deg. 04 min. 48 sec. East - 76.24 feet;

THENCE in a northeasterly direction along said curve to the right, a distance of 76.26 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 950.00 feet, a central angle of 07 deg. 55 min. 42 sec., and being subtended by a chord which bears South 15 deg. 00 min. 43 sec. East - 131.35 feet;

THENCE in a southerly direction along said curve to the right, a distance of 131.46 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 475.00 feet, a central angle of 00 deg. 36 min. 26 sec., and being subtended by a chord which bears North 74 deg. 30 min. 37 sec. East - 5.03 feet;

THENCE in an easterly direction along said curve to the right, a distance of 5.03 feet to a 1/2" capped iron rod set;

THENCE South 09 deg. 37 min. 44 sec. East non-tangent to said curve, a distance of 50.26 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 425.00 feet, a central angle of 00 deg. 41 min. 29 sec., and being subtended by a chord which bears South 73 deg. 48 min. 43 sec. West - 5.13 feet;

THENCE in a westerly direction along said curve to the left, a distance of 5.13 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 950.00 feet, a central angle of 07 deg. 51 min. 57 sec., and being subtended by a chord which bears South 04 deg. 04 min. 44 sec. East - 130.32 feet;

THENCE in a southerly direction along said curve to the right, a distance of 130.42 feet to a 1/2" capped iron rod set;

THENCE South 00 deg. 08 min. 45 sec. East tangent to said curve, a distance of 837.78 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the right, having a radius of 810.00 feet, a central angle of 16 deg. 00 min. 46 sec., and being subtended by a chord which bears South 07 deg. 51 min. 38 sec. West - 225.64 feet;

THENCE in a southerly direction along said curve to the right, a distance of 226.37 feet to a 1/2" capped iron rod set;

THENCE South 15 deg. 52 min. 01 sec. West tangent to said curve, a distance of 167.04 feet to a 1/2" capped iron rod set;

THENCE South 74 deg. 07 min. 59 sec. East, a distance of 5.00 feet to a 1/2" capped iron rod found stamped "GOODWIN & MARSHALL";

THENCE South 15 deg. 52 min. 01 sec. West, a distance of 50.00 feet to the **POINT OF BEGINNING**, containing 811,163 square feet or 18.622 acres of land, more or less.

TRACT 2:
All that certain lot, tract, or parcel of land, situated in a portion of the James E. Patton Survey, Abstract No. 839, the Joel S. Davis Survey, Abstract No. 323, the Albert Frederick Survey, Abstract No. 375 and the John S. Patton Survey Abstract No. 842, City of Red Oak, Ellis County, Texas, being part of that certain called 53.558 acre tract described as Tract 2 in a deed to Red Oak 66 Holdings, LLC recorded in Inst. No. 2047424 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 5/8" iron pipe found for the Northwest corner of a called 24.574 acre tract described in a deed to Keith Alan Nichols and Kristina Nichols recorded in Volume 2825, Page 663 (DRECT);

THENCE South 00 deg. 08 min. 45 sec. East to along the East line of said 53.558 acre tract and the West line of said 24.574 acre tract, a distance of 1,235.09 feet to a 5/8" iron pipe found for an ell corner of said 53.558 acre tract and the Southwest corner of said 24.574 acre tract being in the North line of The Oaks, Phase 2 recorded in Instrument No. 2316283 of the Plat Records of Ellis County, Texas (PRECT);

THENCE North 89 deg. 21 min. 28 sec. West along said North line, a distance of 125.09 feet to a 1/2" capped iron rod set for the Northwest corner of said The Oaks, Phase 2 and an ell corner of said 53.558 acre tract and a Point of Curvature of a non-tangent circular curve to the right, having a radius of 825.00 feet, a central angle of 15 deg. 13 min. 29 sec., and being subtended by a chord which bears South 08 deg. 15 min. 16 sec. West - 218.57 feet;

THENCE in a southerly direction along said curve to the right along the West line of said The Oaks, Phase 2 and the East line of said 53.558 acre tract, a distance of 219.22 feet to a 1/2" capped iron rod set;

THENCE South 15 deg. 52 min. 01 sec. West tangent to said curve along said East and West lines, a distance of 157.04 feet to a 1/2" capped iron rod set;

THENCE South 60 deg. 52 min. 01 sec. West along said East and West lines, a distance of 14.14 feet to a 1/2" capped iron rod set;

THENCE North 74 deg. 07 min. 59 sec. West departing said East and West lines, a distance of 5.00 feet to a 1/2" capped iron rod set;

THENCE North 15 deg. 52 min. 01 sec. East, a distance of 167.04 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the left, having a radius of 810.00 feet, a central angle of 16 deg. 00 min. 46 sec., and being subtended by a chord which bears North 07 deg. 51 min. 38 sec. East - 225.64 feet;

THENCE in a northerly direction along said curve to the left, a distance of 226.37 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 08 min. 45 sec. West tangent to said curve, a distance of 837.78 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the left, having a radius of 950.00 feet, a central angle of 07 deg. 51

min. 57 sec., and being subtended by a chord which bears North 04 deg. 04 min. 44 sec. West - 130.32 feet;

THENCE in a northerly direction along said curve to the left, a distance of 130.42 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 425.00 feet, a central angle of 00 deg. 41 min. 29 sec., and being subtended by a chord which bears North 73 deg. 48 min. 43 sec. East - 5.13 feet;

THENCE in an easterly direction along said curve to the right, a distance of 5.13 feet to a 1/2" capped iron rod set;

THENCE North 09 deg. 37 min. 44 sec. West, a distance of 50.26 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 475.00 feet, a central angle of 00 deg. 36 min. 26 sec., and being subtended by a chord which bears South 74 deg. 30 min. 37 sec. West - 5.03 feet;

THENCE in a westerly direction along said curve to the left, a distance of 5.03 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 950.00 feet, a central angle of 07 deg. 55 min. 42 sec., and being subtended by a chord which bears North 15 deg. 00 min. 43 sec. West - 131.35 feet;

THENCE in a northerly direction along said curve to the left, a distance of 131.46 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 1,040.00 feet, a central angle of 04 deg. 12 min. 05 sec., and being subtended by a chord which bears South 64 deg. 04 min. 48 sec. West - 76.24 feet;

THENCE in a southwesterly direction along said curve to the left, a distance of 76.26 feet to a 1/2" capped iron rod set;

THENCE South 61 deg. 58 min. 45 sec. West tangent to said curve, a distance of 792.60 feet a 1/2" capped iron rod set in the West line of said 53.588 acre tract and the most northerly Northwest corner of Lot 1X-R3, Block Y of The Oaks, Phase 1 recorded in Instrument No. 2433902 (PRECT) being in the approximate centerline of the Davis Branch;

THENCE North 14 deg. 44 min. 19 sec. West along said West line and centerline of said branch, a distance of 113.10 feet to a 1/2" capped iron rod set;

THENCE North 63 deg. 04 min. 50 sec. West along said West line and centerline of said branch, a distance of 36.56 feet to a 1/2" capped iron rod set;

THENCE North 61 deg. 58 min. 45 sec. East departing said West line and centerline of said branch, a distance of 392.22 feet to a 1/2" capped iron rod set;

THENCE in a northeasterly direction along the North line of said 53.588 acre tract and along the centerline of said Davis Branch the following thirty-three (33) courses;

North 28 deg. 01 min. 15 sec. West, a distance of 148.78 feet;

North 81 deg. 47 min. 05 sec. East, a distance of 29.17 feet;

North 75 deg. 30 min. 52 sec. East, a distance of 45.98 feet;

South 68 deg. 56 min. 39 sec. East, a distance of 75.21 feet;

North 71 deg. 42 min. 40 sec. East, a distance of 39.74 feet;

North 49 deg. 43 min. 10 sec. East, a distance of 47.55 feet;

North 40 deg. 31 min. 00 sec. East, a distance of 66.25 feet

North 52 deg. 16 min. 23 sec. East, a distance of 24.60 feet;

South 86 deg. 34 min. 42 sec. East, a distance of 21.27 feet;

North 72 deg. 34 min. 13 sec. East, a distance of 46.42 feet;

North 47 deg. 42 min. 06 sec. East, a distance of 56.57 feet;

North 38 deg. 32 min. 16 sec. East, a distance of 103.29 feet;

North 84 deg. 22 min. 50 sec. East, a distance of 33.86 feet;

South 71 deg. 27 min. 56 sec. East, a distance of 67.95 feet;

North 79 deg. 54 min. 59 sec. East, a distance of 32.23 feet;

North 46 deg. 28 min. 47 sec. East, a distance of 40.01 feet;

North 33 deg. 22 min. 57 sec. East, a distance of 37.03 feet;

North 41 deg. 30 min. 58 sec. East, a distance of 58.96 feet;

North 64 deg. 58 min. 14 sec. East, a distance of 89.74 feet;

North 68 deg. 39 min. 43 sec. East, a distance of 97.72 feet;

North 58 deg. 56 min. 25 sec. East, a distance of 35.47 feet;

South 86 deg. 14 min. 23 sec. East, a distance of 45.48 feet;

South 65 deg. 20 min. 53 sec. East, a distance of 21.84 feet;

South 87 deg. 30 min. 28 sec. East, a distance of 37.12 feet;

North 82 deg. 46 min. 44 sec. East, a distance of 60.04 feet;

South 67 deg. 42 min. 32 sec. East, a distance of 8.84 feet;

South 53 deg. 45 min. 16 sec. East, a distance of 25.75 feet;

South 33 deg. 00 min. 34 sec. East, a distance of 21.81 feet;

South 42 deg. 58 min. 08 sec. East, a distance of 18.81 feet;

South 71 deg. 39 min. 10 sec. East, a distance of 17.97 feet;

North 76 deg. 25 min. 38 sec. East, a distance of 8.28 feet

North 59 deg. 35 min. 45 sec. East, a distance of 16.20 feet;

North 39 deg. 09 min. 07 sec. East, a distance of 2.76 feet;

South 62 deg. 10 min. 59 sec. East, a distance of 195.10 feet to a 1/2" capped iron rod set for the most easterly Northeast corner of said 53.558 acre tract;

THENCE South 67 deg. 50 min. 44 sec. West along the Northwest line of said 24.5745 acre tract and the Southeast line of said 53.588 acre tract, a distance of 602.30 feet to the **POINT OF BEGINNING**, containing 533,474 square feet or 12.247 acres of land, more or less.

Containing a combined 1,344,637 square feet or 30.869 acres of land, more or less.

APPENDIX A – ENGINEER'S REPORT

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07-28-2026

RE: Engineer's Report
The Oaks Development
Red Oak, Texas

Introduction:
The Oaks Development is a proposed single family development including 210.5 contiguous acres and is anticipated to include approximately 654 single-family homes located west of I-35 East and south of Stephenson Road within Red Oak, Texas. This engineer's report includes the documents requested by the City of Red Oak for the formation of the PID and the issuance of bonds by the City. Bonds are anticipated to be used to finance public infrastructure projects vital for the development within the PID.

Development Costs:
An Engineers' opinion of probable cost (EOPC) has been prepared for all off-site and on-site infrastructure and is included.

Development Improvements – Improvement Area #2:
Streets
- Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, stamped concrete pavement, concrete headers, laid down curb, sidewalks, testing, handicapped ramps, and streetlights. All related earthwork, excavation, clearing and grubbing, erosion control, intersections, barricades, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #2.

Sewer
- Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2.

Storm Drain
- Improvements including curb inlets, RCP piping and reinforced concrete boxes, storm junction boxes, headwalls, rock rip rap, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #2.

Soft Costs
- Costs related to designing, constructing, and installing the Improvement Area #2 Improvements, including land planning and design, City fees, final plat fees, engineering and surveying, materials testing, inspection, construction management, contingency, legal fees, and consultant fees.

GMcivil
Engineering & Surveying
2559 SW Grapevine Pkwy • Grapevine, TX 76051 • 817.329.4373
TxEng Firm #F-2944 • TxSurv Firm #10021700
gmcivil.com

Development Improvements – Improvement Area #3:

Streets

- Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, stamped concrete pavement, sidewalks, testing, handicapped ramps, and streetlights. All related earthwork, excavation, clearing and grubbing, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #3.

Sewer

- Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, a lift station, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #3.

Storm Drain

- Improvements including curb inlets, RCP piping and boxes, storm junction boxes, headwalls, rock rip rap, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #3.

Soft Costs

- Costs related to designing, constructing, and installing the Improvement Area #3 Improvements, including land planning and design, City fees, final plat fees, engineering and surveying, materials testing, inspection, construction management, contingency, legal fees, and consultant fees.

Development Schedule:

Design Stage

The Preliminary Plat for the project was approved by the City in July 2021.

Improvement Area #2 has been designed and constructed.

Improvement Area #3 plans (Phase 3, Oaks Boulevard Phase 3, and Off-site Stephenson Road) have been designed and approved by the City in May 2026.

Construction Stage

Improvement Area #3 (Phase 3, Oaks Boulevard Phase 3, and Off-site Stephenson Road) is estimated to begin in the 4th quarter of 2026 with final acceptance estimated in the 1st quarter of 2028.

Please let me know if you have any questions or require additional information.

Sincerely,
Gmcivil

Jacob Phifer, P.E.

STATE OF TEXAS
JACOB M. PHIFER
143325
LICENSED
PROFESSIONAL ENGINEER
7-28-26

Page 2 of 2

RED OAK PID #1
IMPROVEMENT AREA #2
CITY OF RED OAK, ELLIS COUNTY, TEXAS

GM civil
Engineering & Surveying
2559 SW Grapevine Pkwy, Grapevine, Texas 76051
817-329-4373
Texing Firm # F-2944 | TxSurv Firm # 10021700

Job No.: 10834	Scale: 1"=500'	Sheet		
Drafted: L.J.C.	Checked: J.N.R.	1		
Surveyed on the Ground: 7/15/2026		of		
Date Prepared: 7/30/2026		1		
Revised: .	Revised: .			

STATE OF TEXAS
REGISTERED
JOHN N. ROGERS
6372
PROFESSIONAL
LAND SURVEYOR

Date Signed: 7/30/2026

E:\10834 - Red Oak - The Oaks\COGO\ZONING\IMPROVEMENT AREAS\10834-PID # 1-IA#2.dwg

RED OAK PID #1 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

TRACT 1 (THE OAKS PHASE 5A):

All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, City of Red Oak, Ellis County, Texas, being part of that certain called 55.122 acre tract described as Tract 4 in a deed to Red Oak 66 Holdings, LLC recorded in Instrument No. 2047424 of the Deed Records of Ellis County, Texas (DRECT), being all of a called 0.086 acre tract and all of a called 0.007 acre tract described in a deed to same recorded in Instrument No. 2334585 (DRECT) and being more completely described as follows, to-wit:

COMMENCING at a 1/2" iron rod found for the Northeast corner of a called 97.339 acre tract described in a deed to Harlan Properties, Inc. recorded in Instrument No. 2100508 (DRECT) and an ell corner of The Oaks, Phase 4 recorded in Instrument No. 2316282 of the Plat Records of Ellis County, Texas (PRECT), from which a 1/2" capped iron rod found (illegible) for the most westerly Southwest corner of said The Oaks, Phase 4 and the Southeast corner of a called 2.049 acre tract described in a deed to Joshua G. Edelman and wife, Rebecca Edelman recorded in Instrument No. 1717395 (DRECT) bears South 89 deg. 30 min. 13 sec. West – 40.96 feet;

THENCE South 02 deg. 12 min. 04 sec. East along the East line of said 97.339 acre tract and the West line of said The Oaks, Phase 4, a distance of 18.59 feet to a 1/2" capped iron rod found stamped "GMCIVIL", hereinafter referred to as 1/2" capped iron rod found, for the most westerly Northwest corner of said 55.122 acre tract and the most southerly Southwest corner of said The Oaks, Phase 4, said point being the **TRUE POINT OF BEGINNING**;

THENCE North 66 deg. 53 min. 18 sec. East departing said East line and continue along the Northwest line of said 55.122 acre tract and the Southeast line of said The Oaks, Phase 4, a distance of 47.03 feet to a 1/2" capped iron rod found stamped "GMCIVIL", hereinafter referred to as 1/2" capped iron rod found, for a Point of Curvature of a circular curve to the left, having a radius of 865.00 feet, a central angle of 22 deg. 00 min. 11 sec., and being subtended by a chord which bears North 55 deg. 53 min. 13 sec. East - 330.15 feet;

THENCE in a northeasterly direction along said curve to the left and said Northwest and Southeast lines, a distance of 332.18 feet to a 1/2" capped iron rod found for an ell corner of The Oaks, Phase 1 recorded in Instrument No. 2316299 (PRECT), said point being a Point of Curvature of a non-tangent circular

curve to the left, having a radius of 1,138.00 feet, a central angle of 43 deg. 22 min. 44 sec., and being subtended by a chord which bears South 68 deg. 16 min. 40 sec. East - 841.15 feet;

THENCE in a southeasterly direction departing said Northwest and Southeast lines and continue along the South line of said The Oaks, Phase 1 the following nine (9) courses;

Continue in an easterly direction along said curve to the left, a distance of 861.59 feet to a 1/2" capped iron rod found;

South 89 deg. 58 min. 02 sec. East tangent to said curve, a distance of 655.25 feet to a 1/2" capped iron rod found;

South 00 deg. 01 min. 58 sec. West, a distance of 118.69 feet to a 1/2" capped iron rod found for an ell corner of same and the Northwest corner of said 0.086 acre tract, said point being a Point of Curvature of a non-tangent circular curve to the left, having a radius of 35.00 feet, a central angle of 49 deg. 56 min. 08 sec., and being subtended by a chord which bears North 49 deg. 18 min. 59 sec. East - 29.55 feet;

Continue in a northeasterly direction along said curve to the left and the North line of said 0.086 acre tract, a distance of 30.50 feet to a 1/2" capped iron rod found for a Point of Curvature of a reverse circular curve to the right, having a radius of 50.00 feet, a central angle of 216 deg. 15 min. 28 sec., and being subtended by a chord which bears South 47 deg. 31 min. 21 sec. East - 95.04 feet;

Continue in a southeasterly direction along said curve to the right and said North line, at an arc length of 126.65 feet pass the Southeast corner of said 0.086 acre tract, continue a total distance along said curve of 188.72 feet to a 1/2" capped iron rod found;

South 29 deg. 23 min. 37 sec. East non-tangent to said curve, a distance of 18.89 feet to a 1/2" capped iron rod found;

South 00 deg. 01 min. 58 sec. West, a distance of 220.38 feet to a 1/2" capped iron rod found for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 50.00 feet, a central angle of 108 deg. 36 min. 50 sec., and being subtended by a chord which bears South 42 deg. 44 min. 13 sec. East - 81.22 feet;

Continue in a southeasterly direction along said curve to the right, a distance of 94.78 feet to a 1/2" capped iron rod found for an ell corner of said The Oaks, Phase 1 and the Southeast corner of said 0.007 acre tract;

South 89 deg. 58 min. 02 sec. East non-tangent to said curve, a distance of 111.15 feet to a 1/2" capped iron rod found for the Southeast corner of said The Oaks, Phase 1, the most easterly Northeast corner of said 55.122 acre tract and being in the West line of a called 89.157 acre tract described in a deed to Oak Hill Crossing, LTD recorded in Volume 2590, Page 238 (DRECT), from which a P.K. nail found in concrete at a fence corner of an ell corner of Lot 20X, Block R of said The Oaks, Phase 1 and an ell corner of said 89.157 acre tract bears North 00 deg. 16 min. 35 sec. West – 159.70 feet;

THENCE South 00 deg. 16 min. 35 sec. East along the East line of said 55.122 acre tract and said West line, a distance of 100.00 feet to a 1/2" capped iron rod set stamped "GMCIVIL" hereinafter referred to as 1/2" capped iron rod set, from which a 5/8" iron pipe found at the base of a 6" wood fence corner for the Southeast corner of said 55.122 acre tract bears South 00 deg. 16 min. 35 sec. East – 600.01 feet;

THENCE North 89 deg. 58 min. 02 sec. West departing said East and West lines, a distance of 170.67 feet to a 1/2" capped iron rod set;

THENCE South 00 deg. 01 min. 58 sec. West, a distance of 20.00 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 58 min. 02 sec. West, a distance of 710.00 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 57 min. 07 sec. West, a distance of 49.94 feet to a 1/2" capped iron rod set;

THENCE North 88 deg. 54 min. 59 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 87 deg. 15 min. 48 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 85 deg. 36 min. 38 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 83 deg. 57 min. 27 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 82 deg. 18 min. 16 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 80 deg. 39 min. 06 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 78 deg. 59 min. 55 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 11 deg. 49 min. 40 sec. West, a distance of 120.00 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 1,838.00 feet, a central angle of 07 deg. 46 min. 07 sec., and being subtended by a chord which bears North 74 deg. 17 min. 16 sec. West - 249.02 feet;

THENCE in a westerly direction along said curve to the right, a distance of 249.21 feet to a 1/2" capped iron rod set;

THENCE North 24 deg. 46 min. 49 sec. West non-tangent to said curve, a distance of 14.03 feet to a 1/2" capped iron rod set;

THENCE North 20 deg. 41 min. 15 sec. East, a distance of 110.01 feet to a 1/2" capped iron rod set;

THENCE North 69 deg. 18 min. 45 sec. West, a distance of 50.00 feet to a 1/2" capped iron rod set;

THENCE North 67 deg. 29 min. 40 sec. West, a distance of 59.02 feet to a 1/2" capped iron rod set;

THENCE North 65 deg. 41 min. 02 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 64 deg. 01 min. 51 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 62 deg. 22 min. 40 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 60 deg. 43 min. 30 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 59 deg. 04 min. 19 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 56 deg. 50 min. 19 sec. West, a distance of 78.11 feet to a 1/2" capped iron rod set;

THENCE South 87 deg. 47 min. 56 sec. West, a distance of 114.14 feet to a 1/2" capped iron rod set in the East line of said 97.339 acre tract and the West line of said 55.122 acre tract, from which a 3/4" iron pipe found for the Southwest corner of said 55.122 acre tract bears South 02 deg. 12 min. 04 sec. East – 875.55 feet;

THENCE North 02 deg. 12 min. 04 sec. West along said East and West lines, a distance of 392.48 feet to the **POINT OF BEGINNING**, containing 1,120,110 square feet or 25.714 acres of land, more or less.

TRACT 2 (THE OAKS PHASE 5B):

All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, City of Red Oak, Ellis County, Texas, being part of that certain called 55.122 acre tract described as Tract 4 in a deed to Red Oak 66 Holdings, LLC recorded in Instrument No. 2047424 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 3/4" iron pipe found for the Southwest corner of said 55.122 acre tract, the Northwest corner of a called 78.656 acre tract described in a deed to Refluet, LLC recorded in instrument No. 1520658 (DRECT) and being in the East line of a called 97.339 acre tract described in a deed to Harlan Properties, Inc. recorded in Instrument No. 2100508 (DRECT);

THENCE North 02 deg. 12 min. 04 sec. West along said East line and the West line of said 55.122 acre tract, a distance of 875.55 feet to a 1/2" capped iron rod set stamped "GMCIVIL", hereinafter referred to as a 1/2" capped iron rod set;

THENCE North 87 deg. 47 min. 56 sec. East departing said East and West lines, a distance of 114.14 feet to a 1/2" capped iron rod set;

THENCE South 56 deg. 50 min. 19 sec. East, a distance of 78.11 feet to a 1/2" capped iron rod set;

THENCE South 59 deg. 04 min. 19 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 60 deg. 43 min. 30 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 62 deg. 22 min. 40 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 64 deg. 01 min. 51 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 65 deg. 41 min. 02 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 67 deg. 29 min. 40 sec. East, a distance of 59.02 feet to a 1/2" capped iron rod set;

THENCE South 69 deg. 18 min. 45 sec. East, a distance of 50.00 feet to a 1/2" capped iron rod set;

THENCE South 20 deg. 41 min. 15 sec. West, a distance of 110.01 feet to a 1/2" capped iron rod set;

THENCE South 24 deg. 46 min. 49 sec. East, a distance of 14.03 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 1,838.00 feet, a central angle of 07 deg. 46 min. 07 sec., and being subtended by a chord which bears South 74 deg. 17 min. 16 sec. East - 249.02 feet;

THENCE in an easterly direction along said curve to the left, a distance of 249.21 feet to a 1/2" capped iron rod set;

THENCE North 11 deg. 49 min. 40 sec. East non-tangent to said curve, a distance of 120.00 feet to a 1/2" capped iron rod set;

THENCE South 78 deg. 59 min. 55 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 80 deg. 39 min. 06 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 82 deg. 18 min. 16 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 83 deg. 57 min. 27 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 85 deg. 36 min. 38 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 87 deg. 15 min. 48 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 88 deg. 54 min. 59 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 57 min. 07 sec. East, a distance of 49.94 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 02 sec. East, a distance of 710.00 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 01 min. 58 sec. East, a distance of 20.00 feet to a 1/2" capped iron rod set;

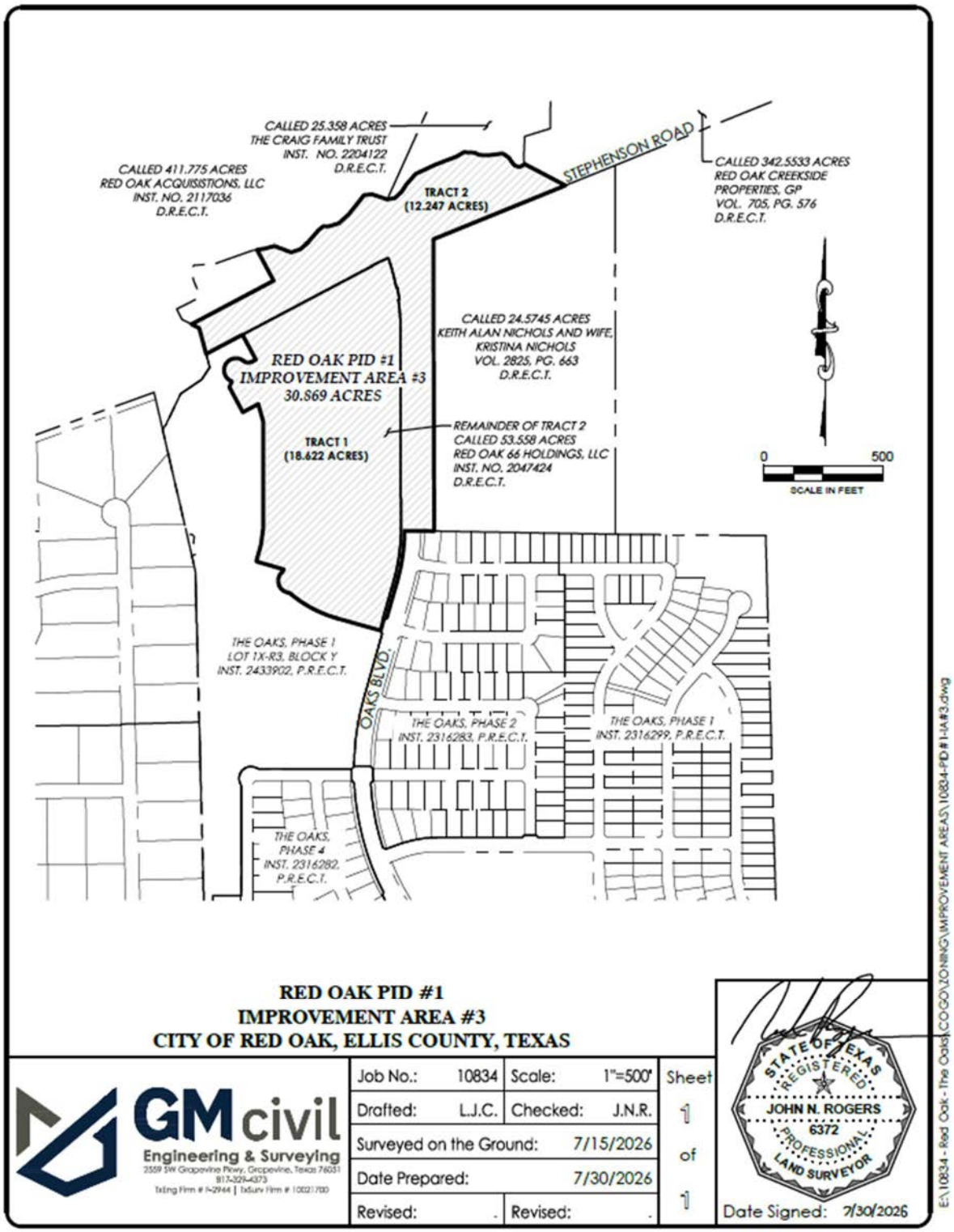
THENCE South 89 deg. 58 min. 02 sec. East, a distance of 170.67 feet to a 1/2" capped iron rod set in the East line of said 55.122 acre tract and in the West line of a called 89.157 acre tract described in a deed to Oak Hill Crossing, LTD recorded in Volume 2590, Page 238 (DRECT);

THENCE South 00 deg. 16 min. 35 sec. East along said East and West lines, a distance of 600.01 feet to a 5/8" iron pipe found at the base of a 6" wood fence corner for the Southeast corner of said 55.122 acre tract and the most westerly Southwest corner of said 89.157 acre tract and being in the North line of said

78.656 acre tract, from which a 5/8" iron pipe found for the Northeast corner of said 78.656 acre tract bears South 89 deg. 58 min. 02 sec. East – 71.42 feet;

THENCE North 89 deg. 58 min. 02 sec. West along said North line and the South line of said 55.122 acre tract, at 1964.14 feet pass a 5/8" iron pipe found, continue a total distance of 1,975.78 feet to the **POINT OF BEGINNING**, containing 1,250,354 square feet or 28.704 acres of land, more or less.

Containing a combined 2,370,464 square feet or 54.418 acres of land, more or less.



RED OAK PID #1
IMPROVEMENT AREA #3
CITY OF RED OAK, ELLIS COUNTY, TEXAS

GM civil
Engineering & Surveying
2559 SW Grapevine Pkwy, Grapevine, Texas 76051
817-329-4373
TxEng Firm # F-2944 | TxSurv Firm # 10021700

Job No.: 10834		Scale: 1"=500'		Sheet
Drafted: L.J.C.		Checked: J.N.R.		1
Surveyed on the Ground: 7/15/2026				of
Date Prepared: 7/30/2026				1
Revised: .		Revised: .		

STATE OF TEXAS
REGISTERED
JOHN N. ROGERS
6372
PROFESSIONAL
LAND SURVEYOR

Date Signed: 7/30/2026

RED OAK PID #1 – IMPROVEMENT AREA #3 LEGAL DESCRIPTION

TRACT 1:

All that certain lot, tract, or parcel of land, situated in a portion of the James E. Patton Survey, Abstract No. 839, the Albert Frederick Survey, Abstract No. 375, James Chapman Survey, Abstract No. 214, and the Joel S. Davis Survey, Abstract No. 323, City of Red Oak, Ellis County, Texas, being part of that certain called 53.558 acre tract described as Tract 2 in a deed to Red Oak 66 Holdings, LLC recorded in Instrument No. 2047424 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 1/2" capped iron rod found stamped "GOODWIN & MARSHALL", hereinafter referred to as a 1/2" capped iron rod found, in the West right-of-way line of Oaks Boulevard (70' width right-of-way) recorded in Instrument No. 2316283 of the Plat Records of Ellis County, Texas (PRECT) and the northerly most corner of a clip corner in an East line of Lot 1X-R3, Block Y of The Oaks, Phase 1 recorded in Instrument No. 2433902 (PRECT);

THENCE in a northerly direction along the East line of said Lot 1X-R3, Block Y the following eighteen (18) courses:

North 74 deg. 07 min. 59 sec. West, a distance of 193.69 feet to a 1/2" capped iron rod found for a Point of Curvature of a circular curve to the right, having a radius of 525.00 feet, a central angle of 23 deg. 50 min. 10 sec., and being subtended by a chord which bears North 62 deg. 12 min. 54 sec. West - 216.84 feet;

Continue in a northwesterly direction along said curve to the right, a distance of 218.41 feet to a 1/2" capped iron rod found for a Point of Curvature of a reverse circular curve to the left, having a radius of 35.00 feet, a central angle of 27 deg. 12 min. 41 sec., and being subtended by a chord which bears North 63 deg. 54 min. 10 sec. West - 16.47 feet;

Continue in a northwesterly direction along said curve to the left, a distance of 16.62 feet to a 1/2" capped iron rod found for a Point of Curvature of a reverse circular curve to the right, having a radius of 50.00 feet, a central angle of 121 deg. 26 min. 52 sec., and being subtended by a chord which bears North 16 deg. 47 min. 04 sec. West - 87.23 feet;

Continue in a northerly direction along said curve to the right, a distance of 105.98 feet to a 1/2" capped iron rod found for a Point of Curvature of

a reverse circular curve to the left, having a radius of 35.00 feet, a central angle of 28 deg. 04 min. 21 sec., and being subtended by a chord which bears North 29 deg. 54 min. 11 sec. East - 16.98 feet;

Continue in a northeasterly direction along said curve to the left, a distance of 17.15 feet to a 1/2" capped iron rod found;

North 74 deg. 07 min. 59 sec. West non-tangent to said curve, a distance of 120.00 feet to a 1/2" capped iron rod found for an interior ell corner in the East line of said Lot 1X-R3;

North 15 deg. 49 min. 11 sec. East, a distance of 75.00 feet to a 1/2" capped iron rod found;

North 07 deg. 44 min. 54 sec. East, a distance of 74.00 feet to a 1/2" capped iron rod found;

North 00 deg. 06 min. 54 sec. West, a distance of 74.18 feet to a 1/2" capped iron rod found;

North 00 deg. 08 min. 45 sec. West, a distance of 375.00 feet to a 1/2" capped iron rod found;

North 15 deg. 37 min. 19 sec. West, a distance of 76.78 feet to a 1/2" capped iron rod found for an ell corner in the East line of said Lot 1X-R3;

South 61 deg. 58 min. 45 sec. West, a distance of 74.00 feet to a 1/2" capped iron rod found for an interior ell corner in the East line of said Lot 1X-R3;

North 28 deg. 01 min. 15 sec. West, a distance of 120.00 feet to a 1/2" capped iron rod found;

North 21 deg. 07 min. 59 sec. East, a distance of 26.45 feet to a 1/2" capped iron rod found for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 50.00 feet, a central angle of 196 deg. 31 min. 50 sec., and being subtended by a chord which bears North 29 deg. 23 min. 54 sec. East - 98.96 feet;

Continue in a northeasterly direction along said curve to the right, a distance of 171.51 feet to a 1/2" capped iron rod found for a Point of

Curvature of a reverse circular curve to the left, having a radius of 35.00 feet, a central angle of 65 deg. 41 min. 03 sec., and being subtended by a chord which bears South 85 deg. 10 min. 43 sec. East - 37.96 feet;

Continue in an easterly direction along said curve to the left, a distance of 40.12 feet to a 1/2" capped iron rod found;

North 61 deg. 58 min. 45 sec. East tangent to said curve, a distance of 17.68 feet to a 1/2" capped iron rod found;

North 28 deg. 01 min. 15 sec. West, a distance of 120.00 feet to a 1/2" capped iron rod found for the most northerly Northeast corner of said Lot 1X-R3, Block Y;

THENCE North 61 deg. 58 min. 45 sec. East, a distance of 618.53 feet to a 1/2" capped iron rod set stamped "GMCIVIL", hereinafter referred to as 1/2" capped iron rod set, for a Point of Curvature of a circular curve to the right, having a radius of 1,040.00 feet, a central angle of 04 deg. 12 min. 05 sec., and being subtended by a chord which bears North 64 deg. 04 min. 48 sec. East - 76.24 feet;

THENCE in a northeasterly direction along said curve to the right, a distance of 76.26 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 950.00 feet, a central angle of 07 deg. 55 min. 42 sec., and being subtended by a chord which bears South 15 deg. 00 min. 43 sec. East - 131.35 feet;

THENCE in a southerly direction along said curve to the right, a distance of 131.46 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 475.00 feet, a central angle of 00 deg. 36 min. 26 sec., and being subtended by a chord which bears North 74 deg. 30 min. 37 sec. East - 5.03 feet;

THENCE in an easterly direction along said curve to the right, a distance of 5.03 feet to a 1/2" capped iron rod set;

THENCE South 09 deg. 37 min. 44 sec. East non-tangent to said curve, a distance of 50.26 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 425.00 feet, a central angle of 00 deg. 41 min. 29 sec., and being subtended by a chord which bears South 73 deg. 48 min. 43 sec. West - 5.13 feet;

THENCE in a westerly direction along said curve to the left, a distance of 5.13 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 950.00 feet, a central angle of 07 deg. 51 min. 57 sec., and being subtended by a chord which bears South 04 deg. 04 min. 44 sec. East - 130.32 feet;

THENCE in a southerly direction along said curve to the right, a distance of 130.42 feet to a 1/2" capped iron rod set;

THENCE South 00 deg. 08 min. 45 sec. East tangent to said curve, a distance of 837.78 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the right, having a radius of 810.00 feet, a central angle of 16 deg. 00 min. 46 sec., and being subtended by a chord which bears South 07 deg. 51 min. 38 sec. West - 225.64 feet;

THENCE in a southerly direction along said curve to the right, a distance of 226.37 feet to a 1/2" capped iron rod set;

THENCE South 15 deg. 52 min. 01 sec. West tangent to said curve, a distance of 167.04 feet to a 1/2" capped iron rod set;

THENCE South 74 deg. 07 min. 59 sec. East, a distance of 5.00 feet to a 1/2" capped iron rod found stamped "GOODWIN & MARSHALL";

THENCE South 15 deg. 52 min. 01 sec. West, a distance of 50.00 feet to the **POINT OF BEGINNING**, containing 811,163 square feet or 18.622 acres of land, more or less.

TRACT 2:

All that certain lot, tract, or parcel of land, situated in a portion of the James E. Patton Survey, Abstract No. 839, the Joel S. Davis Survey, Abstract No. 323, the Albert Frederick Survey, Abstract No. 375 and the John S. Patton Survey Abstract No. 842, City of Red Oak, Ellis County, Texas, being part of that certain called 53.558 acre tract described as Tract 2 in a deed to Red Oak 66 Holdings, LLC recorded in Inst. No. 2047424 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 5/8" iron pipe found for the Northwest corner of a called 24.574 acre tract described in a deed to Keith Alan Nichols and Kristina Nichols recorded in Volume 2825, Page 663 (DRECT);

THENCE South 00 deg. 08 min. 45 sec. East to along the East line of said 53.558 acre tract and the West line of said 24.574 acre tract, a distance of 1,235.09 feet to a 5/8" iron pipe found for an ell corner of said 53.558 acre tract and the Southwest corner of said 24.574 acre tract being in the North line of The Oaks, Phase 2 recorded in Instrument No. 2316283 of the Plat Records of Ellis County, Texas (PRECT);

THENCE North 89 deg. 21 min. 28 sec. West along said North line, a distance of 125.09 feet to a 1/2" capped iron rod set for the Northwest corner of said The Oaks, Phase 2 and an ell corner of said 53.558 acre tract and a Point of Curvature of a non-tangent circular curve to the right, having a radius of 825.00 feet, a central angle of 15 deg. 13 min. 29 sec., and being subtended by a chord which bears South 08 deg. 15 min. 16 sec. West - 218.57 feet;

THENCE in a southerly direction along said curve to the right along the West line of said The Oaks, Phase 2 and the East line of said 53.558 acre tract, a distance of 219.22 feet to a 1/2" capped iron rod set;

THENCE South 15 deg. 52 min. 01 sec. West tangent to said curve along said East and West lines, a distance of 157.04 feet to a 1/2" capped iron rod set;

THENCE South 60 deg. 52 min. 01 sec. West along said East and West lines, a distance of 14.14 feet to a 1/2" capped iron rod set;

THENCE North 74 deg. 07 min. 59 sec. West departing said East and West lines, a distance of 5.00 feet to a 1/2" capped iron rod set;

THENCE North 15 deg. 52 min. 01 sec. East, a distance of 167.04 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the left, having a radius of 810.00 feet, a central angle of 16 deg. 00 min. 46 sec., and being subtended by a chord which bears North 07 deg. 51 min. 38 sec. East - 225.64 feet;

THENCE in a northerly direction along said curve to the left, a distance of 226.37 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 08 min. 45 sec. West tangent to said curve, a distance of 837.78 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the left, having a radius of 950.00 feet, a central angle of 07 deg. 51

min. 57 sec., and being subtended by a chord which bears North 04 deg. 04 min. 44 sec. West - 130.32 feet;

THENCE in a northerly direction along said curve to the left, a distance of 130.42 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 425.00 feet, a central angle of 00 deg. 41 min. 29 sec., and being subtended by a chord which bears North 73 deg. 48 min. 43 sec. East - 5.13 feet;

THENCE in an easterly direction along said curve to the right, a distance of 5.13 feet to a 1/2" capped iron rod set;

THENCE North 09 deg. 37 min. 44 sec. West, a distance of 50.26 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 475.00 feet, a central angle of 00 deg. 36 min. 26 sec., and being subtended by a chord which bears South 74 deg. 30 min. 37 sec. West - 5.03 feet;

THENCE in a westerly direction along said curve to the left, a distance of 5.03 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 950.00 feet, a central angle of 07 deg. 55 min. 42 sec., and being subtended by a chord which bears North 15 deg. 00 min. 43 sec. West - 131.35 feet;

THENCE in a northerly direction along said curve to the left, a distance of 131.46 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 1,040.00 feet, a central angle of 04 deg. 12 min. 05 sec., and being subtended by a chord which bears South 64 deg. 04 min. 48 sec. West - 76.24 feet;

THENCE in a southwesterly direction along said curve to the left, a distance of 76.26 feet to a 1/2" capped iron rod set;

THENCE South 61 deg. 58 min. 45 sec. West tangent to said curve, a distance of 792.60 feet a 1/2" capped iron rod set in the West line of said 53.588 acre tract and the most northerly Northwest corner of Lot 1X-R3, Block Y of The Oaks, Phase 1 recorded in Instrument No. 2433902 (PRECT) being in the approximate centerline of the Davis Branch;

THENCE North 14 deg. 44 min. 19 sec. West along said West line and centerline of said branch, a distance of 113.10 feet to a 1/2" capped iron rod set;

THENCE North 63 deg. 04 min. 50 sec. West along said West line and centerline of said branch, a distance of 36.56 feet to a 1/2" capped iron rod set;

THENCE North 61 deg. 58 min. 45 sec. East departing said West line and centerline of said branch, a distance of 392.22 feet to a 1/2" capped iron rod set;

THENCE in a northeasterly direction along the North line of said 53.588 acre tract and along the centerline of said Davis Branch the following thirty-three (33) courses;

North 28 deg. 01 min. 15 sec. West, a distance of 148.78 feet;

North 81 deg. 47 min. 05 sec. East, a distance of 29.17 feet;

North 75 deg. 30 min. 52 sec. East, a distance of 45.98 feet;

South 68 deg. 56 min. 39 sec. East, a distance of 75.21 feet;

North 71 deg. 42 min. 40 sec. East, a distance of 39.74 feet;

North 49 deg. 43 min. 10 sec. East, a distance of 47.55 feet;

North 40 deg. 31 min. 00 sec. East, a distance of 66.25 feet

North 52 deg. 16 min. 23 sec. East, a distance of 24.60 feet;

South 86 deg. 34 min. 42 sec. East, a distance of 21.27 feet;

North 72 deg. 34 min. 13 sec. East, a distance of 46.42 feet;

North 47 deg. 42 min. 06 sec. East, a distance of 56.57 feet;

North 38 deg. 32 min. 16 sec. East, a distance of 103.29 feet;

North 84 deg. 22 min. 50 sec. East, a distance of 33.86 feet;

South 71 deg. 27 min. 56 sec. East, a distance of 67.95 feet;

North 79 deg. 54 min. 59 sec. East, a distance of 32.23 feet;

North 46 deg. 28 min. 47 sec. East, a distance of 40.01 feet;

North 33 deg. 22 min. 57 sec. East, a distance of 37.03 feet;

North 41 deg. 30 min. 58 sec. East, a distance of 58.96 feet;

North 64 deg. 58 min. 14 sec. East, a distance of 89.74 feet;

North 68 deg. 39 min. 43 sec. East, a distance of 97.72 feet;

North 58 deg. 56 min. 25 sec. East, a distance of 35.47 feet;

South 86 deg. 14 min. 23 sec. East, a distance of 45.48 feet;

South 65 deg. 20 min. 53 sec. East, a distance of 21.84 feet;

South 87 deg. 30 min. 28 sec. East, a distance of 37.12 feet;

North 82 deg. 46 min. 44 sec. East, a distance of 60.04 feet;

South 67 deg. 42 min. 32 sec. East, a distance of 8.84 feet;

South 53 deg. 45 min. 16 sec. East, a distance of 25.75 feet;

South 33 deg. 00 min. 34 sec. East, a distance of 21.81 feet;

South 42 deg. 58 min. 08 sec. East, a distance of 18.81 feet;

South 71 deg. 39 min. 10 sec. East, a distance of 17.97 feet;

North 76 deg. 25 min. 38 sec. East, a distance of 8.28 feet

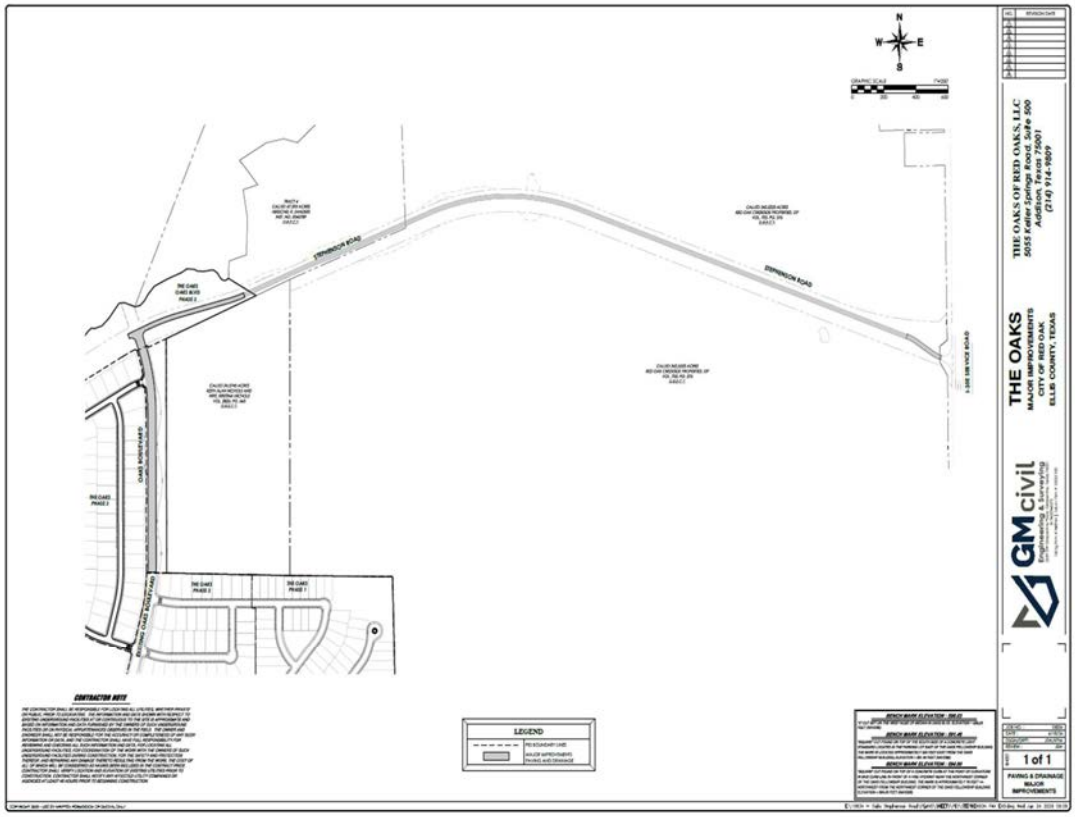
North 59 deg. 35 min. 45 sec. East, a distance of 16.20 feet;

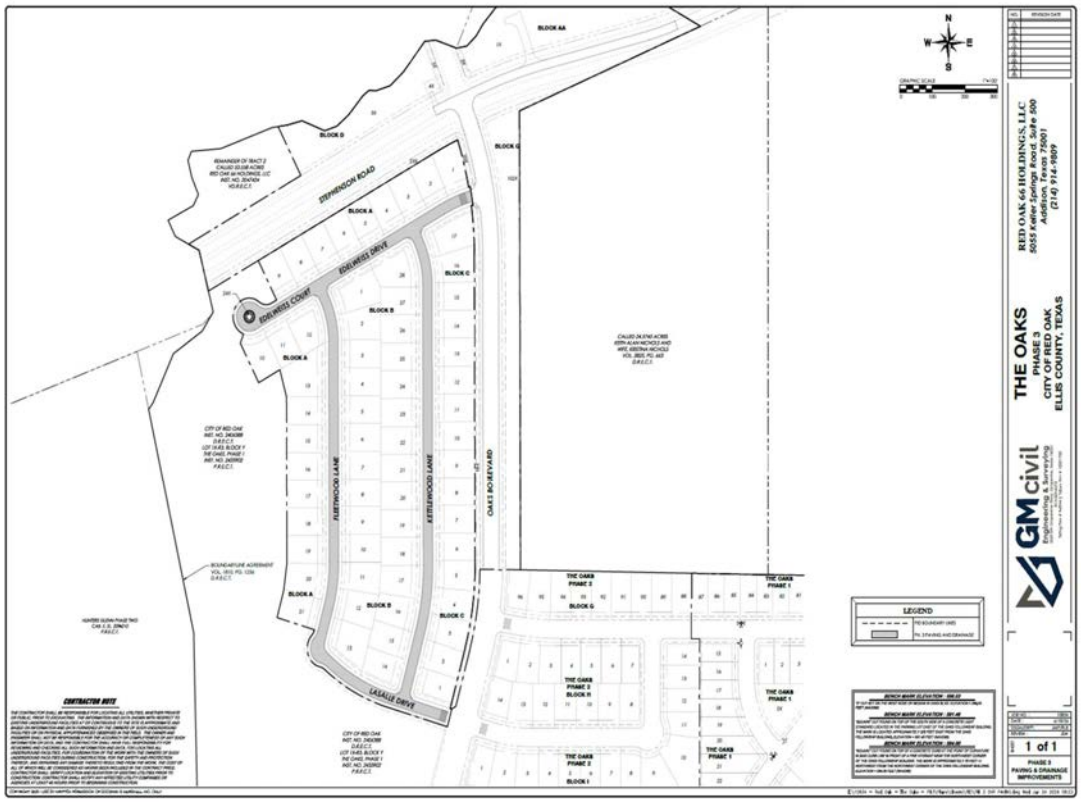
North 39 deg. 09 min. 07 sec. East, a distance of 2.76 feet;

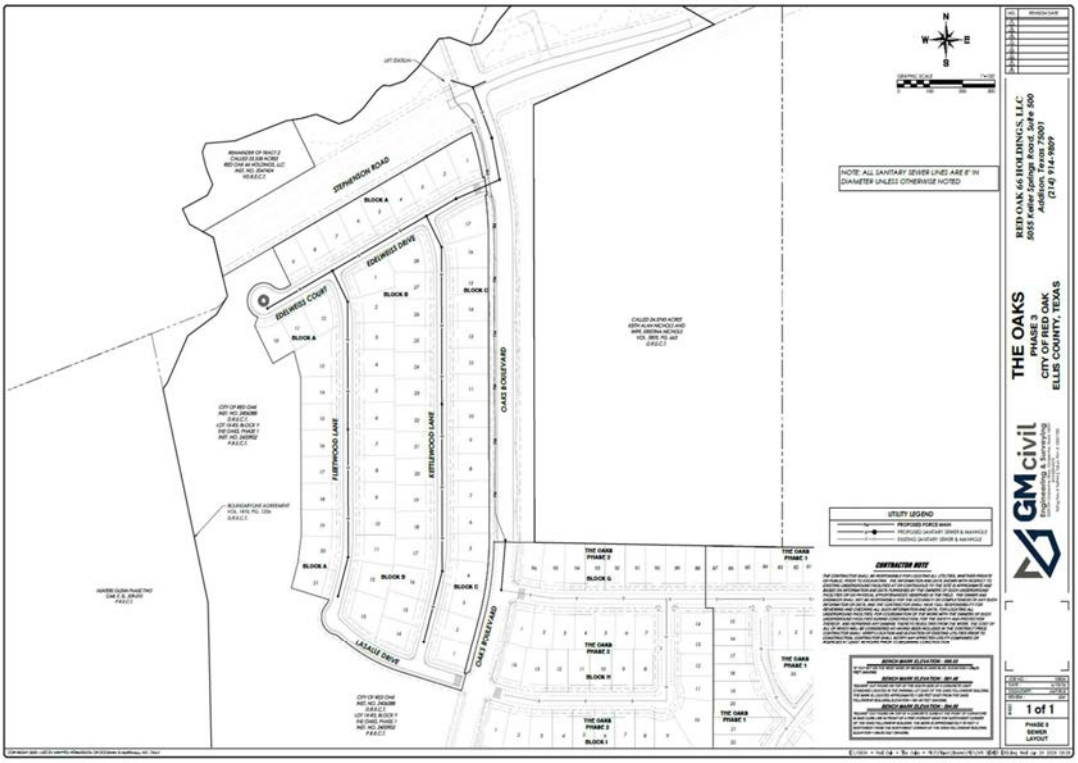
South 62 deg. 10 min. 59 sec. East, a distance of 195.10 feet to a 1/2" capped iron rod set for the most easterly Northeast corner of said 53.558 acre tract;

THENCE South 67 deg. 50 min. 44 sec. West along the Northwest line of said 24.5745 acre tract and the Southeast line of said 53.588 acre tract, a distance of 602.30 feet to the **POINT OF BEGINNING**, containing 533,474 square feet or 12.247 acres of land, more or less.

Containing a combined 1,344,637 square feet or 30.869 acres of land, more or less.


THE OAKS OF RED OAKS, LLC
5055 Keller Springs Road, Suite 500
Addison, Texas 75001
(214) 914-9889
THE OAKS
MAJOR IMPROVEMENTS
CITY OF RED OAK
ELLIS COUNTY, TEXAS
GM civil
Engineering & Surveying
1 of 1
PAVING & DRAINAGE
MAJOR
IMPROVEMENTS
STEPHENSON ROAD
LEGEND
CONTRACTOR NOTE


RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Road, Suite 500
Addison, Texas 75001
(214) 914-9889
THE OAKS
PHASE 3
CITY OF RED OAK
ELLIS COUNTY, TEXAS
GM civil
Engineering & Surveying
1 of 1
PHASE 3
PAVING & DRAINAGE
IMPROVEMENTS
STEPHENSON ROAD
EDELWEISS DRIVE
EDELWEISS COURT
FLETCHWOOD LANE
KETTLEWOOD LANE
OAKS BOULEVARD
LASALLE DRIVE
BLOCK AA
LEGEND
CONTRACTOR NOTE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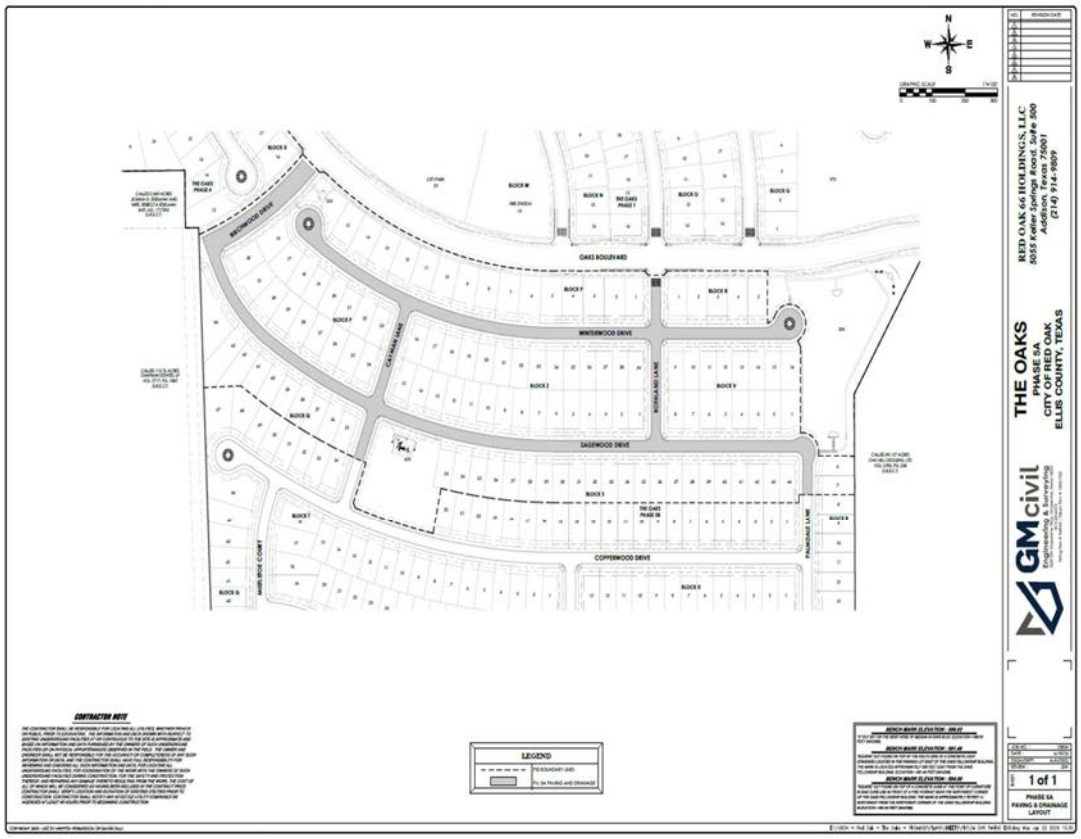
EDELWEISS DRIVE
EDELWEISS COURT
FAIRTWOOD LANE
EDELWEWOOD LANE
OAKS BOULEVARD
LA SALLE DRIVE
BLOCK A
BLOCK B
BLOCK C
BLOCK G
BLOCK H
BLOCK I
THE OAKS PHASE 3
THE OAKS PHASE 2
THE OAKS PHASE 1
NOTE: ALL SANITARY SEWER LINES ARE 8" IN DIAMETER UNLESS OTHERWISE NOTED
UTILITY LEGEND
CONTRACTOR NOTE
RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Road, Suite 500
Addison, Texas 75001
(214) 914-1909
THE OAKS
PHASE 3
CITY OF RED OAK
ELLIS COUNTY, TEXAS
GMcivil
Engineering & Surveying
1 of 1
PHASE 3
SEWER
LAYOUT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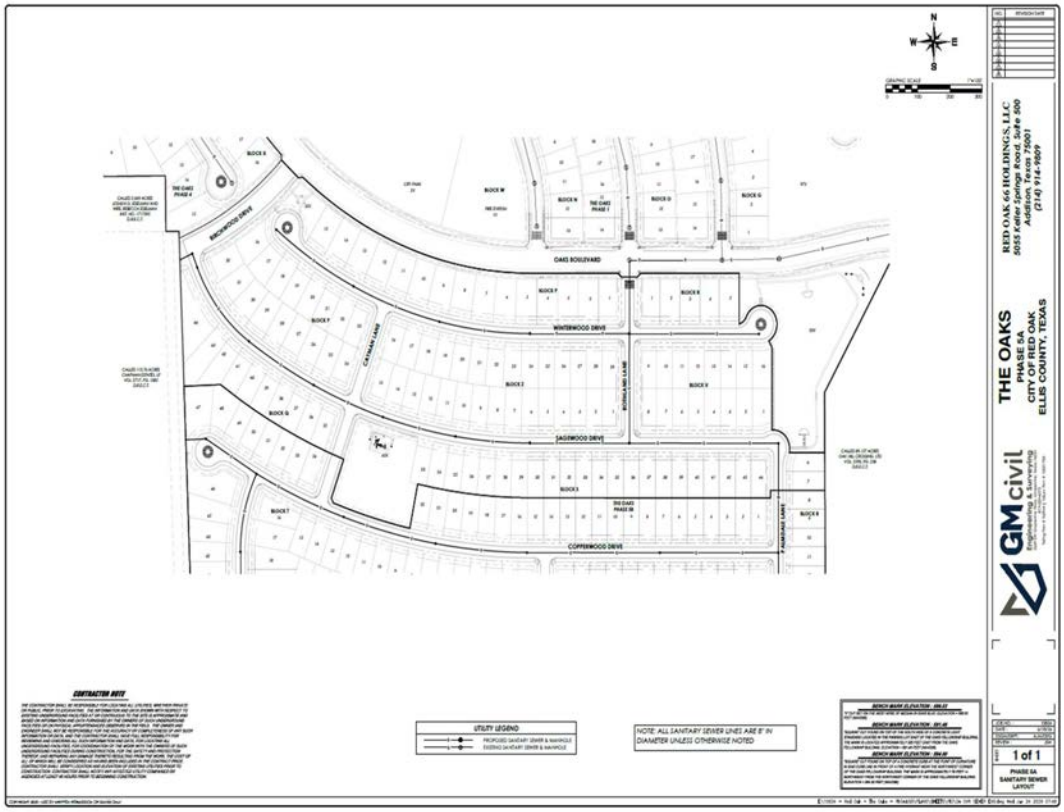
OAKS BOULEVARD
WINTERWOOD DRIVE
SAGEWOOD DRIVE
COPPERWOOD DRIVE
CATHERINE LANE
ROSEWOOD LANE
PALMERAS LANE
MISTLEWOOD COURT
BLOCK F
BLOCK G
BLOCK H
BLOCK I
BLOCK J
BLOCK K
BLOCK L
BLOCK M
BLOCK N
BLOCK O
BLOCK P
BLOCK Q
BLOCK R
BLOCK S
BLOCK T
BLOCK U
BLOCK V
THE OAKS PHASE 1
THE OAKS PHASE 2
THE OAKS PHASE 3A
THE OAKS PHASE 3B
CONTRACTOR NOTE
LEGEND
PROPOSED PAVING AND DRAINAGE
RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Road, Suite 500
Addison, Texas 75001
(214) 914-1909
THE OAKS
PHASE 5A
CITY OF RED OAK
ELLIS COUNTY, TEXAS
GMcivil
Engineering & Surveying
1 of 1
PHASE 5A
PAVING & DRAINAGE
LAYOUT


THE OAKS
PHASE 5A
CITY OF RED OAK
ELLIS COUNTY, TEXAS
RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Road, Suite 500
Addison, Texas 75001
(214) 914-9909
GM civil
Engineering & Surveying
OAKS BOULEVARD
WINTERWOOD DRIVE
SAGEWOOD DRIVE
COPPERWOOD DRIVE
CATAWBA LANE
BUTTERNUT LANE
PALMETTO LANE
BLOCK G
BLOCK H
BLOCK I
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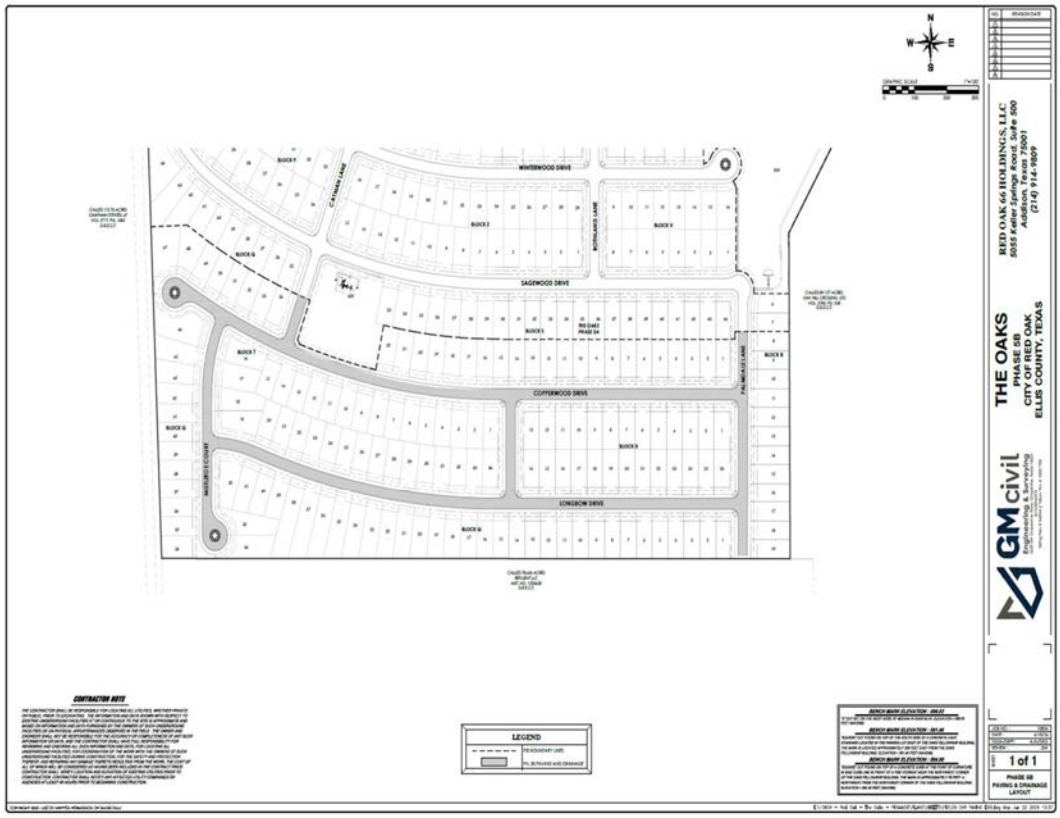
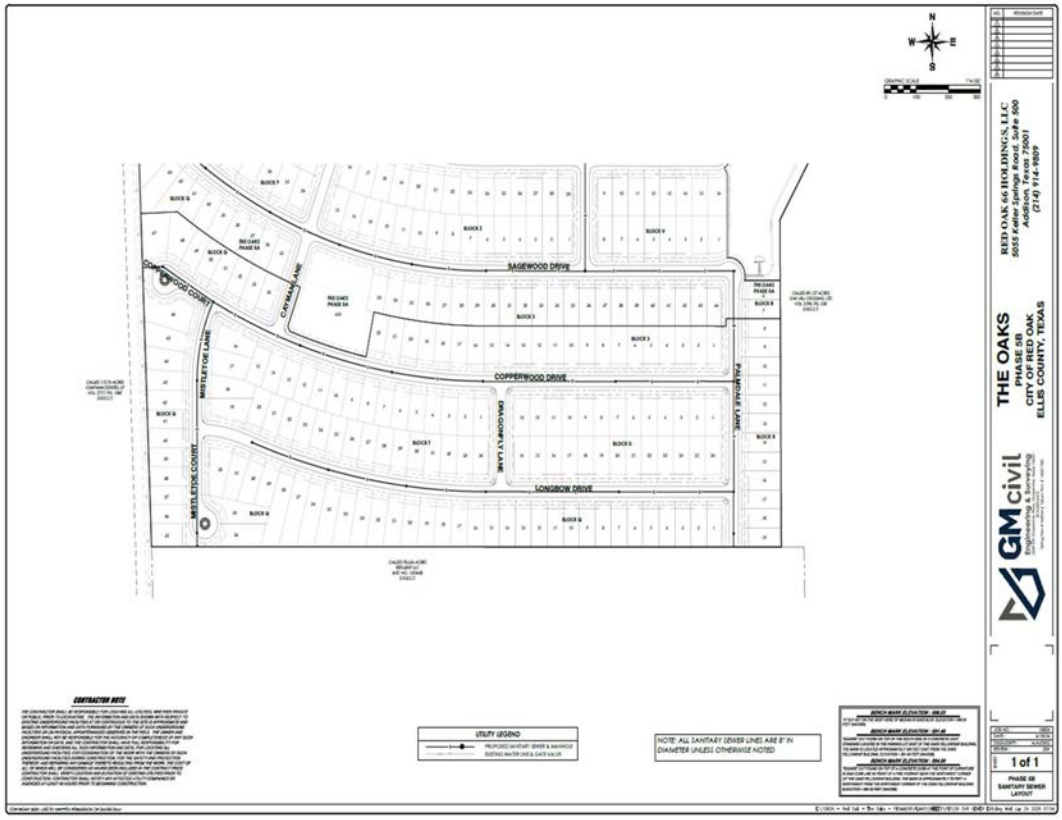
BLOCK S
BLOCK T
UTILITY LEGEND
PROPOSED SANITARY SEWER & MANHOLE
EXISTING SANITARY SEWER & MANHOLE
NOTE: ALL SANITARY SEWER LINES ARE 8" IN DIAMETER UNLESS OTHERWISE NOTED
CONTRACTOR NOTE
BENCH MARK ELEVATION - 696.62
BENCH MARK ELEVATION - 701.46
BENCH MARK ELEVATION - 694.80
1 of 1
PHASE 5A
SANITARY SEWER
LAYOUT


THE OAKS
PHASE 5B
CITY OF RED OAK
ELLIS COUNTY, TEXAS
RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Road, Suite 500
Addison, Texas 75001
(214) 914-9909
GM civil
Engineering & Surveying
WINTERWOOD DRIVE
SAGEWOOD DRIVE
COPPERWOOD DRIVE
LONGBOW DRIVE
CATAWBA LANE
BUTTERNUT LANE
PALMETTO LANE
WATERBURY COURT
BLOCK G
BLOCK H
BLOCK I
BLOCK J
BLOCK K
BLOCK L
BLOCK M
BLOCK N
BLOCK O
BLOCK P
BLOCK Q
BLOCK R
BLOCK S
BLOCK T
LEGEND
PD BOUNDARY LINES
ALL 36 PAVING AND DRAINAGE
CONTRACTOR NOTE
BENCH MARK ELEVATION - 696.62
BENCH MARK ELEVATION - 701.46
BENCH MARK ELEVATION - 694.80
1 of 1
PHASE 5B
PAVING & DRAINAGE
LAYOUT


SAGEWOOD DRIVE
COPPERWOOD DRIVE
LONGBOW DRIVE
DRAGONFLY LANE
MISTLETOE COURT
MISTLETOE LANE
CAPRAN LANE
PHEASANT LANE
BLOCK 1
BLOCK 2
BLOCK 3
BLOCK 4
BLOCK 5
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PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: THE OAKS-OFFSITE STEPHENSON ROAD PID
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 1 of 3

THE OAKS OF RED OAK, LLC

DESCRIPTION	TOTAL COST
OFFSITE STEPHENSON ROAD PID TOTALS	
Paving Subtotal	$1,171,296.78
Storm Drain Subtotal	$86,775.00
Probable Construction Cost Sub-total	$1,258,071.78
10% Contingency	$125,807.18
Materials Testing (2%)	$25,161.44
Inspection Fees (4%)	$50,322.87
Construction Management (5%)	$62,903.59
Engineering (8%) & Surveying (5%)	$163,549.33
Probable Total Offsite Stephenson Road PID Improvements	**$1,685,816.19**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS-OFFSITE STEPHENSON ROAD PID**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 2 of 3

THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Paving Facilities				
1.	8" Concrete Pavement	S.Y.	11,698	$72.50	$848,105.00
2.	Temporary Asphalt Pavement	S.Y.	647	$75.00	$48,525.00
3.	6" Lime Treated Subgrade	S.Y.	12,653	$3.50	$44,285.50
4.	Hydrated Lime at 36 lbs/S.Y.	Ton	228	$320.00	$72,881.28
5.	Clearing & Grubbing No Trees	Ac.	4	$1,500.00	$6,000.00
6.	Clearing & Grubbing w/ Trees	Ac.	4	$5,600.00	$22,400.00
7.	Street Excavation & Embankment	C.Y.	17,200	$3.00	$51,600.00
8.	Erosion Control	L.S.	1	$15,000.00	$15,000.00
9.	Final Stabilization	L.S.	1	$10,000.00	$10,000.00
10.	Pavement Marking & Signage	L.S.	1	$12,500.00	$12,500.00
11.	Private Driveway Improvements	L.S.	1	$25,000.00	$25,000.00
12.	Ex. Gate & Fence Relocation	L.S.	1	$15,000.00	$15,000.00
	Paving Subtotal				**$1,171,296.78**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS-OFFSITE STEPHENSON ROAD PID**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 3 of 3

THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Storm Drain Facilities				
1.	Remove Ex. 30" RCP & Headwalls	Ea.	1	$2,500.00	$2,500.00
2.	Rock Rip Rap	S.Y.	170	$185.00	$31,450.00
3.	60" R.C.P.	L.F.	95	$335.00	$31,825.00
4.	60" Sloped End Headwall	Ea.	2	$10,500.00	$21,000.00
	Storm Drain Subtotal				**$86,775.00**

Note: Per The Oaks Development Agreement the developer is only to be responsible for 24' of paving edge to edge for Stephenson Road.
Drainage improvements for Stephenson Road are outside of the developer's scope of work per the approved Development Agreement.

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: OAKS BOULEVARD PHASE 3
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 1 of 5

THE OAKS OF RED OAK, LLC

DESCRIPTION	TOTAL COST
OAKS BOULEVARD PHASE 3 PID TOTALS	
Paving Subtotal	$971,929.54
Water Subtotal	$150,620.00
Sanitary Sewer Subtotal	$141,798.00
Storm Drain Subtotal	$369,161.50
Probable Construction Cost Sub-total	$1,633,509.04
10% Contingency	$163,350.90
Materials Testing (2%)	$32,670.18
Inspection Fees (4%)	$65,340.36
Construction Management (5%)	$81,675.45
Final Plat Fees	$290.00
Engineering (8%) & Surveying (5%)	$212,356.18
Probable Total The Oaks Boulevard Phase 3 PID Improvements	**$2,189,192.11**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GM civil
Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **OAKS BOULEVARD PHASE 3**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 2 of 5

THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Paving Facilities				
1.	8" Concrete Pavement	S.Y.	9,216	$72.50	$668,160.00
2.	6" Lime Treated Subgrade	S.Y.	9,679	$3.50	$33,876.50
3.	Hydrated Lime at 36 lbs/S.Y.*	Ton	174	$320.00	$55,751.04
4.	Barrier Free Ramps	Ea.	2	$2,500.00	$5,000.00
5.	End of Road Barricade	Ea.	156	$30.00	$4,680.00
6.	Connect to Existing Conc Header	L.F.	49	$35.00	$1,715.00
7.	Construct Concrete Header	L.F.	24	$50.00	$1,200.00
8.	5' Concrete Sidewalk	L.F.	1,219	$38.00	$46,322.00
9.	Concrete Driveway (Lift Station)	Ea.	1	$1,000.00	$1,000.00
10.	Stop Sign	Ea.	4	$350.00	$1,400.00
11.	Street Marker Blade	Ea.	2	$400.00	$800.00
12.	Street Lights	Ea.	9	$5,500.00	$49,500.00
13.	Street Excavation	C.Y.	15,000	$3.25	$48,750.00
14.	Clearing & Grubbing	Ac.	4	$1,500.00	$6,000.00
15.	Temporary Asphalt Road	S.Y.	497	$75.00	$37,275.00
16.	Pavement Markings	L.S.	1	$10,500.00	$10,500.00
	Paving Subtotal				**$971,929.54**

* Subject to Geotech Recommendations

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **OAKS BOULEVARD PHASE 3**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 3 of 5

THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Water Facilities				
1.	8" PVC Water Pipe	L.F.	225	$50.00	$11,250.00
2.	8" Gate Valve and Box	Ea.	5	$2,650.00	$13,250.00
3.	12" PVC Water Pipe	L.F.	1,315	$64.00	$84,160.00
4.	12" Gate Valve and Box	Ea.	4	$4,650.00	$18,600.00
5.	Standard Fire Hydrant Assembly	Ea.	1	$7,500.00	$7,500.00
6.	C.I.R.T. Fittings With Restraint	Ton	0.3	$20,000.00	$5,800.00
7.	Trench Safety	L.F.	1,540	$1.00	$1,540.00
8.	1" Irrigation Water Service & Meter	Ea.	2	$1,250.00	$2,500.00
9.	1" Lift Station Water Service & Meter	Ea.	1	$1,250.00	$1,250.00
10.	Connect to Existing Stub-out	Ea.	1	$1,500.00	$1,500.00
11.	1-1/2" Sch 40 PVC Encasement	L.F.	48	$20.00	$960.00
12.	Water System Testing	L.F.	1,540	$1.50	$2,310.00
	Water Subtotal				**$150,620.00**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **OAKS BOULEVARD PHASE 3**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 4 of 5

THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Sanitary Sewer Facilities				
1.	8" SDR-26 PVC Sewer Pipe	L.F.	434	$59.00	$25,606.00
2.	4' Standard Diameter Manhole	Ea.	1	$5,700.00	$5,700.00
3.	Extra Depth for 4' Dia. Manhole	V.F.	1	$550.00	$550.00
4.	5' Standard Diameter Manhole	Ea.	2	$9,200.00	$18,400.00
5.	Extra Depth for 5' Dia. Manhole	V.F.	6	$650.00	$3,900.00
6.	Epoxy Liner	Ea.	3	$6,000.00	$18,000.00
7.	3" C900 DR 14 Force Main	L.F.	1,330	$45.00	$59,850.00
8.	Test Force Main	L.F.	1,330	$1.50	$1,995.00
9.	TV & Test Sewer Line	L.F.	434	$1.50	$651.00
10.	Trench Safety	L.F.	1,764	$1.50	$2,646.00
11.	Connect to Existing Sewer MH	Ea.	1	$4,500.00	$4,500.00
	Sanitary Sewer Subtotal				**$141,798.00**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **OAKS BOULEVARD PHASE 3**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 5 of 5

THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Storm Drain Facilities				
1.	10' Curb Inlet	Ea.	3	$7,200.00	$21,600.00
2.	15' Curb Inlet	Ea.	2	$11,800.00	$23,600.00
3.	18" R.C.P.	L.F.	902	$80.00	$72,160.00
4.	21" R.C.P.	L.F.	204	$115.00	$23,460.00
5.	24" R.C.P.	L.F.	283	$125.00	$35,375.00
6.	27" R.C.P.	L.F.	179	$145.00	$25,955.00
7.	30" R.C.P.	L.F.	232	$165.00	$38,280.00
8.	54" R.C.P.	L.F.	141	$295.00	$41,595.00
9.	Trench Safety	L.F.	1,941	$1.50	$2,911.50
10.	4' x 4' Storm Junction Box	Ea.	4	$6,500.00	$26,000.00
11.	Rock Rip Rap	S.Y.	185	$185.00	$34,225.00
12.	30" Sloped End Headwall	Ea.	1	$3,500.00	$3,500.00
13.	54" Sloped End Headwall	Ea.	1	$5,500.00	$5,500.00
14.	54" TXDOT CH-PW-S Headwall	Ea.	1	$15,000.00	$15,000.00
	Storm Drain Subtotal				**$369,161.50**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: THE OAKS PHASE 3
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 1 of 5

THE OAKS OF RED OAK, LLC

DESCRIPTION	TOTAL COST
THE OAKS PHASE 3 PID TOTALS	
Paving Subtotal	$1,165,018.70
Water Subtotal	$396,142.50
Sanitary Sewer Subtotal	$1,951,198.00
Storm Drain Subtotal	$181,004.00
Probable Construction Cost Sub-total	$3,693,363.20
10% Contingency	$369,336.32
Materials Testing (2%)	$73,867.26
Inspection Fees (4%)	$147,734.53
Construction Management (5%)	$184,668.16
Final Plat Fees	$870.00
Engineering & Surveying	$480,137.22
Probable Total The Oaks Phase 3 PID Improvements	**$4,949,976.69**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GM civil
Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS PHASE 3**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 2 of 5

THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Paving Facilities				
1.	6" Concrete Pavement	S.Y.	11,479	$65.00	$746,135.00
2.	6" Stamped Concrete Pavement	S.Y.	193	$200.00	$38,600.00
3.	6" Lime Treated Subgrade	S.Y.	12,395	$3.50	$43,382.50
4.	Hydrated Lime at 36 lbs/S.Y.*	Ton	223	$320.00	$71,395.20
5.	Barrier Free Ramps	Ea.	8	$2,500.00	$20,000.00
6.	Connect to Existing Conc Header	L.F.	62	$35.00	$2,170.00
7.	4' Concrete Sidewalk	L.F.	819	$30.00	$24,570.00
8.	5' Concrete Sidewalk	L.F.	1,407	$38.00	$53,466.00
9.	Street Lights	Ea.	13	$5,500.00	$71,500.00
10.	Street Excavation	C.Y.	25,000	$3.25	$81,250.00
11.	Clearing & Grubbing	Ac.	4	$1,500.00	$6,000.00
12.	Stop Sign	Ea.	5	$350.00	$1,750.00
13.	Street Marker Blade	Ea.	12	$400.00	$4,800.00
	Paving Subtotal				**$1,165,018.70**

* Subject to Geotech Recommendations

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GM civil
Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS PHASE 3**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
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THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Water Facilities				
1.	8" PVC Water Pipe	L.F.	3,437	$50.00	$171,850.00
2.	8" Gate Valve and Box	Ea.	9	$2,650.00	$23,850.00
3.	Standard Fire Hydrant Assembly	Ea.	9	$7,500.00	$67,500.00
4.	Ductile Iron Fittings With Restraint	Ton	0.6	$20,000.00	$12,800.00
5.	Trench Safety	L.F.	3,437	$1.00	$3,437.00
6.	1" Irrigation Water Services	Ea.	1	$1,250.00	$1,250.00
7.	1" Domestic Water Services	Ea.	66	$1,250.00	$82,500.00
8.	Connect to Existing Stub-out	Ea.	2	$1,500.00	$3,000.00
9.	Water System Testing	L.F.	3,437	$1.50	$5,155.50
10.	1 1/2" PVC Sleeves for Services	L.F.	1,240	$20.00	$24,800.00
	Water Subtotal				**$396,142.50**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS PHASE 3**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
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THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Sanitary Sewer Facilities				
1.	8" SDR-26 PVC Sewer Pipe	L.F.	2,854	$59.00	$168,386.00
2.	5' Standard Diameter Manhole	Ea.	4	$9,200.00	$36,800.00
3.	4' Standard Diameter Manhole	Ea.	8	$5,700.00	$45,600.00
4.	Extra Depth for 5' Dia. Manhole	V.F.	24	$650.00	$15,600.00
5.	Extra Depth for 4' Dia. Manhole	V.F.	14	$550.00	$7,700.00
6.	4" S.S. Services	Ea.	66	$1,425.00	$94,050.00
7.	Epoxy Manhole Liner	Ea.	12	$6,000.00	$72,000.00
8.	TV & Test Sewer Line	L.F.	2,854	$1.50	$4,281.00
9.	Trench Safety	L.F.	2,854	$1.50	$4,281.00
10.	Connect to Existing Sewer	Ea.	1	$2,500.00	$2,500.00
11.	Lift Station	L.S.	1	$1,500,000.00	$1,500,000.00
	Sanitary Sewer Subtotal				**$1,951,198.00**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS PHASE 3**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
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THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Storm Drain Facilities				
1.	10' Curb Inlet	Ea.	3	$7,200.00	$21,600.00
2.	15' Curb Inlet	Ea.	4	$12,500.00	$50,000.00
3.	18" R.C.P.	L.F.	396	$80.00	$31,680.00
4.	21" R.C.P.	L.F.	204	$115.00	$23,460.00
5.	24" R.C.P.	L.F.	176	$125.00	$22,000.00
6.	Trench Safety	L.F.	776	$1.50	$1,164.00
7.	Connect to Existing Storm Drain	Ea.	3	$1,000.00	$3,000.00
8.	4' x 4' Storm Junction Box	Ea.	2	$6,500.00	$13,000.00
9.	24" Type B Headwall	Ea.	1	$4,000.00	$4,000.00
10.	Rock Rip Rap	S.Y.	60	$185.00	$11,100.00
	Storm Drain Subtotal				**$181,004.00**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: THE OAKS PHASE 5A
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
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THE OAKS OF RED OAK, LLC

DESCRIPTION	TOTAL COST
THE OAKS PHASE 5A PID TOTALS	
Paving Subtotal	$1,325,931.00
Water Subtotal	$543,521.40
Sanitary Sewer Subtotal	$542,757.40
Storm Drain Subtotal	$606,737.80
Probable Construction Cost Sub-total	$3,018,947.60
10% Contingency	$301,894.76
Materials Testing (2%)	$60,378.95
Inspection Fees (4%)	$120,757.90
Construction Management (5%)	$150,947.38
Final Plat Fees	$1,420.00
Engineering & Surveying	$392,463.19
Probable Total The Oaks Phase 5A PID Improvements	**$4,046,809.78**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS PHASE 5A**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 2 of 5

THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Paving Facilities				
1.	8" Concrete Pavement	S.Y.	2,070	$69.00	$142,830.00
2.	6" Concrete Pavement	S.Y.	15,619	$48.00	$749,712.00
3.	6" Stamped Concrete Pavement	S.Y.	193	$195.00	$37,635.00
4.	6" Lime Treated Subgrade	S.Y.	18,856	$3.50	$65,996.00
5.	Hydrated Lime at 28 lbs/S.Y.	Ton	264	$310.00	$81,840.00
6.	Barrier Free Ramps	Ea.	14	$2,600.00	$36,400.00
7.	Connect to Existing Conc Header	L.F.	78	$20.00	$1,560.00
8.	Construct Concrete Header	L.F.	75	$25.00	$1,875.00
9.	Laid Down Curb	L.F.	195	$38.00	$7,410.00
10.	4' Concrete Sidewalk	L.F.	212	$29.00	$6,148.00
11.	End of Road Barricade	L.F.	75	$65.00	$4,875.00
12.	Street Excavation	C.Y.	20,000	$3.25	$65,000.00
13.	Clearing & Grubbing	Ac.	6	$1,500.00	$9,000.00
14.	Street Lights	Ea.	19	$5,500.00	$104,500.00
15.	Stop Sign	Ea.	9	$350.00	$3,150.00
16.	Street Marker Blade	Ea.	20	$400.00	$8,000.00
	Paving Subtotal				**$1,325,931.00**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS PHASE 5A**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 3 of 5

THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Water Facilities				
1.	8" PVC Water Pipe	L.F.	4,549	$54.00	$245,646.00
2.	8" Gate Valve and Box	Ea.	15	$2,293.00	$34,395.00
3.	Standard Fire Hydrant Assembly	Ea.	11	$6,973.00	$76,703.00
4.	Ductile Iron Fittings With Restraint	Ton	1.0	$11,063.00	$11,063.00
5.	Trench Safety	L.F.	4,549	$0.10	$454.90
6.	1" Irrigation Water Services	Ea.	1	$1,420.00	$1,420.00
7.	1" Domestic Water Services	Ea.	116	$1,247.00	$144,652.00
8.	Connect to Existing Stub-out	Ea.	2	$1,138.00	$2,276.00
9.	Water System Testing	L.F.	4,549	$1.50	$6,823.50
10.	1 1/2" PVC Sleeves for Services	L.F.	1,674	$12.00	$20,088.00
	Water Subtotal				**$543,521.40**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GM civil
Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: THE OAKS PHASE 5A
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
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THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Sanitary Sewer Facilities				
1.	8" SDR-26 PVC Sewer Pipe	L.F.	3,994	$70.00	$279,580.00
2.	5' Standard Diameter Manhole	Ea.	2	$9,896.00	$19,792.00
3.	4' Standard Diameter Manhole	Ea.	13	$4,945.00	$64,285.00
4.	Extra Depth for 5' Dia. Manhole	V.F.	22	$320.00	$7,040.00
5.	Extra Depth for 4' Dia. Manhole	V.F.	35	$262.00	$9,170.00
6.	4" S.S. Services	Ea.	116	$1,305.00	$151,380.00
7.	TV & Test Sewer Line	L.F.	3,994	$2.50	$9,985.00
8.	Trench Safety	L.F.	3,994	$0.10	$399.40
9.	Connect to Existing Sewer	Ea.	1	$1,126.00	$1,126.00
	Sanitary Sewer Subtotal				**$542,757.40**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GM civil
Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS PHASE 5A**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
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THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Storm Drain Facilities				
1.	10' Curb Inlet	Ea.	11	$5,991.00	$65,901.00
2.	20' Curb Inlet	Ea.	1	$8,408.00	$8,408.00
3.	18" R.C.P.	L.F.	240	$85.00	$20,400.00
4.	21" R.C.P.	L.F.	81	$91.00	$7,371.00
5.	24" R.C.P.	L.F.	167	$105.00	$17,535.00
6.	27" R.C.P.	L.F.	492	$120.00	$59,040.00
7.	30" R.C.P.	L.F.	287	$130.00	$37,310.00
8.	36" R.C.P.	L.F.	887	$158.00	$140,146.00
9.	42" R.C.P.	L.F.	510	$200.00	$102,000.00
10.	48" R.C.P.	L.F.	158	$233.00	$36,814.00
11.	4'x4' R.C.B.	L.F.	21	$303.00	$6,363.00
12.	6'x4' R.C.B.	L.F.	45	$440.00	$19,800.00
13.	Trench Safety	L.F.	2,888	$0.10	$288.80
14.	Connect to Existing Storm Drain	Ea.	1	$1,549.00	$1,549.00
15.	4' x 4' Storm Junction Box	Ea.	5	$5,182.00	$25,910.00
16.	5' x 5' Storm Junction Box	Ea.	3	$6,997.00	$20,991.00
17.	36" Type A Headwall	Ea.	1	$7,120.00	$7,120.00
18.	48" Sloped End Headwall	Ea.	1	$5,652.00	$5,652.00
19.	6'x4' Sloped End Headwall	Ea.	1	$6,815.00	$6,815.00
20.	Rock Rip Rap	S.Y.	122	$142.00	$17,324.00
	Storm Drain Subtotal				**$606,737.80**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GM civil
Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: THE OAKS PHASE 5B
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 1 of 5

THE OAKS OF RED OAK, LLC

DESCRIPTION	TOTAL COST
THE OAKS PHASE 5B PID TOTALS	
Paving Subtotal	$1,280,417.00
Water Subtotal	$646,377.20
Sanitary Sewer Subtotal	$590,004.40
Storm Drain Subtotal	$452,376.00
Probable Construction Cost Sub-total	$2,969,174.60
10% Contingency	$296,917.46
Materials Testing (2%)	$59,383.49
Inspection Fees (4%)	$118,766.98
Construction Management (5%)	$148,458.73
Final Plat Fees	$1,700.00
Engineering (8%) & Surveying (5%)	$385,992.70
Probable Total The Oaks Phase 5B PID Improvements	**$3,980,393.96**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS PHASE 5B**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 2 of 5

THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Paving Facilities				
1.	6" Concrete Pavement	S.Y.	17,353	$48.00	$832,944.00
2.	6" Stamped Concrete Pavement	S.Y.	129	$205.00	$26,445.00
3.	6" Lime Treated Subgrade	S.Y.	18,470	$3.50	$64,645.00
4.	Hydrated Lime at 40 lbs/S.Y.	Ton	370	$310.00	$114,700.00
5.	Barrier Free Ramps	Ea.	14	$2,600.00	$36,400.00
6.	Construct Concrete Header	L.F.	29	$25.00	$725.00
7.	Laid Down Curb	L.F.	292	$38.00	$11,096.00
8.	4' Concrete Sidewalk	L.F.	363	$29.00	$10,527.00
9.	End of Road Barricade	L.F.	29	$65.00	$1,885.00
10.	Street Excavation	C.Y.	20,000	$3.25	$65,000.00
11.	Clearing & Grubbing	Ac.	6	$1,500.00	$9,000.00
12.	Street Lights	Ea.	18	$5,500.00	$99,000.00
13.	Stop Sign	Ea.	7	$350.00	$2,450.00
14.	Street Marker Blade	Ea.	14	$400.00	$5,600.00
	Paving Subtotal				**$1,280,417.00**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GM civil
Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS PHASE 5B**
Date: June 24, 2026
Location: Red Oak, TX
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THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Water Facilities				
1.	8" PVC Water Pipe	L.F.	4,952	$54.00	$267,408.00
2.	8" Gate Valve and Box	Ea.	17	$2,476.00	$42,092.00
3.	Standard Fire Hydrant Assembly	Ea.	14	$7,201.00	$100,814.00
4.	Ductile Iron Fittings With Restraint	Ton	1.0	$8,745.00	$8,745.00
5.	Trench Safety	L.F.	4,952	$0.10	$495.20
6.	1" Irrigation Water Services	Ea.	3	$1,389.00	$4,167.00
7.	1" Domestic Water Services	Ea.	148	$1,247.00	$184,556.00
8.	Water System Testing	L.F.	4,952	$1.50	$7,428.00
9.	1 1/2" PVC Sleeves for Services	L.F.	2,556	$12.00	$30,672.00
	Water Subtotal				**$646,377.20**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GMcivil
Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS PHASE 5B**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 4 of 5

THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Sanitary Sewer Facilities				
1.	8" SDR-26 PVC Sewer Pipe	L.F.	4,634	$63.00	$291,942.00
2.	4' Standard Diameter Manhole	Ea.	16	$4,904.00	$78,464.00
3.	Extra Depth for 4' Dia. Manhole	V.F.	55	$262.00	$14,410.00
4.	4" S.S. Services	Ea.	148	$1,305.00	$193,140.00
5.	TV & Test Sewer Line	L.F.	4,634	$2.50	$11,585.00
6.	Trench Safety	L.F.	4,634	$0.10	$463.40
	Sanitary Sewer Subtotal				**$590,004.40**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GM civil
Engineering & Surveying

PRELIMINARY ENGINEER'S OPINION OF PROBABLE COST

Project: **THE OAKS PHASE 5B**
Date: June 24, 2026
Location: Red Oak, TX
Job No. 10834
Page: 5 of 5

THE OAKS OF RED OAK, LLC

ITEM#	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
	Storm Drain Facilities				
1.	10' Curb Inlet	Ea.	14	$5,991.00	$83,874.00
2.	18" R.C.P.	L.F.	110	$85.00	$9,350.00
3.	21" R.C.P.	L.F.	375	$91.00	$34,125.00
4.	24" R.C.P.	L.F.	561	$102.00	$57,222.00
5.	30" R.C.P.	L.F.	369	$125.00	$46,125.00
6.	36" R.C.P.	L.F.	765	$158.00	$120,870.00
7.	48" R.C.P.	L.F.	170	$233.00	$39,610.00
8.	Trench Safety	L.F.	2,350	$0.10	$235.00
9.	3' x 3' Storm Junction Box	Ea.	4	$3,152.00	$12,608.00
10.	4' x 4' Storm Junction Box	Ea.	4	$4,999.00	$19,996.00
11.	5' x 5' Storm Junction Box	Ea.	3	$7,087.00	$21,261.00
12.	Rock Rip Rap	S.Y.	50	$142.00	$7,100.00
	Storm Drain Subtotal				**$452,376.00**

This Engineer's opinion of probable construction cost is made on the basis of the Engineer's experience and best judgement as a design professional. It must be recognized that any evaluation of work to be performed to construct this project must by necessity be speculative in nature until completion of its actual detailed design. In addition the engineer has no control over the cost of labor, material, or services to be furnished by others or over market conditions. Accordingly GMcivil can not guarantee that actual costs will not vary from the opinions expressed herein.

GM civil
Engineering & Surveying

APPENDIX B – BUYER DISCLOSURES

Buyer disclosures for the following Lot Types are found in this Exhibit:

- Improvement Area #1
  - Lot Type 1
  - Lot Type 2

- Improvement Area #2
  - Lot Type 3
  - Lot Type 4

- Improvement Area #3
  - Lot Type 5
  - Improvement Area #3 Initial Parcel

RED OAK PID NO.1 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 RED OAK, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 1 PRINCIPAL ASSESSMENT: $14,307.51

As the purchaser of the real property described above, you are obligated to pay assessments to City of Red Oak, 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 ***Red Oak PID No.1 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 Red Oak, 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 Ellis 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 Ellis County.

Purchaser Signature Page to Final Notice with Current Information
of Obligation to Pay Improvement District Assessment

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

_____ _____

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF _____ §

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 Ellis County.

Seller Signature Page to Final Notice with Current Information
of Obligation to Pay Improvement District Assessment

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 1

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment[b]
2027	$ 368.99	$ 523.56	$ 71.54	$ 112.61	$ 1,076.70
2028	$ 380.09	$ 512.03	$ 69.69	$ 124.85	$ 1,086.67
2029	$ 393.96	$ 500.16	$ 67.79	$ 127.35	$ 1,089.26
2030	$ 405.06	$ 487.84	$ 65.82	$ 129.89	$ 1,088.62
2031	$ 418.93	$ 475.19	$ 63.80	$ 132.49	$ 1,090.41
2032	$ 430.03	$ 462.09	$ 61.70	$ 135.14	$ 1,088.97
2033	$ 446.68	$ 447.58	$ 59.55	$ 137.84	$ 1,091.65
2034	$ 460.55	$ 432.51	$ 57.32	$ 140.60	$ 1,090.97
2035	$ 477.19	$ 416.96	$ 55.02	$ 143.41	$ 1,092.58
2036	$ 493.84	$ 400.86	$ 52.63	$ 146.28	$ 1,093.61
2037	$ 510.49	$ 384.19	$ 50.16	$ 149.21	$ 1,094.04
2038	$ 527.13	$ 366.96	$ 47.61	$ 152.19	$ 1,093.89
2039	$ 546.55	$ 349.17	$ 44.97	$ 155.23	$ 1,095.93
2040	$ 565.97	$ 330.72	$ 42.24	$ 158.34	$ 1,097.28
2041	$ 585.40	$ 311.62	$ 39.41	$ 161.50	$ 1,097.93
2042	$ 604.82	$ 291.87	$ 36.48	$ 164.73	$ 1,097.90
2043	$ 629.79	$ 267.67	$ 33.46	$ 168.03	$ 1,098.95
2044	$ 654.76	$ 242.48	$ 30.31	$ 171.39	$ 1,098.94
2045	$ 682.50	$ 216.29	$ 27.04	$ 174.82	$ 1,100.64
2046	$ 710.24	$ 188.99	$ 23.62	$ 178.31	$ 1,101.17
2047	$ 740.76	$ 160.58	$ 20.07	$ 181.88	$ 1,103.30
2048	$ 768.51	$ 130.95	$ 16.37	$ 185.52	$ 1,101.34
2049	$ 801.80	$ 100.21	$ 12.53	$ 189.23	$ 1,103.76
2050	$ 835.09	$ 68.14	$ 8.52	$ 193.01	$ 1,104.76
2051	$ 868.38	$ 34.74	$ 4.34	$ 196.87	$ 1,104.33
Total	**$ 14,307.51**	**$ 8,103.38**	**$ 1,061.99**	**$ 3,910.73**	**$ 27,383.61**

Footnotes:

[a] Interest is calculated at a 2.625%, 3.125%, 3.375% and 4.000% rate for term bonds maturing 9/15/2026, 9/15/2031, 9/15/2041, and 9/15/2051, respectively.

[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.

RED OAK PID NO.1 PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 LOT TYPE 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF RED OAK, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 2 PRINCIPAL ASSESSMENT: $17,741.32

As the purchaser of the real property described above, you are obligated to pay assessments to City of Red Oak, 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 ***Red Oak PID No.1 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 Red Oak, 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 Ellis 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.

Signature Page to Initial Notice
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. 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 Ellis County.

Purchaser Signature Page to Final Notice with Current Information
of Obligation to Pay Improvement District Assessment

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

_____ _____

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF _____ §

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 Ellis County.

Seller Signature Page to Final Notice with Current Information
of Obligation to Pay Improvement District Assessment

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 2

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment[b]
2027	$ 457.55	$ 649.22	$ 88.71	$ 139.63	$ 1,335.11
2028	$ 471.31	$ 634.92	$ 86.42	$ 154.81	$ 1,347.47
2029	$ 488.51	$ 620.19	$ 84.06	$ 157.91	$ 1,350.68
2030	$ 502.27	$ 604.93	$ 81.62	$ 161.07	$ 1,349.89
2031	$ 519.48	$ 589.23	$ 79.11	$ 164.29	$ 1,352.10
2032	$ 533.24	$ 573.00	$ 76.51	$ 167.57	$ 1,350.32
2033	$ 553.88	$ 555.00	$ 73.84	$ 170.92	$ 1,353.65
2034	$ 571.08	$ 536.31	$ 71.08	$ 174.34	$ 1,352.81
2035	$ 591.72	$ 517.03	$ 68.22	$ 177.83	$ 1,354.81
2036	$ 612.36	$ 497.06	$ 65.26	$ 181.39	$ 1,356.07
2037	$ 633.00	$ 476.40	$ 62.20	$ 185.01	$ 1,356.61
2038	$ 653.65	$ 455.03	$ 59.03	$ 188.71	$ 1,356.43
2039	$ 677.73	$ 432.97	$ 55.77	$ 192.49	$ 1,358.95
2040	$ 701.81	$ 410.10	$ 52.38	$ 196.34	$ 1,360.62
2041	$ 725.89	$ 386.41	$ 48.87	$ 200.27	$ 1,361.44
2042	$ 749.97	$ 361.91	$ 45.24	$ 204.27	$ 1,361.40
2043	$ 780.93	$ 331.91	$ 41.49	$ 208.36	$ 1,362.69
2044	$ 811.90	$ 300.68	$ 37.58	$ 212.52	$ 1,362.68
2045	$ 846.30	$ 268.20	$ 33.53	$ 216.77	$ 1,364.80
2046	$ 880.70	$ 234.35	$ 29.29	$ 221.11	$ 1,365.45
2047	$ 918.54	$ 199.12	$ 24.89	$ 225.53	$ 1,368.09
2048	$ 952.95	$ 162.38	$ 20.30	$ 230.04	$ 1,365.67
2049	$ 994.23	$ 124.26	$ 15.53	$ 234.64	$ 1,368.67
2050	$ 1,035.51	$ 84.49	$ 10.56	$ 239.34	$ 1,369.90
2051	$ 1,076.80	$ 43.07	$ 5.38	$ 244.12	$ 1,369.37
Total	**$ 17,741.32**	**$ 10,048.19**	**$ 1,316.87**	**$ 4,849.30**	**$ 33,955.68**

Footnotes:

[a] Interest is calculated at a 2.625%, 3.125%, 3.375% and 4.000% rate for term bonds maturing 9/15/2026, 9/15/2031, 9/15/2041, and 9/15/2051, respectively.

[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.

RED OAK PID NO.1 PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2
LOT TYPE 3 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF RED OAK, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #2 LOT TYPE 3 PRINCIPAL ASSESSMENT: $23,938.80

As the purchaser of the real property described above, you are obligated to pay assessments to City of Red Oak, 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 ***Red Oak PID No.1 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 Red Oak, 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 Ellis 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.

Signature Page to Initial Notice
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. 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 Ellis County.

Purchaser Signature Page to Final Notice with Current Information
of Obligation to Pay Improvement District Assessment

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

_____ _____

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF _____ §

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 Ellis County.

Seller Signature Page to Final Notice with Current Information
of Obligation to Pay Improvement District Assessment

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 LOT TYPE 3

Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 287.88	$ 1,508.14	$ 119.69	$ 125.97	$ 2,041.69
2028	$ 306.57	$ 1,490.01	$ 118.25	$ 128.49	$ 2,043.32
2029	$ 325.27	$ 1,470.69	$ 116.72	$ 131.06	$ 2,043.74
2030	$ 343.96	$ 1,450.20	$ 115.10	$ 133.68	$ 2,042.94
2031	$ 366.39	$ 1,428.53	$ 113.38	$ 136.35	$ 2,044.65
2032	$ 388.82	$ 1,405.45	$ 111.54	$ 139.08	$ 2,044.90
2033	$ 414.99	$ 1,380.95	$ 109.60	$ 141.86	$ 2,047.41
2034	$ 441.16	$ 1,354.81	$ 107.52	$ 144.70	$ 2,048.20
2035	$ 467.34	$ 1,327.02	$ 105.32	$ 147.59	$ 2,047.27
2036	$ 497.25	$ 1,297.57	$ 102.98	$ 150.55	$ 2,048.35
2037	$ 527.15	$ 1,266.25	$ 100.50	$ 153.56	$ 2,047.46
2038	$ 560.80	$ 1,233.04	$ 97.86	$ 156.63	$ 2,048.33
2039	$ 598.19	$ 1,197.71	$ 95.06	$ 159.76	$ 2,050.71
2040	$ 635.58	$ 1,160.02	$ 92.07	$ 162.96	$ 2,050.62
2041	$ 676.70	$ 1,119.98	$ 88.89	$ 166.22	$ 2,051.78
2042	$ 717.83	$ 1,077.35	$ 85.50	$ 169.54	$ 2,050.22
2043	$ 762.69	$ 1,032.12	$ 81.91	$ 172.93	$ 2,049.66
2044	$ 811.29	$ 984.07	$ 78.10	$ 176.39	$ 2,049.86
2045	$ 863.64	$ 932.96	$ 74.04	$ 179.92	$ 2,050.56
2046	$ 915.98	$ 878.55	$ 69.73	$ 183.51	$ 2,047.77
2047	$ 975.80	$ 820.85	$ 65.15	$ 187.19	$ 2,048.98
2048	$ 1,035.62	$ 759.37	$ 60.27	$ 190.93	$ 2,046.18
2049	$ 1,099.17	$ 694.13	$ 55.09	$ 194.75	$ 2,043.14
2050	$ 1,170.21	$ 624.88	$ 49.59	$ 198.64	$ 2,043.32
2051	$ 1,244.98	$ 551.16	$ 43.74	$ 202.62	$ 2,042.50
2052	$ 1,323.49	$ 472.72	$ 37.52	$ 206.67	$ 2,040.40
2053	$ 1,405.75	$ 389.34	$ 30.90	$ 210.80	$ 2,036.79
2054	$ 1,495.47	$ 300.78	$ 23.87	$ 215.02	$ 2,035.14
2055	$ 1,588.94	$ 206.57	$ 16.39	$ 219.32	$ 2,031.22
2056	$ 1,689.89	$ 106.46	$ 8.45	$ 223.70	$ 2,028.50
Total	**$ 23,938.80**	**$ 29,921.70**	**$ 2,374.74**	**$ 5,110.37**	**$ 61,345.62**

Footnotes:

[a] Interest is calculated at a 6.30% 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.

RED OAK PID NO.1 PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 LOT TYPE 4 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 RED OAK, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #2 LOT TYPE 4 PRINCIPAL ASSESSMENT: $27,718.61

As the purchaser of the real property described above, you are obligated to pay assessments to City of Red Oak, 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 ***Red Oak PID No.1 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 Red Oak, 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 Ellis 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.

Signature Page to Initial Notice
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. 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 Ellis County.

Purchaser Signature Page to Final Notice with Current Information
of Obligation to Pay Improvement District Assessment

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

_____ _____

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF _____ §

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 Ellis County.

Seller Signature Page to Final Notice with Current Information
of Obligation to Pay Improvement District Assessment

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 LOT TYPE 4

Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 333.33	$ 1,746.27	$ 138.59	$ 145.86	$ 2,364.06
2028	$ 354.98	$ 1,725.27	$ 136.93	$ 148.78	$ 2,365.96
2029	$ 376.62	$ 1,702.91	$ 135.15	$ 151.75	$ 2,366.44
2030	$ 398.27	$ 1,679.18	$ 133.27	$ 154.79	$ 2,365.51
2031	$ 424.24	$ 1,654.09	$ 131.28	$ 157.88	$ 2,367.49
2032	$ 450.22	$ 1,627.36	$ 129.16	$ 161.04	$ 2,367.78
2033	$ 480.52	$ 1,599.00	$ 126.90	$ 164.26	$ 2,370.69
2034	$ 510.82	$ 1,568.73	$ 124.50	$ 167.55	$ 2,371.60
2035	$ 541.13	$ 1,536.55	$ 121.95	$ 170.90	$ 2,370.52
2036	$ 575.76	$ 1,502.45	$ 119.24	$ 174.32	$ 2,371.77
2037	$ 610.39	$ 1,466.18	$ 116.36	$ 177.80	$ 2,370.74
2038	$ 649.35	$ 1,427.73	$ 113.31	$ 181.36	$ 2,371.75
2039	$ 692.64	$ 1,386.82	$ 110.06	$ 184.99	$ 2,374.51
2040	$ 735.93	$ 1,343.18	$ 106.60	$ 188.69	$ 2,374.40
2041	$ 783.55	$ 1,296.82	$ 102.92	$ 192.46	$ 2,375.75
2042	$ 831.17	$ 1,247.45	$ 99.00	$ 196.31	$ 2,373.94
2043	$ 883.12	$ 1,195.09	$ 94.85	$ 200.24	$ 2,373.29
2044	$ 939.39	$ 1,139.45	$ 90.43	$ 204.24	$ 2,373.52
2045	$ 1,000.00	$ 1,080.27	$ 85.74	$ 208.32	$ 2,374.33
2046	$ 1,060.61	$ 1,017.27	$ 80.74	$ 212.49	$ 2,371.11
2047	$ 1,129.87	$ 950.45	$ 75.43	$ 216.74	$ 2,372.50
2048	$ 1,199.13	$ 879.27	$ 69.78	$ 221.08	$ 2,369.27
2049	$ 1,272.73	$ 803.73	$ 63.79	$ 225.50	$ 2,365.74
2050	$ 1,354.98	$ 723.55	$ 57.42	$ 230.01	$ 2,365.96
2051	$ 1,441.56	$ 638.18	$ 50.65	$ 234.61	$ 2,365.00
2052	$ 1,532.47	$ 547.36	$ 43.44	$ 239.30	$ 2,362.57
2053	$ 1,627.71	$ 450.82	$ 35.78	$ 244.09	$ 2,358.39
2054	$ 1,731.60	$ 348.27	$ 27.64	$ 248.97	$ 2,356.48
2055	$ 1,839.83	$ 239.18	$ 18.98	$ 253.95	$ 2,351.94
2056	$ 1,956.71	$ 123.27	$ 9.78	$ 259.03	$ 2,348.79
Total	**$ 27,718.61**	**$ 34,646.18**	**$ 2,749.70**	**$ 5,917.28**	**$ 71,031.77**

Footnotes:

[a] Interest is calculated at a 6.30% 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.

RED OAK PID NO.1 PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #3
LOT TYPE 5 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 RED OAK, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #3 LOT TYPE 5 PRINCIPAL ASSESSMENT: $29,393.94

As the purchaser of the real property described above, you are obligated to pay assessments to City of Red Oak, 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 ***Red Oak PID No.1 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 Red Oak, 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 Ellis 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.

Signature Page to Initial Notice
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. 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 Ellis County.

Purchaser Signature Page to Final Notice with Current Information
of Obligation to Pay Improvement District Assessment

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

_____ _____

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF _____ §

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 Ellis County.

Seller Signature Page to Final Notice with Current Information
of Obligation to Pay Improvement District Assessment

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #3 LOT TYPE 5

Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 348.48	$ 1,851.82	$ 146.97	$ 208.81	$ 2,556.08
2028	$ 378.79	$ 1,829.86	$ 145.23	$ 212.98	$ 2,566.86
2029	$ 393.94	$ 1,806.00	$ 143.33	$ 217.24	$ 2,560.52
2030	$ 424.24	$ 1,781.18	$ 141.36	$ 221.59	$ 2,568.38
2031	$ 454.55	$ 1,754.45	$ 139.24	$ 226.02	$ 2,574.26
2032	$ 484.85	$ 1,725.82	$ 136.97	$ 230.54	$ 2,578.18
2033	$ 500.00	$ 1,695.27	$ 134.55	$ 235.15	$ 2,564.97
2034	$ 545.45	$ 1,663.77	$ 132.05	$ 239.85	$ 2,581.13
2035	$ 575.76	$ 1,629.41	$ 129.32	$ 244.65	$ 2,579.14
2036	$ 606.06	$ 1,593.14	$ 126.44	$ 249.54	$ 2,575.18
2037	$ 651.52	$ 1,554.95	$ 123.41	$ 254.53	$ 2,584.41
2038	$ 696.97	$ 1,513.91	$ 120.15	$ 259.63	$ 2,590.66
2039	$ 727.27	$ 1,470.00	$ 116.67	$ 264.82	$ 2,578.76
2040	$ 772.73	$ 1,424.18	$ 113.03	$ 270.11	$ 2,580.05
2041	$ 833.33	$ 1,375.50	$ 109.17	$ 275.52	$ 2,593.52
2042	$ 878.79	$ 1,323.00	$ 105.00	$ 281.03	$ 2,587.81
2043	$ 939.39	$ 1,267.64	$ 100.61	$ 286.65	$ 2,594.28
2044	$ 1,000.00	$ 1,208.45	$ 95.91	$ 292.38	$ 2,596.74
2045	$ 1,060.61	$ 1,145.45	$ 90.91	$ 298.23	$ 2,595.20
2046	$ 1,121.21	$ 1,078.64	$ 85.61	$ 304.19	$ 2,589.65
2047	$ 1,196.97	$ 1,008.00	$ 80.00	$ 310.28	$ 2,595.25
2048	$ 1,272.73	$ 932.59	$ 74.02	$ 316.48	$ 2,595.82
2049	$ 1,348.48	$ 852.41	$ 67.65	$ 322.81	$ 2,591.36
2050	$ 1,439.39	$ 767.45	$ 60.91	$ 329.27	$ 2,597.03
2051	$ 1,530.30	$ 676.77	$ 53.71	$ 335.85	$ 2,596.64
2052	$ 1,621.21	$ 580.36	$ 46.06	$ 342.57	$ 2,590.21
2053	$ 1,727.27	$ 478.23	$ 37.95	$ 349.42	$ 2,592.88
2054	$ 1,833.33	$ 369.41	$ 29.32	$ 356.41	$ 2,588.47
2055	$ 1,954.55	$ 253.91	$ 20.15	$ 363.54	$ 2,592.14
2056	$ 2,075.76	$ 130.77	$ 10.38	$ 370.81	$ 2,587.72
Total	**$ 29,393.94**	**$ 36,742.36**	**$ 2,916.06**	**$ 8,470.90**	**$ 77,523.27**

Footnotes:

[a] Interest is calculated at a 6.30% 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.

RED OAK PID NO.1 PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #3 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 RED OAK, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #3 INITIAL PARCEL PRINCIPAL ASSESSMENT: $1,940,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to City of Red Oak, 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 ***Red Oak PID No.1 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 Red Oak, 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 Ellis 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.

Signature Page to Initial Notice
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. 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 Ellis County.

Purchaser Signature Page to Final Notice with Current Information
of Obligation to Pay Improvement District Assessment

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

_____ _____

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF _____ §

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 Ellis County.

Seller Signature Page to Final Notice with Current Information
of Obligation to Pay Improvement District Assessment

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #3 INITIAL PARCEL 302842

Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 23,000.00	$ 122,220.00	$ 9,700.00	$ 13,781.25	$ 168,701.25
2028	$ 25,000.00	$ 120,771.00	$ 9,585.00	$ 14,056.88	$ 169,412.88
2029	$ 26,000.00	$ 119,196.00	$ 9,460.00	$ 14,338.02	$ 168,994.02
2030	$ 28,000.00	$ 117,558.00	$ 9,330.00	$ 14,624.78	$ 169,512.78
2031	$ 30,000.00	$ 115,794.00	$ 9,190.00	$ 14,917.28	$ 169,901.28
2032	$ 32,000.00	$ 113,904.00	$ 9,040.00	$ 15,215.63	$ 170,159.63
2033	$ 33,000.00	$ 111,888.00	$ 8,880.00	$ 15,519.94	$ 169,287.94
2034	$ 36,000.00	$ 109,809.00	$ 8,715.00	$ 15,830.34	$ 170,354.34
2035	$ 38,000.00	$ 107,541.00	$ 8,535.00	$ 16,146.95	$ 170,222.95
2036	$ 40,000.00	$ 105,147.00	$ 8,345.00	$ 16,469.89	$ 169,961.89
2037	$ 43,000.00	$ 102,627.00	$ 8,145.00	$ 16,799.29	$ 170,571.29
2038	$ 46,000.00	$ 99,918.00	$ 7,930.00	$ 17,135.28	$ 170,983.28
2039	$ 48,000.00	$ 97,020.00	$ 7,700.00	$ 17,477.99	$ 170,197.99
2040	$ 51,000.00	$ 93,996.00	$ 7,460.00	$ 17,827.55	$ 170,283.55
2041	$ 55,000.00	$ 90,783.00	$ 7,205.00	$ 18,184.10	$ 171,172.10
2042	$ 58,000.00	$ 87,318.00	$ 6,930.00	$ 18,547.78	$ 170,795.78
2043	$ 62,000.00	$ 83,664.00	$ 6,640.00	$ 18,918.74	$ 171,222.74
2044	$ 66,000.00	$ 79,758.00	$ 6,330.00	$ 19,297.11	$ 171,385.11
2045	$ 70,000.00	$ 75,600.00	$ 6,000.00	$ 19,683.05	$ 171,283.05
2046	$ 74,000.00	$ 71,190.00	$ 5,650.00	$ 20,076.71	$ 170,916.71
2047	$ 79,000.00	$ 66,528.00	$ 5,280.00	$ 20,478.24	$ 171,286.24
2048	$ 84,000.00	$ 61,551.00	$ 4,885.00	$ 20,887.80	$ 171,323.80
2049	$ 89,000.00	$ 56,259.00	$ 4,465.00	$ 21,305.56	$ 171,029.56
2050	$ 95,000.00	$ 50,652.00	$ 4,020.00	$ 21,731.67	$ 171,403.67
2051	$ 101,000.00	$ 44,667.00	$ 3,545.00	$ 22,166.30	$ 171,378.30
2052	$ 107,000.00	$ 38,304.00	$ 3,040.00	$ 22,609.63	$ 170,953.63
2053	$ 114,000.00	$ 31,563.00	$ 2,505.00	$ 23,061.82	$ 171,129.82
2054	$ 121,000.00	$ 24,381.00	$ 1,935.00	$ 23,523.06	$ 170,839.06
2055	$ 129,000.00	$ 16,758.00	$ 1,330.00	$ 23,993.52	$ 171,081.52
2056	$ 137,000.00	$ 8,631.00	$ 685.00	$ 24,473.39	$ 170,789.39
Total	**$ 1,940,000.00**	**$ 2,424,996.00**	**$ 192,460.00**	**$ 559,079.55**	**$ 5,116,535.55**

Footnotes:

[a] Interest is calculated at a 6.30% 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 D

FORM OF OPINION OF BOND COUNSEL

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McCALL PARKHURST & HORTON

Proposed Form of Opinion of Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

CITY OF RED OAK, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(RED OAK PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREAS #2-3 PROJECTS)

IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____

AS BOND COUNSEL for the City of Red Oak, Texas (the "City"), we have examined into the legality and validity of the issue of the bonds described above (the "Bonds"), which bear interest from the date specified in the text of the Bonds, until maturity or prior redemption, at the rates and payable on the dates as stated in the text of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") and the Trust Indenture (as defined below).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the City and other pertinent instruments furnished by the City relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the City upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to governmental immunity, bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the City which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Indenture of Trust between the City and Wilmington Trust, National Association (the "Trust Indenture"), (ii) the covenants and agreements in the Trust Indenture constitute valid and binding obligations of the City, (iii) the Bonds constitute valid and legally binding special obligations of the City secured as set forth under the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.

THE CITY has reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners

600 Congress Ave., Suite 1800
Austin, Texas 78701
T 512.478.3805
F 512.472.0871

717 North Harwood, Suite 900
Dallas, Texas 75201
T 214.754.9200
F 214.754.9250

700 N. St. Mary's Street, Suite 1525
San Antonio, Texas 78205
T 210.225.2800
F 210.225.2984

www.mphlegal.com

of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

IT IS FURTHER OUR OPINION that, except as discussed below, the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or if the City fails to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the City as

the taxpayer. We observe that the City has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the City, and, in that capacity, we have been engaged by the City for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the City, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the City's Limited Offering Memorandum prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,

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APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

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CITY OF RED OAK, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(RED OAK PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREAS #2-3 PROJECTS)

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of September 15, 2026 (this "Disclosure Agreement") is executed and delivered by and among the City of Red Oak, Texas (the "Issuer"), P3Works, LLC (the "Administrator") and Wilmington Trust, National Association (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Areas #2-3 Projects)" (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 September 15, 2026, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Administrator" shall mean the Issuer, the person or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC, a Texas limited liability company, as the initial Administrator.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 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 Issuer Report" shall mean, collectively or individually, any Annual Financial Information or the Annual Financial Statements provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Assessments" shall have the meaning assigned to such term in the Indenture.

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

"Developer" shall mean, Red Oak 66 Holdings, LLC, a Texas limited liability company, including its respective affiliates, successors and assigns.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of the Developer dated as of September 15, 2026, executed and delivered by the Developer, the Administrator, and the Trustee, as the initial Dissemination Agent thereunder.

"Disclosure Representative" shall mean the Finance Director 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 Wilmington Trust, National Association, a national banking association, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Red Oak Public Improvement District No. 1.

"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 and an Annual Information Filing Date, or, individually, as the context requires, an Annual Financials Filing Date or an Annual Information Filing 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 calendar year from October 1 through September 30.

"Listed Events" shall mean any of the events listed in Section 5(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 mean the registered owner of any Bonds.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"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.

"Trustee" shall mean Wilmington Trust, National Association, a national banking association, acting solely in its capacity as trustee, or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) *Annual Issuer Reports*. For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2026, the Issuer shall cause 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 cause 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 cause 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 each Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as applicable, to the Dissemination Agent. 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 Dates for such Fiscal Year.

If by the fifth (5th) day before each 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 by telephone and 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 on the last Business Day prior to the applicable Filing Date.

(c) The Issuer shall or shall cause the Dissemination Agent to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report and Annual Financials; and

(ii) file the Annual Issuer Report and Annual Financials containing or incorporating by reference the information set forth in Section 4 hereof.

(d) If the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and 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 and Timing of Annual Issuer Reports.

(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 or dates, the interest rate or rates, the original aggregate principal amount and the principal amount remaining Outstanding and the interest amount remaining Outstanding;

(B) the amounts in the funds and accounts securing the Bonds and a description of the related investments; and

(C) if any amounts in the funds and accounts held under the Indenture are invested through third-party contracts, the identity of such third-party, the interest rate and the amounts invested under such contract.

(ii) The principal and interest paid on the Bonds during such Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.

(iii) Any changes to the land use designation for Improvement Areas #2-3 from the purposes identified in the Service and Assessment Plan.

(iv) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (collectively, a "SAP Update").

(v) The aggregate taxable assessed valuation for parcels or lots within Improvement Areas #2-3 based on the most recent certified tax roll available to the Issuer.

(vi) Listing of Assessment payers in Improvement Areas #2-3 who are responsible for five percent (5%) or more of the Assessments, as determined by the most recent certified tax roll available to the Issuer, the amount of the levy of Assessments against such landowners, and the percentage of such Assessments relative to the entire levy of Assessments within Improvement Areas #2-3, as shown on the Assessment Roll attached to the SAP Update for such Fiscal Year.

(vii) Collection and delinquency history of the Assessments within Improvement Areas #2-3 for the past five (5) Fiscal Years, in the following format:

Collection and Delinquent History of Assessments

Collected in Fiscal Year Ending 9/30	Assessment Billed	Parcels Levied	Delinquent Amount as of 3/1	Delinquent Percentage as of 3/1	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Total Assessments Collected[1]
2026	$						$

[1] Collected as of _____, 20__. Includes $_____ attributable to Prepayments.

(viii) For each calendar year, if the total amount of Annual Installments that are delinquent as of September 1 in such calendar year is equal to or greater than ten percent (10%) of the total amount of Annual Installments due in such calendar year, a list of parcel numbers for which the Annual Installments are delinquent.

(ix) The amount of delinquent Assessments by Fiscal Year:

(A) which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted);

(B) for which foreclosure proceedings have been instituted but have not been concluded;

(C) which have been reduced to judgment but not collected;

(D) which have been reduced to judgment and collected; and

(E) the result of any foreclosure sales of assessed property within Improvement Areas #2-3 if the assessed property sold at a foreclosure sale represents more than five percent (5%) of the total amount of Assessments.

(x) Total amount of Prepayments collected, as of March 1, or as of the date of the Annual Financial Information if dated prior to March 1, of the calendar year immediately succeeding such Fiscal Year, in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).

(xi) 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; and

(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) A form for submitting the information set forth in Section 4(a) above is attached as Exhibit B hereto. 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 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.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, 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.

The sale by the Developer of real property within Improvement Areas #2-3 in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than 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.

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 (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

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 5. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 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 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 immediately file a notice of such occurrence with the MSRB. 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 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 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 6. <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 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 Administrator and Dissemination Agent 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 5(a).

SECTION 7. <u>Dissemination Agent</u>. 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. If the Issuer discharges the 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 Wilmington Trust, National Association. The Issuer will give prompt written notice to the Developer or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer.

SECTION 8. <u>Amendment; Waiver</u>. 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 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, or 5(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.

Any amendment to this Disclosure Agreement must be in writing and signed by the Issuer, the Administrator and the Dissemination Agent. In addition, any waiver of any provision in this Disclosure Agreement must be in writing by the party permitting such waiver.

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 5(a), and (ii) the Annual Financial Information for the 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.

SECTION 9. 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 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 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 or notice of occurrence of a Listed Event.

SECTION 10. 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 Trustee (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) 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 by the Issuer 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 by the Issuer.

SECTION 11. 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 hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Areas #2-3, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. 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. 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 their respective 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 11(a), are expenses which may be paid from the Annual Collection Costs.

(b) Except as otherwise provided herein, 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 indemnify and hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Areas #2-3, 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 negligence or willful misconduct. 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 their respective 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 11(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 OTHER 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 IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. 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 C 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 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator or 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 Dissemination Agent in other than that person's official capacity.

SECTION 14. 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 15. 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 16. 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 17. 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 Areas #2-3, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Statutory Verifications. The Dissemination Agent and the Administrator, each individually, make the following representations and verifications pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator, as the case may be, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) *Not a Sanctioned Company*. The Dissemination Agent and the Administrator, each individually, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) *No Boycott of Israel*. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this

Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) *No Discrimination Against Firearm Entities*. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) *No Boycott of Energy Companies*. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

SECTION 19. 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.

SECTION 20. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 21. 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 RED OAK, TEXAS
(as Issuer)

By: _____
Mayor

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

WILMINGTON TRUST,
NATIONAL ASSOCIATION
(as Dissemination Agent)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION][ANNUAL FINANCIAL STATEMENTS]

Name of Issuer:	City of Red Oak, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Areas #2-3 Projects) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of Red Oak, Texas, has not provided [Annual Financial Information][audited Annual Financial Statements] for fiscal year ended _____ with respect to the Bonds as required by the Continuing Disclosure Agreement of the Issuer dated as of [_____], 2026, by and among the Issuer, P3Works, LLC, as the "Administrator," and Wilmington Trust, National Association, as "Dissemination Agent." The Issuer anticipates that [the Annual Financial Information][audited Annual Financial Statements] will be filed by _____.

Dated: _____

Wilmington Trust, National Association,
on behalf of the City of Red Oak, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Red Oak, Texas

EXHIBIT B

CITY OF RED OAK, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(RED OAK PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREAS #2-3 PROJECTS)

ANNUAL FINANCIAL INFORMATION[1]

Delivery Date: _____, 20__

CUSIP NOSs: [insert CUSIP NOs.]

DISSEMINATION AGENT

Name: Wilmington Trust, National Association
Address: [_____]
City: [_____, Texas _____]
Telephone: (___) ___-____
Contact Person: Attn: _____

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

[1] Excluding audited financial statements of the Issuer.

THIRD-PARTY INVESTMENT CONTRACTS[1]

Third-Party	Interest Rate	Amount of Investment

[1] If not applicable, indicate as such.

ITEMS REQUIRED BY SECTIONS 4(a)(ii) – (vi)
[Insert a line item]

SECTION 4(a)(vii) COLLECTION AND DELINQUENCY HISTORY OF THE ASSESSMENTS WITHIN IMPROVEMENT AREAS #2-3 FOR THE PAST FIVE FISCAL YEARS, IN THE FOLLOWING FORMAT:

Collection and Delinquent History of Assessments

Collected in Fiscal Year Ending 9/30	Assessment Billed	Parcels Levied	Delinquent Amount as of 3/1	Delinquent Percentage as of 3/1	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Total Assessments Collected[1]
2026	$						$

[1] Collected as of _____, 20__. Includes $_____ attributable to Prepayments.

ITEMS REQUIRED BY SECTIONS 4(a)(viii) – (xi) OF THE CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER RELATING TO THE CITY OF RED OAK, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026, (RED OAK PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREAS #2-3 PROJECTS)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES[1]

Date	Delinquency Clock (Days)	Activity
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. **If there is to be a shortfall of any installments of Assessments, or interest thereon, due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing**. 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. At this point, if total delinquencies are under 5% and if there is adequate funding for March and 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. **For properties delinquent by more than one year or if the delinquency exceeds $10,000 the matter will be referred for commencement of foreclosure, in**

[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 Ellis County 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 or an amendment to the Code, such modifications shall control.

		accordance with the Ellis County Tax/Assessor Collector's procedures[2].
		If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the Ellis County/Tax Assessor Collector procedures[2].
March 15	43/44	Trustee pays bond interest payments to Owners.
		Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.
		Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.
		Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.
July 1	**152/153**	Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the Ellis County/Tax Assessor Collector procedures[2].
		Preliminary Foreclosure activity commences, in accordance with the Ellis County/Tax Assessor Collector procedures[2], and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.
		If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

[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.

		If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the Indenture, 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 for dissemination to those Owners who have requested to be notified of collections progress. 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, in accordance with the Ellis County/Tax Assessor Collector procedures**[3]. **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 City Manager or the Finance Director to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

[3] If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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CITY OF RED OAK, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(RED OAK PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREAS #2-3 PROJECTS)

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer, dated as of September 15, 2026 (this "Disclosure Agreement"), is executed and delivered by and among Red Oak 66 Holdings, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC, a Delaware limited liability company (the "Administrator"), and Wilmington Trust, National Association, 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 September 15, 2026, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

"Administrator" shall mean, initially, P3Works, LLC, as the current Administrator, and any person or independent firm designated by the Issuer as a successor Administrator who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District.

"Affiliate" shall mean an entity that is controlled by, controls, or is under common control with another entity.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Authorized Improvements" mean those improvements authorized by Section 372.003 of the PID Act, including those described in the Service and Assessment Plan.

"Certification Letter" shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

"Developer" shall mean Red Oak 66 Holdings, LLC, a Texas limited liability company, its successors and assigns, including any Affiliate of the Developer who, through assignment, assumes the

obligations, requirements, or covenants to construct one or more of the Improvement Areas #2-3 Projects or the Private Improvements.

"Developer Listed Event" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of even date herewith, executed and delivered by and among the Issuer, the Administrator, and the Dissemination Agent.

"Dissemination Agent" shall mean Wilmington Trust, National Association, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

"District" shall have the meaning assigned to such term in the Indenture.

"EMMA" shall mean the Electronic Municipal Market Access system administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at http://emma.msrb.org.

"Homebuilder" shall mean Developer and any homebuilder who enters into a Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

"Improvement Area #2" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #2 Improvements" means the Authorized Improvements which only benefit the property located in Improvement Area #2 and are described in Section III.C. and Exhibit I-3 to the Service and Assessment Plan.

"Improvement Area #2 Projects" means, collectively, (1) the pro rata portion of the Major Improvements allocable to Improvement Area #2 and (2) the Improvement Area #2 Improvements.

"Improvement Area #3" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #3 Improvements" means the Authorized Improvements which only benefit the property located in Improvement Area #3 and are described in Section III.D. and Exhibit I-4 to the Service and Assessment Plan.

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

"Improvement Areas #2-3 Projects" shall have the meaning assigned to such term in the Indenture.

"Issuer" shall mean the City of Red Oak, 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 Areas #2-3 of the District, any lot purchase agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

"Major Improvements" means those Authorized Improvements that confer a special benefit to benefitted properties in Improvement Areas #2-3 of the District and all of the Assessed Property, as further described in Section III.A and depicted on Exhibit I-1 to the Service and Assessment Plan.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"Private Improvements" means certain hardscape, landscape and irrigation, park, amenity center, and soft costs related thereto necessary, in addition to the Authorized Improvements, to bring land to finished Lot value.

"Quarterly Ending Date" shall mean each March 31, June 30, September 30, and December 31, beginning December 31, 2026.

"Quarterly Filing Date" shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, and November 15.

"Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

"Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and containing the information listed in Exhibit A attached hereto.

"Reporting Party" shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Significant Homebuilder" shall mean a Homebuilder that owns at least 17 single-family residential lots in Improvement Areas #2-3 of the District, which represents five percent (5%) of the single-family residential lots within Improvement Areas #2-3.

"Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party shall, at its cost and expense, provide or cause to be provided to the Administrator not more than 10 days after each Quarterly Ending Date, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to subsection 3(d) hereof (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such Reporting Party's obligations terminate pursuant to Section 7 of this Disclosure Agreement. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above, and (ii) no later than 20 days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to such Person's Quarterly Information, or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than 30 days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly Information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Party pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than 20 days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than 30 days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize and direct the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, no later than 35 days after each Quarterly Ending Date, the Quarterly Report containing the information described in subsection 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the

Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within 10 days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party, file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereto.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied on the Assessed Property owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Areas #2-3 of the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section 4 nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Areas #2-3 of the District, including the Improvement Areas #2-3 Projects and the Private Improvements;

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of the Improvement Areas #2-3 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 the Improvement Areas #2-3 of District owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of $1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of the Improvement Areas #2-3 Projects, or litigation that may materially and adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any material change in the legal structure, chief executive officer, or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied on the Assessed Property owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Areas #2-3 of the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 hereof.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator, and the Dissemination Agent in writing and the Reporting Party shall 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 10 Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Reporting Party. Additionally, if a Significant Homebuilder does not execute the assignment and assumption of disclosure obligations pursuant to Section 6 hereof, and, therefore, the Developer is reporting on behalf of the Significant Homebuilder, the Developer shall not be required to conduct an independent investigation of the occurrence of a Significant Homebuilder Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the applicable Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within 10 Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the

occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party, or any Owner or beneficial owner of any interests in the Bonds 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, unless an Affiliate of the Developer, who, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Improvement Areas #2-3 Projects or the Private Improvements to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement with respect thereto. The Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgment and assumption from each Person, unless an Affiliate of the Developer, who assumes the obligations, requirements or covenants to construct one or more of the Improvement Areas #2-3 Projects, or the Private Improvements in substantially the form attached as Exhibit E (the "Developer Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall provide written direction to the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person's delivery of written acknowledgment of assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the construction of the Improvement Areas #2-3 Projects or the Private Improvements, so assigned. Notwithstanding anything to the contrary elsewhere herein, after such assignment, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall require that any Person comply with obligations of this Section 5 with respect to any subsequent transfers by such Person to any individual or entity having the obligations, requirements or covenants to construct one or more of the Improvement Areas #2-3 Projects or the Private Improvements in the future.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) As long as a Homebuilder is a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under subsections 3(d) and 4(b) hereof with respect to such acquired real property until such party's disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement, or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder,

the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer's disclosure obligations, as described in clause (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in clause (a)(i) above, the Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgment from each Significant Homebuilder, in substantially the form attached as Exhibit F (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to subsections 4(a)(ix) and 4(b)(vi) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder's delivery of an executed Significant Homebuilder Acknowledgment assuming the Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Homebuilder until an executed Significant Homebuilder Acknowledgment with respect to such real property is delivered to the Dissemination Agent, the Administrator, the Issuer, and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall use commercially reasonable efforts to require that any Significant Homebuilder comply with obligations of this Section 6 with respect to any subsequent transfers by such Significant Homebuilder to any individual or entity meeting the definition of a "Significant Homebuilder" in the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(e) above.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or any Significant Homebuilder under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) when the Developer or such Significant Homebuilder, including their respective Affiliates and/or successors and assigns, owns fewer than 17 lots in Improvement Areas #2-3 of the District, as of each Quarterly Ending Date; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with subsection 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) when (x) the Developer, including its Affiliates and/or successors and assigns, owns fewer than 17 lots in Improvement Areas #2-3 of the District, and (y) such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective Affiliates and/or successors and assigns, owns fewer than 17 lots in Improvement Areas #2-3 of the District, as of each Quarterly Ending Date.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this

Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, of the termination of the applicable Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party, and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) and (b), if any, of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer, any Person that has executed a Developer Acknowledgment pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with 30 days' notice to the Issuer, the Developer, and the Administrator; provided, however, that if the Dissemination Agent is serving in the same capacity under the Disclosure Agreement of Issuer, the Dissemination Agent shall resign under the Disclosure Agreement of Issuer simultaneously with its resignation hereunder; provided, further, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each of the Developer, any Person that has executed a Developer Acknowledgment pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Wilmington Trust, National Association.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer or any Significant Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Developer or Significant Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, the Developer or the Significant Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided under this Disclosure Agreement.

SECTION 12. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction, the Dissemination Agent shall, take such actions as may be necessary and appropriate to cause the Reporting Party and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party or the Administrator to comply with this Disclosure Agreement shall be an action in mandamus or specific performance. A default under this Disclosure Agreement by a Reporting Party shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by a Reporting Party or the Administrator. Additionally, a default by a Reporting Party of its obligations under this Disclosure Agreement shall not be deemed a default by any other Reporting Party of such Reporting Party's obligations under this Disclosure Agreement. Additionally, a default by the Developer of its obligations under this Disclosure

Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by any Reporting Party and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding (i) liabilities due to the Dissemination Agent's negligence or willful misconduct, and (ii) liabilities resulting from claims made by the Developer against the Dissemination Agent. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation, or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to indemnify and hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding (i) liabilities due to the Administrator's breach, negligence, or willful misconduct, and (ii) liabilities resulting from claims made by the Developer against the Administrator. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation, or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the

Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The Developer, the Administrator, and the Dissemination Agent agree that the legal expenses of the Dissemination Agent or the Administrator to which it is expressly entitled to be paid pursuant to this subsection 13(c) are Annual Collection Costs.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, director, shareholder, member, managing partner, agent, or employee of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof, or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Areas #2-3 of the District, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Areas #2-3 of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Parties and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as may 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:	Red Oak 66 Holdings, LLC, Attn: Steve Fluker 5055 Keller Springs Road, Suite 500 Addison, Texas 75001 E-mail: stevef@trezcapital.com
If to the Dissemination Agent:	Wilmington Trust, National Association 15950 North Dallas Parkway, Suite 200 Dallas, Texas 75248

If to Administrator:	P3Works, LLC 9284 Huntington Square, Ste 100 North Richland Hills, Texas 76182 E-mail: admin@p3-works.com
If to the Issuer:	City of Red Oak, Texas 101 S. Live Oak Street Red Oak, Texas 75154 Attn: City Manager Telephone: (972) 617-6831
If to Participating Underwriter:	FMSbonds, Inc. 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034 E-mail: tdavenport@fmsbonds.com
If to the Trustee	Wilmington Trust, National Association 15950 North Dallas Parkway, Suite 200 Dallas, Texas 75248

SECTION 21. Term of Disclosure Agreement. Except for surviving indemnities of the parties to this Disclosure Agreement, this Disclosure Agreement terminates on the earlier of (i) the first date on which none of the Bonds remain Outstanding, and (ii) the first date on which the reporting obligations of all Reporting Parties have terminated in accordance with the terms of Section 7 of this Disclosure Agreement.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

Wilmington Trust, National Association,
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

RED OAK 66 HOLDINGS, LLC,
a Texas limited liability company

By: _____

Name: John D. Hutchinson
Title: President

P3Works, LLC,
Administrator

By:_____
Name:_____
Title:_____

EXHIBIT A

CITY OF RED OAK, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(RED OAK PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREAS #2-3 PROJECTS)

DEVELOPER QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name:	Wilmington Trust, National
Address:	Association
City:	15950 North Dallas Parkway,
Telephone:	Suite 200
Contact Person:	Dallas, Texas 75248
	Attn: Brian Jensen
	Bjenson@wilmingtontrust.com

I. Unit Mix for Improvement Areas #2-3

Product Type	**Number of Units**
Improvement Area #2	
Lot Type 3	242
Lot Type 4	22
Improvement Area #3	
Lot Type 5	66

II. Ownership of Lots/Units in each Improvement Area

PLANNED LOTS IN IMPROVEMENT AREA #2: 264

Of the 264 lots in Improvement Area #2 of the District:

1. Number of lots owned by the Developer: _____
2. If applicable, number of lots under contract but not closed to Homebuilder(s):
3. If applicable, number of lots owned by Homebuilder(s):
4. Number of units owned by homeowners: _____

PLANNED LOTS IN IMPROVEMENT AREA #3: 66

Of the 66 lots in Improvement Area #3 of the District:

1. Number of lots owned by the Developer: _____
2. If applicable, number of lots under contract but not closed to Homebuilder(s):
3. If applicable, number of lots owned by Homebuilder(s):
4. Number of units owned by homeowners: _____

III. Lot Status in each Improvement Area

Of the 264 lots in Improvement Area #2, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 264
2. Planned lots as of the date of this Quarterly Report: _____
3. Lots developed: _____
4. Lots platted: _____
5. Expected/actual completion date of all lots Improvement Area #2 in the District (if incomplete): _____

Of the 66 lots in Improvement Area #3 of the District:

1. Planned lots as of the date of issuance of the Bonds: 66
2. Planned lots as of the date of this Quarterly Report: ___
3. Lots developed: _____
4. Lots platted: _____
5. Expected/actual completion date of all lots Improvement Area #3 in the District (if incomplete): _____

IV. Home Sales Information in each Improvement Area

PLANNED HOMES IN IMPROVEMENT AREA #2: 264

Of the 264 homes planned for Improvement Area #2:

1. How many building permits were issued **during the current quarter**?

   a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[1]
   b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[1]
   c. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[1]

2. How many 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*]: _____[1]
   b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____[1]

[1] Include a line item for each individual Homebuilder.

c. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____[2]

3. How many homes have closed with homebuyers **cumulatively**?

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]

c. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[2]

PLANNED HOMES IN IMPROVEMENT AREA #3: 66

Of the 66 homes planned for Improvement Area #3:

1. How many 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]

c. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[2]

2. How many 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]

c. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____[2]

3. How many homes have closed with homebuyers **cumulatively**?

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]

c. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[2]

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

[2] Include a line item for each individual Homebuilder.

V. Expenditures Paid from Accounts under Indenture

1. Total Budgeted Costs for the Improvement Areas #2-3 Projects: $_____

2. Of the total budgeted costs, the total amount drawn from:
   a. Improvement Area #2 Bond Improvement Account: $_____
   b. Improvement Area #3 Bond Improvement Account: $_____

VI. Status of Improvements in Improvement Areas #2-3

1. Projected/actual completion date of the Improvement Areas #2-3 Projects: _____
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed:

_____
_____
_____

VII. Private Improvements

TOTAL EXPECTED/ACTUAL COSTS OF PRIVATE IMPROVEMENTS: $6,579,510

Of the $6,579,510 budgeted costs of the Private Improvements:
1. Amount spent as of Quarterly Ending Date: $
2. Actual/Expected completion date of Private Improvements: _____

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[3] securing the Bonds, which were not disclosed in a previously filed Quarterly Report?

   _____
   _____
   _____

2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

[3] For purposes of this report, "Assessments" refers to "Improvement Area #2 Assessments" and the "Improvement Area #3 Assessments."

_____
_____
_____

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 Acknowledgment pursuant to the Disclosure Agreement?

_____
_____
_____

5. [Reserved.]

6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.

_____
_____
_____

7. **Other** – Provide any other material information that should be disclosed.

_____
_____
_____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer:	City of Red Oak, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Areas #2-3 Projects) (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] 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 Red Oak 66 Holdings, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC, as Administrator, and Wilmington Trust, National Association, as Dissemination Agent. The [Developer][Significant Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

Wilmington Trust, National Association
on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Red Oak, Texas

[4] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of Red Oak, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Areas #2-3 Projects) (the "Bonds")
CUSIP Numbers:	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 200
Dallas, Texas 75248

City of Red Oak, Texas
101 S. Live Oak Street
Red Oak, Texas 75154

[Developer/Significant Homebuilder]
_____
_____

[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 Red Oak 66 Holdings, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC, as Administrator, and Wilmington Trust, National Association, as Dissemination Agent.

Dated: _____

P3Works, LLC
on behalf of the [Developer] [Significant Homebuilder],
as Administrator)

By: _____

Title: _____

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer:	City of Red Oak, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Areas #2-3 Projects)
CUSIP Numbers:	[insert CUSIP Numbers]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Red Oak Public Improvement District No. 1

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among Red Oak 66 Holdings, LLC, a Texas limited liability company[1] (the "Developer"), P3Works, LLC, as Administrator, and Wilmington Trust, National Association, as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a "Significant Homebuilder"], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have any questions or comments.

RED OAK 66 HOLDINGS, LLC,
a Texas limited liability company

By: _____

Name: John D. Hutchinson
Title: President

[OR
Significant Homebuilder
(as Significant Homebuilder)
By:_____
Title: _____]

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

FORM OF ACKNOWLEDGMENT OF ASSIGNMENT OF DEVELOPER REPORTING OBLIGATIONS

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Red Oak Public Improvement District No. 1 – Improvement Areas #2-3 – 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 Areas #2-3 Projects or the Private Improvements (each as defined in the Disclosure Agreement of Developer) within the Red Oak Public Improvement District No. 1 (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer dated as of September 15, 2026 (the "Disclosure Agreement of Developer"), by and among Red Oak 66 Holdings, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and Wilmington Trust, National Association (the "Dissemination Agent") with respect to the "City of Red Oak, Texas, Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Areas #2-3 Projects)," any person that, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Improvement Areas #2-3 Projects or the Private Improvements is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3 and 4(a) of the Disclosure Agreement of Developer for the construction of the Improvement Areas #2-3 Projects or the Private Improvements as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

RED OAK 66 HOLDINGS, LLC,
a Texas limited liability company

By: _____

Name: John D. Hutchinson
Title: President

Acknowledged by:
[INSERT ASSIGNEE NAME]

By:_____
Title:_____

EXHIBIT F

FORM OF ACKNOWLEDGMENT OF ASSIGNMENT OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Red Oak Public Improvement District No. 1 – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ lots in the Red Oak Public Improvement District No. 1 (the "District"). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer dated as of September 15, 2026 (the "Disclosure Agreement of Developer"), by and among Red Oak 66 Holdings, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and Wilmington Trust, National Association (the "Dissemination Agent") with respect to the "City of Red Oak, Texas, Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Areas #2-3 Projects)," any entity that owns 17 or more of the single family residential lots in Improvement Areas #2-3 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,

RED OAK 66 HOLDINGS, LLC,
a Texas limited liability company

By: _____

Name: John D. Hutchinson
Title: President

Acknowledged by:

[INSERT ASSIGNEE NAME]

By:_____
Title:_____

APPENDIX F

REIMBURSEMENT AGREEMENT

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REIMBURSEMENT AGREEMENT
Red Oak Public Improvement District No. 1

This Reimbursement Agreement (this "Agreement") is entered into by **The Oaks of Red Oak, LLC**, a Texas limited liability company and **Red Oak 66 Holdings, LLC.**, a Texas limited liability company (collectively, the "Developer"), and the **City of Red Oak**, a Texas home rule municipality (the "City") as of the Effective Date. Developer and the City are individually referred to herein as a "Party" and collectively as the "Parties."

SECTION 1.
RECITALS

1.1 **WHEREAS**, the Oaks of Red Oak, LLC and the City are parties to the Development Agreement; and

1.2 **WHEREAS**, on December 14, 2020, the City Council passed and approved the PID Creation Resolution authorizing the creation of the PID pursuant to the authority of the Act, encompassing approximately 210.410 acres, which land is more particularly described in the PID Creation Resolution (the "Property"); and

1.3 **WHEREAS**, prior to the issuance of PID Bonds, Developer has paid and may continue to pay for the Actual Costs of the Improvement Area #2 Projects and the Improvement Area #3 Projects benefitting the property within Improvement Area #2 and Improvement Area #3; and

1.4 **WHEREAS**, the Parties desire to enter into this Agreement in relation to the soon to be issued City of Red Oak, Texas, Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Area #2 and #3 Projects), which constitutes a "reimbursement agreement" authorized by Section 372.023(d)(1) of the Act.

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth herein, the Parties agree as follows:

SECTION 2.
DEFINITIONS

2.1 **Definitions**: Unless the context clearly indicates a different meaning, the following words and phrases shall have the following meanings as used in this Agreement:

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

"Actual Cost(s)" are as defined in the SAP.

"Annual Collection Costs" are as defined in the SAP.

"Annual Installment" is as defined in the SAP.

"Assessed Property" means, collectively, the Improvement Area #2 Assessed Property and the Improvement Area #3 Assessed Property.

"Assessment(s)" means an assessment levied against Assessed Property pursuant to the provisions of the Act for the payment of applicable Improvement Area #2 and #3 Project Costs, including the payment of PID Bonds and obligations under this Agreement.

"Assessment Ordinance" means the ordinance(s) adopted by the City Council levying Assessments on Assessed Property to pay Improvement Area #2 and #3 Project Costs, PID Bonds and obligations under this Agreement.

"Assessment Revenue" means the revenues received by the City from the collection of Assessments.

"Assessment Roll" is as defined in the SAP.

"Authorized Improvement" is as defined in the SAP.

"Bond Indenture" means the indenture(s) of trust pursuant to which the PID Bonds are issued.

"Bond Proceeds" mean the proceeds derived from the issuance and sale of the PID Bonds that are deposited into the PID Project Fund and made available to pay Improvement Area #2 and #3 Project Costs, including design, engineering, construction and inspection costs in accordance with this Agreement and any Bond Indenture or SAP.

"Bond Indenture (s)" means the Indenture (s) approved by the City in conjunction with the issuance of the PID Bonds.

"Budgeted Cost(s)" means the estimated cost(s) of the Authorized Improvements, as set forth in **Exhibit B** to the Service and Assessment Plan.

"Business Day" means any day that is not a Saturday, Sunday, or a recognized federal holiday in which national banks are closed for business, or the Friday following Thanksgiving.

"Certificate for Payment" means a certificate (substantially in the form of Exhibit A or as otherwise approved by Developer and the City Representative) executed by a representative of Developer and approved by the City Representative, delivered to the City Representative (and/or, if applicable, to the Trustee named in the Bond Indenture), specifying the work performed and the amount charged (including materials and labor costs) for Improvement Area #2 Project Costs and/or Improvement Area #3 Project Costs, and requesting payment of such amount from the appropriate fund or funds. Each certificate shall include supporting documentation in the standard form for City construction projects and evidence that the Improvement Area #2 Projects and/or Improvement Area #3 Projects (or their completed segment(s)) covered by the certificate have been inspected by the City.

"City Council" means the governing body of the City.

"City Representative" means the person authorized by the City Council to undertake the actions referenced herein.

"Closing Disbursement Request" means a request in the form of Exhibit B or as otherwise approved by the Parties.

"Cost Overrun" means, with respect to each Authorized Improvement, the amount of the Actual Cost paid for the Authorized Improvement in excess of the Budgeted Cost for such Authorized Improvement as provided for in the Service and Assessment Plan, to be calculated after Final Completion of each respective Authorized Improvement.

"Cost Underrun" means, with respect to each Authorized Improvement, the difference between the Actual Cost paid for the Authorized Improvement and the Budgeted Cost for such Authorized Improvement as provided for in the Service and Assessment Plan, to be calculated after Final Completion of each respective Authorized Improvement.

"Default" is as defined in Section 4.6.1.

"Delinquent Collection Costs" are as defined in the SAP.

"Development Agreement" means that certain Public Improvement Development Agreement, effective as of November 13, 2020, by and between the City and Amalgamated Properties, LLC, a Delaware limited liability company, as such agreement was assigned to the Oaks of Red Oak, LLC on February 4, 2021, and as amended on August 7, 2025, pertaining to the construction and installation of certain Authorized Improvements on the Property, as described therein and benefitting the PID, as amended or otherwise modified from time to time.

"Developer Advances" mean advances made by Developer to pay Improvement Area #2 and #3 Project Costs.

"Developer Continuing Disclosure Agreement" means the Continuing Disclosure Agreement of Developer executed contemporaneously with the issuance and sale of PID Bonds.

"Effective Date" means the date that the signatures of the authorized representatives of the Parties is affixed to this Agreement, whether on the same or identical counterparts of this Agreement.

"Failure" is as defined in Section 4.6.1.

"Final Completion" means completion of an Authorized Improvement in compliance with existing City standards for dedication under the City's ordinances and the Development Agreement.

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

"Improvement Area #2" is as defined in the SAP.

"Improvement Area #3" is as defined in the SAP.

"Improvement Area #2 Account" means an account within the PID Reimbursement Fund wherein Assessment Revenues derived from Assessments levied on Improvement Area #2 Assessed Property shall, until the issuance and delivery of PID Bonds for the Improvement Area #2 Projects, be deposited.

"Improvement Area #3 Account" means an account within the PID Reimbursement Fund wherein Assessment Revenues derived from Assessments levied on Improvement Area #3 Assessed Property shall, until the issuance and delivery of PID Bonds for the Improvement Area #3 Projects, be deposited.

"Improvement Area #2 and #3 Project Costs mean collectively, the Improvement Area #2 Project Costs and the Improvement Area #3 Project Costs.

"Improvement Area #2 Assessed Property" is as defined in the SAP.

"Improvement Area #3 Assessed Property" is as defined in the SAP.

"Improvement Area #2 Improvements" are as defined in the SAP.

"Improvement Area #3 Improvements" are as defined in the SAP.

"Improvement Area #2 Projects" are as defined in the SAP.

"Improvement Area #2 and #3 Projects" means collectively, the Improvement Area #2 Projects and the Improvement Area #3 Projects.

"Improvement Area #3 Projects" are as defined in the SAP.

"Improvement Area #2 Project Costs" means the Actual Costs of the Improvement Area #2 Projects.

"Improvement Area #3 Project Costs" means the Actual Costs of the Improvement Area #3 Projects.

"Maturity Date" is the date one year after the final scheduled and non-delinquent Annual Installment is collected.

"PID" means the Red Oak Public Improvement District No. 1 created by the PID Creation Resolution.

"PID Bonds" means the bonds issued pursuant to the provisions of the Act in one or more series to fund Improvement Area #2 and #3 Project Costs or to reimburse Developer for Improvement Area #2 and #3 Project Costs.

"PID Creation Resolution" means the resolution passed and approved by the City Council on December 14, 2020, authorizing the creation of the PID.

"PID Pledged Revenue Fund" means the Pledged Revenue Fund, as defined in the Bond Indenture, established or to be established by the City (and segregated from all other funds of the

City) into which the City deposits Assessment Revenue securing PID Bonds issued and still outstanding, as described in the Bond Indenture.

"PID Project Fund" means the Project Fund, as defined in the Bond Indenture, including all accounts and subaccounts created within such fund, established or to be established by the City (and segregated from all other funds of the City) into which the City deposits Bond Proceeds in the amounts and as described in the Bond Indenture. Notwithstanding anything seemingly to the contrary herein, amounts in the PID Project Fund and each account and subaccount created therein may only be used for the purposes authorized by the applicable Bond Indenture.

"PID Reimbursement Fund" means the fund established by the City under this Agreement (and segregated from all other funds of the City) into which the City deposits Assessment Revenue until the issuance and delivery of PID Bonds for the Improvement Area #2 Projects and Improvement Area #3 Projects. Notwithstanding anything seemingly to the contrary herein, amounts in the Improvement Area #2 Account may only be used to reimburse Improvement Area #2 Project Costs and amounts in the Improvement Area #3 Account may only be used to reimburse Improvement Area #3 Project Costs.

"Prepayments" 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 Assessment.

"Reimbursement Agreement Balance" is as defined in Section 3.3.

"Service and Assessment Plan" or "SAP" means the service and assessment plan heretofore adopted on June 14, 2021, and any updates thereto approved by the City Council, prepared in relation to the property within the PID.

"Trustee" is as defined Section 3.5.2 herein.

2.2 "Sections," "Exhibits," "Ordinances," and "Resolutions". Unless otherwise defined herein:

(a) all references to "sections" shall mean sections of this Agreement;

(b) all references to "exhibits" shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and

(c) all references to "ordinances" or "resolutions" shall mean ordinances or resolutions adopted by the City Council.

SECTION 3.
FUNDING IMPROVEMENT AREA #2 and #3 PROJECT COSTS

3.1 Fund Deposits.

3.1.1 Unless and until PID Bonds are issued, the City agrees to pay Developer solely from funds on deposit in the PID Reimbursement Fund, and Developer shall be entitled to receive payments from the City only from such source until the Maturity Date for amounts shown on each Certificate for Payment (which amounts include only those costs determined to be eligible under the Act and qualify as Improvement Area #2 and #3 Project Costs paid by or at the direction of Developer). Upon the issuance of PID Bonds, the City agrees to pay Developer first from funds on deposit in the applicable PID Project Fund and then from funds on deposit in the PID Reimbursement Fund, if any. Notwithstanding anything in this Agreement to the contrary, the maximum amount that Developer may be reimbursed under this Agreement shall be equal to the aggregate amount of Bond Proceeds on deposit in the PID Project Fund plus amounts in the PID Reimbursement Fund, if any.

3.1.2 The City hereby confirms, covenants, and agrees that for so long as amounts are due to Developer under this Agreement and for so long as PID Bonds are outstanding, the City will do the following in the manner and to the maximum extent permitted by applicable law, subject to any conflicting provisions in the Bond Indenture take and pursue all actions reasonable and necessary to:

(a) cause the Assessments to be collected;

(b) cause the liens related to the Assessments to be enforced continuously, including diligently prosecuting an action in district court to foreclose for delinquent or nonpayment of Assessments, including Annual Installments; and

(c) cause no reduction, abatement or exemption of the Assessments.

Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding Assessed Property. The Bond Indenture shall control in the event of any conflicts between the Indenture and this Agreement.

3.2 Payment of Improvement Area #2 and #3 Project Costs.

3.2.1 Unless and until PID Bonds are issued to pay Improvement Area #2 and #3 Project Costs, Developer may elect to make Developer Advances to pay such Improvement Area #2 and #3 Project Costs. Prior to the City's adoption of an ordinance authorizing the issuance of a series of PID Bonds, Developer shall provide the City with evidence that it has sufficient funds to complete the Improvement Area #2 Projects and Improvement Area #3 Projects that are not being funded by the PID Bonds, which evidence may be in the form of: (i) loan funds, (ii) funds available pursuant to a letter of credit, (iii) available cash deposited into the PID Project Fund, or (iv) any combination of (i) - (iii).

3.2.2 Bond Proceeds (i) may be used to construct Improvement Area #2 Projects and Improvement Area #3 Projects and directly pay Improvement Area #2 Project Costs and Improvement Area #3 Project Costs in lieu of Developer Advances and reimbursement of such Developer Advances, and (ii) shall be used in the manner provided in the Bond Indenture. Developer may, but shall not have the obligation, to make Developer Advances unless the Bond Proceeds on deposit in the PID Project Fund are insufficient to pay any remaining Improvement Area #2 Project Costs and/or Improvement Area #3 Project Costs, in which case Developer shall make Developer Advances to pay the deficit. Developer acknowledges and agrees that the lack of Bond Proceeds or the lack of funds in the PID Project Fund or the PID Reimbursement Fund shall not diminish the obligation of Developer to pay Improvement Area #2 and #3 Project Costs.

3.2.3 As evidence of Developer Advances required in connection with the issuance of PID Bonds, Developer shall submit to the City for approval all information related to such costs that would be required by a Closing Disbursement Request not later than the fifteenth (15th) Business Day prior to the closing of the PID Bonds.

3.2.4 Developer shall make Developer Advances to pay for Cost Overruns on the Improvement Area #2 Projects (an "IA#2 Cost Overrun"), after applying cost savings as permitted hereunder. Upon the Final Completion of an Improvement Area #2 Project and payment of all outstanding invoices for such Improvement Area #2 Project, if there is a Cost Underrun on an Improvement Area #2 Project (an "IA#2 Cost Underrun"), such IA#2 Cost Underrun may be used to pay IA#2 Cost Overruns on any other Improvement Area #2 Project. The City Representative shall promptly confirm that such remaining amounts are available to pay such IA#2 Cost Overruns, and Developer, the Administrator, and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Improvement Area #2 Projects. Any IA#2 Cost Underrun for any Improvement Area #2 Project is available to pay IA#2 Cost Overruns on any other Improvement Area #2 Project. In no event shall any IA#2 Cost Underrun be used to pay any IA#3 Cost Overruns (defined below).

3.2.5 Developer shall also make Developer Advances to pay for Cost Overruns on the Improvement Area #3 Projects (an "IA#3 Cost Overrun"), after applying cost savings as permitted hereunder. Upon the Final Completion of an Improvement Area #3 Project and payment of all outstanding invoices for such Improvement Area #3 Project, if there is a Cost Underrun on an Improvement Area #3 Project (an "IA#3 Cost Underrun"), such IA#3 Cost Underrun may be used to pay IA#3 Cost Overruns on any other Improvement Area #3 Project. The City Representative shall promptly confirm that such remaining amounts are available to pay such IA#3 Cost Overruns, and Developer, the Administrator, and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Improvement Area #3 Projects. Any IA#3 Cost Underrun for any Improvement Area #3 Project is available to pay IA#3 Cost Overruns on any other Improvement Area #3 Project. In no event shall any IA#3 Cost Underrun be used to pay any IA#2 Cost Overruns (defined below).

3.3 <u>Payment of Reimbursement Agreement Balance</u>.

3.3.1 Unless and until PID Bonds are issued, the City agrees to pay Developer solely from funds on deposit in the PID Reimbursement Fund (such outstanding amount of all approved Certificates for Payment, together with accrued interest as hereinafter described, is referred to

collectively as the "Reimbursement Agreement Balance"), with the amount for each payment request being shown on each Certificate for Payment (which amounts include only Improvement Area #2 and #3 Project Costs paid by or at the direction of the Developer). Upon the issuance of PID Bonds, the City agrees to pay Developer first from funds on deposit in the applicable PID Project Fund and then from funds on deposit in the PID Reimbursement Fund, if any. Notwithstanding anything in this Agreement to the contrary, the maximum amount that Developer may be reimbursed under this Agreement shall be equal to the aggregate amount of Bond Proceeds on deposit in the PID Project Fund plus amounts in the PID Reimbursement Fund, if any, plus:

(a) simple interest on the unpaid principal balance of the Reimbursement Agreement Balance at the rate of 5% for years one through five beginning on the date each Certificate of Payment is delivered to the City Representative; and

(b) simple interest on the unpaid principal balance of the Reimbursement Agreement Balance at the rate of 5% for years six (6) through thirty (30) thereafter.

If PID Bonds are issued, then the above interest rate shall be equal to the aggregate true interest cost of the PID Bonds; provided, however, that the interest rate for the unpaid balance of the Reimbursement Agreement Balance as set forth in this Section 3.3.1 shall not exceed the rates permitted under subsections (e)(1) and (e)(2) of Section 372.023 of the Act. With respect to the portion of the Reimbursement Agreement Balance related to the Improvement Area #2 Projects and Improvement Area #3 Projects that will be dedicated to the City, interest on the unpaid principal amount of such portion shall begin to accrue on the date (i) the City accepts the completed Improvement Area #2 Projects and Improvement Area #3 Project(s) by recording of the final plat in association with which the applicable Improvement Area #2 and #3 Project(s) was/were constructed, or (ii) if the Improvement Area #2 and #3 Project(s) is/are not constructed in association with development of a portion of the Property within the boundaries of a specific recorded final plat, the later of (y) the date the City Engineer or other authorized City Representative provides written notice to Developer of acceptance for City ownership and maintenance the completed Improvement Area #2 and #3 Project(s) and (z) the date the document conveying to City an easement in which such Improvement Area #2 and #3 Project is located is recorded. With respect to the portion of the Reimbursement Agreement Balance related to the Improvement Area #2 and #3 Projects that will be dedicated to Rockett SUD, interest on the unpaid principal amount of such portion shall begin to accrue on the date the Developer provides evidence satisfactory to the City that Rockett SUD has accepted ownership of such Improvement Area #2 and #3 Project(s).

3.3.2 The obligation of the City to pay the Reimbursement Agreement Balance is payable solely from the PID Reimbursement Fund or from Bond Proceeds on deposit in the PID Project Fund. No other City funds, revenue, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. Payments from the PID Reimbursement Fund shall be applied in accordance with this Agreement. Each payment from the PID Reimbursement Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the PID Reimbursement Fund since the last payment. If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is

made; however, if the Parties are unable to resolve the disputed amount, then the City's determination of the disputed amount (as approved by the City Council) shall control.

3.4 **PID Bonds**. The City, in its sole legislative discretion, may issue PID Bonds, in one or more series, when and if the City Council determines it is financially feasible for the purposes of: (a) paying all or a portion of the Reimbursement Agreement Balance; or (b) paying Improvement Area #2 and #3 Project Costs directly. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the Bond Indenture. Upon the issuance of PID Bonds for such purpose, Developer's right to receive payments each year in accordance herewith shall be subordinate to the deposits required under the Bond Indenture related to any outstanding PID Bonds. The failure of the City to issue PID Bonds shall not constitute a "Failure" by the City or otherwise result in a "Default" by the City. Upon the issuance of the PID Bonds, Developer has a duty to construct, or cause to be constructed, related Improvement Area #2 and #3 Projects and shall not be relieved of such duty even if there are insufficient funds in the PID Project Fund to pay Improvement Area #2 and #3 Project Costs.

3.5 **Disbursements and Transfers at and after Bond Closing.**

3.5.1 If PID Bonds are issued, and upon the presentation of evidence satisfactory of Improvement Area #2 and #3 Project Costs to the City Representative, the City will cause the Trustee under the Bond Indenture to pay from the Bond Proceeds at closing of the PID Bonds approved amounts from the appropriate account to the City, Developer, or their designees, as applicable, which costs may include payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible items for which funds have been expended by Developer and the City as of the time of the delivery of the PID Bonds. In order to receive such a disbursement, Developer shall execute a Closing Disbursement Request in the form attached hereto as Exhibit B to be delivered to the City not later than the fifteenth (15th) Business Day prior to the scheduled closing date for the PID Bonds for payment in accordance with the provisions of the Bond Indenture. In order to receive additional disbursements from the applicable fund under the Bond Indenture, if PID Bonds are issued, or from the PID Reimbursement Fund, Developer shall sign a Certificate for Payment, no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the Bond Indenture, if applicable, and this Agreement.

3.5.2 Upon receipt of a Certificate for Payment (along with all accompanying documentation required by the City) from Developer, the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all applicable governmental laws, rules and regulations and applicable plans therefor with the terms of this Agreement and any other agreement between the Parties related to property in the PID, and to verify and approve Improvement Area #2 and #3 Project Costs of such work specified in such Certificate for Payment. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Not later than the fifteenth (15th) Business Day following receipt of any Certificate for Payment, the City shall either:

(a) approve the Certificate for Payment and (i) forward it to the trustee designated under the Bond Indenture (the "Trustee") for payment or (ii) if no funds are available for payment in the PID Project Fund, pay such amount from the PID Reimbursement Fund; or

(b) provide Developer with written notification of disapproval of all or part of a Certificate for Payment, specifying the basis for any such disapproval.

Any disputes shall be resolved as required by Section 3.3 herein. If PID Bonds are issued, the City shall deliver the approved or partially approved Certificate for Payment to the Trustee for payment.

3.6 Obligations Limited. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or constitute a debt or other obligation of the City payable from any source other than the PID Reimbursement Fund or the PID Project Fund. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind other than the funds on deposit in the PID Reimbursement Fund or the PID Project Fund shall be used to pay: (a) the Improvement Area #2 and #3 Project Costs; (b) the Reimbursement Agreement Balance, even if the Reimbursement Agreement Balance is not paid in-full on or before the Maturity Date; or (c) debt service on any PID Bonds. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants, or representatives shall incur any liability hereunder to Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.7 Obligation to Pay. If Developer is then in current compliance with its obligations under the Development Agreement, the Developer Continuing Disclosure Agreement, and this Agreement, and is not delinquent in payment of the Assessments and paying property taxes, then, following the inspection and acceptance by the City of any portion of the Improvement Area #2 and #3 Projects for which Developer seeks reimbursement of the Improvement Area #2 and #3 Project Costs by submission of a Certificate for Payment or the City's approval of a Closing Disbursement Request, the obligations of the City under this Agreement to pay disbursements (whether to Developer or to any person designated by Developer) identified in any Closing Disbursement Request or in any Certificate for Payment are unconditional and not subject to any defenses or rights of offset except as may be provided in any Bond Indenture.

3.8 City Delegation of Authority.

3.8.1 Save and except for the Improvement Area #2 and #3 Projects that will be dedicated to Rockett SUD, all Improvement Area #2 and #3 Projects shall be constructed by or at the direction of Developer in accordance with City ordinances and standards, the Development Agreement, this Agreement and any other applicable agreement between the Parties related to the development of the Property in the PID. In addition, the Improvement Area #2 and #3 Projects that will be dedicated to Rockett SUD shall be constructed by or at the direction of Developer in accordance with Rockett SUD's standards, as set forth in a separate agreement between the Developer and Rockett SUD. Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Improvement Area #2 and #3 Projects in a good, workmanlike, and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified

persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. Developer has sole responsibility of ensuring that all Improvement Area #2 and #3 Projects are constructed in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. Developer shall, at all times, employ adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction, and installation of all Improvement Area #2 and #3 Projects to be acquired and accepted by the City from Developer.

3.8.2 If any Improvement Area #2 and #3 Projects are or will be on land owned by the City, the City hereby grants to Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) thereof. Inspection and acceptance of the Improvement Area #2 and #3 Projects that will be dedicated to the City will be in accordance with applicable City ordinances and regulations. In no case shall Developer or Developer's contractor(s) have the right to enter the City's property to construct an Improvement Area #2 and #3 Project until Developer and Developer's contractor(s) have complied with the applicable sections of the Development Agreement. Prior to entering onto the City's property to construct any portion of the Improvement Area #2 and #3 Projects, Developer shall require Developer's contractor(s) to provide payment and performance bonds in accordance with Chapter 2253 of the Texas Government Code with a joint obligee rider for the benefit of both the City and Developer.

3.9 <u>Security for Improvement Area #2 and #3 Projects</u>. As a condition for acceptance by the City of any portion of the Improvement Area #2 and #3 Projects that will be dedicated to the City, Developer shall cause a two (2) year maintenance bond to be delivered to the City in the amount required by the City's subdivision regulations relating to the applicable Improvement Area #2 and #3 Project(s). Nothing in this Agreement shall be deemed to prohibit Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to Developer or the City with respect thereto so long as such delay in performance shall not subject the applicable Improvement Area #2 and #3 Projects to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the applicable Improvement Area #2 and #3 Projects is contested, Developer shall be required to post or cause the delivery of a surety bond in compliance with Texas Property Code §53.172 to indemnify against a mechanic's lien claim or, in the case of a judgment lien, a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed one-hundred twenty percent (120%) of the disputed amount. The security required for the Improvement Area #2 and #3 Projects that will be dedicated to Rockett SUD shall be as set forth in a separate agreement between the Developer and Rockett SUD.

3.10 <u>Ownership and Transfer of Improvement Area #2 and #3 Projects</u>. Developer shall furnish to the City a preliminary title report for land related to the Improvement Area #2 and #3 Projects to be acquired and accepted by the City from Developer and not previously dedicated or otherwise conveyed to the City. The report shall be made available for City review and approval not later than the fifteenth (15th) Business Day prior to the scheduled transfer of title. The City shall approve the preliminary title report unless it reveals a matter, including, but not limited to,

any liens or encumbrances affecting such land, which, in the reasonable judgment of the City, would materially affect the City's use and enjoyment of the Improvement Area #2 and #3 Projects. If the City objects to any preliminary title report, the City shall not be obligated to accept title to the applicable Improvement Area #2 and #3 Projects until Developer has cured the objections to the reasonable satisfaction of the City. Notwithstanding anything to the contrary, the City shall not be required to accept title to any land from the Developer that is subject to any lien (except for the lien for current year property taxes); provided, however, the City may, in its reasonable discretion, accept an easement interest subject to a prior lien if the holder of such lien agrees to consent and subordinate its lien to the City's interest in the easement. The prerequisites for Rockett SUD's acceptance of the Improvement Area #2 and #3 Projects that will be dedicated thereto shall be as set forth in a separate agreement between the Developer and Rockett SUD.

3.11. Correction of Defects. Conveyance of the applicable Improvement Area #2 and #3 Projects to the City shall not relieve Developer of liability for the correction of any existing engineering or construction defects then-existing in such Improvement Area #2 and #3 Projects or for satisfaction of any unpaid claim for materials or labor. The City shall be under no obligation to contest or challenge any claim for labor or materials; provided, however, that in the event Developer fails to promptly correct any such defect or satisfy any such claim, the City may elect to do so and, in such event, shall have full rights of subrogation. Subject to any applicable statutes of limitation, Developer shall pay the City for the City's costs in correcting any defect or satisfying any claim for defects including, but not limited to, construction costs, engineering fees, attorneys' fees, building or construction permits, filing fees or court costs. Developer shall not be liable for maintenance and repair of the Improvement Area #2 and #3 Projects after conveyance of the Improvement Area #2 and #3 Projects to the City and Rockett SUD, as applicable, except for the application of any maintenance bond.

3.12 Indemnity. DEVELOPER SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL LOSSES, COSTS, DAMAGES, EXPENSES, AND LIABILITIES (HEREIN COLLECTIVELY REFERRED TO AS "LOSSES") OF WHATSOEVER NATURE, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES, COSTS OF LITIGATION, COURT COSTS, AMOUNTS PAID IN SETTLEMENT AND AMOUNTS PAID TO DISCHARGE JUDGMENTS RELATING TO ANY CLAIM, LAWSUIT, CAUSE OF ACTION OR OTHER LEGAL ACTION OR PROCEEDING BROUGHT AGAINST THE CITY OR TO WHICH THE CITY MAY BE A PARTY, DIRECTLY OR INDIRECTLY RESULTING FROM, ARISING OUT OF, OR RELATING TO THE ACQUISITION, PURCHASE OR CONSTRUCTION OF THE IMPROVEMENT AREA #2 AND #3 PROJECTS PRIOR TO THE ISSUANCE OF ANY APPLICABLE MAINTENANCE BOND. IN THE EVENT OF ANY ACTION BROUGHT AGAINST THE CITY IN WHICH INDEMNIFICATION BY DEVELOPER IS APPLICABLE, THE CITY SHALL PROMPTLY GIVE WRITTEN NOTICE TO DEVELOPER AND DEVELOPER SHALL ASSUME THE INVESTIGATION AND DEFENSE OF SUCH ACTION, INCLUDING THE EMPLOYMENT OF COUNSEL AND THE PAYMENT OF ALL EXPENSES. THE CITY SHALL HAVE THE RIGHT, AT THE CITY'S EXPENSE, TO EMPLOY SEPARATE COUNSEL AND TO PARTICIPATE IN THE INVESTIGATION AND DEFENSE OF ANY SUCH ACTION. DEVELOPER SHALL NOT BE LIABLE FOR THE SETTLEMENT OF ANY SUCH ACTION MADE BY THE CITY WITHOUT THE CONSENT OF DEVELOPER; PROVIDED, HOWEVER, IN THE EVENT OF ANY SETTLEMENT ENTERED INTO WITH THE CONSENT OF DEVELOPER OR OF ANY

FINAL JUDGMENT FOR A PLAINTIFF IN ANY SUCH ACTION, DEVELOPER SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ANY LOSSES INCURRED BY REASON OF SUCH SETTLEMENT OR JUDGMENT. THE EXPIRATION OF THE TERM OF THIS AGREEMENT SHALL NOT RELIEVE DEVELOPER FROM ANY LIABILITY HEREUNDER ARISING PRIOR TO THE EXPIRATION OF THIS AGREEMENT.

SECTION 4.
ADDITIONAL PROVISIONS

4.1 **Term**. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of: (i) the Maturity Date, (ii) the date on which the Reimbursement Agreement Balance is paid in full, or (iii) the date on which the PID Bonds are fully retired.

4.2 **No Competitive Bidding**. Construction of the Improvement Area #2 and #3 Projects shall not require competitive bidding pursuant to Section 252.022(a)(9), Texas Local Government Code, as amended. All plans and specifications, but not construction contracts, shall be reviewed and approved, in writing, by the City prior to Developer selecting the contractor. The City shall have the right to examine and approve the contractor selected by Developer prior to executing a construction contract with the contractor, which approval shall not be unreasonably delayed or withheld.

4.3 **Independent Contractor**. In performing this Agreement, Developer is an independent contractor and not the agent or employee of the City.

4.4 **Audit**. The City Representative shall have the right, during normal business hours and upon not less than three (3) Business Days' prior written notice to Developer, to review all books and records of Developer relating to costs and expenses incurred by Developer with respect to any of the Improvement Area #2 and #3 Projects. For a period of two (2) years after completion of the Improvement Area #2 and #3 Projects, books shall be maintained in accordance with customary real estate accounting principles.

4.5 **Representations and Warranties**.

4.5.1 Developer represents and warrants to the City that: (a) Developer has the authority to enter into and perform its obligations under this Agreement; (b) Developer has the financial resources, or the ability to obtain sufficient financial resources, to satisfy and comply with Developer's obligations under this Agreement; (c) the person executing this Agreement on behalf of Developer has been duly authorized to do so; (d) this Agreement is binding upon Developer in accordance with its terms; and (e) the execution of this Agreement and the performance by Developer of its obligations under this Agreement do not constitute a breach or event of default by Developer under any other agreement, instrument, or order to which Developer is a party or by which Developer is bound.

4.5.2 The City represents and warrants to Developer that: (a) the City has the authority to enter into and perform its obligations under this Agreement; (b) the person executing this Agreement on behalf of the City has been duly authorized to do so; (c) this Agreement is binding upon the City in accordance with its terms; and (d) the execution of this Agreement and the performance by the City of its obligations under this Agreement do not constitute a breach or event

of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

4.6 Default/Remedies.

4.6.1 If either Party fails to perform an obligation imposed on such Party by this Agreement (a "Failure") and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." If a Failure is monetary, the non-performing Party shall have ten (10) Business Days following delivery of written notice by the other Party within which to cure. If the Failure is non-monetary, the non-performing Party shall have thirty (30) days following delivery of written notice by the other Party within which to cure.

4.6.2 If Developer is in Default, the City shall have available all remedies at law or in equity; provided no default by Developer shall entitle the City to terminate this Agreement, cease collection of the Assessments and deposit of the Assessment Revenues, or to withhold properly due payments to Developer from the PID Reimbursement Fund or the PID Project Fund in accordance with this Agreement and the Bond Indenture or on deposit in the PID Reimbursement Fund.

4.6.3 Subject to Section 3.7, if the City is in Default, Developer shall have available all remedies at law or in equity; provided, however, that no Default by the City shall entitle Developer to terminate this Agreement and that any financial obligation of the City will only be payable from monies available under the Bond Indenture.

4.7 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the City of any remedy or governmental immunity the City may have outside this Agreement against Developer or any other person or entity involved in the design, construction, or installation of the Improvement Area #2 and #3 Projects. The obligations of Developer hereunder shall be those of a Party hereto and not as an owner of property in the PID. Nothing herein shall be construed as affecting the City's or Developer's rights or duties to perform their respective obligations under other agreements, use regulations, or subdivision requirements relating to the development property in the PID.

4.8 Applicable Law; Venue. This Agreement is being signed and delivered and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply, the substantive laws of the State of Texas shall govern the interpretation and enforcement of this Agreement. In the event of a dispute involving this Agreement, venue shall lie in any court of competent jurisdiction in Ellis County, Texas.

4.9 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (a) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (b) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City:

City of Red Oak
Attn: City Manager
200 Lakeview Pkwy.
Red Oak, Texas 75154
tfuller@redoaktx.org

With a copy to:

Nichols, Jackson, Dillard, Hager & Smith, LLP
Attn: Robert E. Hager
1800 Ross Tower
500 N. Akard St., Suite 1800
Dallas, Texas 75201
rhager@njdhs.com

To Developer:

Red Oak 66 Holdings, LLC
The Oaks of Red Oak, LLC
Attn: Steve Fluker
5055 Keller Springs Road, Suite 500
Addison, Texas 75001
stevef@trezcapital.com

With a copy to:

Coats Rose PC
Attn: Tim Green
16000 N. Dallas Pkwy, Suite 350
Dallas, Texas 75248
tgreen@coatsrose.com

Any Party may change its address by delivering notice of the change in accordance with this section.

4.10 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound, the provisions and intent of the Bond Indenture controls. This Agreement may only be amended by written agreement of the Parties.

4.11 Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions.

4.12 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

4.13 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City and Developer, any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City and Developer.

4.14 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original. The City and the Developer agree that electronic signatures to this Agreement may be regarded as original signatures.

4.15 Employment of Undocumented Workers. During the term of this Agreement, Developer agrees not to knowingly employ any undocumented workers and if convicted of a violation under 8 U.S.C. Section 1324a (f), Developer shall repay the amount of any Reimbursement Payment or other funds received by Developer from City from the date of this Agreement to the date of such violation within 120 days after the date Developer is notified by City of such violation, plus interest at the rate of 4% compounded annually from the date of violation until paid. Developer is not liable for a violation of this section by a subsidiary, affiliate, or franchisee of Developer or by a person with whom Developer contracts.

4.16 Statutory Verifications. The Developer makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Reimbursement Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Reimbursement Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Reimbursement Agreement, notwithstanding anything in this Reimbursement Agreement to the contrary.

a. *Not a Sanctioned Company*. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

b. *No Boycott of Israel*. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Reimbursement Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

c. *No Discrimination Against Firearm Entities*. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a

firearm entity or firearm trade association during the term of this Reimbursement 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. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Reimbursement Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

4.17 **Form 1295**. Unless the Developer represents in writing that it is exempt from filing of such form, the Developer will provide a completed and notarized Form 1295 generated by the Texas Ethics Commission's electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the Texas Ethics Commission (a "Form 1295"), in connection with entry into this Agreement. Upon receipt of the Developer's Form 1295, the City agrees to acknowledge the Developer's Form 1295 through its electronic filing application. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, the City is not responsible for the information contained in the Developer's Form 1295 and the City has not verified such information

4.18 **Recitals**. The recitals set forth in Section 1: (a) are part of this Agreement for all purposes; (b) are true and correct; and (c) each Party has relied upon such recitals in entering into this Agreement.

4.19 **Assignability**. Except as otherwise provided herein, this Agreement may be assigned by Developer only upon written consent of the City, which shall not be unreasonably withheld. Notwithstanding the foregoing, and upon written notice to the City, Developer may (a) assign this Agreement in whole or in part to any related entity or affiliate of Developer, or (b) grant security interests pursuant to a collateral assignment to any bank or lending institution in Developer's rights hereunder and to all sums to be paid to Developer by the City pursuant to this Agreement; provided that, the right of any assignee or grantee to receive payments or any other funds described in this Agreement (i) shall be subordinate to deposits required to provide for the security for and payment of PID Bonds and any administrative costs of funds created under an Indenture related to PID Bonds, (ii) shall not include revenues from the portion of Assessments levied to pay Annual Collection Costs and Additional Interest and (iii) shall be subject to the flow of funds provisions of the applicable Indenture. No assignment, whether with or without the City's prior consent, shall increase the liability of, or impose additional liabilities upon, the City beyond what is specifically provided for herein or increase the duties or expenses of, or impose additional duties or expenses upon, the City beyond what is specifically provided for herein.

4.20 **Captions**. The captions used in connection with the paragraphs of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement or used as interpreting the meanings and provisions hereof.

4.21 **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 (3) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance shall give notice to the other Party, 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. Any suspension of obligation(s) because of any force majeure shall terminate automatically sixty (60) days following the provision of the notice described by this section, unless otherwise separately agreed by the Parties or unless the Party whose obligation was suspended by the force majeure is prohibited by law to perform such obligation, in which case said Party shall perform such obligation(s) as soon as reasonably practical after the legal impediment to such performance has ended. The term "force majeure", as used herein, shall include, without limitation, acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemy; order of any kind of the Government of the United States or the State of Texas or any civil or military authority; insurrections; riots; epidemics and pandemics causing a disaster declaration by the State of Texas; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery; pipelines or canals; partial or total failure of water supply and inability to provide water necessary for operation of the sewer system, or to receive waste; and any other inabilities of the Party, whether similar to those enumerated or otherwise, which are not within the control of the Party, which the Party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of such Party, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing Party when such settlement is unfavorable to it in the judgment of such Party.

SIGNED AND AGREED this 13th day of July, 2026.

CITY OF RED OAK, TEXAS

By: _____
Mayor

ATTEST:

_____
City Secretary

SIGNED AND AGREED this __ day of _____, 2026.

DEVELOPER

THE OAKS OF RED OAK, LLC,
a Texas limited liability company

By: _____

Name: John D. Hutchinson

Its: President

RED OAK 66 HOLDINGS, LLC,
a Texas limited liability company

By: _____

Name: John D. Hutchinson

Its: President

Exhibit A

FORM OF CERTIFICATE FOR PAYMENT

The undersigned is an agent for The Oaks of Red Oak, LLC, a Texas limited liability company and Red Oak 66 Holdings, LLC a limited liability company (collectively, "**Developer**"), and requests payment from the City of Red Oak, Texas (the "**City**") out of [*the Improvement Area #2 Bond Improvement Account of the Project Fund* in the amount of _____ ($_____)] / [*the Improvement Area #3 Bond Improvement Account of the Project Fund* in the amount of _____ ($_____)] / [*the PID Reimbursement Fund* in the amount of _____ ($_____)] for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain [Improvement Area #2 Projects and/or Improvement Area #3 Projects] providing a special benefit to property within the Red Oak Public Improvement District No. 1. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the PID Reimbursement Agreement, entered into between Developer and the City, relative to Red Oak Public Improvement District No. 1, dated _____, 2026 (the "**Reimbursement Agreement**"). In connection with the above referenced payment, Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of Developer, is qualified to execute this Certificate for Payment Form on behalf of Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced [Improvement Area #2 Projects and/or Improvement Area #3 Projects] has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The amount listed below is a true and accurate representation of the [Improvement Area #2 Project Costs and/or Improvement Area #3 Project Costs] associated with the creation, acquisition, or construction of said [Improvement Area #2 Projects and/or Improvement Area #3 Projects] and such costs: (a) are in compliance with the Reimbursement Agreement; and (b) are consistent with the Service and Assessment Plan.

4. Developer is in compliance with the terms and provisions of the Development Agreement, Developer Continuing Disclosure Agreement, Reimbursement Agreement and the Service and Assessment Plan.

5. Developer has timely paid all ad valorem taxes and annual installments of special assessments it owes or an entity Developer controls owes, located in the Red Oak Public Improvement District No. 1 and has no outstanding delinquencies for such assessments.

6. All conditions set forth in the Bond Indenture for the payment hereby requested have been satisfied.

7. The work with respect to the [Improvement Area #2 Projects and/or Improvement Area #3 Projects] referenced below (or its completed segment, section, or portion thereof) has been

completed, and the City has inspected such [Improvement Area #2 Projects and/or Improvement Area #3 Projects].

8. Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

9. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for [Improvement Area #2 Projects and/or Improvement Area #3 Projects] identified may be paid until the work with respect to such [Improvement Area #2 Projects and/or Improvement Area #3 Projects] (or segment) has been completed and the City has accepted such [Improvement Area #2 Projects and/or Improvement Area #3 Projects] (or segment). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such [Improvement Area #2 Projects and/or Improvement Area #3 Projects] (or segment)

10. Developer confirms that, based on (i) all prior amounts paid to Developer from the PID Reimbursement Fund as of the date of this Certification for Payment and (ii) the percentage of completion of the [Improvement Area #2 Projects and/or Improvement Area #3 Projects] as of the date of this Certification for Payment as verified by the City payment of the amounts requested in this Certification for Payment, taking into account all prior payments for the [Improvement Area #2 Projects and/or Improvement Area #3 Projects] and the amount of work related to the [Improvement Area #2 Projects and/or Improvement Area #3 Projects] remaining to be completed as of the date of this Certification for Payment will not cause the amounts on deposit in the PID Reimbursement Fund to fall below the amount necessary to complete the remaining [Improvement Area #2 Projects and/or Improvement Area #3 Projects] taking into account the amounts available to the Developer under its private loan, a line of credit and/or any other form acceptable to the City.

Payments requested are as follows:

a. X amount to Person or Account Y for Z goods or services.
b. Payment / Wire Instructions

Attached hereto are invoices, cancelled checks, receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are **"bills paid" affidavits and supporting documentation** in the standard form for City construction projects.

Pursuant to the Reimbursement Agreement, after receiving this payment request, the City has inspected the [Improvement Area #2 Projects and/or Improvement Area #3 Projects] (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

I hereby declare that the above representations and warranties are true and correct.

[Remainder of page left blank intentionally]

DEVELOPER:

THE OAKS OF RED OAK, LLC,
a Texas limited liability company

By: _____

Name: _____

Its: _____

RED OAK 66 HOLDINGS, LLC,
a Texas limited liability company

By: _____

Name: _____

Its: _____

APPROVAL OF REQUEST BY THE CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, acknowledges that the [Improvement Area #2 Projects and/or Improvement Area #3 Projects] (or its completed segment) covered by the certificate have been inspected by the City, and otherwise finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and directs Wilmington Trust, National Association, as Trustee for the PID Bonds, to make such payments from the applicable account of the PID Project Fund to Developer or to any person designated by Developer.

Amount of Certificate for Payment Request	Amount to be Paid by Trustee from Improvement Area #2 Bond Improvement Account	Amount to be Paid by Trustee from Improvement Area #3 Bond Improvement Account	Amount to be Paid from PID Reimbursement Fund
$_____	$_____	$_____	$_____

CITY OF RED OAK, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for The Oaks of Red Oak, LLC, a Texas limited liability company and Red Oak 66 Holdings, LLC, a Texas limited liability company (collectively, "Developer") and requests payment to Developer (or to the person designated by Developer) from the applicable account of the PID Project Fund from _____, National Association (the "Trustee") in the amount of _____ ($_____) to be transferred from the applicable account of the PID Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration and operation of Red Oak Public Improvement District No. 1 (the "District") and costs associated with the issuance of PID Bonds, as follows.

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City and the Trustee dated as of _____, 2026 (the "Indenture") relating to the "City of Red Oak, Texas, Special Assessment Revenue Bonds, Series 2026 (Red Oak Public Improvement District No. 1 Improvement Area #2 and #3 Project)" (the "PID Bonds").

In connection with the above referenced payment, Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of Developer, is qualified to execute this Closing Disbursement Request on behalf of Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior payment request submitted to the City.

3. The amount listed for the below costs is a true and accurate representation of the Improvement Area #2 and #3 Project Costs associated with the establishment, administration and operation of the District at the time of the delivery of the PID Bonds, and such costs are in compliance with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the Bond Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture and the Reimbursement Agreement for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

[Information regarding Payee, amount, and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

DEVELOPER:

THE OAKS OF RED OAK, LLC,
a Texas limited liability company

By: _____

Name: _____

Its: _____

RED OAK 66 HOLDINGS, LLC,
a Texas limited liability company

By: _____

Name: _____

Its: _____

APPROVAL OF REQUEST BY THE CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and directs payment to be made from Costs of Issuance Account upon delivery of the PID Bonds.

CITY OF RED OAK, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

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APPENDIX G

DEVELOPMENT AGREEMENT

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STATE OF TEXAS	§	**PUBLIC IMPROVEMENT DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF RED OAK TEXAS AND AMALGAMATED PROPERTIES, LLC**
	§	
COUNTY OF ELLIS	§	

This Development Agreement (this "Agreement") is entered into by and between the **CITY OF RED OAK**, a home-rule municipality in Ellis County, Texas (the "City"), and **AMALGAMATED PROPERTIES, LLC.**, a Delaware limited liability company, ("Developer"), to be effective on the Effective Date.

SECTION 1
RECITALS

WHEREAS, certain terms used in these recitals are defined in Section 2; and

WHEREAS, Developer and the City are sometimes collectively referenced in this Agreement as (the "Parties,") or each individually as ("Party"); and

WHEREAS, Developer is expected to develop approximately 210.41 acres of real property located within the municipal limits of the City, described by metes and bounds in **Exhibit A** and depicted in **Exhibit B** (the "Property"); and

WHEREAS, Developer desires to proceed with development of the Property to be known as "The Oaks", as generally illustrated on the Concept Plan in **Exhibit C**, which Development (as defined herein) is anticipated to occur over a number of years in phases; and

WHEREAS, the Property is currently zoned as a planned development pursuant to Ordinance **19-027**, as amended, adopted by the City Council on **June 10, 2019** (the "PD Zoning Ordinance") and the Development is expected to consist of approximately **655** residential units as outlined therein; and

WHEREAS, the Parties further intend that the Property be developed generally in accordance with this Agreement and the City Regulations, including the PD Zoning Ordinance; and

WHEREAS, Developer plans to begin development of the Property upon the execution of this Agreement, the submission and approval of a preliminary plat consistent with the Concept Plan, and creation of the Public Improvement District ("PID") by the City to fund certain costs of acquisition and construction of certain public improvements and certain other associated costs to benefit the Property; and

WHEREAS, Developer desires and intends to design, construct and install and/or make financial contributions to certain Authorized Improvements to serve the Development; and

WHEREAS, the Parties intend for the design, construction, and installation of the Authorized Improvements to occur in a phased manner and that Developer will dedicate the Authorized Improvements to the City for use and maintenance, subject to approval of the plans and inspection and acceptance of the Authorized Improvements in accordance with this Agreement and the City Regulations and, contingent upon the creation of the PID, the execution and delivery of a Reimbursement Agreement (or similar agreement) as described in Section 372.023, Texas Local Government Code for financing of such Authorized Improvements; and

WHEREAS, the City holds the sanitary sewer certificate of convenience and necessity ("CCN") for all of the Property, and the Parties intend and desire for the City to be the retail provider of sanitary sewer service to and for the entire Property; and

WHEREAS, the development of the Property will require the construction of certain public infrastructure necessary to provide adequate services to the Property (the "Improvements"); and

WHEREAS, the Developer estimates that: (i) the total costs to develop the Property will be approximately $38,000,000; (ii) and the anticipated Authorized Improvements Cost will be approximately $11,500,000; and

WHEREAS, promptly upon creation of the PID and in conjunction with the development of the first phase of the Development, the City intends to proceed with the issuance of the first series of PID Bonds in the approximate amount of $7,500,000, for that portion of the Authorized Improvements referenced for Zone 1 in Exhibit "D"; and

WHEREAS, in conjunction with the development of an agreed upon future phase of the Development, the City will issue a second series of PID Bonds in the approximate amount of $4,000,000, the proceeds of which shall be used to construct that portion of the Authorized Improvements referenced for Zone 2 in Exhibit "D"; and

WHEREAS, any portion of the Assessments not needed to amortize the PID Bonds and pay the Administrative Expenses will be used to reimburse Developer for a portion of the Authorized Improvements Costs pursuant to a Reimbursement Agreement to be entered into between the City and Developer; and

WHEREAS, in consideration of Developer's agreements contained herein and upon the creation of the PID, the City shall exercise its powers under Chapter 372, Subchapter A, Texas Local Government Code, hereinafter (PID Act) to provide financing arrangements that will enable Developer to do the following in accordance with the procedures and requirements of the PID Act and this Agreement: (a) construct the PID Projects from a combination of the proceeds of the PID Bonds and monies advanced by Developer; (b) be reimbursed for a portion of the PID Projects using the PID Bond Proceeds; or (c) be reimbursed for a portion of the PID Projects, from Assessments on the Property, provided that such reimbursements shall be subordinate to the payment of (i) PID Bonds, (ii) Administrative Expenses, and (iii) any amounts owed to the City by Developer in connection with the PID; and

WHEREAS, the City, subject to the consent and approval of the City Council, the satisfaction of all conditions for PID Bond issuance, Developer's compliance with this Agreement, and in accordance with the terms of this Agreement and all legal requirements, including but not limited to the Indenture, shall use good faith efforts to: (i) adopt a Service and Assessment Plan; (ii) adopt one or more Assessment Ordinances (to reimburse Developer for all or a portion of the PID Projects Cost 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, up to $11,500,000 in principal amount of PID Bonds for the purpose of financing the PID Projects in accordance with the Service and Assessment Plan and reimbursing Developer for certain associated costs which have been expended by Developer; and

WHEREAS, to the extent funds must be advanced to pay for any costs associated with the creation of the PID, the issuance of PID Bonds, or the preparation of documentation related thereto, including any costs incurred by the City and its consultants and advisors (excluding the fees associated with closing the PID Bonds and paid from PID Bond Proceeds), Developer shall be responsible for advancing such funds and shall be reimbursed from the PID Bond Proceeds or Assessment revenues, and the City will not be responsible for such reimbursement or the payment of any such costs from any other sources of funds; and

WHEREAS, Developer understands and acknowledges that the obligations undertaken under this Agreement are primarily for the benefit of the Property; and

WHEREAS, the City recognizes the positive impact the Authorized Improvements will bring to the City and that said improvements will promote state and local economic development, stimulate business and commercial activity in the City for the development and diversification of the economy of the state, promote the development and expansion of commerce in the state, and reduce unemployment or underemployment in the state; and

WHEREAS, unless expressly set forth to the contrary in this Agreement, the Parties intend this Agreement to supersede City Regulations only to the extent that City Regulations directly conflict with the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

SECTION 2
DEFINITIONS

Certain terms used in this Agreement are defined in this Section 2. Other terms used in this Agreement are defined in the recitals or in other sections of this Agreement. Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

Administrative Expenses shall include reasonable expenses incurred by the City and Developer in the establishment, administration, and operation of the PID.

Administrator means an employee, consultant, or designee of the City who shall have the responsibilities provided in the Service and Assessment Plan, an Indenture, or any other agreement

or document approved by the City related to the duties and responsibilities for the administration of the PID.

Assessment(s) means the special assessments levied on the Property under one or more Assessment Ordinances adopted to fund a portion of the Authorized Improvements Costs and/or reimburse Developer for a portion of the Authorized Improvements Costs as set forth in the Service and Assessment Plan, as well as payment of Administrative Expenses and repayment of the PID Bonds and the costs associated with the issuance of the PID Bonds. The maximum tax equivalent assessment rate for the PID to be levied on a Lot is anticipated to be up to $0.39 per $100 on the projected value of the Lot and the taxable improvements to be constructed on such Lot.

Assessment Ordinance means an ordinance approved by the City Council under the PID Act establishing one or more Assessment(s).

Authorized Improvements means the PID Projects and all other on- and off-site public water, sewer, drainage, and roadway facilities, along with other public improvements, such as improvements and amenities, to be constructed by Developer, including without limitation the improvements identified on **Exhibit D**, which benefit the Property and for which the Parties intend to be funded by the PID Bonds for which Developer will be fully or partially reimbursed pursuant to the terms of this Agreement.

Authorized Improvements Cost mean the actual costs of design, engineering, construction, acquisition, and inspection of the Authorized Improvements and all cost related in any manner to the Authorized Improvements.

Bond Ordinance means an ordinance adopted by the City Council that authorizes and approves the issuance and sale of the PID Bonds.

Budgeted Cost means, with respect to any given Authorized Improvement, the estimated cost of the improvement as set forth by phase in **Exhibit D**.

City Code means the Code of Ordinances, City of Red Oak, Texas.

City Council means the governing body of the City.

City Manager means the then current or acting City Manager of the City of Red Oak or a person designated to act on behalf of that individual if the designation is in writing and signed by the then current or acting City Manager.

City Regulations means the City's applicable development regulations in effect on the Effective Date, including without limitation City Code provisions, ordinances (including, without limitation, park dedication fees), design standards (including, without limitation, pavement thickness), and other policies duly adopted by the City; provided, however, that as it relates to Public Infrastructure for any given phase, the applicable construction standards (including, without limitation, uniform building codes) shall be those that the City has duly adopted at the time of the filing of an application for a preliminary plat for that phase, unless construction has not commenced within two (2) years of approval of such preliminary plat in which case the

construction standards shall be those that the City has duly adopted at the time that construction commences.

Concept Plan means the intended plan for the development of the Property, as depicted on **Exhibit C**.

Developer means the entity(ies) responsible for developing the Property in accordance with this Agreement.

Developer Continuing Disclosure Agreement means any continuing disclosure agreement of Developer executed contemporaneously with the issuance and sale of PID Bonds.

Developer Improvement Account means the construction fund account created under the Indenture, funded by Developer, and used to pay for portions of the acquisition, design, and construction of the PID Projects.

Development means the The Oaks residential development to be developed consistent with the Concept Plan and under the terms of this Agreement on the Property that is the subject of this Agreement.

Development Standards means the design specifications and construction standards permitted or imposed by this Agreement and applicable City Regulations, including the PD Zoning Ordinance, as amended.

Enhanced Facility means the parks to be developed by Developer pursuant to Section 5.7 herein.

Effective Date means the effective date of this Agreement, which shall be the date upon which all parties have fully executed and delivered this Agreement and the City's legal counsel has signed this Agreement, approving same as to form.

End User means any tenant, user, or owner of a Fully Developed and Improved Lot, but excluding the HOA.

Fully Developed and Improved Lot or Lot means any privately-owned lot in the Property, regardless of proposed use, intended to be served by the Authorized Improvements and for which a final plat has been approved by the City and recorded in the Real Property Records of Ellis County.

HOA means The Oaks Home Owners Association, or such similar name as shall be organized and imposed by the Developer under covenants running with the land to ensure compliance with deed restrictions.

Home Buyer Disclosure Program means the disclosure program, administered by the Administrator as set forth in a document in the form of **Exhibit E**, or another form agreed to by the Parties, that establishes a mechanism to disclose to each End User the terms and conditions under which their lot is burdened by the PID.

Impact Fees means those fees normally assessed before or at the time of recordation of a final plat and collected by the City (but excluding any fees owed Rockett SUD) at the time the City issues a building permit in accordance with Chapter 395, Texas Local Government Code, and as defined therein.

Improvement Account of the Project Fund ("IAPF") means the construction funds or accounts created under the applicable Indenture, funded by the PID Bond Proceeds, and used to pay for certain portions of the construction or acquisition of the PID Projects or to reimburse Developer for certain portions of the construction or acquisition of the PID Projects.

Indenture means a trust indenture by and between the City and a trustee bank under which PID Bonds are issued and funds are held and disbursed.

Indenture Accounts means the IAPF and Developer Improvement Account.

Mayor means the Mayor of the City of Red Oak.

Notice means any notice required or contemplated by this Agreement (or otherwise given in connection with this Agreement).

PID means the The Oaks Public Improvement District which the City created in conjunction with this Agreement for the benefit of the Property pursuant to the PID Act.

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

PID Bonds means assessment revenue bonds, but not Refunding Bonds, issued by the City pursuant to the PID Act to finance the PID Projects.

PID Bond Proceeds means the funds generated from the sale of the PID Bonds.

PID Documents means, collectively, the PID Resolution, the Service and Assessment Plan, and the Assessment Ordinance(s).

PID Projects means all public purpose water, sanitary sewer, drainage, roadway, common areas and park improvements or amenities allowable under the PID Act and benefitting and necessary to serve the public and the Development, identified in the PID Documents and outlined in **Exhibit D**.

PID Projects Cost means the actual cost of design, engineering, construction, acquisition, and/or inspection of the PID Projects, along with Administrative Expenses associated with the PID.

PID Resolution means the resolution and improvement order adopted by the Council creating the PID pursuant to Section 372.010 of the PID Act and approving the advisability of the Authorized Improvements.

Public Infrastructure means all roadways, streets, alleys, waterlines, wastewater, drainage, common areas, entry features to serve the full development of the Property and/or to be constructed and dedicated to the City, as applicable, under this Agreement. The term includes the PID Projects.

Real Property Records of Ellis County means the official land recordings of the Ellis County Clerk's Office.

Refunding Bonds means bonds issued pursuant to Section 372.027, Texas Local Government Code.

Reimbursement Agreement means an agreement to be entered into between Developer and the City pursuant to which the City will reimburse Developer for the Authorized Improvement Cost (including cost of creating the PID) from proceeds of the sale of the PID Bonds and/or Assessments.

Service and Assessment Plan ("SAP") means the Service and Assessment Plan for the PID, to be adopted and amended annually, if needed, by the City Council pursuant to the PID Act for the purpose of assessing allocated costs against portions of the Property located within the boundaries of the PID having terms, provisions, and findings approved by the City, as required by this Agreement.

Service and Assessment Plan Consultant ("SAP Consultant") means the consultant selected through mutual agreement by the Parties to assist in the preparation of the SAP.

Subdivision Ordinance means Ordinance No. ORD-07-13, together with any amendments thereto that are in effect as of the Effective Date hereof.

Trustee means the Trustee named under the applicable Indenture.

SECTION 3
PUBLIC IMPROVEMENT DISTRICT

3.1 Creation of PID and Levy of Assessments. The City anticipates creating **The Oaks Public Improvement District** on December 14 2020, which covers and includes the Property. The City shall use good faith efforts to initiate and approve all necessary documents and ordinances required to effectuate this Agreement and to levy the Assessments. The Assessments shall be levied: (i) on the applicable portion of the Property benefitted by the PID Projects for which the applicable series of the PID Bonds are issued, and (ii) prior to the sale of any Lot to an End User. The City and Developer will cooperate, in good faith, to select a mutually agreeable SAP Consultant and the City will approve the SAP, which shall include the PID Projects, providing for the levy of the Assessments on the Property. Promptly following preparation and approval of a preliminary SAP acceptable to Developer and the City, and subject to the City Council making findings that the PID Projects confer a special benefit on the Property, the City Council shall adopt an Assessment Ordinance.

3.2 Acceptance of Assessments and Recordation of Covenants Running with the Land. Following the levy of the Assessments applicable to a particular portion of the Development, the Developer shall (i) approve and accept, or cause to be approved and accepted, in writing the levy

of the Assessment(s) on the Property, and (ii) shall approve and accept in writing the Home Buyer Disclosure Program related to such portion of the Property, and shall cause covenants to be recorded against such portion of the Property running with the land that will bind any and all current and successor developers and owners of all or any part of the portion of the Property to: (a) pay the Assessments, with applicable interest and penalties thereon, as and when due and payable hereunder and that the purchasers of such land take their title subject to and expressly assume the terms and provisions of such assessments and the liens created thereby; and (b) comply with the Home Buyer Disclosure Program.

SECTION 4
PID BONDS

4.1 PID Bond Issuance. The Developer may request issuance of PID Bonds by filing with the City a list of the PID Projects to be funded with the PID Bond Proceeds and the estimated costs of such PID Projects. The Developer acknowledges that the City may require at that time a professional services agreement that obligates Developer to fund the costs of the City's professionals relating to the preparation for and issuance of PID Bonds, which amount shall be agreed to by the Parties and considered a cost payable from such PID Bond Proceeds. The issuance of each series of PID Bonds is subject to the following conditions:

(a) the adoption or amendment of the Service and Assessment Plan and an Assessment Ordinance levying assessments on all or any portion of the Property benefitted by such PID Projects in amounts sufficient to pay all costs related to such PID Bonds;

(b) the PID Bond Proceeds from each series of PID Bonds shall be in an amount estimated to be sufficient to fund the PID Projects for which such PID Bonds are being issued (including any monies agreed to be provided by Developer);

(c) Delivery by the Developer to the City of a certification or other evidence from an independent appraiser or other professional reasonably acceptable to the City confirming that the special benefits conferred on the properties being assessed for the PID Projects increase the value of the property by an amount at least equal to the amount assessed against such property;

(d) Delivery by Developer to the City of a certification or other evidence from an independent appraiser or other professional acceptable to the City and the City confirming a taxable appraised value to lien (aggregate principal amount of such PID Bonds and all outstanding previously issued PID Bonds) ratio of a minimum 3.0 on a parcel by parcel basis, and shall be based on the assumption that development of the property will only include completion of the Authorized Improvements financed with such PID Bonds, previously issued PID Bonds and any other funds that have been or will be deposited by Developer with the Trustee for the PID Bonds or the Trustee for the previously issued PID Bonds;

(e) approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas;

(f) The City's evaluation and determination that there will be no negative impact on the City's creditworthiness, bond rating, access to capital, or potential for liability.

(g) The City's evaluation and determination that the amount of proposed Assessments and the structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the Authorized Improvements Costs to be financed and the degree of development activity within the PID, and that there is sufficient security for the PID Bonds to be marketable.

(h) Developer is current on all taxes, assessments, fees and obligations to the City, including without limitation payment of Assessments;

(i) Developer is not in default under this Agreement;

(j) no outstanding PID Bonds are in default and no reserve funds have been drawn upon that have not been replenished;

(k) review and approval by the City of the plats and construction plans for the PID Projects for which the respective series of PID Bonds are being issued to fund;

(l) the Administrator has certified that the specified portions of the costs of the PID Projects to be paid from PID Bond Proceeds are eligible to be paid therewith;

(m) the PID Projects to be financed by the PID Bonds have been or will be constructed according to the Development Standards;

(n) the maximum maturity for any PID Bonds shall not exceed 30 years from the date of delivery thereof;

(o) the final maturity for any PID Bonds shall be not later than 36 years from the date of this Agreement;

(p) 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;

(q) simultaneous with closing the PID Bonds, Developer shall either (i) fund or cause the funding of, or (ii) provide evidence of financial security sufficient to fund the Authorized Improvements to the extent that the Authorized Improvements have not already been completed and paid for by Developer or otherwise to the extent that the PID Bonds are insufficient to fund such Authorized Improvements, a (i) letter or credit, or (ii) other evidence of sufficient responsibility reasonably acceptable to the City, shall be sufficient in lieu of a cash payment;

(r) the Developer agrees to provide periodic information and notices of material events regarding Developer and Developer's development of the Property within the PID in accordance with any Developer Continuing Disclosure Agreement relating to the PID Bonds;

(s) Developer is not in default under a Developer Continuing Disclosure Agreement; and

(t) for the issuance of any Refunding Bonds, the amount of assessment necessary to pay the Refunding Bonds shall not exceed the amount of the assessments that were levied to pay the PID Bonds that are being refunded.

4.2 Disclosure Information. Prior to the issuance 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.

4.3 Qualified Tax-Exempt Status.

(a) Generally. In any calendar year in which PID Bonds are issued, Developer agrees to pay the City its actual additional costs ("Additional Costs") the City may incur in the issuance of City obligations (the "City Obligations"), as described in this section, if the City Obligations are deemed not to qualify for the designation of qualified tax-exempt obligations ("QTEO"), as defined in section 265(b)(3) of the Internal Revenue Code ("IRC") as amended, as a result of the issuance of PID Bonds by the City in any given year. The City agrees to deposit all funds for the payment of such Additional Costs received under this section into a segregated account of the City, and such funds shall remain separate and apart from all other funds and accounts of the City until December 31 of the calendar year in which the PID Bonds are issued, at which time the City is authorized to utilize such funds for any purpose permitted by law. On or before January 15th of the following calendar year, the final Additional Costs shall be calculated. By January 31st of such year, any funds in excess of the final Additional Costs that remain in such segregated account on December 31st of the preceding calendar year shall be refunded to the developers or owners (including the Developer, as applicable) and any deficiencies in the estimated Additional Costs paid to the City by any developer or owner (including the Developer, as applicable) shall be remitted to the City by the respective developer or owner (including the Developer, as applicable).

(b) Issuance of PID Bonds prior to City Obligations.

(1) In the event the City issues PID Bonds prior to the issuance of City Obligations, the City, with assistance from its financial advisor ("Financial Advisor"), shall calculate the estimated Additional Costs based on the market conditions as they exist approximately 30 days prior to the date of the pricing of the PID Bonds (the "Estimated Costs"). The Estimated Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to Developer in an amount equal to the Estimated Costs. Developer, in turn, shall remunerate to the City the amount shown on said invoice on or before the earlier of: (i) 15 business days after the date of said invoice, or (ii) 5 business days prior to pricing the PID Bonds. The City shall not be required to price or sell any series of PID Bonds until Developer has paid the invoice related to the PID Bonds then being issued.

(2) Upon the City's approval of the City Obligations, the Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO. The City will, within 5 business days of the issuance of the City Obligations, provide written notice to Developer of the amount of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to Developer the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice to Developer required under this paragraph. If the Additional Costs are more than the Estimated Costs, Developer will pay to the City the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice required under this paragraph.

(c) Issuance of City Obligations prior to PID Bonds.

(1) In the event the City issues City Obligations prior to the issuance of PID Bonds, the City, with assistance from the financial advisor, shall calculate the Estimated Costs based on the market conditions as they exist approximately 20 days prior to the date of the pricing of the City Obligations. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to Developer: (1) in an amount equal to the Estimated Costs, and (2) that includes the pricing date for such City Obligations. The Developer, in turn, shall remunerate to the City the amount shown on said invoice at least 15 days prior to the pricing date indicated on the invoice. If Developer fails to pay the Estimated Costs as required under this paragraph, the City, at its option, may elect to designate the City Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year.

(2) Upon the City's approval of the City Obligations, the Financial Advisor shall calculate the actual Additional Costs to the City of issuing non-QTEO City Obligations. The City will, within 5 business days of the issuance of the City Obligations, provide written notice to Developer of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to Developer the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice to Developer. If the Additional Costs are more than the Estimated Costs, Developer will pay to the City the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice.

(d) To the extent any developer(s) or property owner(s) in the City (including Developer, as applicable) has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by a developer or property 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 property owner(s) (including Developer, as applicable) as necessary so as to put all developers and property owners (including Developer, if applicable) so paying for the same calendar year in the proportion set forth in subsection (e), below, said reimbursement to be made by the City within 15 business days after its receipt of such subsequent payments of such Additional Costs.

(e) The City shall charge Additional Costs attributable to any other developer or property owner on whose behalf the City has issued debt in the same manner as described in this section, and Developer shall only be liable for its portion of the Additional Costs under this

provision, and if any Additional Costs in excess of Developer's portion has already been paid to the City under this provision, then such excess of Additional Costs shall be reimbursed to Developer. The portion owed by Developer shall be determined by dividing the total proceeds from any debt issued on behalf of Developer in such calendar year by the total proceeds from any debt issued by the City for the benefit of all developers (including Developer) in such calendar year.

4.4 Tax Certificate. If, in connection with the issuance of the PID Bonds, the City is required to deliver a certificate as to tax exemption (a "Tax Certificate") to satisfy requirements of the IRC, 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 on 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 PID Bond Proceeds, including, but not limited to, the use of the Authorized Improvements, 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.

SECTION 5
AUTHORIZED IMPROVEMENTS

5.1 Authorized Improvements. The Authorized Improvements and Authorized Improvements Cost are subject to change and shall be updated by the City consistent with the Service and Assessment Plan and the PID Act. All approved final plats within the Development shall include those Authorized Improvements located therein and the respective Authorized Improvements Cost shall be finalized at the time the applicable final plat is approved by the City Council. The Developer shall include any updated Budgeted Cost(s) with each final plat application which shall be submitted to the City Council for consideration and approval concurrently with the submission of each final plat. Upon approval by the City Council of any such updated Budgeted Cost(s), this Agreement shall be deemed amended to include such approved updated Budgeted Cost(s) in **Exhibit D**. The Budgeted Costs, Authorized Improvements Cost, and the timetable for installation of the Authorized Improvements will be reviewed annually by the Parties in an annual update of the Service and Assessment Plan adopted and approved by the City.

5.2 Construction, Ownership, and Transfer of Authorized Improvements.

(a) Contract Specifications. Developer's engineers shall prepare, or cause the preparation of, and provide the City with contract specifications and necessary related documents for the Authorized Improvements.

(b) Construction Standards, Inspections and Fees. Except as otherwise expressly set forth in this Agreement and the Facilities Agreement, the Authorized Improvements and all other Public Infrastructure required for the development of the Property shall be constructed

and inspected, and all applicable fees, including but not limited to permit fees and inspection fees, shall be paid by Developer, in accordance with this Agreement, the City Regulations, and any other governing body or entity with jurisdiction over the Authorized Improvements.

(c) Contract Letting. The Parties understand that this Agreement and construction of the Authorized Improvements to be funded through Assessments are legally exempt from competitive bidding requirements pursuant to the Texas Local Government Code. The Parties acknowledge that, as of the Effective Date, the construction contracts for the construction of Authorized Improvements have not been awarded and contract prices have not yet been determined. Before entering into any construction contract for the construction of all or any part of the Authorized Improvements, Developer's engineers shall prepare, or cause the preparation of, and submit to the City all contract specifications and necessary related documents, including the contract proposal showing the negotiated total contract price and scope of work.

(d) Ownership. All of the Authorized Improvements and Public Infrastructure to be conveyed to the City (with exception of water line improvements to be conveyed by Developer to Rockett SUD) shall be owned by the City upon acceptance of them by the City. Developer agrees to take any action reasonably required by the City to transfer, convey, or otherwise dedicate or ensure the dedication of land, right-of-way, or easements for the Authorized Improvements and Public Infrastructure to the City and the public. All of the Authorized Improvements and Public Infrastructure to be conveyed to City shall be owned by City upon acceptance of them by City. Developer agrees to take any action reasonably required by City to transfer, convey, or otherwise dedicate or ensure the dedication of land, right-of-way, or easements for the Authorized Improvements and Public Infrastructure to City and the public. The Parties understand that PID Bond Proceeds and/or the proceeds from PID Assessments will be used to directly pay the contractor for such Authorized Improvements or reimburse Developer for the PID Projects Cost related to the PID Projects then being constructed. In the event PID Bond Proceeds and/or proceeds from PID Assessments are not available at the time the City is ready to accept all or a portion of the PID Projects, PID Bond Proceeds and/or proceeds from PID Assessments, once available, will be used to reimburse, upon approval by the SAP, the Developer for said PID Projects Cost.

(e) All Authorized Improvements conveyed to the City are subject to a two (2) year maintenance bond period from the date of City Acceptance as provided in a Maintenance Bond by Developer or his contractors.

(f) Pursuant to the provisions of Section 372.023 of the Act, the City does consent to and approve of Developer conveying to Rockett SUD all water facilities which are a part of the Authorized Improvements.

5.3 Operation and Maintenance.

(a) Upon inspection, approval, and acceptance of the Authorized Improvements or any portion thereof, the City shall maintain and operate the accepted public infrastructure and provide retail sewer service to the Property

(b) Upon final inspection, approval, and acceptance of the roadway Authorized Improvements required under this Agreement or any portion thereof, the City shall maintain and operate the public roadways and drainage improvements.

(c) Upon final inspection, approval, and acceptance of the Enhanced Facilities required under this Agreement or any portion thereof, the City shall maintain and operate such Enhanced Facilities.

(d) The HOA shall maintain and operate all open spaces, Amenity Center, common areas, landscaping, screening walls, Development signage, street lights, street sign poles and any other common improvements or appurtenances within the Property that are owned by the Developer, its successors or assigns, or the HOA, its successors or assigns, and that are not maintained or operated by the City.

5.4 Water Facilities.

(a) Developer's General Obligations. Developer is responsible for design, installation, and construction of all water improvements necessary to serve the Property. Developer shall obtain approval of design of water improvements from Rockett SUD. Developer shall be responsible for the acquisition of any easements and other property acquisitions necessary for water facilities for all development upon and within the Development and the Property. The reasonable costs of obtaining such easements may be included in the applicable Authorized Improvements Costs to be funded through the PID. Rockett SUD shall have the sole right and responsibility for inspecting, operating and maintaining the Improvements. Without limiting the foregoing, the City will cooperate with the Developer and Rockett SUD and City to allow the water improvements to cross City rights-of-way and easements as reasonably necessary or appropriate to complete such water improvements.

(b) Timing of General Obligations. Except as otherwise provided herein, Developer shall complete all water facility improvements necessary to serve each phase of the Development prior to or substantially concurrent with the recordation of the final plat covering such phase.

5.5 Wastewater Facilities. Developer is responsible for the design, installation, and construction of all wastewater/sanitary sewer improvements necessary to serve the Property. The design of all such improvements shall be approved by the City in advance of the construction of same. Subject to the City's obligations under Section 7.11 hereof, Developer shall be responsible for the acquisition of any easements and other property acquisitions necessary for wastewater/sewer facilities for all Development. The costs of obtaining such easements may be included in the applicable Authorized Improvements Costs to be funded through the PID.

(a) The City represents and confirms that it currently has and shall continue to have the capacity to provide to the Property continuous and adequate retail wastewater/sanitary sewer service at times and in amounts sufficient to meet the service demands of the Development and the Property as the Property is developed as 655 residential units. Upon request of the City, Developer shall provide the City with its projected home sales for the ensuing three (3) years in

order to allow the City to plan any needed expansion of its wastewater conveyance and treatment facilities.

(b) Upon acceptance by the City of the wastewater/sanitary sewer facilities described herein, the City shall operate or cause to be operated said water and wastewater/sanitary sewer facilities serving the Development and the Property and use them to provide service to all customers within the Development at the same rates as similar projects located within the City and the Property and as otherwise required by State law as the holder of the certificate of convenience and necessity covering the Property. Upon acceptance by the City, the City shall at all times maintain said wastewater/sanitary sewer facilities, or cause the same to be maintained, in good condition and working order in compliance with all applicable laws and ordinances and all applicable regulations, rules, policies, standards, and orders of any governmental entity with jurisdiction over same.

5.6 Roadway Facilities and Related Improvements.

(a) Developer's Obligations. Developer is responsible for the design, installation, and construction of all roadway facilities and related improvements required to serve the Property in accordance with the Subdivision Ordinance. The Developer shall further be responsible for the design, installation, and construction of i) Oaks Blvd. "East" from its eastern property line to I-35 service road, as reflected on **Exhibit F-1**; ii) Oaks Blvd. North as identified on **Exhibit F-2**; iii) two lanes (24' of pavement, only) of Stephenson Road, from its northern property line to I-35 service road; and iv) escrow construction funds for the unbuilt portions of Stephenson Road as identified as "In Lieu Of" on **Exhibits F-2 and F-3**. The design of all roadway facilities and related improvements shall be approved by the City in advance of the construction of same.

(b) Timing of Developer's Obligations. Prior to the recordation of any final plat for the applicable phase of the Development, Developer shall complete, in a good and workmanlike manner, construction of all roadway facilities and related improvements necessary to serve such phase in accordance with construction plans approved by the City. The Developer shall further complete in a good and workmanlike manner, construction of roadway facilities for i) Oaks Blvd "East" concurrent with the initial phase of lots; ii) Oaks Blvd. North on or before the date which 180 occupied homes exist in the development; iii) two lanes of Stephenson Road (24' of pavement, only) on or before the date which 180 occupied homes exist in the development; and iv) escrow funds for "In Lieu Of" Stephenson Road when a final plat for the respective phase of adjacent lots (Phase 3 and 6) is recorded. Thereafter, the roads shall be conveyed to the City for ownership and maintenance.

(c) Drainage Infrastructure. Subject to the terms of reimbursement herein, Developer shall have full responsibility for designing, installing, and constructing the drainage infrastructure that will serve the Property in accordance with the Subdivision Ordinance. Prior to the recordation of the final plat for any phase of Development, Developer shall complete in a good and workmanlike manner construction of the drainage improvements necessary to serve such phase. Upon inspection, approval and acceptance, City shall maintain and operate the drainage improvements for the Property.

5.7 Additional Enhanced Facilities and Related Improvements. The Developer is responsible for the design, installation, and construction of the two (2) parks within the Property as described below (collectively, the "Enhanced Facilities"). The Enhanced Facilities shall be dedicated to and maintained by the City; provided that the public screening and landscaping shall be maintained by the HOA.

(a) 8.0± Acre City Park. Developer shall complete in a good and workmanlike manner construction of an 8.0± acre park/open space with facilities for practice fields for various youth baseball/softball/soccer uses as identified on **Exhibit G**. This area will provide the following; perimeter sidewalks, off-street parking, appropriate backstops and goals for practice fields, restroom facility and shade structures. This area shall be landscaped in accordance with the overall Landscape Plan and will be unlit other than the perimeter street lights. This area shall be improved in the initial phase of the development and is to be dedicated to and maintained by the City Parks Department. A 1.5± acre portion of this park shall be dedicated for a Red Oak Fire Department substation location. In the event the City fails to construct a fire sub-station on such land within five (5) years after dedication, the City shall integrate such land into the surrounding City park.

(b) 20.0± Acre City Park. Developer shall complete in a good and workmanlike manner construction of a 20.0± acre open space park designed for passive recreational uses as identified on **Exhibit H** and shall be dedicated to and maintained by the City Parks Department. It shall contain an 8' (typical) wide concrete trail throughout that will serve as a running/bike trail. It shall be landscaped and irrigated along Oaks Blvd. in accordance with the Landscape Plan, however the remainder shall be in a more natural native state. This area shall be improved in the initial phase of the development.

(c) Timing of Developer's Obligations. Developer shall initiate development of the Enhanced Facilities in conjunction with the initiation of development of any of the first 322 lots within the Property ("Initial Phases") and diligently pursue it through completion. Developer shall complete development and improvement of the Enhanced Facilities in a good and workmanlike manner no later than twelve (12) months after the City has approved the issuance of building permits on all of the lots in the Initial Phases. Construction of the Enhanced Facilities shall occur concurrent with the Initial Phases but completion of the Enhanced Facilities is not a condition of substantial completion or City acceptance of any lots in the Initial Phases.

The design of the common areas, open space and City Parks shall be approved by the City in advance of the construction of same, and such design shall be in substantial conformance with the location and design elements set forth on **Exhibit I**.

SECTION 6
PAYMENT FOR CONSTRUCTION OF AND REIMBURSEMENT OF AUTHORIZED IMPROVEMENTS

6.1 PID Projects.

(a) Improvement Account of the Project Fund. The Improvement Account of the Project Fund ("IAPF") and the Developer Improvement Account from each issue of PID Bonds shall be administered and controlled by the City, or the trustee bank for such PID Bonds, and funds in the IAPF and the Developer Improvement Account shall be deposited and disbursed in accordance with the terms of the Indenture.

(b) Timing of Expenditures and/or Reimbursements. The Parties intend that Developer will undertake construction of the PID Projects in accordance with this Agreement, the SAP, or otherwise in conjunction with the construction of the applicable phases of the Development. Although the terms by which Developer will be entitled to release of funds from the IAPF or Developer Improvement Account shall be detailed in one or more Trust Indentures or Reimbursement Agreements (or similar agreements) as described in Section 372.023, Texas Local Government Code, Developer will generally be entitled to the maximum available funds within the Indenture Accounts up to the PID Projects Cost, plus interest, following the City's approval of the PID Projects.

(c) Cost Overrun. Should the PID Projects Cost exceed the maximum PID Bond Proceeds deposited in the IAPF ("Cost Overrun"), the Developer shall be solely responsible to fund such part of the Cost Overrun, subject to the cost-underrun in subsection (d) below.

(d) Cost Underrun. Following the final acceptance by City of an Authorized Improvement, audit and accounting payment of all Authorized Improvements Costs related to such Authorized Improvement, and only if the Authorized Improvement Cost is less than the Budgeted Costs therefore (a "Cost Underrun"), any remaining funds in the Improvement Account of the Project Fund applicable to such Authorized Improvement may be available to pay Cost Overruns on any other Authorized Improvement. The City shall promptly confirm to the Trustee that such remaining amounts are available to pay such Cost Overruns, and the City, with input from the Developer, will decide how to use such moneys to secure the payment and performance of the work for other Authorized Improvements, if available. If a Cost Underrun exists after payment of all costs for all Authorized Improvements contemplated in the applicable Indenture, shall be remitted to the City and shall be first used by the City for the purpose of paying or retiring the PID Bonds and then for any other use as permitted by law.

(e) Infrastructure Oversizing. Developer shall not be required to construct or fund any Public Infrastructure so that it is oversized to provide a benefit to land outside the Property ("Oversized Public Infrastructure") unless, by the commencement of construction, the City has made arrangements to finance from sources other than PID Bond Proceeds or Assessments the City's pro-rata portion of the costs of construction attributable to the oversizing requested by the City. In the event Developer constructs or causes the construction of any Oversized Public Infrastructure on behalf of the City, it is understood that the City shall be solely

responsible for all Oversized Public Infrastructure costs and that the PID shall not be utilized for financing the City's share of the costs of Oversized Public Infrastructure.

(f) Reimbursement of PID Projects Cost. The City and Developer shall, prior to or substantially contemporaneous with the initial levy of assessments on a phase(s) of the Property, enter into a Reimbursement Agreement (or similar agreement) as described in Section 372.023, Texas Local Government Code to provide for payment to Developer for PID Projects Cost for such phase(s) from the PID Bond Proceeds issued for such phase(s) or Assessments levied on such phase(s). Failure to enter into a Reimbursement Agreement (or similar agreement) as described in Section 372.023, Texas Local Government Code does not absolve the City of payment of the plans that have been approved and permits issued for such PID Projects.

6.2 Payment Process for Authorized Improvements.

(a) The City shall authorize payment of the Authorized Improvements Costs from PID Bond Proceeds as set forth herein. The Developer shall submit a Payment Certificate to the City (no more frequently than monthly) for Authorized Improvements Costs, including a completed segment, section or portion of any Authorized Improvement. The form of the Payment Certificate is set forth in Exhibit J, as may be modified by the applicable Indenture or Reimbursement Agreement. The City shall review the sufficiency of each Payment Certificate with respect to compliance with this Agreement and compliance with the applicable SAP. The City shall review each Payment Certificate within ten (10) Business Days of receipt thereof and upon approval, certify the Payment Certificate pursuant to the provisions of the applicable Indenture or Reimbursement Agreement, and payment shall be made to the Developer or its designee pursuant to the terms of the applicable Indenture or Reimbursement Agreement, provided that funds are available. If payment is to be made pursuant to a Trust Indenture, the City shall forward to the Trustee under the Trust Indenture the approved Payment Certificate within two (2) Business Days after City's approval thereof. If a Payment Certificate is approved only in part, the City shall specify the extent to which the Payment Certificate is approved and payment for such partially approved Payment Certificate shall be made pursuant to the terms of the applicable Indenture or Reimbursement Agreement, provided that funds are available under the applicable Indenture or Reimbursement Agreement.

(b) If the City requires additional documentation, timely disapproves or questions the correctness or authenticity of the Payment Certificate, the City shall deliver a detailed notice to the Developer within ten (10) Business Days of receipt thereof, then payment with respect to disputed portion(s) of the Payment Certificate shall not be made until the Developer and the City have jointly settled such dispute or additional information has been provided to the City's reasonable satisfaction.

(c) Reimbursement to the Developer for Authorized Improvements Costs incurred prior to the closing of a sale of PID Bonds shall be distributed at closing of the applicable series of PID Bonds pursuant to a Closing Disbursement Request, in the form attached as Exhibit K.

6.3 City Participation.

(a) Facilities Agreement; Credit or Reimbursement of Impact Fees for Authorized Improvements. The City shall provide a credit or reimbursement for Impact Fees related to the Authorized Improvements (except sanitary sewer improvements) to the extent required in the City's applicable Capital Improvements Plan adopted in conjunction with the imposition of such Impact Fees. Further, the City agrees to exempt the Property from any road Impact Fees for a term of ten (10) years from the Effective Date hereof.

6.4 Payee Information. With respect to any and every type of payment/remittance due to be paid at any time by the City to Developer after the Effective Date under this Agreement, the name and delivery address of the payee for such payment shall be:

Amalgamated Properties, LLC.
5055 Keller Spring Road, Suite 500
Addison, TX 75001

Developer may change the name of the payee and/or address set forth above by delivering written notice to the City designating a new payee and/or address or through an assignment of Developer's rights hereunder.

SECTION 7
ADDITIONAL OBLIGATIONS AND AGREEMENTS

7.1 Administration of Construction of Public Infrastructure. The Parties agree that Developer will be solely responsible to construct all Public Infrastructure. The public on-site and off-site infrastructure and all other related improvements will be considered a City project and the City will own all such Public Infrastructure upon completion and acceptance, with the exception of water improvements, which shall be dedicated to Rockett SUD.

7.2 Public Safety Contributions. The Developer shall dedicate a 1.5± acre portion of the 8.0± acre City Park for a Red Oak Fire Department (EMS/Fire) substation location.

7.3 Amenity Center. In conjunction with development of the first phase of lots, Developer, at Developer's cost, will (or will cause) the design, construction, maintenance, and operation of a private community amenity center consisting of a swimming pool, a play field, a playground with play equipment, restrooms, and off-street parking ("Amenity Center"). The site plan for the Amenity Center shall generally follow the form shown **Exhibit I** hereto. The Amenity Center location shall be determined during the preliminary platting process. Upon completion, the Amenity Center shall be reserved for the exclusive use of residents in the Development and their guests, and will be owned and maintained by the HOA.

7.4 Conflicts. When not in conflict with the terms and conditions of this Agreement, the development of the Property shall be subject to all applicable City Regulations, including but not limited to the City's subdivision regulations and engineering design standards. In the event of any direct conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, order, guideline, or other City adopted or City enforced requirement, whether existing on the Effective Date or hereinafter adopted, this Agreement, including its exhibits, as applicable,

shall control. In the event of a conflict between the Concept Plan and the Development Standards, the Development Standards shall control to the extent of the conflict.

7.5 Phasing. The Parties acknowledge that the Property may be developed in phases. If deemed necessary, Developer may submit a replat or amending plat for all or any portions of the Property in accordance with applicable law. Any replat or amending plat shall be in conformance with applicable City Regulations and subject to City approval. Phasing shall accommodate reallocation of Type A, B, C and D lots in each phase. Developer shall submit an updated master Concept Plan with each phase that complies with the approved lot type mix as outlined in the PD Zoning Ordinance, as amended.

7.6 Public Infrastructure, Generally.

Except as otherwise expressly provided for in this Agreement, Developer shall provide all Public Infrastructure necessary to serve the Property, including streets, utilities, drainage, sidewalks, trails, street lighting, street signage, and all other required improvements, at no cost to the City except as expressly provided in this Agreement and the PD Zoning Ordinance, and as approved by the City's engineer or his or her agent. Developer shall cause the installation of the Public Infrastructure within all applicable time frames in accordance with the City Regulations, including the PD Zoning Ordinance, unless otherwise established in this Agreement. Developer shall provide engineering studies, plan/profile sheets, and other construction documents at the time of platting as required by City Regulations. Such plans shall be approved by the City's engineer or his or her agent prior to approval of a final plat. Construction of any portion of the Public Infrastructure to be conveyed to the City shall not be initiated until a pre-construction conference with a City representative has been held regarding the proposed construction and the City has issued a written notice to proceed. No final plat may be recorded in the Real Property Records of Ellis County until construction of all Public Infrastructure to be conveyed to the City shown thereon shall have been constructed, and thereafter inspected, approved, and accepted by the City; provided that the City shall allow recording of any final plat in the Real Property Records of Ellis County if the Developer escrows funds or otherwise provides evidence of fiscal security or surety for any outstanding obligations required by the City pursuant its approval of the preliminary plat for such area.

7.7 Inspections, Acceptance of Public Infrastructure, and Developer's Remedy.

(a) Inspections, Generally. The City shall have the right to inspect, at any time, the construction of all Public Infrastructure necessary to support the Development, including water, wastewater/sanitary sewer, drainage, roads, streets, alleys, park facilities, electrical, and street lights and signs. The City's inspections and/or approvals shall not release Developer from its responsibility to construct, or cause the construction of, adequate Authorized Improvements and Public Infrastructure in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property. Notwithstanding any provision of this Agreement, it shall not be a breach or violation of the Agreement if the City withholds building permits to any portion of the Development (1) until Developer has met its obligations to provide for required Public Infrastructure necessary to serve such portion according to the approved engineering plans and City Regulations and until such Public Infrastructure has been dedicated to

and accepted by the City or City, as applicable or (2) under the terms of the Facilities Agreement. Acceptance by the City shall not be unreasonably withheld, conditioned, or delayed.

(b) Ownership. From and after the inspection and acceptance by the City of the Public Infrastructure to be dedicated to the City and any other dedications required under this Agreement, such improvements and dedications shall be owned by the City (except those water facilities conveyed by the City to Rockett SUD). From and after the inspection and acceptance by City of the Public Infrastructure to be dedicated to City and any other dedications required under this Agreement, such improvements and dedications shall be owned by City.

(c) Approval of Plats/Plans. Approval by the City, the City's engineer, or other City employee or representative, of any plans, designs, or specifications submitted by Developer pursuant to this Agreement or pursuant to applicable 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.

7.8 Insurance. Developer or its contractor(s) shall acquire and maintain, during the period of time when any of the Public Infrastructure is under construction (and until the full and final completion of the Public Infrastructure and acceptance thereof by the City): (a) workers compensation insurance in the amount required by law; and (b) commercial general liability insurance including personal injury liability, premises operations liability, and contractual liability, covering, but not limited to, the liability assumed under any indemnification provisions of this Agreement, with limits of liability for bodily injury, death and property damage of not less than $1,000,000.00. Such insurance shall also cover any and all claims which might arise out of the Public Infrastructure construction contracts, whether by Developer, a contractor, subcontractor, material man, or otherwise. Coverage must be on a "per occurrence" basis. All such insurance shall: (i) be issued by a carrier which is rated "A-1" or better by A.M. Best's Key Rating Guide and licensed to do business in the State of Texas; and (ii) name the City as an additional insured and contain a waiver of subrogation endorsement in favor of the City. Upon the execution of Public Infrastructure construction contracts, Developer shall provide to the City certificates of insurance evidencing such insurance coverage together with the declaration of such policies, along with the endorsement naming the City as an additional insured. Each such policy shall provide that, at least 30 days prior to the cancellation, non-renewal or modification of the same, the City shall receive written notice of such cancellation, non-renewal or modification.

7.9 INDEMNIFICATION AND HOLD HARMLESS. THE DEVELOPER, INCLUDING ITS RESPECTIVE SUCCESSORS AND ASSIGNS, HEREBY COVENANT AND AGREE TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY THE CITY AND ITS OFFICERS, AGENTS, REPRESENTATIVES, SERVANTS AND EMPLOYEES (COLLECTIVELY, THE "RELEASED PARTIES"), FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, "CLAIMS") AGAINST THE CITY OR ANY OF THE RELEASED PARTIES, WHETHER

REAL OR ASSERTED INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEY'S FEES, RELATED EXPENSES, EXPERT WITNESS FEES, CONSULTANT FEES, AND OTHER COSTS ACTUALLY INCURRED, ARISING OUT OF THE NEGLIGENCE OR OTHER WRONGFUL CONDUCT OF THE DEVELOPER, INCLUDING THE NEGLIGENCE OF ITS RESPECTIVE EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIAL MEN, AND/OR AGENTS, IN CONNECTION WITH THE DESIGN OR CONSTRUCTION OF ANY PUBLIC INFRASTRUCTURE, STRUCTURES, OR OTHER FACILITIES OR IMPROVEMENTS THAT ARE REQUIRED OR PERMITTED UNDER THIS AGREEMENT AND/OR CITY REGULATIONS AND/OR ANY APPLICABLE DEVELOPMENT STANDARDS AND/OR ANY OTHER GOVERNING REGULATIONS. **THE DEVELOPER SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST CLAIMS CAUSED BY THE CITY'S SOLE NEGLIGENCE.** IF THE CITY INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF THE DEVELOPER AND THE CITY, THE DEVELOPER'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE DEVELOPER'S OWN PERCENTAGE OF RESPONSIBILITY. THE DEVELOPER, INCLUDING ITS RESPECTIVE SUCCESSORS AND ASSIGNS, FURTHER COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY, THE CITY AGAINST ANY AND ALL CLAIMS BY ANY PERSON CURRENTLY CLAIMING AN OWNERSHIP INTEREST IN THE PROPERTY WHO HAS NOT SIGNED THIS AGREEMENT IF SUCH CLAIMS RELATE IN ANY MANNER OR ARISE IN CONNECTION WITH: (1) THE CITY'S RELIANCE UPON THE DEVELOPER'S REPRESENTATIONS IN THIS AGREEMENT; (2) THIS AGREEMENT OR OWNERSHIP OF THE PROPERTY; OR (3) THE CITY'S APPROVAL OF ANY TYPE OF DEVELOPMENT APPLICATION OR SUBMISSION WITH RESPECT TO THE PROPERTY.

7.10 Status of Parties. At no time shall the City have any control over or charge of Developer's design, construction or installation of any of the Public Infrastructure, nor the means, methods, techniques, sequences or procedures utilized for said design, construction or installation. This Agreement does not create a joint enterprise or venture or employment relationship between the City and Developer.

7.11 Eminent Domain. Developer agrees to use commercially reasonable efforts to obtain all third-party rights-of-way, consents, or easements, if any, required for the Public Infrastructure. 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 (subject to City Council authorization after a finding of public necessity), excluding any easement needed for water lines for the benefit of City, 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 that for any reason are not funded by the PID Bond Proceeds 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 Public

Infrastructure 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 ten (10) 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. Nothing in this section 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. To the extent that eminent domain is needed for solely for the Infrastructure, the terms of the Facilities Agreement shall control.

7.12 Vested Rights. This Agreement shall constitute a "permit" (as defined in Chapters 212 and 245, Texas Local Government Code) that is deemed filed with the City on the Effective Date.

7.13 Determination of Rough Proportionality. Assuming no defaults under this agreement, the Developer hereby agrees and acknowledges, without waiving claims related solely to exactions not contemplated by this agreement, that: (a) any public infrastructure that it conveys to the City or acquires for the City pursuant to this Agreement is roughly proportional to the benefit received by the owner for such public infrastructure, and the Developer hereby waives any claim therefor that it may have; and (b) all prerequisites to such determination of rough proportionality have been met, and any value received by the City relative to said conveyance is related both in nature and extent to the impact of the development of the property on the City's infrastructure.

SECTION 8
EVENTS OF DEFAULT; REMEDIES

8.1 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given in writing (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than thirty (30) days (or any longer time period to the extent expressly stated in this Agreement as relates to a specific failure to perform) after written notice of the alleged failure has been given. Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within twenty (20) business days after it is due.

8.2 Remedies. As compensation for the other party's default, an aggrieved Party is limited to seeking, as its sole and exclusive remedy, specific performance of the other party's obligations under this Agreement. However, the Parties agree that Developer will not be required to specifically perform under this Agreement in the event that Developer satisfies all of its obligations under Section 4.1 and the City does not issue PID Bonds within one year of the Effective Date.

8.3 Performance Window; Election to Terminate. In the event that Developer satisfies all of its obligations under its control pursuant to Section 4.1 and the City nevertheless does not issue PID Bonds within one year of the Effective Date, neither Party shall be required to perform under this Agreement and this Agreement will terminate.

8.4 Default, Recapture of PID Funds

a) In the event the Developer (i) fails to commence construction of the Authorized Improvements within eighteen (18) months after the City issues its PID Bonds to fund such Authorized Improvements; or (ii) fails to complete the Authorized Improvements and City of Red Oak acceptance of infrastructure for the Property in accordance with this Agreement; the City may declare a default and recapture provisions shall apply. The parties further agree that the recapture of PID funds due to actions of the Developer to perform under the terms of this Agreement shall be recoverable against the Developer, its successors and assigns.
b) Upon breach by the Developer, of any obligations under this Agreement, the City shall notify the Developer, in writing. The Developer shall have sixty (60) days from receipt of the notice in which to cure any such default.
c) If the Developer fails to cure the default within such sixty (60) days, or, as such time period may be extended by written agreement of the parties, then the City at its sole option shall have the right to demand repayment of the PID funds it has made hereunder in accordance with this Agreement.
d) Upon the City's election under the preceding paragraph, all PID funds shall be repaid, and shall become due and payable ninety (90) days after notice to Developer of a non-cured default. The City shall have all remedies provided by law for the collection of the PID funds. The City at its sole discretion has the option to provide a repayment schedule. The obligation of the Developer, to repay the PID funds to the City in the event of default shall survive the termination of this Agreement.

SECTION 9
ASSIGNMENT; ENCUMBRANCE

9.1 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. The obligations, requirements, or covenants relative to the development of the Property shall be freely assignable, in whole or in part, to any affiliate or related entity of Developer, or any lien holder on the Property, without the prior written consent of the City. Except as otherwise provided in this paragraph, the obligations, requirements or covenants applicable to the development of the Property shall not be assigned, in whole or in part, by Developer to a non-affiliate or non-related entity of Developer without the prior written consent of the City Manager, subject to the advice and written consent of the Mayor, which consent shall not be unreasonably withheld or delayed if the assignee demonstrates financial ability to perform. An assignee shall be considered a "Party" for the purposes of this Agreement. Each assignment shall be in writing executed by Developer and the assignee and shall obligate the assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests applicable to the land being conveyed. 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. Developer

shall maintain written records of all assignments made by Developer to assignees, including a copy of each executed assignment and, upon written request from any Party or assignee, shall provide a copy of such records to the requesting person or entity, and this obligation shall survive the assigning Party's sale, assignment, transfer, or other conveyance of any interest in this Agreement or the Property. Any receivables due under this Agreement, any construction funding agreement, or any a Reimbursement Agreement (or similar agreement) as described in Section 372.023, Texas Local Government Code may be assigned by Developer without the consent of, but upon written notice to the City pursuant to the terms hereof.

9.2 Assignees as Parties. An assignee authorized in accordance with this Agreement and for which notice of assignment has been provided in accordance herewith shall be considered a "Party" for the purposes of this Agreement. With the exception of: (a) the City, (b) an End User, (c) a purchaser of a Fully Developed and Improved Lot, any person or entity upon becoming an owner of land within the PID or upon obtaining an ownership interest in any part of the Property shall be deemed to be a "Developer" and have all of the rights and obligations of Developer as set forth in this Agreement and all related documents to the extent of said ownership or ownership interest.

9.3 Third Party Beneficiaries. Except as otherwise provided herein, this Agreement inures to the benefit of, and may only be enforced by, the Parties and their permitted assigns. 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.

SECTION 10
RECORDATION AND ESTOPPEL CERTIFICATES

10.1 Binding Obligations. This Agreement and all amendments thereto and assignments hereof shall be recorded in the Real Property records of Ellis County. This Agreement binds and constitutes a covenant running with the Property and, upon the Effective Date, is binding upon Developer and the City, and forms a part of any other requirements for development within the Property. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property.

10.2 Estoppel Certificates. From time to time, upon written request of Developer or any future owner, the City Manager, or his/her designee will, in his/her official capacity and to his/her reasonable knowledge and belief, execute a written estoppel certificate identifying any obligations of an owner under this Agreement that are in default or making an affirmative statement that the Developer is not in default under this Agreement.

SECTION 11
GENERAL PROVISIONS

11.1 Term. The term of this Agreement shall be forty (45) years after the Effective Date unless extended by mutual agreement of the Parties. Upon expiration of the Term, the City shall have no obligations under this Agreement with the exception of maintaining and operating the PID in accordance with the SAP and the Indenture. Notwithstanding the preceding, in the event

Developer does not purchase the Property by March 31, 2021, this Agreement shall automatically terminate.

11.2 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; and (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

11.3 Notices. Any notice, submittal, 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 delivered personally or upon the expiration of 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	City of Red Oak, Texas 4000 Main Street Red Oak, TX 75088 Attn: City Manager
With a copy to:	Nichols, Jackson, Dillard, Hager & Smith, L.L.P. Attn: Robert E. Hager 1800 Ross Tower 500 N. Akard St. Dallas, TX 75201
To Developer:	Amalgamated Properties, LLC Attn: John D. Hutchinson 5055 Keller Springs Road, Suite 500 Addison, TX 75001
With a copy to:	Coats Rose, PC Attn: Timothy Green 14755 Preston Road, Suite 600 Dallas, Texas 75254

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

11.4 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.

11.5 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is required.

11.6 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. The Developer represents and warrants that this Agreement has been approved by appropriate action of Developer, and that each 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.

11.7 Limited Waiver of Immunity. The Parties are entering into this Agreement in reliance upon its enforceability. Consequently, the City unconditionally and irrevocably waives all claims of sovereign and governmental immunity they may have (including, but not limited to, immunity from suit) to the extent, but only to the extent, that a waiver is necessary to enforce specific performance of this Agreement (including all of the remedies provided under this Agreement) and to give full effect to the intent of the Parties under this Agreement. Notwithstanding the foregoing, the waiver contained herein shall not waive any immunities that the City may have with respect to claims of injury to persons or property, which claims shall be subject to all of their respective immunities and to the provisions of the Texas Tort Claims Act. Further, the waiver of immunity herein is not enforceable by any party not a Party to this Agreement or any party that may be construed to be a third-party beneficiary to this Agreement.

11.8 Severability. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

11.9 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 Ellis County. Exclusive venue for any action related to, arising out of, or brought in connection with this Agreement shall be in the Ellis County District Court.

11.10 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.

11.11 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.

11.12 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds Description of the Property
Exhibit B	Depiction of the Property
Exhibit C	Concept Plan
Exhibit D	Identification of Authorized Improvements with Budgeted Costs by Phase
Exhibit E	Home Buyer Disclosure Program
Exhibit F-1	Roadway Facilities (Oaks Blvd East, ROW/Paving/Utilities)
Exhibit F-2	Roadway Facilities (Onsite)
Exhibit F-3	Roadway Facilities (Offsite Stephenson)
Exhibit G	8.0 Acre Park Improvements
Exhibit H	20.0 Acre Park Improvements
Exhibit I	Common Areas / Amenity Center
Exhibit J	Form of Payment Certificate
Exhibit K	Form of Closing Disbursement Request

11.13 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 (3) 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 the Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care.

11.14 Complete Agreement. This Agreement embodies the entire Agreement between the Parties and cannot be varied or terminated except as set forth in this Agreement, or by written agreement of the City and Developer expressly amending the terms of this Agreement. By entering into this Agreement, the Parties understand and agree that any previous agreements or understanding between the parties are null and void.

11.15 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 PAGES AND EXHIBITS FOLLOW;
REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXECUTED BY THE PARTIES TO BE EFFECTIVE ON THE EFFECTIVE DATE:

CITY OF RED OAK, TEXAS

By: _____
Name: Todd Fuller
Title: City Manager
Date: 11-13-2020

STATE OF TEXAS §
§
COUNTY OF ELLIS §

This instrument was acknowledged before me on this 13th day of November, 2020, by Todd Fuller, City Manager of the City of Red Oak, Texas, on behalf of said City.

NOTARY PUBLIC STATE OF TEXAS
CARYN STEVENS
Notary ID # 12249836
My Commission Expires
March 22, 2021

[SEAL]

_____
Notary Public in and for the State of Texas

005116.000002\4817-1595-5151.v7

DEVELOPER:

AMALGAMATED PROPERTIES, LLC,
a Delaware limited liability company

By: _____
Name: John D. Hutchinson
Title: President

THE STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on this 25th day of November, 2020, by John D. Hutchinson, President of Amalgamated Properties, LLC, a Delaware limited liability company.

ANGELA WILLIAMS
Notary Public, State of Texas
Comm. Expires 02-07-2021
Notary ID 125190354

_____
Notary Public in and for the State of Texas

[SEAL]

005116.000002\4817-1595-5151.v7

Exhibit A
Legal Description

All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, the Joel S. Davis Survey, Abstract No. 323, the James Chapman Survey, Abstract No. 214, the James E. Patton Survey, Abstract No. 839, Ellis County, Texas, being part of that certain called 212.5393 acre tract described in a deed to 212 Red Oak, L.P. recorded in Volume 2066, Page 990 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 3/4" iron pipe found for the most southerly Southwest corner of said 212.5393 acre tract, the Northwest corner of a called 78.656 acre tract described in a deed to Refluent LLC recorded in Instrument No. 1520658 (DRECT), and being in the East line of a called 112.76 acre tract described in a deed to Chapman Estates, LP recorded in Volume 2717, Page 1085 (DRECT);

THENCE North 2 deg. 12 min. 4 sec. West along the West line of said 212.5393 acre tract and the East line of said 112.76 acre tract, a distance of 1,286.62 feet to a 1/2" iron rod found for an ell corner of said 212.5393 acre tract and the Northeast corner of said 112.76 acre tract;

THENCE South 89 deg. 30 min. 13 sec. West along a South line of said 212.5393 acre tract and the North line of said 112.76 acre tract, a distance of 40.96 feet to a 1/2" capped iron rod found "illegible" for the Southeast corner of a called 2.049 acre tract described in a deed to Joshua G. Edelman and wife, Rebecca Edelman recorded in Instrument No. 1717395 (DRECT);

THENCE North 0 deg. 35 min. 49 sec. West departing said North and South line and continue along the East line of said 2.049 acre tract, a distance of 147.41 feet to a 1/2" capped iron rod found "illegible" for the Northeast corner of same;

THENCE South 89 deg. 23 min. 28 sec. West along the North line of said 2.049 acre tract, a distance of 606.78 feet to a 1/2" iron rod found for the Northwest corner of same, being in the West line of said 212.5393 acre tract, and being the most easterly Northeast corner of Lot 10, Block 1 and the Southeast corner of Lot 11, Block 1 of Hunters Glenn Phase One recorded in Cabinet D, Slide 211-212 of the Plat Records of Ellis County, Texas (PRECT);

THENCE North 01 deg. 27 min. 23 sec. West along the West line of said 212.5393 acre tract, the East line of said Hunters Glenn Phase One, and the East line of Hunters Glenn Phase Two recorded in Cabinet E, Slide 209-210 (PRECT), at 249.25

feet pass a 5/8" iron rod found for the Northeast corner of Lot 11, Block 1 and the Southeast corner of Lot 12, Block 1 as shown in said Hunters Glenn Phase One, at 414.00 feet pass a 3/8" iron rod found for the Northeast corner of Lot 12, Block 1 and the Southeast corner of Lot 13, Block 1 as shown in said Hunters Glenn Phase One, at 579.12 feet pass a 5/8" iron rod found for the Northeast corner of Lot 13, Block 1 and the Southeast corner of Lot 14, Block 1 as shown in said Hunters Glenn Phase One, at 744.21 feet pass a 5/8" iron rod found for the Northeast corner of Lot 14, Block 1 and the Southeast corner of Lot 15, Block 1 as shown in said Hunters Glenn Phase One, continue a total distance of 1,714.00 feet to a 1/2" capped iron rod set stamped "GOODWIN & MARSHALL", hereinafter referred to as 1/2" capped iron rod set for an angle point in the West line of said 212.5393 acre tract and the East line of said Hunters Glenn Phase Two, from which a 1/2" capped iron rod found "illegible" bears South 20 deg. 28 min. 39 sec. East - 4.38 feet;

THENCE North 12 deg. 57 min. 46 sec. West along the West line of said 212.5393 acre tract and the East line of said Hunters Glenn Phase Two, at 204.08 feet pass a 1/2" capped iron rod found "illegible" for the Northeast corner of Lot 21, Block 1 and the Southeast corner of Lot 22, Block 1 as shown in said Hunters Glenn Phase Two, continue a total distance of 618.38 feet to a point in the center of a creek, from which a 5/8" iron rod found in the East line of said Hunters Glenn Phase Two bears North 12 deg. 57 min. 46 sec. West – 128.37 feet;

THENCE in a northeasterly direction along the North line of said 212.5393 acre tract and along the centerline of a creek the following forty-six (46) courses;

North 38 deg. 7 min. 2 sec. East, a distance of 21.66 feet;

North 25 deg. 27 min. 0 sec. East, a distance of 146.59 feet;

North 55 deg. 35 min. 24 sec. East, a distance of 107.29 feet;

North 33 deg. 24 min. 54 sec. East, a distance of 61.85 feet;

North 14 deg. 44 min. 19 sec. West, a distance of 171.05 feet;

North 63 deg. 4 min. 50 sec. West, a distance of 82.21 feet;

North 26 deg. 56 min. 1 sec. West, a distance of 48.95 feet;

North 63 deg. 14 min. 37 sec. East, a distance of 86.37 feet;

North 28 deg. 33 min. 36 sec. East, a distance of 33.75 feet;

North 23 deg. 26 min. 53 sec. West, a distance of 50.76 feet;

North 14 deg. 41 min. 25 sec. West, a distance of 46.83 feet;

North 23 deg. 40 min. 41 sec. East, a distance of 26.62 feet;

North 85 deg. 25 min. 41 sec. East, a distance of 90.75 feet;

North 70 deg. 20 min. 13 sec. East, a distance of 168.30 feet;

North 81 deg. 47 min. 5 sec. East, a distance of 47.76 feet;

North 75 deg. 30 min. 52 sec. East, a distance of 45.98 feet;

South 68 deg. 56 min. 39 sec. East, a distance of 75.21 feet;

North 71 deg. 42 min. 40 sec. East, a distance of 39.74 feet;

North 49 deg. 43 min. 10 sec. East, a distance of 47.55 feet;

North 40 deg. 31 min. 0 sec. East, a distance of 66.25 feet;

North 52 deg. 16 min. 23 sec. East, a distance of 24.60 feet;

South 86 deg. 34 min. 42 sec. East, a distance of 21.27 feet;

North 72 deg. 34 min. 13 sec. East, a distance of 46.42 feet;

North 47 deg. 42 min. 6 sec. East, a distance of 56.57 feet;

North 38 deg. 32 min. 16 sec. East, a distance of 103.29 feet;

North 84 deg. 22 min. 50 sec. East, a distance of 33.86 feet;

South 71 deg. 27 min. 56 sec. East, a distance of 67.95 feet;

North 79 deg. 54 min. 59 sec. East, a distance of 32.23 feet;

North 46 deg. 28 min. 47 sec. East, a distance of 40.01 feet;

North 33 deg. 22 min. 57 sec. East, a distance of 37.03 feet;

North 41 deg. 30 min. 58 sec. East, a distance of 58.96 feet;

North 64 deg. 58 min. 14 sec. East, a distance of 89.74 feet;

North 68 deg. 39 min. 43 sec. East, a distance of 97.72 feet;

North 58 deg. 56 min. 25 sec. East, a distance of 35.47 feet;

South 86 deg. 14 min. 23 sec. East, a distance of 45.48 feet;

South 65 deg. 20 min. 53 sec. East, a distance of 21.84 feet;

South 87 deg. 30 min. 28 sec. East, a distance of 37.12 feet;

North 82 deg. 46 min. 44 sec. East, a distance of 60.04 feet;

South 67 deg. 42 min. 32 sec. East, a distance of 8.84 feet;

South 53 deg. 45 min. 16 sec. East, a distance of 25.75 feet;

South 33 deg. 0 min. 34 sec. East, a distance of 21.81 feet;

South 42 deg. 58 min. 8 sec. East, a distance of 18.81 feet;

South 71 deg. 39 min. 10 sec. East, a distance of 17.97 feet;

North 76 deg. 25 min. 38 sec. East, a distance of 8.28 feet;

North 59 deg. 35 min. 45 sec. East, a distance of 16.20 feet;

North 39 deg. 9 min. 7 sec. East, a distance of 2.76 feet;

THENCE South 62 deg. 10 min. 59 sec. East departing said centerline and continue along the North line of said 212.5393 acre tract, at 193.17 feet pass a 1/2" iron rod found, continue a total distance of 195.10 feet to a 1/2" capped iron rod set for the most northerly Northeast corner of said 212.5393 acre tract and being in the Northwest line of a called 24.5745 acre tract described in a deed to Keith Alan Nichols and wife, Kristina Nichols recorded in Volume 2825, Page 663 (DRECT), from which a 5/8" iron pipe found for the Northeast corner of said 24.5745 acre tract bears North 67 deg. 50 min. 44 sec. East – 226.12 feet;

THENCE South 67 deg. 50 min. 44 sec. West along a Southeast line of said 212.5393 acre tract and the Northwest line of said 24.5745 acre tract, a distance of 602.30 feet to a 5/8" iron pipe found for an ell corner of said 212.5393 acre tract and the Northwest corner of said 24.5745 acre tract;

THENCE South 0 deg. 8 min. 45 sec. East along an East line of said 212.5393 acre tract and the West line of said 24.5745 acre tract, a distance of 1,235.09 feet to a 1/2" iron pipe found for an ell corner of said 212.5393 acre tract and the Southwest corner of said 24.5745 acre tract;

THENCE South 88 deg. 59 min. 37 sec. East along a North line of said 212.5393 acre tract and the South line of said 24.5745 acre tract, a distance of 763.45 feet to a 1/2" iron pipe found "bent" for the Southeast corner of said 24.5745 acre tract and the most westerly Southwest corner of a called 342.5533 acre tract described in a deed to Red Oak Creekside Properties, GP recorded in Volume 705, Page 576 (DRECT);

THENCE South 89 deg. 26 min. 45 sec. East along a North line of said 212.5393 acre tract and the South line of said 342.5533 acre tract, a distance of 636.69 feet to a 5" metal fence corner for an ell corner of same;

THENCE South 01 deg. 34 min. 23 sec. East along an East line of said 212.5393 acre tract and a West line of said 342.5533 acre tract, a distance of 1,559.76 feet to a 1/2" capped iron rod set in the center of a creek for an ell corner of said 212.5393 acre tract and the most southerly Southwest corner of said 342.5533 acre tract, from which a 3/4" iron rod found "bent" in the center of creek bears North 01 deg. 34 min. 23 sec. West - 5.45 feet;

THENCE North 88 deg. 38 min. 22 sec. East along a North line of said 212.5393 acre tract and the South line of said 342.5533 acre tract, a distance of 806.41 feet to a 1/2" capped iron rod set for the most easterly corner of said 212.5393 acre tract and being in the West line of Lot 1, Block 1 of the Oaks Fellowship Addition recorded in Cabinet G, Slide 21-22 (PRECT);

THENCE South 32 deg. 30 min. 21 sec. West departing the South line of said 342.5533 acre tract and continue along the East line of said 212.5393 acre tract and the West line of said Oaks Fellowship Addition, a distance of 99.63 feet to a 1/2" iron rod found;

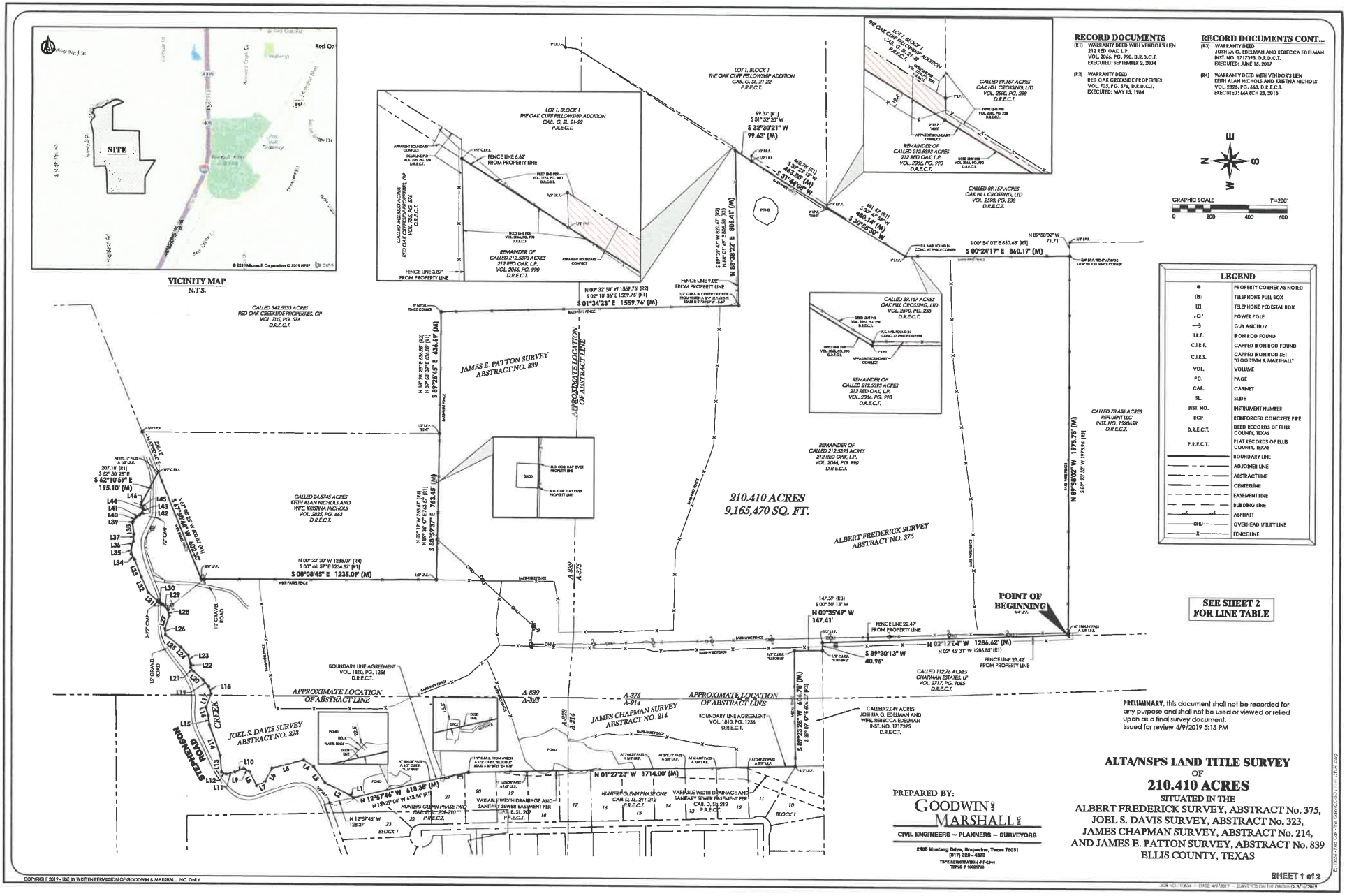
THENCE South 31 deg. 44 min. 8 sec. West departing said West line and continue along the East line of said 212.5393 acre tract, a distance of 463.80 feet to a 2" iron pipe found "bent";

THENCE South 30 deg. 58 min. 30 sec. West along said West line, a distance of 480.14 feet to a 1" iron pipe found;

THENCE South 0 deg. 24 min. 17 sec. East along said West line, a distance of 860.17 feet to a 5/8" iron pipe found "bent" at the base of a 6" wood fence corner for the Southeast corner of said 212.5393 acre tract, an ell corner of a

called 89.157 acre tract described in a deed to Oak Hill Crossing, Ltd recorded in Volume 2590, Page 238 (DRECT), and being in the North line of said 78.656 acre tract, from which a 5/8" iron pipe found for the Northeast corner of said 78.656 acre tract bears South 89 deg. 58 min. 2 sec. East – 71.71 feet;

THENCE North 89 deg. 58 min. 2 sec. West along the South line of said 212.5393 acre tract and the North line of said 78.656 acre tract, a distance of 1,975.78 feet to the **POINT OF BEGINNING**, containing 9,165,470 square feet or 210.410 acres of land, more or less.


VICINITY MAP
N.T.S.
SITE
RECORD DOCUMENTS
(R1) WARRANTY DEED WITH VENDOR'S LIEN 212 RED OAK, L.P. VOL. 2066, PG. 990, D.R.D.C.T. EXECUTED: SEPTEMBER 2, 2004
(R2) WARRANTY DEED RED OAK CREEKSIDE PROPERTIES VOL. 705, PG. 576, D.R.D.C.T. EXECUTED: MAY 15, 1984
RECORD DOCUMENTS CONT...
(R3) WARRANTY DEED JOSHUA G. EDELMAN AND REBECCA EDELMAN INST. NO. 1717395, D.R.D.C.T. EXECUTED: JUNE 15, 2017
(R4) WARRANTY DEED WITH VENDOR'S LIEN KEITH ALAN NICHOLS AND KRISTINA NICHOLS VOL. 2825, PG. 663, D.R.E.C.T. EXECUTED: MARCH 23, 2015
GRAPHIC SCALE 1"=200'
0 200 400 600
LEGEND
PROPERTY CORNER AS NOTED
TELEPHONE PULL BOX
TELEPHONE PEDESTAL BOX
POWER POLE
GUY ANCHOR
I.R.F. IRON ROD FOUND
C.I.R.F. CAPPED IRON ROD FOUND
C.I.R.S. CAPPED IRON ROD SET "GOODWIN & MARSHALL"
VOL. VOLUME
PG. PAGE
CAB. CABINET
SL. SLIDE
INST. NO. INSTRUMENT NUMBER
RCP REINFORCED CONCRETE PIPE
D.R.E.C.T. DEED RECORDS OF ELLIS COUNTY, TEXAS
P.R.E.C.T. PLAT RECORDS OF ELLIS COUNTY, TEXAS
BOUNDARY LINE
ADJOINER LINE
ABSTRACT LINE
CENTERLINE
EASEMENT LINE
BUILDING LINE
ASPHALT
OVERHEAD UTILITY LINE
FENCE LINE
210.410 ACRES
9,165,470 SQ. FT.
POINT OF BEGINNING
SEE SHEET 2 FOR LINE TABLE
JAMES E. PATTON SURVEY ABSTRACT NO. 839
ALBERT FREDERICK SURVEY ABSTRACT NO. 375
JOEL S. DAVIS SURVEY ABSTRACT NO. 323
JAMES CHAPMAN SURVEY ABSTRACT NO. 214
APPROXIMATE LOCATION OF ABSTRACT LINE
STEPHENSON ROAD
CREEK
PREPARED BY:
GOODWIN AND MARSHALL INC.
CIVIL ENGINEERS ~ PLANNERS ~ SURVEYORS
2405 Mustang Drive, Grapevine, Texas 76051
(817) 329-4373
TBPE REGISTRATION # F-2944
TBPLS # 10021700
PRELIMINARY. this document shall not be recorded for any purpose and shall not be used or viewed or relied upon as a final survey document. Issued for review 4/9/2019 5:15 PM
ALTA/NSPS LAND TITLE SURVEY
OF
210.410 ACRES
SITUATED IN THE
ALBERT FREDERICK SURVEY, ABSTRACT No. 375,
JOEL S. DAVIS SURVEY, ABSTRACT No. 323,
JAMES CHAPMAN SURVEY, ABSTRACT No. 214,
AND JAMES E. PATTON SURVEY, ABSTRACT No. 839
ELLIS COUNTY, TEXAS
SHEET 1 of 2
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LEGAL DESCRIPTION

All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, the Joel S. Davis Survey, Abstract No. 323, the James Chapman Survey, Abstract No. 214, the James E. Patton Survey, Abstract No. 839, Ellis County, Texas; being part of that certain called 212.5393 acre tract described in a deed to 212 Red Oak, L.P. recorded in Volume 2066, Page 990 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 3/4" iron pipe found for the most southerly Southwest corner of said 212.5393 acre tract, the Northwest corner of a called 78.656 acre tract described in a deed to Reflunet LLC recorded in Instrument No. 1520658 (DRECT), and being in the East line of a called 112.76 acre tract described in a deed to Chapman Estates, LP recorded in Volume 2717, Page 1085 (DRECT);

THENCE North 2 deg. 12 min. 4 sec. West along the West line of said 212.5393 acre tract and the East line of said 112.76 acre tract, a distance of 1,286.62 feet to a 1/2" iron rod found for an ell corner of said 212.5393 acre tract and the Northeast corner of said 112.76 acre tract;

THENCE South 89 deg. 30 min. 13 sec. West along a South line of said 212.5393 acre tract and the North line of said 112.76 acre tract, a distance of 40.96 feet to a 1/2" capped iron rod found "illegible" for the Southeast corner of a called 2.049 acre tract described in a deed to Joshua G. Edelman and wife, Rebecca Edelman recorded in Instrument No. 1717395 (DRECT);

THENCE North 0 deg. 35 min. 49 sec. West departing said North and South line and continue along the East line of said 2.049 acre tract, a distance of 147.41 feet to a 1/2" capped iron rod found "illegible" for the Northeast corner of same;

THENCE South 89 deg. 23 min. 28 sec. West along the North line of said 2.049 acre tract, a distance of 606.78 feet to a 1/2" iron rod found for the Northwest corner of same, being in the West line of said 212.5393 acre tract, and being the most easterly Northeast corner of Lot 10, Block 1 and the Southeast corner of Lot 11, Block 1 of Hunters Glenn Phase One recorded in Cabinet D, Slide 211-212 of the Plat Records of Ellis County, Texas (PRECT);

THENCE North 01 deg. 27 min. 23 sec. West along the West line of said 212.5393 acre tract, the East line of said Hunters Glenn Phase One, and the East line of Hunters Glenn Phase Two recorded in Cabinet E, Slide 209-210 (PRECT), at 249.25 feet pass a 5/8" iron rod found for the Northeast corner of Lot 11, Block 1 and the Southeast corner of Lot 12, Block 1 as shown in said Hunters Glenn Phase One, at 414.00 feet pass a 5/8" iron rod found for the Northeast corner of Lot 12, Block 1 and the Southeast corner of Lot 13, Block 1 as shown in said Hunters Glenn Phase One, at 579.12 feet pass a 5/8" iron rod found for the Northeast corner of Lot 13, Block 1 and the Southeast corner of Lot 14, Block 1 as shown in said Hunters Glenn Phase One, at 744.21 feet pass a 5/8" iron rod found for the Northeast corner of Lot 14, Block 1 and the Southeast corner of Lot 15, Block 1 as shown in said Hunters Glenn Phase One, continue a total distance of 1,714.00 feet to a 1/2" capped iron rod set stamped "GOODWIN & MARSHALL", hereinafter referred to as 1/2" capped iron rod set for an angle point in the West line of said 212.5393 acre tract and the East line of said Hunters Glenn Phase Two, from which a 1/2" capped iron rod found "illegible" bears South 20 deg. 28 min. 39 sec. East - 4.38 feet;

THENCE North 12 deg. 57 min. 46 sec. West along the West line of said 212.5393 acre tract and the East line of said Hunters Glenn Phase Two, at 204.08 feet pass a 1/2" capped iron rod found "illegible" for the Northeast corner of Lot 21, Block 1 and the Southeast corner of Lot 22, Block 1 as shown in said Hunters Glenn Phase Two, continue a total distance of 618.38 feet to a point in the center of a creek, from which a 5/8" iron rod found in the East line of said Hunters Glenn Phase Two bears North 12 deg. 57 min. 46 sec. West - 128.37 feet;

THENCE in a northeasterly direction along the North line of said 212.5393 acre tract and along the centerline of a creek the following forty-six (46) courses;

North 38 deg. 7 min. 2 sec. East, a distance of 21.66 feet;

North 25 deg. 27 min. 0 sec. East, a distance of 146.59 feet;

North 55 deg. 35 min. 24 sec. East, a distance of 107.29 feet;

North 33 deg. 24 min. 54 sec. East, a distance of 61.85 feet;

North 14 deg. 44 min. 19 sec. West, a distance of 171.05 feet;

North 63 deg. 4 min. 50 sec. West, a distance of 82.21 feet;

North 26 deg. 56 min. 1 sec. West, a distance of 46.95 feet;

North 63 deg. 14 min. 37 sec. East, a distance of 86.37 feet;

North 28 deg. 33 min. 36 sec. East, a distance of 33.75 feet;

North 23 deg. 24 min. 53 sec. West, a distance of 50.76 feet;

North 14 deg. 41 min. 25 sec. West, a distance of 46.83 feet;

North 23 deg. 40 min. 41 sec. East, a distance of 26.62 feet;

North 85 deg. 25 min. 41 sec. East, a distance of 90.75 feet;

North 70 deg. 20 min. 13 sec. East, a distance of 168.30 feet;

North 81 deg. 47 min. 5 sec. East, a distance of 47.76 feet;

North 75 deg. 30 min. 52 sec. East, a distance of 45.98 feet;

South 68 deg. 56 min. 39 sec. East, a distance of 75.21 feet;

North 71 deg. 42 min. 40 sec. East, a distance of 39.74 feet;

North 49 deg. 43 min. 10 sec. East, a distance of 47.55 feet;

North 40 deg. 31 min. 0 sec. East, a distance of 66.25 feet;

North 52 deg. 16 min. 23 sec. East, a distance of 24.60 feet;

South 86 deg. 34 min. 42 sec. East, a distance of 21.27 feet;

North 72 deg. 34 min. 13 sec. East, a distance of 46.42 feet;

North 47 deg. 42 min. 6 sec. East, a distance of 56.57 feet;

North 38 deg. 32 min. 16 sec. East, a distance of 103.29 feet;

North 84 deg. 22 min. 50 sec. East, a distance of 33.86 feet;

South 71 deg. 27 min. 56 sec. East, a distance of 67.95 feet;

North 79 deg. 54 min. 59 sec. East, a distance of 32.23 feet;

North 46 deg. 28 min. 47 sec. East, a distance of 40.01 feet;

North 33 deg. 22 min. 57 sec. East, a distance of 37.03 feet;

North 41 deg. 30 min. 58 sec. East, a distance of 58.96 feet;

North 64 deg. 58 min. 14 sec. East, a distance of 89.74 feet;

North 68 deg. 39 min. 43 sec. East, a distance of 97.72 feet;

North 58 deg. 56 min. 25 sec. East, a distance of 35.47 feet;

South 86 deg. 14 min. 23 sec. East, a distance of 45.48 feet;

South 65 deg. 20 min. 53 sec. East, a distance of 21.84 feet;

South 87 deg. 30 min. 28 sec. East, a distance of 37.12 feet;

LEGAL DESCRIPTION CONT...

North 82 deg. 46 min. 44 sec. East, a distance of 60.04 feet;

South 67 deg. 42 min. 32 sec. East, a distance of 8.84 feet;

South 53 deg. 45 min. 16 sec. East, a distance of 25.75 feet;

South 33 deg. 0 min. 34 sec. East, a distance of 21.81 feet;

South 42 deg. 58 min. 8 sec. East, a distance of 18.81 feet;

South 71 deg. 39 min. 10 sec. East, a distance of 17.97 feet;

North 76 deg. 25 min. 38 sec. East, a distance of 8.28 feet;

North 59 deg. 35 min. 45 sec. East, a distance of 16.20 feet;

North 39 deg. 9 min. 7 sec. East, a distance of 2.76 feet;

THENCE South 62 deg. 10 min. 59 sec. East departing said centerline and continue along the North line of said 212.5393 acre tract, at 193.17 feet pass a 1/2" iron rod found, continue a total distance of 195.10 feet to a 1/2" capped iron rod set for the most northerly Northeast corner of said 212.5393 acre tract and being in the Northwest line of a called 24.5745 acre tract described in a deed to Keith Alan Nichols and wife, Kristina Nichols recorded in Volume 2825, Page 463 (DRECT), from which a 5/8" iron pipe found for the Northeast corner of said 24.5745 acre tract bears North 67 deg. 50 min. 44 sec. East - 226.12 feet;

THENCE South 67 deg. 50 min. 44 sec. West along a Southeast line of said 212.5393 acre tract and the Northwest line of said 24.5745 acre tract, a distance of 602.30 feet to a 5/8" iron pipe found for an ell corner of said 212.5393 acre tract and the Northwest corner of said 24.5745 acre tract;

THENCE South 0 deg. 8 min. 45 sec. East along an East line of said 212.5393 acre tract and the West line of said 24.5745 acre tract, a distance of 1,235.09 feet to a 1/2" iron pipe found for an ell corner of said 212.5393 acre tract and the Southwest corner of said 24.5745 acre tract;

THENCE South 88 deg. 59 min. 37 sec. East along a North line of said 212.5393 acre tract and the South line of said 24.5745 acre tract, a distance of 763.45 feet to a 1/2" iron pipe found "bent" for the Southeast corner of said 24.5745 acre tract and the most westerly Southwest corner of a called 342.5533 acre tract described in a deed to Red Oak Creekside Properties, GP recorded in Volume 705, Page 576 (DRECT);

THENCE South 89 deg. 26 min. 45 sec. East along a North line of said 212.5393 acre tract and the South line of said 342.5533 acre tract, a distance of 636.69 feet to a 5" metal fence corner for an ell corner of same;

THENCE South 01 deg. 34 min. 23 sec. East along an East line of said 212.5393 acre tract and a West line of said 342.5533 acre tract, a distance of 1,539.76 feet to a 1/2" capped iron rod set in the center of a creek for an ell corner of said 212.5393 acre tract and the most southerly Southwest corner of said 342.5533 acre tract, from which a 3/4" iron rod found "bent" in the center of creek bears North 01 deg. 34 min. 23 sec. West - 8.45 feet;

THENCE North 88 deg. 38 min. 22 sec. East along a North line of said 212.5393 acre tract and the South line of said 342.5533 acre tract, a distance of 806.41 feet to a 1/2" capped iron rod set for the most easterly corner of said 212.5393 acre tract and being in the West line of Lot 1, Block 1 of the Oaks Fellowship Addition recorded in Cabinet G, Slide 21-22 (PRECT);

THENCE South 32 deg. 30 min. 21 sec. West departing the South line of said 342.5533 acre tract and continue along the East line of said 212.5393 acre tract and the West line of said Oaks Fellowship Addition, a distance of 99.63 feet to a 1/2" iron rod found;

THENCE South 31 deg. 44 min. 8 sec. West departing said West line and continue along the East line of said 212.5393 acre tract, a distance of 463.80 feet to a 2" iron pipe found "bent";

THENCE South 30 deg. 58 min. 30 sec. West along said West line, a distance of 480.14 feet to a 1" iron pipe found;

THENCE South 0 deg. 24 min. 17 sec. East along said West line, a distance of 860.17 feet to a 5/8" iron pipe found "bent" at the base of a 6" wood fence corner for the Southeast corner of said 212.5393 acre tract, an ell corner of a called 89.157 acre tract described in a deed to Oak Hill Crossing, Ltd recorded in Volume 2590, Page 238 (DRECT), and being in the North line of said 78.656 acre tract, from which a 5/8" iron pipe found for the Northeast corner of said 78.656 acre tract bears South 89 deg. 58 min. 2 sec. East - 71.71 feet;

THENCE North 89 deg. 58 min. 2 sec. West along the South line of said 212.5393 acre tract and the North line of said 78.656 acre tract, a distance of 1,973.75 feet to the **POINT OF BEGINNING**, containing 9,165,470 square feet or 210.410 acres of land, more or less.

SURVEYOR'S CERTIFICATION

To: Chicago Title Insurance Company
Title Partners, LLC
Amalgamated Properties, LLC, a Delaware limited liability company
212 Red Oak, L.P., a Texas limited partnership

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 minimum standard detail requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 1, 3, 4, 6, 11, 13, 16, 17, 18, 19, and 20 of Table A thereof. The field work was completed on November 12, 2018.

John N. Rogers
Registered Professional Land Surveyor No. 6372
Goodwin & Marshall, Inc.
2405 Mustang Drive
Grapevine, Texas 76051
Metro (817) 329-4373
TBPLS Firm No. 10021700

PRELIMINARY, this document shall not be recorded for any purpose and shall not be used or viewed or relied upon as a final survey document.
Issued for review
4/9/2019 5:15 PM

SCHEDULE "B"

10.g. Interest in and to all coal, lignite, oil, gas and other minerals, and all rights incident thereto, contained in instrument dated January 9, 1940, file January 13, 1940, recorded in/under Volume 344, Page 189 of the official records of Ellis County, Texas, which document contains the following language " ... an undivided one-sixteenth (1/16th) interest (same being one half(1/2) of the usual one-eighth (1/8th) royalty) in and to all of the oil, gas and other minerals ... ". Reference to which instrument is here made for particulars. No further search of title has been made as to the interest(s) evidenced by this instrument, and the Company makes no representation as to the ownership or holder of such interest(s). **(BLANKET IN NATURE)**

10.h. Terms, conditions and stipulations contained in Agreement executed by and between Margie Almand, individually and as Independent Executrix of the Estate of Thomas W. Almand, Jr., deceased; Margaret Almand Jenkins and J.B. Jenkins, and Red Oak Development Company, dated December 30, 1985, filed April 9, 1986, recorded in/under Volume 744, Page 273 of the Real Property Records of Ellis County, Texas. **(THIS AGREEMENT IS VAGUE IN NATURE AS IT DOES NOT DEFINE A TRUE BOUNDARY LINE THAT WAS AGREED ON. THE SURVEYOR BELIEVES THIS FALLS NORTH OF THE SURVEYED PROPERTY AND THEREFORE IT IS NOT ON, OR DOES NOT TOUCH, THE SURVEYED PROPERTY)**

10.i. Terms, conditions and stipulations contained in Agreement executed by and between Margie Almand, individually and as Independent Executrix of the Estate of Thomas W. Almand, Jr., deceased; Margaret Almand Jenkins and J.B. Jenkins, and S.N. Hart, dated February 21, 1986, filed April 9, 1986, recorded in/under Volume 744, Page 292 of the Real Property Records of Ellis County, Texas. **(THIS AGREEMENT IS VAGUE IN NATURE AS IT DOES NOT DEFINE A TRUE BOUNDARY LINE THAT WAS AGREED ON. THE SURVEYOR BELIEVES THIS FALLS NORTH OF THE SURVEYED PROPERTY AND THEREFORE IT IS NOT ON, OR DOES NOT TOUCH, THE SURVEYED PROPERTY)**

10.j. Terms, conditions and stipulations contained in Boundary Line Agreement executed by and between J.B. Jenkins, Margaret Jenkins, and Margie Almand; and James W. North, Tina L. North, Joe E. Crosch, Christine D. Crosch, Cachand Companies, Inc., Steven B. Schafer, Julie D. Schafer, David W. Smith, Linda B. Smith, Larry E. Pollock, Judy G. Pollock, Jimmy R. Barnes, Paula K. Barnes, Mark A. Seewald, Patricia L. Seewald, and Sumac Investments, Inc., dated August 22, 2001, filed October 23, 2001, recorded in/under Volume 1810, Page 1256 of the Real Property Records of Ellis County, Texas. **(SHOWN)**

10.k. Apparent easements for drainage and sanitary sewer as shown on survey dated March 6, 2007, by Dennis R. Dolan, RPLS No. 5367. **(SHOWN)**

LINE TABLE		
LINE #	BEARING	DISTANCE
L1	N38°07'02"E	21.66
L2	N25°27'00"E	146.59
L3	N55°35'24"E	107.29
L4	N33°24'54"E	61.85
L5	N14°44'19"W	171.05
L6	N63°04'50"W	82.21
L7	N26°56'01"W	46.95
L8	N63°14'37"E	86.37
L9	N28°33'36"E	33.75
L10	N23°26'53"W	50.76
L11	N14°41'25"W	46.83
L12	N23°40'41"E	26.62
L13	N85°25'41"E	90.75
L14	N70°20'13"E	168.30
L15	N81°47'05"E	47.76
L16	N75°30'52"E	45.98
L17	S68°56'39"E	75.21
L18	N71°42'40"E	39.74
L19	N49°43'10"E	47.55
L20	N40°31'00"E	66.25

LINE TABLE		
LINE #	BEARING	DISTANCE
L21	N52°16'23"E	24.60
L22	S86°34'42"E	21.27
L23	N72°34'13"E	46.42
L24	N47°42'06"E	56.57
L25	N38°32'16"E	103.29
L26	N84°22'50"E	33.86
L27	S71°27'56"E	67.95
L28	N79°54'59"E	32.23
L29	N46°28'47"E	40.01
L30	N33°22'57"E	37.03
L31	N41°30'58"E	58.96
L32	N64°58'14"E	89.74
L33	N68°39'43"E	97.72
L34	N58°56'25"E	35.47
L35	S86°14'23"E	45.48
L36	S65°20'53"E	21.84
L37	S87°30'28"E	37.12
L38	N82°46'44"E	60.04
L39	S67°42'32"E	8.84
L40	S53°45'16"E	25.75

LINE TABLE		
LINE #	BEARING	DISTANCE
L41	S33°00'34"E	21.81
L42	S42°58'08"E	18.81
L43	S71°39'10"E	17.97
L44	N76°25'38"E	8.28
L45	N59°35'45"E	16.20
L46	N39°09'10"E	2.76

NOTES

1. Bearings are referenced to Texas State Plane Coordinate System, North Central Zone (4202), North American Datum of 1983 as derived from GPS observation. The combined scale factor for this is 0.9999339. This factor is to be applied to any ground coordinate or distance values in order to reduce said values to State Plane grid.
2. According to the Flood Insurance Rate Map (FIRM) panel 48139C0075F and 48139C0200F, revised June 3, 2013, this survey is located in Flood Insurance Zone "X" (non-shaded), being defined as areas outside the 0.2% annual chance floodplain. Approximate location of floodplain and/or floodway lines are shown on the survey.
3. All 1/2" iron rod set with yellow plastic cap stamped "Goodwin & Marshall" unless otherwise noted.
4. This survey does not constitute a title search by surveyor. All information regarding record easements, adjoiners, and other documents which might affect the quality of title to tract shown hereon was gained from a title commitment by Chicago Title Insurance Company, Commitment No. 2001947 with an effective date of December 13, 2018 and issued January 2, 2019.
5. This Land Title Survey was prepared specifically for the use of the parties named in the certification and their representatives. Use of this survey is not allowed by others unless expressly permitted in writing in advance by Goodwin and Marshall, Inc. Goodwin and Marshall, Inc. shall have no liability for any unauthorized use of this information without their prior written consent.
6. The word "CERTIFY" or "CERTIFICATE" is an expression of professional opinion regarding the facts of the survey and does not constitute a guarantee, express or implied.
7. Ownership information shown hereon was obtained from the Ellis County Central Appraisal District's website and may be inaccurate or out-of-date.
8. The legal description shown hereon describes the same real estate as the record description.
9. A portion of the boundary shown hereon is defined by a creek centerline. The boundary was measured on April 5, 2019, which the boundary is subject to change due to natural causes and that it may or may not represent the actual location of the limit of title.
10. There are no visible buildings or dedicated parking spaces on the subject tract at the time of survey.
11. Relative to ALTA/NSPS Table "A" Item No. 11, Texas 811 was contacted to mark underground utilities. Utility locate requests may have been ignored or incomplete. Locating excavation, the exact location of underground features cannot be accurately, completely, and reliable depicted. Only visible evidence is shown on the survey. At the request of the client, utility plans were not obtained for this survey.
12. Relative to ALTA/NSPS Table "A" Item No. 16, the Surveyor did not notice any recent earth moving work, building construction, or building additions at the time of survey.
13. Relative to ALTA/NSPS Table "A" Item No. 17, the Surveyor has no knowledge of right-of-way changes.
14. Relative to ALTA/NSPS Table "A" Item No. 18, no observed markers of wetland delineation were found on the subject tract at time of survey.

PRELIMINARY, this document shall not be recorded for any purpose and shall not be used or viewed or relied upon as a final survey document.
Issued for review 4/9/2019 5:15 PM

PREPARED BY:
GOODWIN AND MARSHALL INC.
CIVIL ENGINEERS ~ PLANNERS ~ SURVEYORS
2405 Mustang Drive, Grapevine, Texas 76051
(817) 329 - 4373
TBPE REGISTRATION # F-2944
TBPLS # 10021700

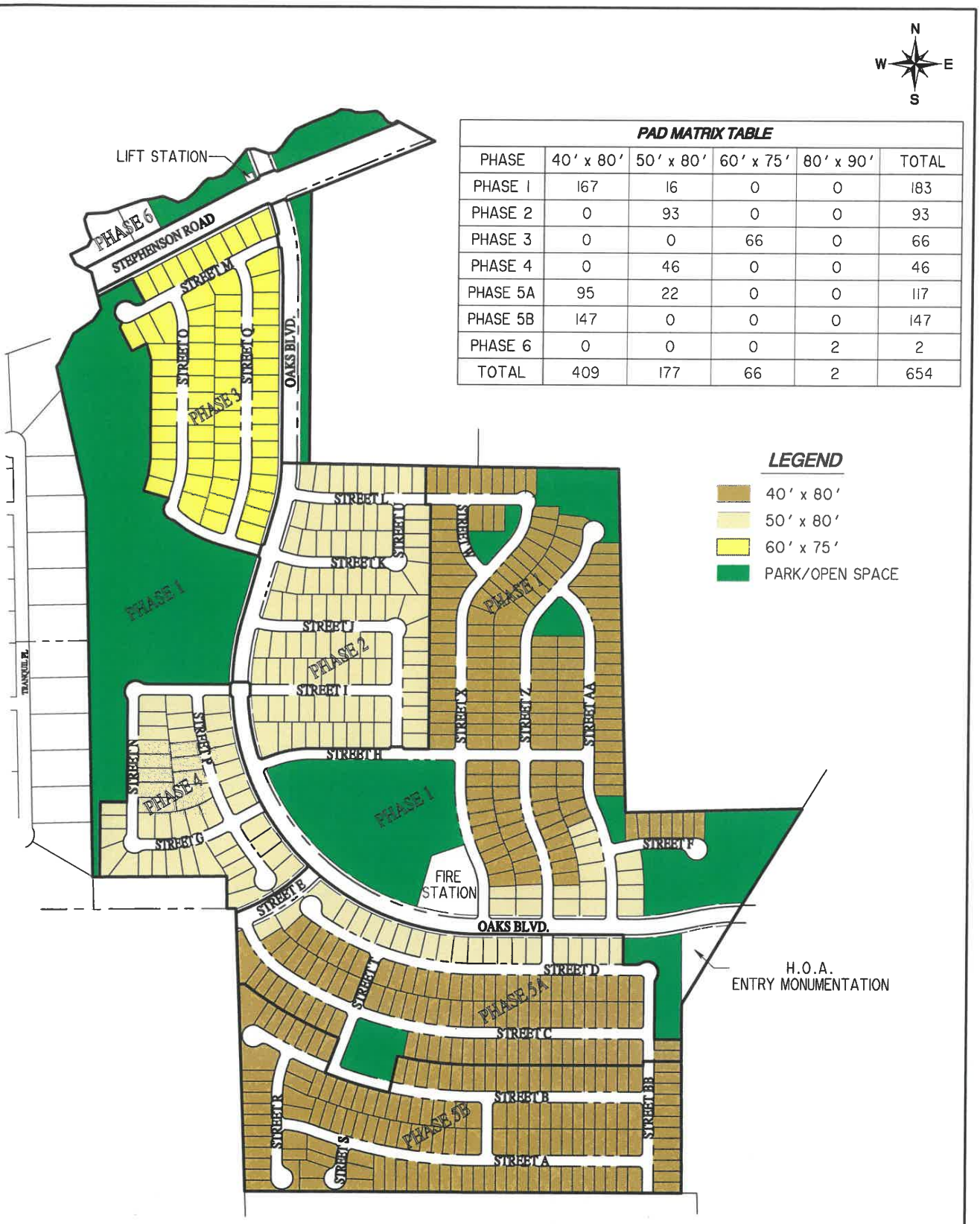
ALTA/NSPS LAND TITLE SURVEY
OF
210.410 ACRES
SITUATED IN THE
ALBERT FREDERICK SURVEY, ABSTRACT No. 375,
JOEL S. DAVIS SURVEY, ABSTRACT No. 323,
JAMES CHAPMAN SURVEY, ABSTRACT No. 214,
AND JAMES E. PATTON SURVEY, ABSTRACT No. 839
ELLIS COUNTY, TEXAS

SHEET 2 of 2

JOB NO.: 10834 - DATE 4/9/2019 - SURVEYED ON THE GROUND: 3/14/2019

COPYRIGHT 2019 - USE BY WRITTEN PERMISSION OF GOODWIN & MARSHALL INC. ONLY

PAD MATRIX TABLE					
PHASE	40' x 80'	50' x 80'	60' x 75'	80' x 90'	TOTAL
PHASE 1	167	16	0	0	183
PHASE 2	0	93	0	0	93
PHASE 3	0	0	66	0	66
PHASE 4	0	46	0	0	46
PHASE 5A	95	22	0	0	117
PHASE 5B	147	0	0	0	147
PHASE 6	0	0	0	2	2
TOTAL	409	177	66	2	654



GOODWIN AND MARSHALL INC.
CIVIL ENGINEERS–PLANNERS–SURVEYORS
2705 S. Alma School Road, Ste. 2
Chandler, AZ 85286
(602) 218-7285

THE OAKS PHASING EXHIBIT

THE OAKS,
CITY OF RED OAK, ELLIS COUNTY, TEXAS

Scale:	1"=600'
Date:	NOV. 2020
Job No.:	10834A
Drafted:	IAS
Checked:	WCR

E:\10834 - Red Oak - The Oaks\Prelim\2020-11-02 Prelim Landplan QUANTITIES.pro Nov 3, 2020 11:27:50AM

Exhibit D

	Dev. Area 1	Dev. Area 2	Total
Offsite Sewer (I-35)	281,657		281,657
Offsite Water (Chapman)	238,466		238,466
Offiste North Water Loop	283,400		283,400
Offiste Oaks East (Little)	2,003,255		2,003,255
Park and Open Space	1,890,763		1,890,763
Oaks Blvd. North		605,566	605,566
Proposed Stephenson		361,683	361,683
In Lieu Stephenson North		430,890	430,890
Offsite Stephenson		1,000,000	1,000,000
	4,697,541	2,398,139	7,095,680

Exhibit E
Home Buyer Disclosure Program

The Administrator (as defined in the Service and Assessment Plan) for The Oaks Public Improvement District (the "PID") shall facilitate notice to prospective homebuyers in accordance with the following notices. Administrator shall monitor the enforcement of the following minimum requirements:

1. Record notice of the PID in the appropriate land records for the property.

2. Require builders to include notice of the PID in addendum to contract.

3. Collect a copy of the addendum signed by each buyer from builders and provide to the City or record in the real property records.

4. Require signage indicating that the property for sale is located in a special assessment district and require that such signage be located in conspicuous places in all model homes.

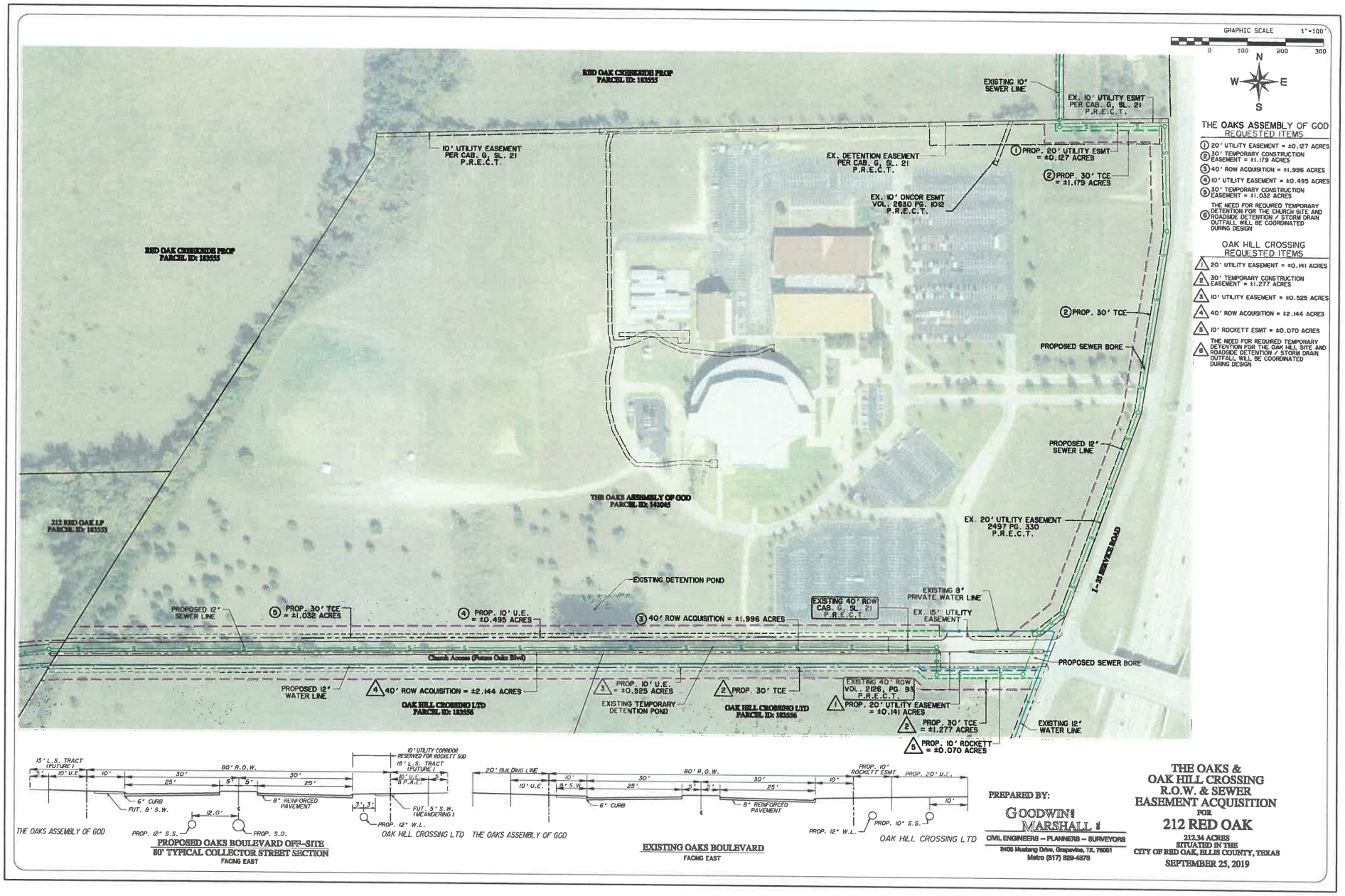
5. Prepare and provide to builders an overview of the PID for those builders to include in each sales packets.

6. Notify builders who estimate monthly ownership costs of the requirement that they must include the Assessments in estimated property taxes.

7. Notify Settlement Companies through the builders that they are required to include special taxes (Assessments) on HUD 1 forms and include in total estimated taxes for the purpose of setting up tax escrows.

8. Include notice of the PID in the homeowner association documents in conspicuous bold font.

9. The disclosure program shall be monitored by Developer and Administrator.


GRAPHIC SCALE 1"=100'
0 100 200 300
N
W E
S
THE OAKS ASSEMBLY OF GOD
REQUESTED ITEMS
1 20' UTILITY EASEMENT = ±0.127 ACRES
2 30' TEMPORARY CONSTRUCTION EASEMENT = ±1.179 ACRES
3 40' ROW ACQUISITION = ±1.996 ACRES
4 10' UTILITY EASEMENT = ±0.495 ACRES
5 30' TEMPORARY CONSTRUCTION EASEMENT = ±1.032 ACRES
6 THE NEED FOR REQUIRED TEMPORARY DETENTION FOR THE CHURCH SITE AND ROADSIDE DETENTION / STORM DRAIN OUTFALL WILL BE COORDINATED DURING DESIGN
OAK HILL CROSSING
REQUESTED ITEMS
1 20' UTILITY EASEMENT = ±0.141 ACRES
2 30' TEMPORARY CONSTRUCTION EASEMENT = ±1.277 ACRES
3 10' UTILITY EASEMENT = ±0.525 ACRES
4 40' ROW ACQUISITION = ±2.144 ACRES
5 10' ROCKETT ESMT = ±0.070 ACRES
6 THE NEED FOR REQUIRED TEMPORARY DETENTION FOR THE OAK HILL SITE AND ROADSIDE DETENTION / STORM DRAIN OUTFALL WILL BE COORDINATED DURING DESIGN
RED OAK CREEKSIDE PROP PARCEL ID: 183555
EXISTING 10' SEWER LINE
EX. 10' UTILITY ESMT PER CAB. G, SL. 21 P.R.E.C.T.
10' UTILITY EASEMENT PER CAB. G, SL. 21 P.R.E.C.T.
EX. DETENTION EASEMENT PER CAB. G, SL. 21 P.R.E.C.T.
1 PROP. 20' UTILITY ESMT = ±0.127 ACRES
2 PROP. 30' TCE = ±1.179 ACRES
EX. 10' ONCOR ESMT VOL. 2630 PG. 1012 P.R.E.C.T.
2 PROP. 30' TCE
PROPOSED SEWER BORE
PROPOSED 12" SEWER LINE
THE OAKS ASSEMBLY OF GOD PARCEL ID: 141045
212 RED OAK LP PARCEL ID: 183553
EX. 20' UTILITY EASEMENT 2497 PG. 330 P.R.E.C.T.
I-35 SERVICE ROAD
EXISTING DETENTION POND
EXISTING 8" PRIVATE WATER LINE
EXISTING 40' ROW CAB. G, SL. 21 P.R.E.C.T.
EX. 15' UTILITY EASEMENT
PROPOSED 12" SEWER LINE
5 PROP. 30' TCE = ±1.032 ACRES
4 PROP. 10' U.E. = ±0.495 ACRES
3 40' ROW ACQUISITION = ±1.996 ACRES
Church Access (Future Oaks Blvd)
PROPOSED SEWER BORE
PROPOSED 12" WATER LINE
4 40' ROW ACQUISITION = ±2.144 ACRES
OAK HILL CROSSING LTD PARCEL ID: 183556
3 PROP. 10' U.E. = ±0.525 ACRES
EXISTING TEMPORARY DETENTION POND
2 PROP. 30' TCE
OAK HILL CROSSING LTD PARCEL ID: 183556
EXISTING 40' ROW VOL. 2126, PG. 93 P.R.E.C.T.
1 PROP. 20' UTILITY EASEMENT = ±0.141 ACRES
2 PROP. 30' TCE = ±1.277 ACRES
5 PROP. 10' ROCKETT = ±0.070 ACRES
EXISTING 12" WATER LINE
15' L.S. TRACT (FUTURE)
80' R.O.W.
10' UTILITY CORRIDOR RESERVED FOR ROCKETT SUD
6' CURB
FUT. 8' S.W.
8" REINFORCED PAVEMENT
FUT. 5' S.W. (MEANDERING)
PROP. 12" S.S.
PROP. S.D.
PROP. 12" W.L.
THE OAKS ASSEMBLY OF GOD
OAK HILL CROSSING LTD
PROPOSED OAKS BOULEVARD OFF-SITE
80' TYPICAL COLLECTOR STREET SECTION
FACING EAST
20' BUILDING LINE
PROP. 10' ROCKETT ESMT
PROP. 20' U.E.
PROP. 10' S.S.
EXISTING OAKS BOULEVARD
FACING EAST
PREPARED BY:
GOODWIN MARSHALL
CIVIL ENGINEERS -- PLANNERS -- SURVEYORS
8405 Mustang Drive, Grapevine, TX. 76051
Metro (817) 329-4373
THE OAKS & OAK HILL CROSSING R.O.W. & SEWER EASEMENT ACQUISITION FOR
212 RED OAK
212.34 ACRES
SITUATED IN THE
CITY OF RED OAK, ELLIS COUNTY, TEXAS
SEPTEMBER 25, 2019

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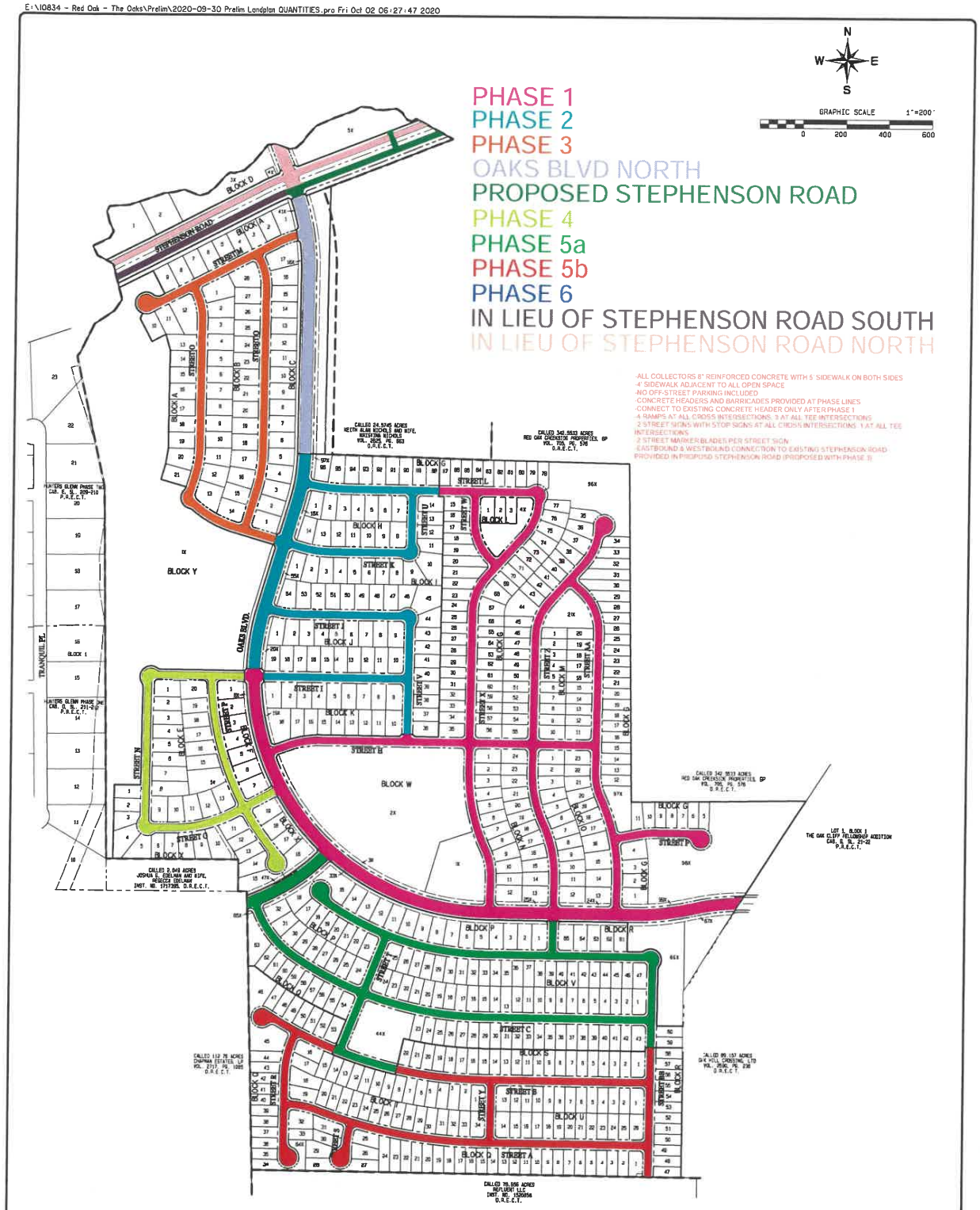


STATE OF TEXAS
WARREN C. RUSHWILL
REGISTERED
PROFESSIONAL ENGINEER

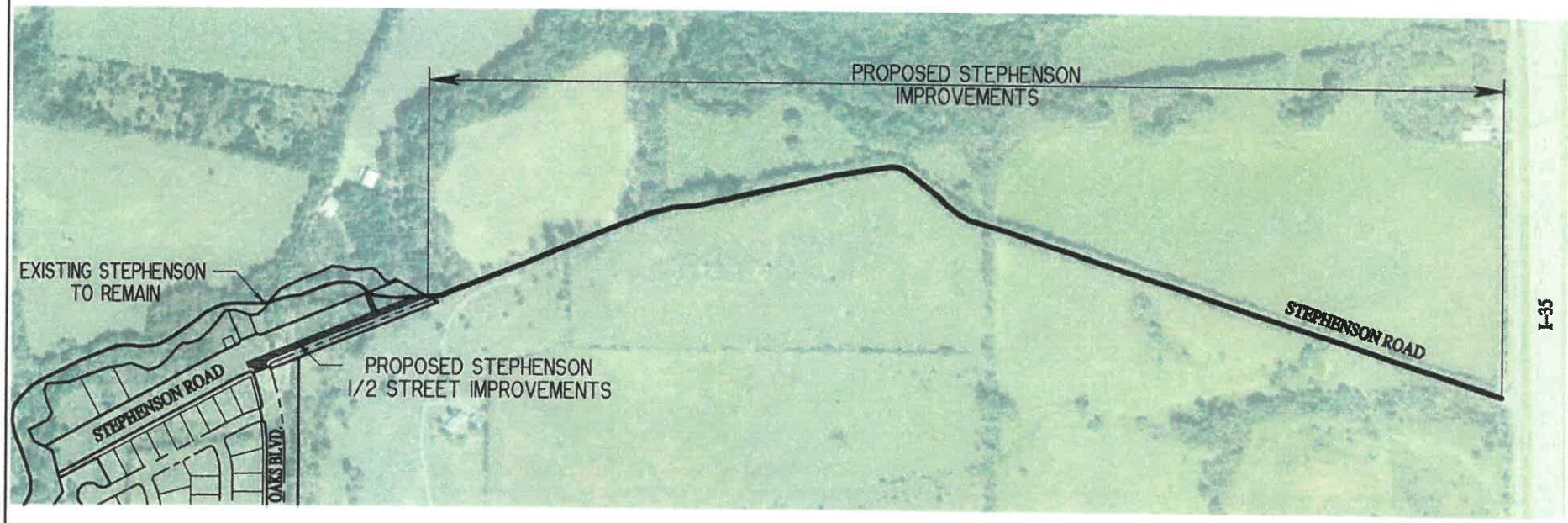
PRELIMINARY PLAT
FOR
THE OAKS
BEING
210.410 ACRES
650 RESIDENTIAL LOTS
AND 29 OPEN SPACE LOTS
SITUATED IN THE
ALBERT FREDERICK SURVEY, ABSTRACT No. 375,
JOEL S. DAVIS SURVEY, ABSTRACT No. 323,
JAMES CHAPMAN SURVEY, ABSTRACT No. 214,
AND JAMES E. PATTON SURVEY, ABSTRACT No. 839
CITY OF RED OAK, ELLIS COUNTY, TEXAS
OCTOBER 2020

PREPARED BY:
GOODWIN MARSHALL
CIVIL ENGINEERS ~ PLANNERS ~ SURVEYORS
2405 Mustang Drive, Grapevine, Texas 76051
Metro (817) 329-4373

DEVELOPER:
AMALGAMATED PROPERTIES, LLC
5055 KELLER SPRINGS RD., S. 500
ADDISON, TEXAS 75001
PH: 214.914.9809
CONTACT: FRED PHILLIPS

OWNER:
212 RED OAK, L.P.
6750 HILLCREST PLAZA DR., S. 213
DALLAS, TEXAS 75230

SHEET 1 OF 3



GOODWIN AND MARSHALL INC.
CIVIL ENGINEERS–PLANNERS–SURVEYORS
2705 S. Alma School Road, Ste. 2
Chandler, AZ 85286
(602) 218-7285

STEPHENSON ROAD EXHIBIT

THE OAKS,
CITY OF RED OAK, ELLIS COUNTY, TEXAS

Scale:	1" =600'
Date:	NOV. 2020
Job No.:	10834A
Drafted:	IAS
Checked:	WCR

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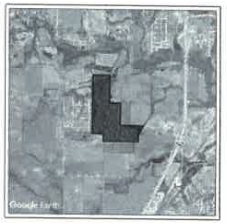


LOCATION MAP
NOT TO SCALE

NOTE
ALL IMPROVEMENTS SHOWN ON THIS PLAN ARE CONCEPTUAL IN NATURE & SUBJECT TO CHANGE.

NORTH

60 30 0 60
1" = 60' - 0"
Bar is one inch on original drawing. If not one inch on this sheet, adjust scale as necessary
One Inch

THE OAKS
~CONCEPTUAL SITE AND LANDSCAPE PLAN~

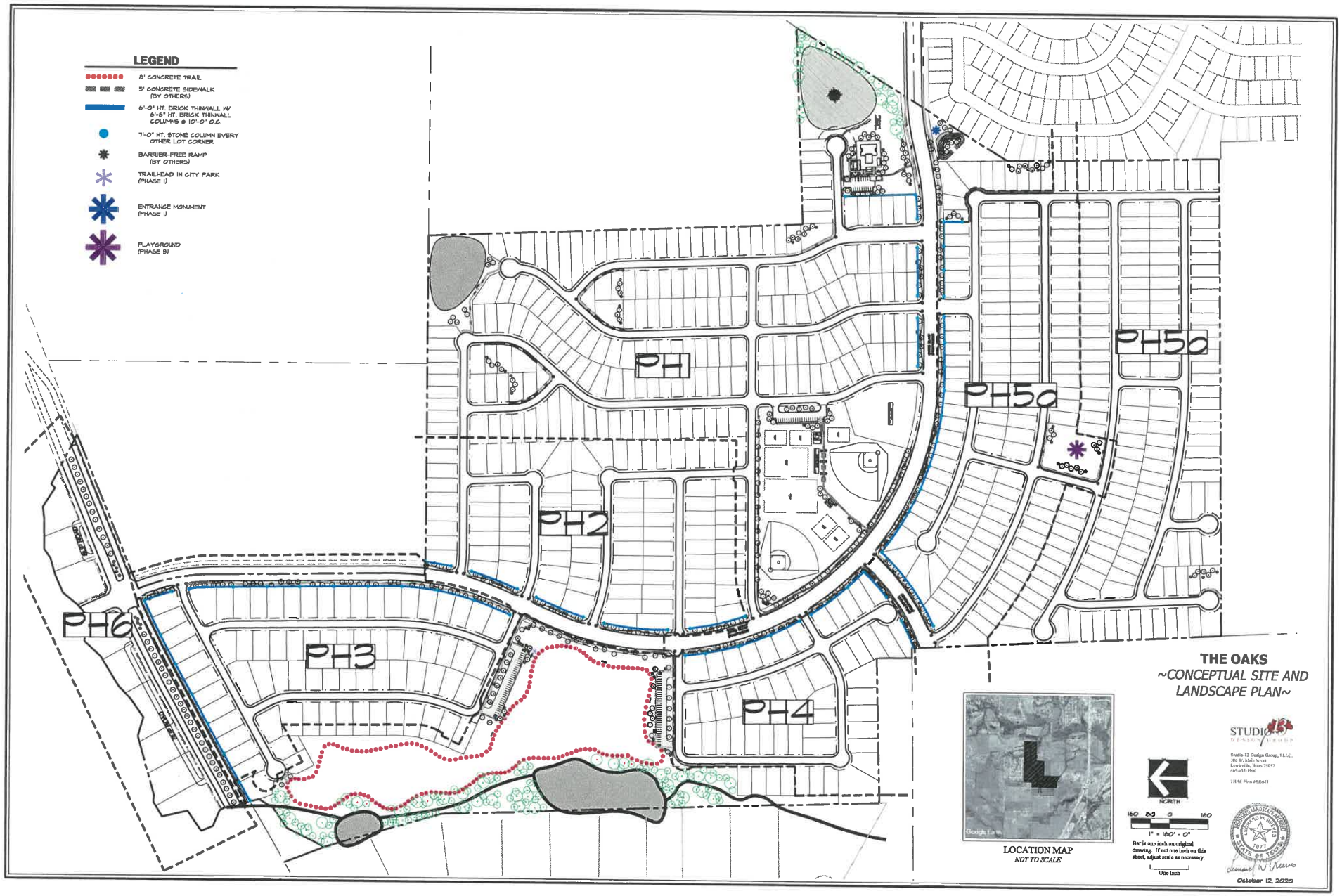
STUDIO 13 DESIGN GROUP

Studio 13 Design Group, PLLC
366 W. Main Street
Lewisville, Texas 75057
469-624-7020

TBPLS Firm #10064-00

LICENSED LANDSCAPE ARCHITECT
LINFORD W. MOORE III
1971
STATE OF TEXAS

June 9, 2019


LEGEND
8' CONCRETE TRAIL
5' CONCRETE SIDEWALK (BY OTHERS)
6'-0" HT. BRICK THINWALL W/ 6'-8" HT. BRICK THINWALL COLUMNS @ 10'-0" O.C.
7'-0" HT. STONE COLUMN EVERY OTHER LOT CORNER
BARRIER-FREE RAMP (BY OTHERS)
TRAILHEAD IN CITY PARK (PHASE I)
ENTRANCE MONUMENT (PHASE I)
PLAYGROUND (PHASE 3)
PH1
PH2
PH3
PH4
PH5a
PH5b
PH6
THE OAKS
~CONCEPTUAL SITE AND LANDSCAPE PLAN~
LOCATION MAP
NOT TO SCALE
NORTH
1" = 160' - 0"
Bar is one inch on original drawing. If not one inch on this sheet, adjust scale as necessary.
One Inch
STUDIO 13
Studio 13 Design Group, P.L.L.C.
306 W. Main Street
Lewisville, Texas 75057
469-635-1900
TBAE Firm #BR643
October 12, 2020

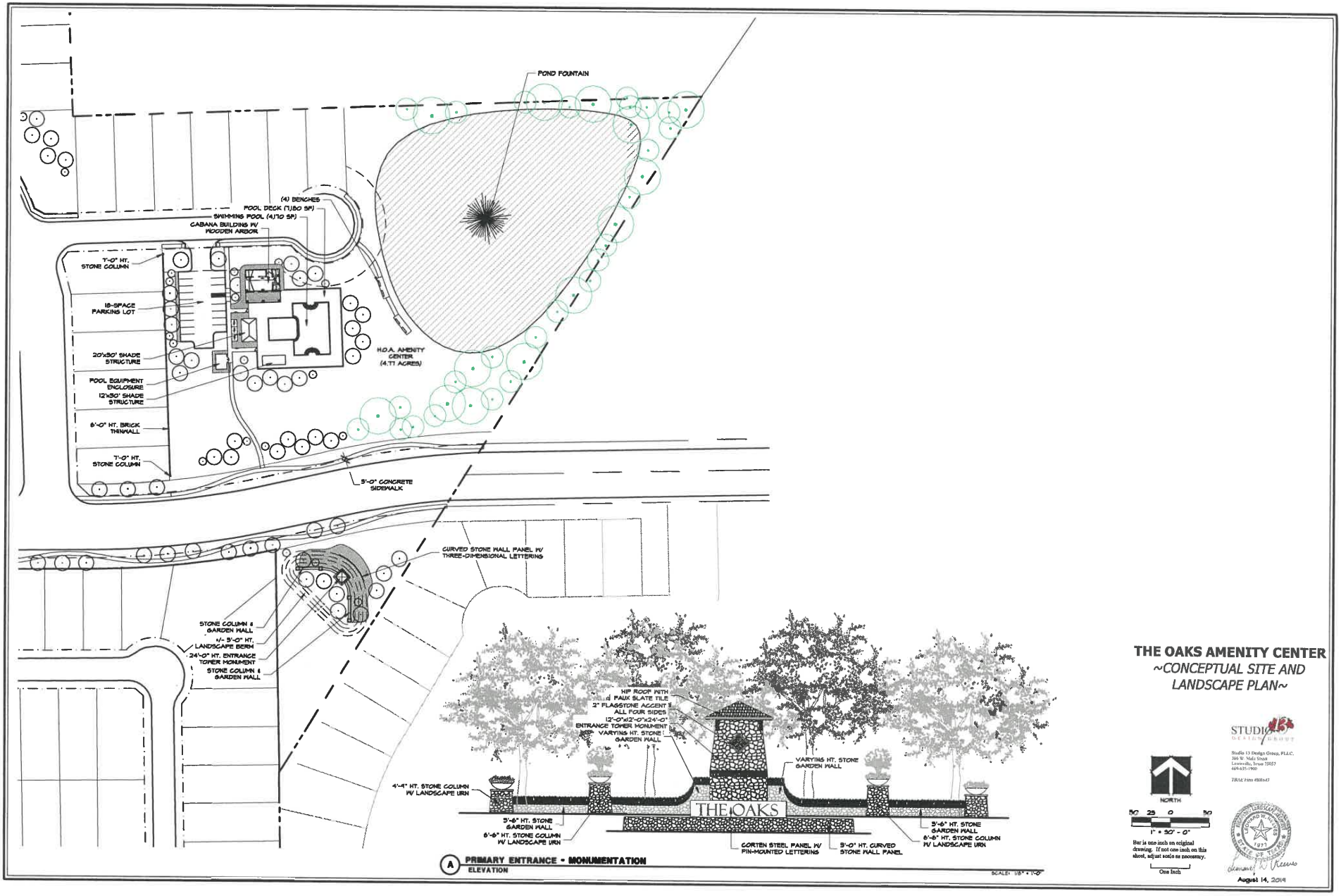

POND FOUNTAIN
(4) BENCHES
POOL DECK (7,180 SF)
SWIMMING POOL (4,710 SF)
CABANA BUILDING W/ WOODEN ARBOR
7'-0" HT. STONE COLUMN
18-SPACE PARKING LOT
20'x50' SHADE STRUCTURE
POOL EQUIPMENT ENCLOSURE
12'x30' SHADE STRUCTURE
6'-0" HT. BRICK THINWALL
7'-0" HT. STONE COLUMN
H.O.A. AMENITY CENTER (4.77 ACRES)
5'-0" CONCRETE SIDEWALK
CURVED STONE WALL PANEL W/ THREE-DIMENSIONAL LETTERING
STONE COLUMN & GARDEN WALL
+/- 3'-0" HT. LANDSCAPE BERM
24'-0" HT. ENTRANCE TOWER MONUMENT
STONE COLUMN & GARDEN WALL
HIP ROOF WITH FAUX SLATE TILE
2" FLAGSTONE ACCENT ALL FOUR SIDES
12'-0"x12'-0"x24'-0" ENTRANCE TOWER MONUMENT
VARYING HT. STONE GARDEN WALL
VARYING HT. STONE GARDEN WALL
4'-4" HT. STONE COLUMN W/ LANDSCAPE URN
THE OAKS
3'-6" HT. STONE GARDEN WALL
6'-6" HT. STONE COLUMN W/ LANDSCAPE URN
CORTEN STEEL PANEL W/ PIN-MOUNTED LETTERING
5'-0" HT. CURVED STONE WALL PANEL
3'-6" HT. STONE GARDEN WALL
6'-6" HT. STONE COLUMN W/ LANDSCAPE URN
A PRIMARY ENTRANCE - MONUMENTATION
ELEVATION
SCALE: 1/8" = 1'-0"
THE OAKS AMENITY CENTER
~CONCEPTUAL SITE AND LANDSCAPE PLAN~
STUDIO 13 DESIGN GROUP
Studio 13 Design Group, P.L.L.C.
386 W. Main Street
Lewisville, Texas 75057
469-635-1900
TBAE Firm #8816-03
NORTH
50 25 0 50
1" = 50' - 0"
Bar is one inch on original drawing. If not one inch on this sheet, adjust scale as necessary.
One Inch
August 14, 2014

EXHIBIT J

FORM OF PAYMENT CERTIFICATE

PAYMENT CERTIFICATE NO. _____

Reference is made to that certain Indenture of Trust by and between the City and the Trustee dated as of _____ (the "Indenture") relating to the "City of Red Oak, Texas, Special Assessment Revenue Bonds, Series 20__ (_____ Public Improvement District Project)" (the "Bonds"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the _____, LP Texas limited partnership (the "Developer") and requests payment to the Developer (or to the person designated by the Developer) from:

_____ the Public Improvement Account of the Project Fund

_____ the Developer Improvement Account of the Project Fund

from _____, (the "Trustee"), in the amount of _____ ($_____) for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Public Improvements providing a special benefit to property within the _____ Public Improvement District.

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The itemized payment requested for the below referenced Public Improvements has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The itemized amounts listed for the Public Improvements below is a true and accurate representation of the Public Improvements associated with the creation, acquisition, or construction of said Public Improvements and such costs (i) are in compliance with the Development Agreement, and (ii) are consistent with and within the cost identified for such Public Improvements as set forth in the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Indenture, and the Service and Assessment Plan.

5. The Developer has timely paid all ad valorem taxes and Annual Installments of Public Assessments it owes or an entity the Developer controls owes, located in the

_____ Public Improvement District and has no outstanding delinquencies for such Public Assessments.

6. All conditions set forth in the Indenture and the Development Agreement for the payment hereby requested have been satisfied.

7. The work with respect to Public Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Public Improvements (or its completed segment).

8. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

Payee / Description of Public Improvement	Total Cost Public Improvement	Budgeted Cost of Public Improvement	Amount requested be paid from the Public Improvement Account	Amount requested to be paid from the Developer Improvement Account

•

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are "bills paid" affidavits and supporting documentation in the standard form for City construction projects.

Pursuant to the Development Agreement, after receiving this payment request, the City has inspected the Public Improvements (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

Payments requested hereunder shall be made as directed below:

a. X amount to Person or Account Y for Z goods or services.

b. Payment instructions

I hereby declare that the above representations and warranties are true and correct.

_____, LP.,
a Texas limited partnership

By: _____

Name: _____

Title: _____

Exhibit J-3

005116.000002\4817-1595-5151.v7

APPROVAL OF REQUEST

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and authorizes and directs payment of the amounts set forth below by Trustee from the Project Fund to the Developer or other person designated by the Developer as listed and directed on such Certificate for Payment. The City's approval of the Certificate for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Development Agreement, the Reimbursement Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Public Improvements.

• Amount of Payment Certificate Request	• Amount to be Paid by Trustee from Improvement Account	• Amount to be paid by Trustee from Developer Improvement Account
• $_____	• $_____	• $_____

•

CITY OF RED OAK, TEXAS

By:_____

Name: _____

Title: _____

Date: _____

•

Exhibit J-4

005116.000002\4817-1595-5151.v7

EXHIBIT K

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for _____, LP, (the "Developer") and requests payment from:

[the Cost of Issuance Account of the Project Fund][the Improvement Account of the Project Fund] from _____, (the "Trustee") in the amount of_____DOLLARS ($_____) for costs incurred in the establishment, administration, and operation of the _____Public Improvement District (the "District"), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

In connection to the above referenced payments, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.

3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with and within the costs as set forth in the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

c. X amount to Person or Account Y for Z goods or services.

d. Payment instructions

I hereby declare that the above representations and warranties are true and correct.

_____, P, a Texas limited partnership

By: _____

Name: _____

Title: _____

Date: _____

- **APPROVAL OF REQUEST**

- The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request to the extent set forth below and authorizes and directs payment by Trustee in such amounts and from the accounts listed below, to the Developer or other person designated by the Developer herein.

• Closing Costs	• Amount to be Paid by Trustee from Cost of Issuance Account	• Amount to be paid by Trustee from Improvement Account
• $_____	• $_____	• $_____

•

CITY OF RED OAK, TEXAS

By:_____
Name: _____
Title: _____

Date: _____

Exhibit J-3

005116.000002\4817-1595-5151.v7

STATE OF TEXAS §

§

COUNTY OF ELLIS §

FIRST AMENDMENT TO

PUBLIC IMPROVEMENT DEVELOPMENT AGREEMENT

This First Amendment to Development Agreement (this "Amendment") is entered into by and between the **CITY OF RED OAK**, a home-rule municipality in Ellis County, Texas (the "City"), and **THE OAKS OF RED OAK, LLC.**, a Texas limited liability company, ("Developer"), to be effective on the hereinafter designated Effective Date.

SECTION 1
RECITALS

WHEREAS, Developer and the City are sometimes collectively referenced in this Amendment as the "Parties", or each individually as a "Party"; and

WHEREAS, the City entered into a Development Agreement with Amalgamated Properties, LLC, a Delaware limited liability company ("Amalgamated"), effective November 13, 2020 (the "Agreement"); and

WHEREAS, effective February 4, 2021, Amalgamated assigned to Developer all of its rights and obligations under the Agreement; and

WHEREAS, all defined terms used in this Amendment shall have the definition provided in the Agreement, unless otherwise specifically provided herein; and

WHEREAS, Parties desire to delete Section 5.6(b) of the Agreement in its entirety and replace it with a new Section 5.6(b).

AGREEMENT

A. Section 5.6(b) is hereby amended and replaced in its entirety with the following:

"5.6 Roadway Facilities and Related Improvements.

(b) Timing of Developer's Obligations. Prior to the recordation of any final plat for the applicable phase of the Development, Developer shall complete, in a good and workmanlike manner, construction of all roadway facilities and related improvements necessary to serve such phase in accordance with construction plans approved by the City. The Developer shall further complete in a good and workmanlike manner, construction of roadway facilities for (i) Oaks Blvd. "East" concurrent with the initial phase of lots; (ii) Oaks Blvd. "North" on or before the date which 322 occupied homes exist in the development; and (iii) two lanes of Stephenson Road (24' of

pavement, only) ("Stephenson Road") on or before the date which 322 occupied homes exist in the development. Thereafter, the roads shall be conveyed to the City for ownership and maintenance.

As an alternative to Developer's obligation to construct Stephenson Road, Developer and the City shall use their good faith efforts to move forward as quickly as possible to have the City issue its second series of PID Bonds, which shall include sufficient monies to construct Stephenson Road. The issuance of such second series of PID Bonds and the escrow with the City of the PID Bond proceeds sufficient to construct Stephenson Road ("Escrow Funds") shall satisfy Developer's obligation under (iii) above (provided that if the Escrow Funds are insufficient to complete such construction project, Developer shall fund the shortfall). In the event the City has not closed the sale of the second series of PID Bonds before (a) a final plat for the respective phases of adjacent lots (Phases 3, 5A, 5B and 6) is recorded, or (b) the date which 322 occupied homes exist in the development, Developer may escrow with the City the monies to satisfy Developer's obligation relative to Stephenson Road, which monies (or portion thereof) shall be returned to Developer when PID Bond proceeds are escrowed to replace such monies.

Immediately after the Effective Date of this Amendment, the City shall use its good faith efforts to acquire the right-of-way encompassing Stephenson Road (the "R-O-W"). In the event the City fails to acquire the R-O-W by the time Developer is prepared to proceed with the development of Phases 3, 5A, 5B and 6, Developer shall be authorized to proceed with the development of such Phases, including acquiring all building permits and certificates of occupancy. Thereafter, Developer shall only be required to proceed with the construction of Stephenson Road or deposit the Escrow Funds after the City has acquired the R-O-W." The Developer shall use their good faith efforts to move forward as quickly as possible to construct the two lanes of Stephenson Road after the City has acquired the R-O-W.

Immediately after the Effective Date of this Amendment, the City and Developer shall use their good faith efforts to proceed with the sale of the PID Bonds for the final phases of development of the Property and the development of such phases.

B. Except as otherwise specifically provided herein, all other terms of the Agreement shall remain in effect.

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EXECUTED BY THE PARTIES TO BE EFFECTIVE ON THE LATEST DATE THE PARTIES SIGN.

CITY OF RED OAK, TEXAS

By: _____

Name: Todd Fuller

Title: City Manager

Date: 9-3-2025

STATE OF TEXAS §
§
COUNTY OF ELLIS §

This instrument was acknowledged before me on this 3 day of September, 2025, by Todd Fuller, City Manager of the City of Red Oak, Texas, on behalf of said City.

LYNDI BRIGHTWELL
Notary ID #134589523
My Commission Expires
October 4, 2027

_____
Notary Public in and for the State of Texas

[SEAL]

DEVELOPER:

THE OAKS OF RED OAK, LLC
a Texas limited liability company

By: _____
Name: John D. Hutchinson
Title: President

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 7 day of August, 2025, by John D. Hutchinson, President of The Oaks of Red Oak, LLC, a Texas limited liability company.

Heather Harris
My Commission Expires
7/10/2027
Notary ID 134445858

_____
Notary Public in and for the State of Texas

[SEAL]

STATE OF TEXAS §

§

COUNTY OF ELLIS §

SECOND AMENDMENT TO

PUBLIC IMPROVEMENT DEVELOPMENT AGREEMENT

This Second Amendment to Development Agreement (this "Second Amendment") is entered into by and between the **CITY OF RED OAK**, a home-rule municipality in Ellis County, Texas (the "City"), and **THE OAKS OF RED OAK, LLC.**, a Texas limited liability company, ("Developer"), to be effective on the date of last signature below (the "Effective Date").

RECITALS

WHEREAS, Developer and the City are sometimes collectively referenced in this Second Amendment as the "Parties" or each individually as a "Party;" and

WHEREAS, the City entered into a Development Agreement with Amalgamated Properties, LLC, a Delaware limited liability company ("Amalgamated"), effective November 13, 2020 (the "Agreement"); and

WHEREAS, effective February 4, 2021, Amalgamated assigned to Developer all of its rights and obligations under the Agreement; and

WHEREAS, effective September 3, 2025, the City and the Developer entered into a First Amendment to Public Improvement Development Agreement (the "First Amendment"); and

WHEREAS, all defined terms used in this Second Amendment shall have the definition provided in the Agreement or the First Amendment, unless specifically provided herein; and

WHEREAS, the City and the Developer desire to further amend the Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

A. Maximum Principal Amount of PID Bonds and Authorized Improvements Cost. The Agreement is hereby amended to increase the anticipated maximum principal amount of PID Bonds to be issued for the purpose of financing the PID Projects to an amount not to exceed $14,000,000. This increase in anticipated maximum principal amount of PID Bonds to be issued shall also result in an increase of the anticipated Authorized Improvements Cost to an amount not to exceed $14,000,000.

To wit, the 12th, 14th and 17th Recitals provisions in the Agreement are hereby amended and replaced in their entirety as follows:

"**WHEREAS**, the Developer estimates that: (i) the total costs to develop the Property will be approximately $49,000,000; and (ii) the anticipated Authorized Improvement Cost will be approximately $14,000,000; and"

and

"**WHEREAS**, in conjunction with the development of an agreed upon future phase of Development, the City will issue a second series of PID Bonds, the proceeds of which shall be used to construct that portion of the Authorized Improvements referenced in Zone 2 in Exhibit "A" of the Second Amendment; and"

"**WHEREAS**, the City, subject to the consent and approval of the City Council, the satisfaction of all conditions for PID Bond issuance, Developer's compliance with this Agreement, and in accordance with the terms of this Agreement, as amended, and all legal requirements, including but not limited to the Indenture, shall use good faith efforts to: (i) adopt a Service and Assessment Plan; (ii) adopt one or more Assessment Ordinances (to reimburse Developer for all or a portion of the PID Project Cost 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, up to $14,000,000 in principal amount of PID Bonds for the purpose of financing the PID Projects in accordance with the Service and Assessment Plan and reimbursing Developer for certain associated costs which have been expended by Developer; and"

Additionally, **Exhibit D** to the Agreement is hereby amended and replaced in its entirety with the attached **Exhibit A** to this Second Amendment, which reflects updated costs of improvements.

B. Anticipated Maximum Tax Equivalent Assessment Rate. The definition of "Assessment(s)" in Section 2 of the Agreement is hereby amended and replaced in its entirety as follows:

"Assessment(s)" means the special assessments levied on the Property under one or more Assessment Ordinances adopted to fund a portion of the Authorized Improvements Costs and/or reimburse Developer for a portion of the Authorized Improvements Costs as set forth in the Service and Assessment Plan, as well as payment of Administrative Expenses and repayment of the PID Bonds and the costs associated with the issuance of the PID Bonds. The maximum tax equivalent assessment rate for the PID to be levied on a Lot is anticipated to be up to $0.46 per $100 on the projected value of the Lot and the taxable improvements to be constructed on such Lot."

C. Ratification. The Parties hereby ratify and confirm all of the terms and provisions of the Agreement, as heretofore amended, and acknowledge and agree that all of the terms and provisions of the Agreement, as amended, remain in full force and effect, except as otherwise expressly and specifically modified and amended by the terms and provisions of this Second Amendment. In the event of any conflict between the terms and provisions of the Agreement, as amended, and the terms and provisions of this Second Amendment, the terms and provisions of this Second Amendment shall control, in all events.

D. Governing Law. This Second Amendment shall be construed and governed by the laws of the State of Texas.

E. Counterparts; Electronic Signatures. This Second Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The counterparts of this Second Amendment may be

executed and delivered by facsimile or other electronic means (including .pdf format) by either of the Parties and any such counterpart executed and delivered by facsimile or other electronic means (including .pdf format) shall be deemed to have the same legal effect as delivery of an original executed copy of this Second Amendment.

[SIGNATURES PAGES AND EXHIBITS FOLLOW;
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EXECUTED BY THE PARTIES TO BE EFFECTIVE ON THE DATE OF LAST SIGNATURE:

CITY OF RED OAK, TEXAS

By: _____

Name: Todd Fuller

Title: City Manager

Date: 7-22-26

STATE OF TEXAS §
§
COUNTY OF ELLIS §

This instrument was acknowledged before me on this 22nd day of July, 2026, by Todd Fuller, City Manager of the City of Red Oak, Texas, on behalf of said City.

_____
Notary Public in and for the State of Texas

[SEAL]

CARYN STEVENS
Notary ID #12249836
My Commission Expires
March 22, 2029

DEVELOPER:

THE OAKS OF RED OAK, LLC,
a Texas limited liability company

By: _____
Name: John D. Hutchinson
Title: President

THE STATE OF TEXAS §
§
COUNTY OF Dallas TX §

This instrument was acknowledged before me on this 13 day of July, 2026, by John D. Hutchinson, President of The Oaks of Red Oak, LLC, a Texas limited liability company.

_____
Notary Public in and for the State of Texas

[SEAL]

Heather Harris
My Commission Expires
7/10/2027
Notary ID134445858

EXHIBIT A

COST ESTIMATES

	Dev. Area 1	Dev. Area 2	Total
Offsite Sewer (I-35)	281,657		281,657
Offsite Water (Chapman)	238,466		238,466
Offsite North Water Loop	283,400		283,400
Offsite Oaks East (Little)	2,003,255		2,003,255
Park and Open Space	1,890,763		1,890,763
Oaks Blvd. North		1,442,532	1,442,532
Proposed Stephenson		1,389,686	1,389,686
In Lieu Stephenson North		1,890,153	1,890,153
Offsite Stephenson		1,501,345	1,501,345
Phase 3		5,667,805	5,667,805
Phase 5A/5B		2,652,718	2,652,718
	4,697,541	14,544,239	19,241,780

APPENDIX H

APPRAISAL

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Integra Realty Resources
Dallas

Appraisal of Real Property

Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3)
264 Single-Family Lots Under Construction and 66 Proposed Lots
South and west sides of Oaks Boulevard, west of IH-35E
Red Oak, Ellis County, Texas 75154

Prepared For:
FMSbonds, Inc.

Date of the Report:
August 11, 2026

Report Format:
Appraisal Report

IRR - Dallas
File Number: 191-2026-0680

Subject Photographs

Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3)
South and west sides of Oaks Boulevard, west of IH-35E
Red Oak, Ellis County, Texas

Aerial Photograph

Integra Realty Resources
Dallas

1100 Mira Vista Boulevard
Suite 300
Plano, TX 75093

T 972.881.7191
F 972.733.1403
www.irr.com

August 11, 2026

Mr. R. R. "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, TX 75034

SUBJECT: Market Value Appraisal
Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3)
South and west sides of Oaks Boulevard, west of IH-35E
Red Oak, Ellis County, Texas 75154
IRR - Dallas File No. 191-2026-0680

Dear Mr. Davenport, III:

Integra Realty Resources – Dallas is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the fee simple interest in the property as of the effective dates of the appraisal. The following opinions of value are provided:

- Prospective Cumulative Retail Market Value At Completion (264 Lots, Phases 5A & 5B) as of July 31, 2026
- Prospective Cumulative Retail Market Value At Completion (66 Lots, Phase 3) as of July 31, 2028

The client for the assignment is FMSbonds, Inc., and the intended use is for the 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 nor is it the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the "PID"; provided that it is acknowledged that this appraisal will be included in a limited offering memorandum for PID bonds.

The subject represents Improvement Area No. 2 (IA #2) and Improvement Area No. 3 (IA #3) as part of the 210.522-acre Red Oak Public Improvement District No. 1 (PID) located in the city of Red Oak in Ellis County, Texas. IA #2 is currently under construction with 264 single-

family lots on 54.418 acres (4.9 upa) and is being marketed as The Oaks, Phases 5A and 5B. The 264 lots are under construction with two typical lot types (242 - 50' lots and 22 - 62' lots) and are designed for front access.

IA #3 is platted and proposed to be developed with 66 single-family lots (74' x 120') on 18.622 acres (3.5 upa) as Phase 3 with an additional 12.247 acres of open space.

The PID is zoned under the guidelines of a Planned Development District restricting IA #2 to single-family residential use. Substantial completion of IA #2 is expected by July 31, 2026 and July 31, 2028 for IA #3.

The unit mix for the PID, IA #2 and IA #3 is summarized as follows:

Red Oak PID No. 1, IA #2 & IA #3 Red Oak, Ellis County, Texas

Phase	Improvement Area	Acres	Location	Density Per Acre	Typical Lot Dimensions 50' x 120'	62' x 120'	74' x 120'	Total Lots	Expected Completion Date
5A	IA #2	25.714	S/S Oaks Blvd., west of IH-35E	4.5	94	22	0	116	July 31, 2026
5B	IA #2	28.704	S/S of Phase 5A	5.2	148	0	0	148	July 31, 2026
3	IA #3	18.622	SWC Stephenson Rd. & Oaks Blvd.	3.5	0	0	66	66	July 31, 2028
Open Space	IA #3	12.247	N/S Stephenson Rd.	N/A	N/A	N/A	N/A	N/A	
Totals		**85.287**		**3.9**	**242**	**22**	**66**	**330**	

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and applicable state appraisal regulations.

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinion of value is as follows:

Value Conclusions

Parcel	Interest Appraised	Date of Value	Value Conclusion
Prospective Cumulative Retail Market Value at Completion (264 lots, Phases 5A & 5B)*	Fee Simple	July 31, 2026	$28,138,000
Prospective Cumulative Retail Market Value at Completion (66 lots, Phase 3)*	Fee Simple	July 31, 2028	$10,989,000

***It should be clearly understood that the summation of lot values does not represent our opinion of the market discounted/bulk value, as if the lots are all sold in bulk in a single transaction.**

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption 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.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by GM Civil Engineering & Surveying (engineering/surveyors), Red Oak 66 Holdings LLC (owner/developer), the city of Red Oak, and the Ellis Appraisal District is assumed to be correct.
2. IA #2 is currently under construction and IA #3 is platted and proposed to be developed as a future Phase 3. Therefore, this report contains prospective opinions of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation dates. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior tothe
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of July 31, 2026 (IA #2) and July 31, 2028 (IA #3), the effective appraisal dates.
4. The values presented within this report are prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The opinions of value expressed in this report are based on estimates and forecasts which are prospective in nature and subject to considerable risk and uncertainty. Events may occur which could cause the performance of the property to differ materially from the estimates contained herein, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, the concluded opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, IRR is not responsible for the effects of future, unforeseen occurrences.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Dallas

Shelley Sivakumar
Director
Texas Licensed Residential Real Estate Appraiser
License TX #1333354-LR
Telephone: 972.696.0687
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Jimmy H. Jackson, MAI
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Senior Director
Texas Certified General Real Estate Appraiser
License TX #1324355-CG
Telephone: 972.725.7755
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Quality Assurance

IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

Designated IRR Certified Reviewer

The IRR Certified Reviewer who provided the quality assurance assessment for this assignment is Jimmy H. Jackson, MAI.

Executive Summary

Property Name	Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3
Location	South and west sides of Oaks Boulevard, west of IH-35E Red Oak, Ellis County, Texas 75154
Property Type	Land - Single Family Development Land
Owner of Record	Red Oak 66 Holdings LLC
Tax ID	Phases 5A & 5B: 264 Individual Accounts (See Addenda)/Phase 3: 284676
Legal Description	IA #2: Albert Frederick Survey, Abstract No. 375, City of Red Oak, Ellis County, Texas IA #3: James E. Patton Survey, Abstract, No. 839, the Albert Frederick Survey, Abstract No. 375, the James Chapman Survey, Abstract No. 214, and the Joel S. Davis Survey, Abstract No. 323, City of Red Oak, Ellis County, Texas
School District	Red Oak ISD
Land Areas (IA #2)	
Overall	54.418 acres; 2,370,464 SF
Phase 5A	25.714 acres; 1,120,110 SF
Phase 5B	28.704 acres; 1,250,354 SF
Total Lots - Phases 5A & 5B	264 lots (242 lots - 50' x 120'; 22 lots - 62' x 120')
Land Areas (IA #3)	
Overall	30.869 acres; 1,344,637 SF
Phase 3	18.622 acres; 811,163 SF
Open Space	12.247 acres, 533,474 SF
Total Lots - Phase 3	66 lots (74' x 120')
Zoning Designation	PD, Planned Development (Single-Family Residential)
Highest and Best Use	Single-family residential use
Exposure Time; Marketing Period	6 - 12 months; 6 - 12 months
Effective Date of the Appraisal	July 31, 2026
Date of the Report	August 11, 2026
Property Interest Appraised	Fee Simple

Value Conclusions

50' Frontage Lots (IA #2)	$105,000	($2,100/Front Footage)
62' Frontage Lots (IA #2)	$124,000	($2,000/Front Footage)
74' Frontage Lots (IA #3)	$166,500	($2,250/Front Footage)
Cumulative Retail Value, IA #2*	$28,138,000	($106,583 Average/Lot)
Cumulative Retail Value, IA #3*	$10,989,000	($166,500 Average/Lot)

***It should be clearly understood that the summation of lot values does not represent our opinion of the market discounted/bulk value, as if the lots are all sold in bulk in a single transaction.**

Value Conclusions

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Cumulative Retail Market Value at Completion (264 lots, Phases 5A & 5B)*	Fee Simple	July 31, 2026	$28,138,000
Prospective Cumulative Retail Market Value at Completion (66 lots, Phase 3)*	Fee Simple	July 31, 2028	$10,989,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption 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.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by GM Civil Engineering & Surveying (engineering/surveyors), Red Oak 66 Holdings LLC (owner/developer), the city of Red Oak, and the Ellis Appraisal District is assumed to be correct.
2. IA #2 is currently under construction and IA #3 is platted and proposed to be developed as a future Phase 3. Therefore, this report contains prospective opinions of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation dates. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior tothe
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of July 31, 2026 (IA #2) and July 31, 2028 (IA #3), the effective appraisal dates.
4. The values presented within this report are prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Strengths, Weaknesses, Opportunities, Threats (SWOT Analysis)

The analyses presented in this report consider the internal strengths and weaknesses of the subject property, as well as opportunities and external threats. The overall valuation influences are summarized in the following table.

Valuation Influences
Strengths
• Limited amount of available land in market area
• Continued demand for residential lots in market area
• Simple development plan
• Low cost of development
• The property is located in a fast-growing area.
• Easy access to major thoroughfares
• Close proximity to employment centers
• The property is located within a Public Improvement District.
• Increasing population base
Weaknesses
• Potential competition from other developments
Opportunities
• Profit from lot sales
• Profit from homebuilding
• Demand for new housing continues to grow
• Demand for new housing remains relatively strong
Threats
• Potential economic downturn/inflation pressures testing the U.S. and local economies
• In the June 17, 2026 statement, the Federal Open Market Committee (FOMC) decided to maintain the target range for the federal funds rate at 3.50% to 3.75%, in support of the Federal Reserve's dual mandate. The Committee reaffirmed its policy of maintaining ample reserves in the banking system. Economic activity is expanding at a solid pace despite elevated uncertainty that owes, in part, to the prevailing conflict in the Middle East. Productivity growth and capital investment are strong. Job gains have kept pace with the workforce, and the unemployment rate has changed little. Inflation remains elevated relative to the Committee's 2.00% goal, in part reflecting supply shocks that have driven price increases in certain sectors, including areas mostly influenced by energy and its byproducts. The Committee’s main goal will remain to try to facilitate and encourage overall price stability.

Identification of the Appraisal Problem

Subject Description

The subject represents Improvement Area No. 2 (IA #2) and Improvement Area No. 3 (IA #3) as part of the 210.522-acre Red Oak Public Improvement District No. 1 (PID) located in the city of Red Oak in Ellis County, Texas. IA #2 is currently under construction with 264 single-family lots on 54.418 acres (4.9 upa) and is being marketed as The Oaks, Phases 5A and 5B. The 264 lots are under construction with two typical lot types (242 - 50' lots and 22 - 62' lots) and are designed for front access.

IA #3 is platted and proposed to be developed with 66 single-family lots (74' x 120') on 18.622 acres (3.5 upa) as Phase 3 with an additional 12.247 acres of open space.

The PID is zoned under the guidelines of a Planned Development District restricting IA #2 to single-family residential use. Substantial completion of IA #2 is expected by July 31, 2026 and July 31, 2028 for IA #3.

A legal description of the property is provided in the addenda.

Property Identification	
Property Name	Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3)
Location	South and west sides of Oaks Boulevard, west of IH-35E Red Oak, Texas 75154
Tax ID	264 Individual Accounts and 284676 (See Addenda)
Owner of Record	Red Oak 66 Holdings LLC

Sale History

No known sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

To the best of our knowledge, the property, as a whole, is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date. However, the 264 lots currently under construction in IA #2 (Phases 5A & 5B) are contracted as follows:

Lot Contract Summary - Red Oak PID No. 1, IA #2, Red Oak, Texas

Home Builder	Phase	Total Lots	Typical Lot Dimensions	Total SF	Base Lot Price*	Base Price/FF	Absorption/ Month	Total Absorption Period (Months ±)
Bloomfield Homes, L.P.	5A	22	62' x 120'	7,440	$114,700	$1,850	In Bulk	In Bulk
Brightland Homes, LTD.	5A & 5B	121	50' x 120'	6,000	$100,000	$2,000	3.6	33.3
HMH Lifestyles, L.P.	5A & 5B	121	50' x 120'	6,000	$100,000	$2,000	3.6	33.3
Totals		**264**						

The lots contracted on a takedown basis include an annual 7% escalation. All lots are contracted with a $2,000/lot amenity fee and a cluster mailbox fee not to exceed $250/lot.

It is noted the 66 lots in IA #3 (Phase 3) are not currently under contract and are currently being marketed at $150,000/lot ($2,027/FF) which is below our opinion of value ($166,500/lot or $2,250/FF as of July 31, 2028).

The contracted lot prices for lots in IA #2 appear to be market oriented and are slightly below our opinions of value ($105,000 for 50' frontage lots and $130,200 for 62' frontage lots) or $2,100/front footage as of July 31, 2026.

Appraisal Purpose

The purpose of the appraisal is to develop an opinion of the fee simple interest in the property as of the effective dates of the appraisal. The following opinions of value are provided:

- Prospective Cumulative Retail Market Value At Completion (264 Lots, Phases 5A & 5B) as of July 31, 2026
- Prospective Cumulative Retail Market Value At Completion (66 Lots, Phase 3) as of July 31, 2028

The date of the report is August 11, 2026. The appraisal is valid only as of the stated effective date or dates.

Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

Market Value

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. [1]

[1] Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also, Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

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 value 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.

(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th ed. [Chicago: Appraisal Institute, 2022])

Prospective Market Value As Completed
The market value of a property as of a future date when all construction is expected to be completed. It is based on market conditions forecasted to exist as of the completion date. This value premise assumes the project is complete.[2]

Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

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.[3]

Client and Intended User(s)

The client and intended user is FMSbonds, Inc. No other party(s) is intended to rely on the information, opinions, and conclusions contained in this report; provided that it is acknowledged that this appraisal will be used in a limited offering memorandum for PID bonds.

Intended Use

The intended use of the appraisal is for the 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 nor is it the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the “PID”. The appraisal is not intended for any other use.

[2] Compiled and summarized from several industry sources
[3] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP)
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute
- Applicable state appraisal regulations

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

Scope of Work

Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

The client requested that only the most applicable approach to value be utilized, and that other appropriate valuation methods for the subject be excluded. To determine the appropriate scope of work, the client's request in relation to the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Subject Property Data Sources

The legal and physical features of the subject property, including size of the site, flood plain data, property zoning, existing easements and encumbrances, access and exposure were confirmed and analyzed.

Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection

Party	Inspection Type	Inspection Date
Shelley Sivakumar	On-site	July 5, 2026
Jimmy H. Jackson, MAI	None	N/A
Ernest Gatewood	On-site	July 5, 2026

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 capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach - (Subdivision Development Analysis)	Applicable	Not Utilized

The Sales Comparison Approach involves research, verification, and comparison of sales of other vacant lots. The sales are then adjusted for value-related differences. Because Texas is not a full disclosure state, sales prices must be obtained from grantors, grantees, brokers, lenders, other persons involved in the transaction, or other appraisers when the information is believed to be reliable. In many cases, the sources of the information wish to remain anonymous and are not included; however, the sale data is used only if the data is believed to be accurate, and the sources of the information are kept on file.

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. Because Texas is not a full disclosure state, sales prices must be obtained from grantors, grantees, brokers, lenders, other persons involved in the transaction, or other appraisers when the information is believed to be reliable. In many cases, the sources of the information wish to remain anonymous and are not included; however, the sale data is used only if the data is believed to be accurate, and the sources of the information are kept on file. Cost figures were obtained from the developer and compared to cost figures on competing developments. The cost figures are based on actual costs provided by the developer. Developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

In the Income Capitalization Approach, specific appraisal techniques are applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

In the Subdivision Development Approach, the retail value of the lots has been 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. The indicated value by the Income Capitalization Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

Economic Analysis

Ellis County Area Analysis

Ellis County is located in Texas approximately 936 square miles in size and has a population density of 261 persons per square mile.

Population

Ellis County has an estimated 2026 population of 244,194, which represents an average annual 4.0% increase over the 2020 census of 192,455. Ellis County added an average of 8,623 residents per year over the 2020-2026 period, and its annual growth rate exceeded the State of Texas rate of 1.6%.

Looking forward, Ellis County's population is projected to increase at a 2.3% annual rate from 2026-2031, equivalent to the addition of an average of 5,833 residents per year. Ellis County's growth rate is expected to exceed that of Texas, which is projected to be 1.3%.

Population Trends

	Population			Compound Ann. % Chng	
	2020 Census	2026 Estimate	2031 Projection	2020 - 2026	2026 - 2031
Ellis County	192,455	244,194	273,359	4.0%	2.3%
Dallas, TX MSA	7,637,387	8,568,977	9,192,852	1.9%	1.4%
Texas	29,145,505	31,994,623	34,064,954	1.6%	1.3%
United States	331,449,281	342,965,686	351,802,157	0.6%	0.5%

Source: Claritas 360

Employment

Total employment in Ellis County was estimated at 64,125 jobs at year-end 2024. Between year-end 2014 and 2024, employment rose by 18,262 jobs, equivalent to a 39.8% increase over the entire period. There were gains in employment in ten out of the past ten years. Ellis County's rate of employment growth over the last decade surpassed that of Texas, which experienced an increase in employment of 21.2% or 2,474,438 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Ellis County unemployment rate has been consistently lower than that of Texas, with an average unemployment rate of 4.0% in comparison to a 4.7% rate for Texas. A lower unemployment rate is a positive indicator.

Recent data shows that the Ellis County unemployment rate is 4.1% in comparison to a 4.4% rate for Texas, a positive sign that is consistent with the fact that Ellis County has outperformed Texas in the rate of job growth over the past two years.

Employment Trends

	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
Year	Ellis County	% Change	Texas	% Change	Ellis County	Texas
2014	45,863		11,672,985		5.0%	5.2%
2015	47,960	4.6%	11,831,449	1.4%	4.0%	4.5%
2016	49,421	3.0%	11,972,594	1.2%	3.7%	4.6%
2017	50,516	2.2%	12,224,998	2.1%	3.5%	4.4%
2018	52,538	4.0%	12,539,711	2.6%	3.3%	3.9%
2019	53,597	2.0%	12,802,919	2.1%	3.1%	3.5%
2020	54,420	1.5%	12,264,651	-4.2%	5.9%	7.7%
2021	58,080	6.7%	13,025,292	6.2%	4.4%	5.7%
2022	60,445	4.1%	13,591,394	4.3%	3.4%	3.9%
2023	61,662	2.0%	13,915,979	2.4%	3.6%	4.0%
2024	64,125	4.0%	14,147,423	1.7%	3.7%	4.1%
Overall Change 2014-2024	18,262	39.8%	2,474,438	21.2%		
Avg Unemp. Rate 2014-2024					4.0%	4.7%
Unemployment Rate - September 2025					4.1%	4.4%

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Ellis County has greater concentrations than Texas in the following employment sectors:

1. Trade; Transportation; and Utilities, representing 22.6% of the Ellis County payroll employment compared to 20.1% for Texas as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Manufacturing, representing 16.5% of the Ellis County payroll employment compared to 6.9% for Texas as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
3. Government, representing 15.1% of the Ellis County payroll employment compared to 14.6% for Texas as a whole. This sector includes employment in local, state, and federal government agencies.
4. Leisure and Hospitality, representing 11.3% of the Ellis County payroll employment compared to 10.7% for Texas as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.

Ellis County is underrepresented in the following sectors:

1. Education and Health Services, representing 10.9% of the Ellis County payroll employment compared to 13.6% for Texas as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
2. Professional and Business Services, representing 7.5% of the Ellis County payroll employment compared to 15.1% for Texas as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
3. Financial Activities, representing 2.8% of the Ellis County payroll employment compared to 6.5% for Texas as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
4. Other Services, representing 2.6% of the Ellis County payroll employment compared to 2.7% for Texas as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry-cleaning establishments.

Major Employers

Major employers in Ellis County are shown in the following table.

Major Employers - Ellis County, TX

	Name	Number of Employees
1	Baylor Scott & White Medical Center at Waxahachie	1000+
2	Waxahachie Independent School District	500-999
3	Dart Container Corp.	500-999
4	Ellis County	500-999
5	Walgreen Company	250-499
6	Cardinal IG	250-499
7	City of Waxahachie	250-499
8	Owens Corning Fiberglass	250-499
9	UNIVAR	250-499
10	A.E.P Industries	100-249

Source: https://www.waxahachie.com/departments/economic_development_new/site_location_center/top_employers.php

Major employers in the DFW metro area are shown in the following table.

Major Employers - DFW Metro

	Name	Number of Employees
1	AMR Corporation	24,700
2	Bank of America Corporation	20,000
3	Texas Health Resources Inc.	19,230
4	Dallas ISD	18,314
5	Baylor Health Care System	17,097
6	AT&T	15,800
7	Lockheed Martin Aeronautics	14,126
8	JP Morgan Chase & Co.	13,500
9	UT-Southwestern Medical Center	13,122
10	City of Dallas	12,836

Source: http://www.destinationdfw.com/Largest-Employers-in-Dallas-Fort-Worth-Texas/

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in Ellis County than Texas overall during the past decade. Ellis County has grown at a 3.7% average annual rate while the State of Texas has grown at a 3.3% rate. However, Ellis County has recently underperformed Texas. GDP for Ellis County rose by 5.9% in 2023 while Texas's GDP rose by 7.4%.

Ellis County has a per capita GDP of $34,873, which is 49% less than Texas's GDP of $68,247. This means that Ellis County industries and employers are adding relatively less value to the economy than their counterparts in Texas.

Gross Domestic Product

Year	($,000s) Ellis County	% Change	($,000s) Texas	% Change
2013	5,390,022	–	1,511,806,500	–
2014	5,384,305	-0.1%	1,559,636,100	3.2%
2015	5,536,613	2.8%	1,634,127,100	4.8%
2016	5,723,763	3.4%	1,633,863,300	0.0%
2017	5,887,929	2.9%	1,667,313,000	2.0%
2018	6,361,104	8.0%	1,746,543,300	4.8%
2019	6,521,681	2.5%	1,806,736,100	3.4%
2020	6,339,301	-2.8%	1,773,657,100	-1.8%
2021	6,795,974	7.2%	1,879,101,300	5.9%
2022	7,356,220	8.2%	1,952,708,600	3.9%
2023	7,787,990	5.9%	2,097,090,400	7.4%
Compound % Chg (2013-2023)		3.7%		3.3%
GDP Per Capita 2023	$34,873		$68,247	

Source: U.S. Bureau of Economic Analysis (BEA) and Moody's Analytics; data released December 2024.
The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2017 dollars.

Household Income

Ellis County is more affluent than Texas. Median household income for Ellis County is $101,204, which is 19.5% greater than the corresponding figure for Texas.

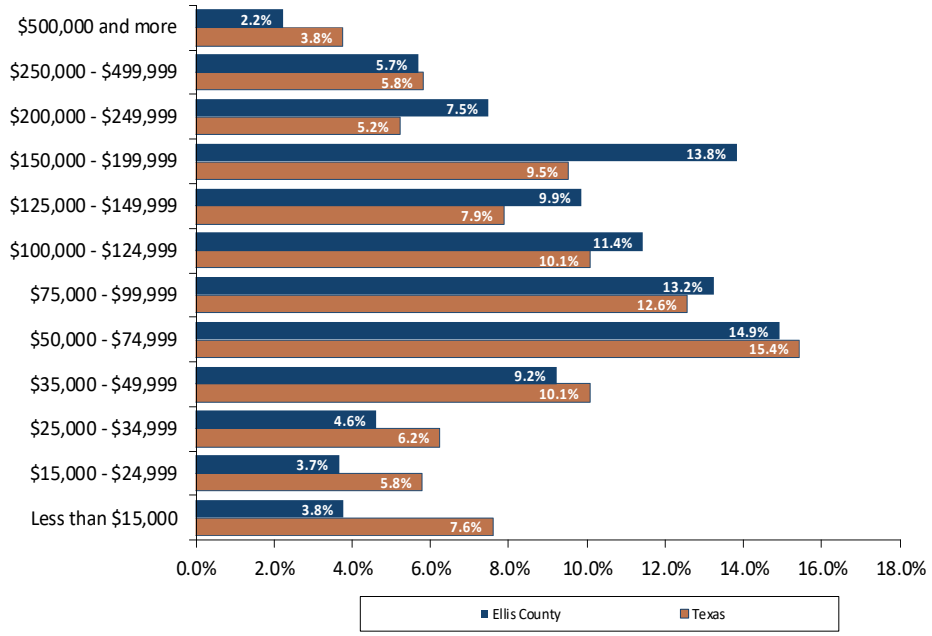
Median Household Income - 2026

	Median
Ellis County	$101,204
Texas	$84,658
Comparison of Ellis County to Texas	+ 19.5%

Source: Claritas 360

The following chart shows the distribution of households across twelve income levels. Ellis County has a greater concentration of households in higher income levels than Texas. Specifically, 29% of Ellis County households are at the $150,000 or greater levels in household income as compared to 24% of Texas households. A lesser concentration of households is apparent in the lower income levels, as 21% of Ellis County households are below the $50,000 level in household income versus 30% of Texas households.

Household Income Distribution - 2026

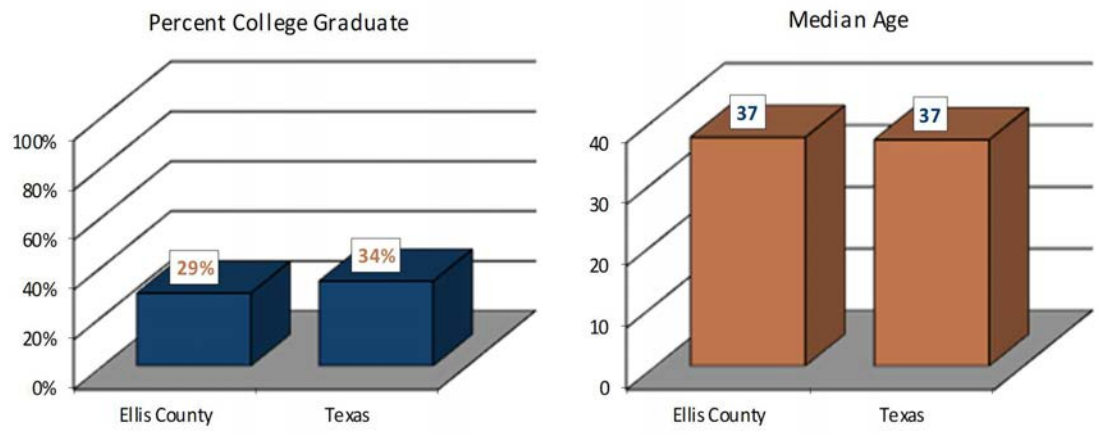


Source: Claritas 360

Education & Age

Residents of Ellis County have a lower level of educational attainment than those of Texas. An estimated 29% of Ellis County residents are college graduates with four-year degrees, versus 34% of Texas residents. People in Ellis County are similar in age to their Texas counterparts. The median age of both Ellis County and Texas is 37 years.

Education & Age - 2026

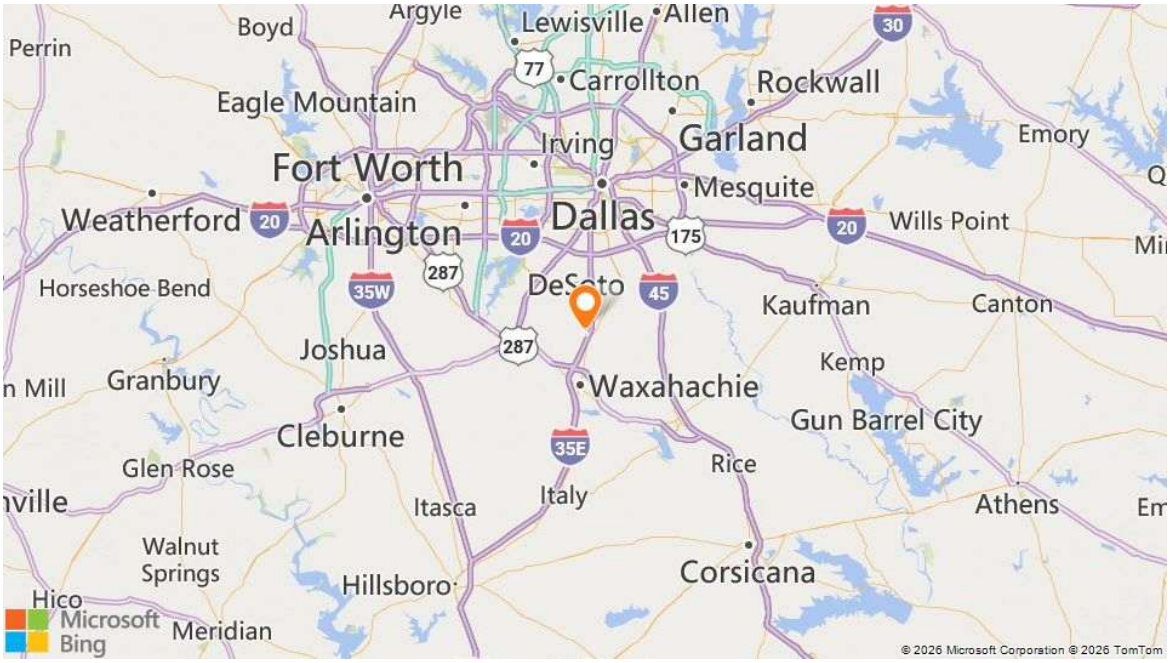


Source: Claritas 360

Conclusion

The Ellis County economy will benefit from a growing population base and a higher level of median household income. Ellis County experienced growth in the number of jobs and has maintained a consistently lower unemployment rate than Texas over the past decade. It is anticipated that the Ellis County economy will improve, and employment will grow, strengthening the demand for real estate.

Area Map


Argyle
Lewisville
Allen
Boyd
Perrin
Carrollton
Rockwall
Eagle Mountain
Garland
Emory
Irving
Fort Worth
Mesquite
Weatherford
Arlington
Dallas
Wills Point
Horseshoe Bend
DeSoto
Kaufman
Canton
Joshua
Kemp
Granbury
Waxahachie
Gun Barrel City
Cleburne
Glen Rose
Rice
Italy
Itasca
Athens
Walnut Springs
Hillsboro
Corsicana
Hico
Meridian
Microsoft Bing
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Surrounding Area Analysis

Boundaries

The PID, IA #2 is located in the city of Red Oak in Ellis County, Texas. This area is generally delineated as follows:

Boundaries & Delineation	
Boundaries	
Market Area	Dallas-Fort Worth, TX
Submarket	GlennHeights
Area Type	Suburban
Delineation	
North	IH-20
South	US-287
East	SH-342
West	US-67

A map identifying the location of the property follows this section.

Access and Linkages

Access & Linkages		
Vehicular Access		
Major Highways	IH-35E, US-287, IH-20	
Primary Corridors	IH-35E, Oaks Boulevard, E. Highland Road	
Vehicular Access Rating	Good	
Airport(s)		
Name	DFW International Airport	Dallas Love Field
Distance	39 Miles	27 Miles
Driving Time	37 Minutes	34 Minutes
Primary Transportation Mode	Automobile	

Life Cycle

Real estate is affected by cycles involving development trends within a market area as well as market and economic forces. Trends in demand for development in a particular market are described by the Market Area Life Cycle, while market and economic trends are described by the Real Estate Cycle.

A Market Area Life Cycle typically evolves through four stages:[4]

- Growth – a period during which the market area gains public favor and acceptance
- Stability – a period of equilibrium without marked gains or losses
- Decline – a period of diminishing demand
- Revitalization – a period of renewal, redevelopment, modernization, and increasing demand

The subject's market area is in the growth stage of the Market Area Life Cycle.

The Real Estate Cycle also impacts a neighborhood. The stages of the Real Estate Cycle include:

- Expansion – Sustained growth in demand, increasing construction
- Hypersupply – Positive but falling demand, increasing vacancy
- Recession – Falling demand, increasing vacancy
- Recovery – Increasing demand, decreasing vacancy

These stages are illustrated below, along with a summary of common characteristics of each stage of the Real Estate Cycle. The subject is in the expansion stage of the Real Estate Cycle.

[4] Appraisal Institute, *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020)

EXPANSION	HYPERSUPPLY	RECESSION	RECOVERY
Decreasing Vacancy Rates	Increasing Vacancy Rates	Increasing Vacancy Rates	Decreasing Vacancy Rates
Moderate/High New Construction	Moderate/High New Construction	Moderate/Low New Construction	Low New Construction
High Absorption	Low/Negative Absorption	Low Absorption	Moderate Absorption
Moderate/High Employment Growth	Moderate/Low Employment Growth	Low/Negative Employment Growth	Low/Moderate Employment Growth
Med/High Rental Rate Growth	Med/Low Rental Rate Growth	Low/Neg Rental Rate Growth	Neg/Low Rental Rate Growth

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics

2026 Estimates	1-mile Radius	3-mile Radius	5-mile Radius	Ellis County	Dallas, TX MSA	Texas
Population 2020	5,593	23,992	63,549	192,455	7,637,387	29,145,505
Population 2026	6,847	28,886	74,699	244,194	8,568,977	31,994,623
Population 2031	7,678	32,061	82,137	273,359	9,192,852	34,064,954
Compound % Change 2020-2026	3.4%	3.1%	2.7%	4.0%	1.9%	1.6%
Compound % Change 2026-2031	2.3%	2.1%	1.9%	2.3%	1.4%	1.3%
Households 2020	1,890	8,006	21,171	64,996	2,760,991	10,491,147
Households 2026	2,316	9,664	24,755	82,605	3,095,231	11,563,140
Households 2031	2,600	10,743	27,186	92,645	3,327,703	12,356,300
Compound % Change 2020-2026	3.4%	3.2%	2.6%	4.1%	1.9%	1.6%
Compound % Change 2026-2031	2.3%	2.1%	1.9%	2.3%	1.5%	1.3%
Median Household Income 2026	$109,460	$102,840	$102,147	$101,204	$96,369	$84,658
Average Household Size	3.0	3.0	3.0	2.9	2.7	2.7
College Graduate %	31%	31%	29%	29%	40%	34%
Median Age	36	37	37	37	37	37
Owner Occupied %	66%	75%	78%	75%	59%	62%
Renter Occupied %	34%	25%	22%	25%	41%	38%
Median Owner Occupied Housing Value	$383,421	$374,377	$353,095	$381,698	$392,211	$319,044
Median Year Structure Built	2006	2002	2002	2004	1995	1994
Average Travel Time to Work in Minutes	39	37	36	34	31	29

Source: Claritas 360

As shown above, the current population within a 3-mile radius of the subject is 28,886, and the average household size is 3.0. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to Ellis County overall, the population within a 3-mile radius of the subject is projected to grow at a slower rate.

Median household income is $102,840, which is higher than the household income for Ellis County. Residents within a 3-mile radius of the subject have a higher level of educational attainment than those of Ellis County, while median owner-occupied home values are lower.

Land Use

The Ellis County submarket has been developed with significant residential use, with supportive commercial land uses along the major thoroughfares. This includes the influx of development trends surrounding the data center market growth within Red Oak. The pace of development has generally accelerated over this time. Land use characteristics of the area are summarized below:

Immediate Surroundings	
North	Single-Family Residential
South	Vacant Land
East	Vacant Land
West	Vacant Land

Development Activity and Trends

Google Data Center Project represents a primary institutional demand generator within the subject market area and a transformative land use influence along the southern Dallas Fort Worth I-35E corridor. Publicly announced investment of approximately $600 million places the project within the hyperscale data center category and signals a long-term commitment to the location. The campus, situated on an estimated 120 to 130 acres, is planned as a multi-building development with phased expansion potential, reinforcing land use stability and long-term absorption of surrounding infrastructure capacity.

From an economic and real estate perspective, the significance of the Google data center is driven less by permanent employment levels and more by its exceptional capital intensity and infrastructure requirements. Facilities of this scale typically require substantial power capacity, often exceeding 100 megawatts at full build out, supported by dedicated substations, redundant transmission lines, and high-capacity fiber networks. These infrastructure demands materially influence surrounding land use by attracting complementary development such as additional data centers, utility facilities, contractor support operations, and light industrial uses oriented toward mission critical operations.

The Google development also functions as a strong market signal that elevates Red Oak's profile as a strategic technology and infrastructure node within North Texas. Hyperscale investment of this magnitude tends to accelerate follow on development activity by other institutional users seeking proximity to established power, fiber, and transportation corridors. As a result, power intensive and mission critical facilities are becoming a dominant land use driver in this portion of southern Dallas County.

Red Oak ISD serves northern Ellis County, Texas with a student enrollment of 6,589 students in 2026. The district serves Red Oak, Pecan Hill, Oak Leaf, and parts of Glenn Heights, Ovilla, and Waxahachie. The district is comprised of four elementary schools, two middle schools, and high school with a student-to-teacher ratio of about 16:1.

The Oaks is a master-planned community in Red Oak located 20 miles south of downtown Dallas, just east of IH-35E. Homebuilders include Bloomfield Homes, HistoryMaker Homes, and DRB Homes. Homes range from $350,000 to over $600,000. Amenities include an amenity center with a community pool, dog park, walking trails, sports fields, and over 20 acres of parks and green space.

City of Red Oak Live Oak Sports Complex located at 300 Live Oak Street, is a community oriented recreational facility offering basketball courts, baseball and softball fields, and supporting amenities such as concessions and restroom facilities. The complex serves local residents and youth sports programs and functions as a neighborhood scale demand generator that supports quality of life and family oriented residential development within the city.

Red Oak Valley Golf Course an 18-hole public golf course serving the Red Oak and southern Dallas County area. The facility includes cart and pull cart rentals, a driving range, and practice areas, providing recreational opportunities for residents and visitors. The golf course contributes to local leisure activity and can be viewed as a supporting amenity that enhances nearby residential appeal and community character.

Waxahachie Civic Center is located at the intersection of IH-35E and US-287 and functions as a regional event venue. The facility accommodates corporate meetings, conventions and expos, weddings, and formal events, drawing both local and out of area visitors. Its location and programming support demand for nearby hospitality, retail, and service oriented commercial uses.

Waxahachie Sports Complex is a large-scale recreational facility encompassing approximately 100 acres and offering a wide range of athletic fields. Improvements include multiple lighted and unlighted soccer fields, softball fields, baseball fields, football fields, playground areas, and concession and restroom buildings. Situated along US-287, the complex serves as a regional sports destination that generates periodic visitor traffic and supports surrounding commercial and service uses.

Baylor Scott & White Medical Center - Waxahachie is a 300,000 square-foot, six-story medical hospital/center on 52 acres with 134 beds with LEED Silver certification. To help with the treatment of all types of cancers, the Charles A. Sammons Cancer Center was built into the new hospital. The center incorporates the latest technology and treatment options that are available for patients. It will offer both chemo infusion therapy and radiation therapy.

Mid-Way Regional Airport, covering 243 acres, is located at 131 Airport Drive in Midlothian It is a public-use general aviation airport jointly owned by the cities of Midlothian and Waxahachie. The airport opened in October of 1992 and caters for corporate and private aviation. It features a 6,500-foot asphalt runway, full-service FBO (Southern Star Aviation), 68 aircraft rental hangars, and a 8,000 square-foot terminal building.

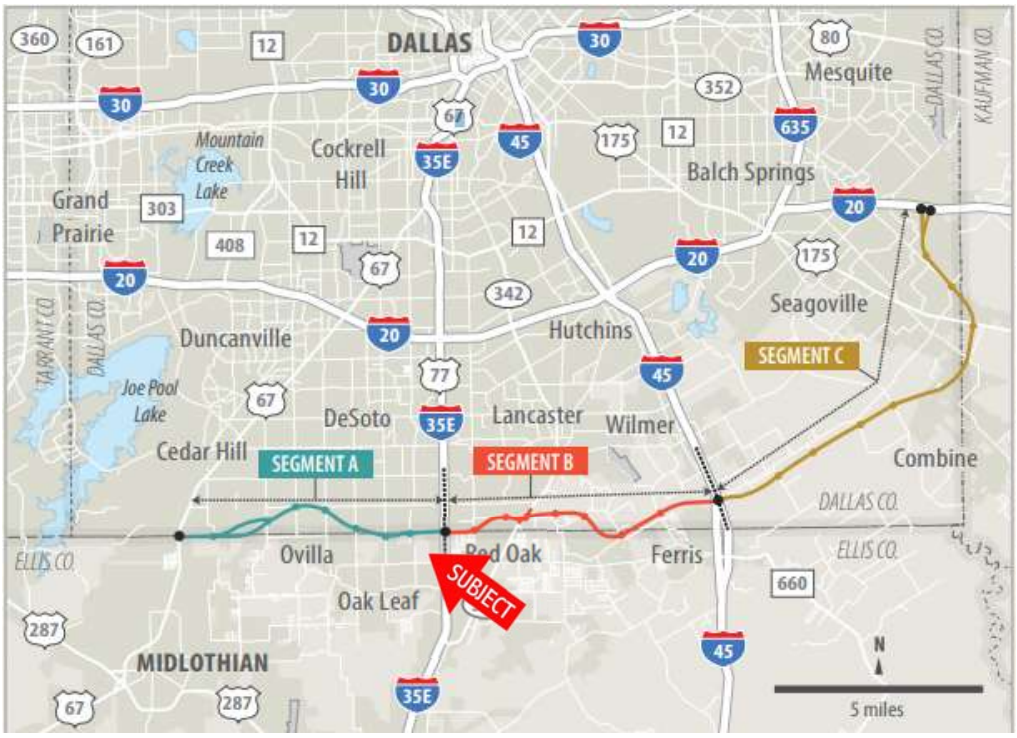
Navarro College is a two-year public institution founded in 1946 with a main campus in Corsicana and locations in Midlothian, Waxahachie, and Mexia. It serves over 11,000 students offering associate degrees, certificates, and bachelor's degrees, with popular programs in nursing, business, and general studies. Navarro College is also home to the Cook Education Center, which houses the largest planetarium in Texas with a 60-foot diameter dome and seating for 200±, and the Pearce Collections Museum, home to many Civil War items and a world-class western art collection.

Nelson University (formerly Southwestern Assemblies of God University) is a private Christian-based institution for theological and professional studies that provides studies for undergraduate and graduate students. The 70-acre campus is located on Sycamore Drive, west of SH-77 in Waxahachie, and is currently comprised of approximately 130,000 square feet of administration buildings, recreation buildings, and classrooms. The current enrollment for the university is 1,700 – 2,000+ students. The university offers associate, bachelor's, master's, and doctoral degrees in liberal arts programs as well as programs in Bible and church ministries.

Dallas Logistics Hub (The Hub) is one of the largest logistics parks in North America with 6,000 acres master-planned for 60 million square feet of distribution, manufacturing, office and retail developments. This sophisticated "inland port" in North America is located twelve miles south of downtown Dallas adjacent to Union Pacific's Southern Dallas Intermodal Terminal, a potential BNSF intermodal facility, four major highway connectors (IH-20, IH-45, IH-35 and Loop 9/Trans-Texas Corridor) and a future air cargo facility at Lancaster Airport. The Dallas Logistics Hub, which spans across the communities of Dallas, Lancaster, Wilmer and Hutchins, will serve as a major Inland Port for regional and national distribution.

Loop 9 is a multi-segment, 9.4 to 12-mile proposed highway in southern Dallas and Ellis counties designed to improve mobility, featuring six-lane frontage roads and planning. Key updates indicate Segment B (IH-35E to IH-45) with initial construction phases having begun, while Segment A is in design, and Segment C is currently inactive. The project aims to connect US-67 to IH-45 to aid traffic growth. The key project updates and segments:

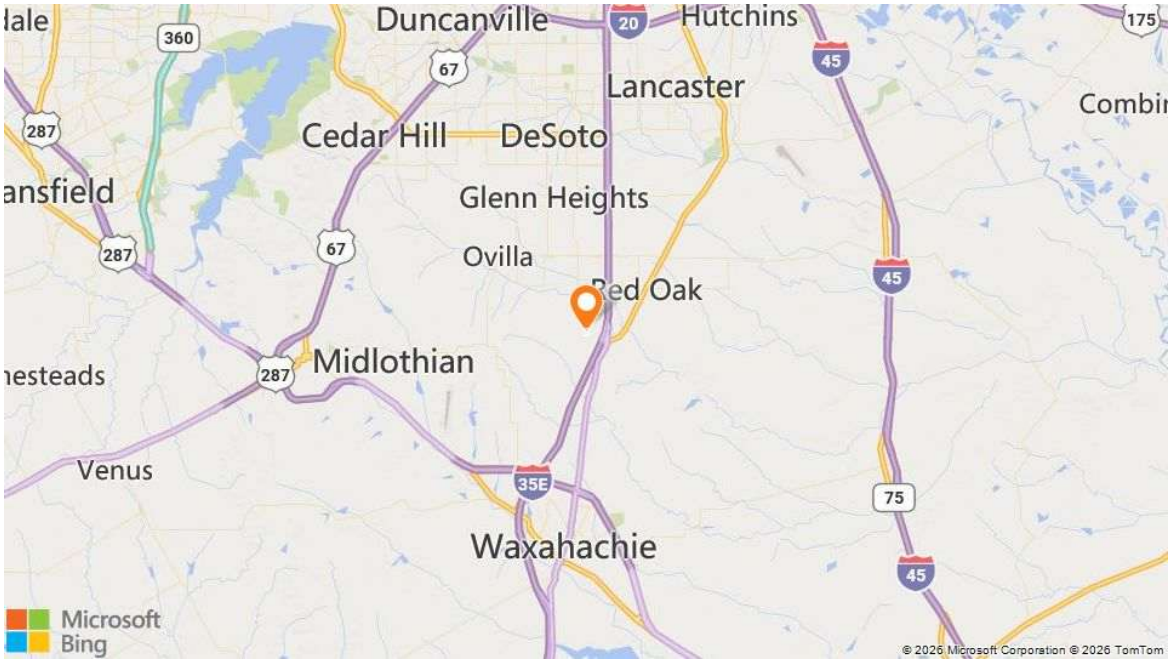
- **Segment A (US-67 to IH-35E):** Currently in the design phase, with right-of-way acquisition anticipated for 2029, utility relocation for 2i031, and a construction "ready-to-let" date in 2031.
- **Segment B (IH-35E to IH-45):** A $78 million improvement project was completed in early 2025, with included bridges and elevated intersections at Malloy Bridge Road. The first phase of the main project – building a two-lane, two-way frontage road started in 2022 and will transition into six-lane frontage roads later.
- **Segment C (IH-45 to IH-20):** An initial feasibility study is completed, but this segment is currently inactive.



Outlook and Conclusions

The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will increase in the near future.

Surrounding Area Map



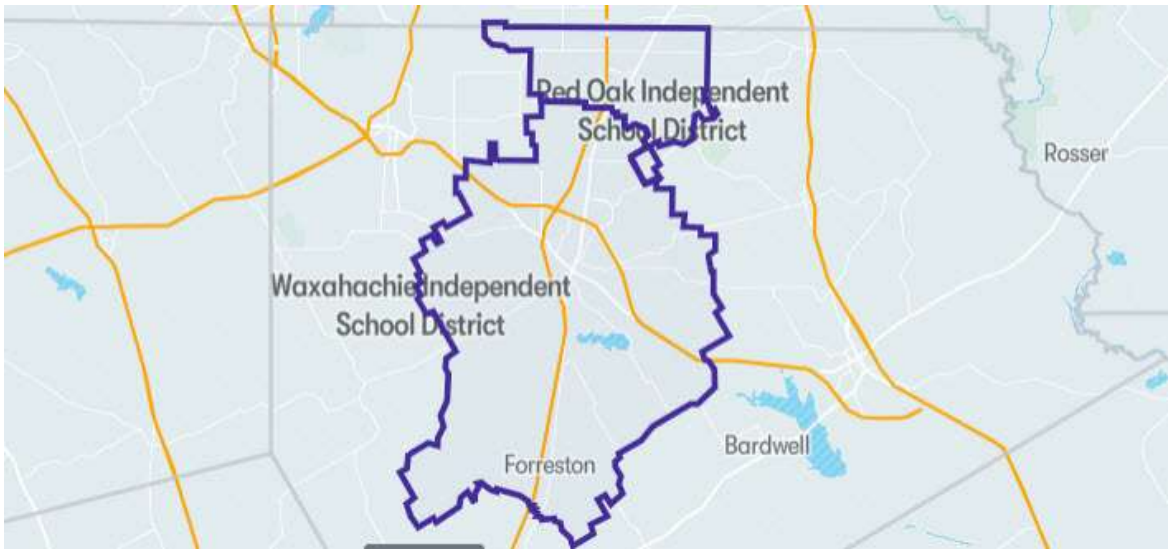
Residential Analysis

When analyzing the financially feasible and maximally productive use of the site, all of the uses that are both physically possible and legally permissible must be considered. For the subject, the primary potential use is considered to be single-family residential development. As mentioned, the subject is under construction with single-family lots. Thus, an important factor affecting development of the subject is the surrounding land usage. The neighborhood is predominantly vacant land that is being developed into single-family residential uses. The immediate area surrounding the subject is residential in nature.

During the past decade, the residential real estate market has seen many positive changes. With the steady increase in multifamily residential rental rates, coupled with the low interest rates and the large numbers pertaining to job growth, there has been a trend of individuals choosing to purchase homes rather than to rent apartments and multifamily housing. Furthermore, with the decline in the availability of vacant developable land, population growth has quickly expanded into the suburban areas of the Dallas/Fort Worth area. As such, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Zonda, a nationally recognized information provider, 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. Inasmuch as we are forecasting an economy for this area that is at least equal to recent trends, using these historical trends is felt to be quite justifiable. The subject development is physically located within the city of Red Oak in Ellis County and is within the Red Oak Independent School District. It is noted the area is in close proximity to the city of Waxahachie. Therefore, data obtained from Zonda as of First Quarter 2026 for the defined combined areas of "Red Oak ISD and Waxahachie ISD", as shown in the following map, will be analyzed with a summary of the details following.

Defined Submarket Map Area – Combined Red Oak ISD & Waxahachie ISD

Following is a map of the defined submarket area as well as a chart summarizing the historical lot absorption from the past several years for the defined submarket area as provided by Zonda:



Historical Housing Activity Summary – Red Oak ISD & Waxahachie ISD

Following is a chart summarizing the historical lot absorption from the past several years for the defined submarket area as provided by Zonda:

	4Q 2021	4Q 2022	4Q 2023	4Q 2024	4Q 2025	1Q 2026	1Q 2025 VS 1Q 2026
Vacant Developed Lots	1,874	2,152	2,752	2,948	2,880	3,130	2.79%
VDL Months Of Supply	13.22	22.26	38.99	29.6	32.03	31.86	-8.54%
Quarterly Starts	507	244	137	293	259	299	50.25%
Annual Starts	1,701	1,160	847	1,195	1,079	1,179	12.39%

Defined Submarket Area

Per Zonda data, the absorption of homes/lots within the submarket area decreased in 2023 but has rebounded to slightly above 2022 levels. The submarket area absorbed the following total lots from 2021 to First Quarter 2026:

Zonda Analysis	Historical Absorption	
	Annual	**Past 1 QTR**
Year 1 (2021)	1,701	
Year 2 (2022)	1,160	
Year 3 (2023)	847	
Year 4 (2024)	1,195	
Year 5 (2025)	1,079	
Past 12 Months/QTR	1,179	299
Historical Annual Average		**1,196**
Existing VDL	**3,130**	
Past 12 Months	**1,179**	
Lot Supply (5.25± Year Historical)	**2.6**	**Years Supply**
Lot Supply (12 Months)	**2.7**	**Years Supply**

As can be seen, since 2021 (5.25 years), the annual average of lots absorbed was 1,196 lots. Utilizing the more recent 12-month absorption of lots, the number of lots absorbed remains relatively unchanged with 1,179 lots in the submarket. According to Zonda, the existing supply of available housing is currently slightly above ideal levels in the submarket. The number of vacant developed lots in the submarket has substantially increased from a low of 1,874 lots as of year-end 2021 to its current level of 3,130 lots in First Quarter 2026 due to steady demand.

Based upon the Zonda absorption figures of the past 5.25 years, there is currently a 2.6±-year (3,130 lots ÷ 1,196 lots = 2.6±-years) total supply of existing lots available in the submarket. This total supply is considered to be just slightly above the optimum lot supply levels of 2.0 to 2.5 years per Zonda. Also, when utilizing the more current 12-month absorption of 1,179 lots, the total supply of existing lots available in the subject's defined submarket slightly increases to 2.7±-years (3,130 lots ÷ 1,179 lots/year = 2.7±-years), which is also just above the upper end of optimum lot supply levels in the submarket.

Thus, the total lot supply within the subject's submarket is estimated to be between 2.6±-years to 2.7± years. Currently, this total lot supply is considered to be just slightly above the optimum lot supply levels. However, taking into consideration that new developments require a typical nine- to 12-month construction period, with continuing demand, it appears that additional lot product in the submarket is marginally feasible at the current time.

Property Analysis

Land Description and Analysis

Location

The Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3 with open space) are generally located on the south side of Oaks Boulevard, just west of IH-35E in the city of Red Oak, Ellis County, Texas.

Land/Lot Areas

The following table summarizes the subject's land and lot areas within the PID (IA #2 and IA #3).

Land /Lot Areas Summary

Subject Property	Typical Lot Dimension	SF	Acres
IA #2 - Phase 5A Land	N/A	1,120,110	25.714
IA #2 - Phase 5B Land	N/A	1,250,354	28.704
IA #3 - Phase 3 Land	N/A	811,163	18.622
IA #3 Open Space	N/A	533,474	12.247
50' Frontage Lots	50' x 120'	6,000	0.138
62' Frontage Lots	62' x 120'	7,440	0.171
74' Frontage Lots	74' x 120'	8,880	0.204

Source: Engineering Report

Shape and Dimensions

The undeveloped sites are slightly irregular in shape while the lots are basically rectangular in shape. Site utility based on shape and dimensions is average.

Topography

The overall sites and lots are level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Environmental Hazards

An environmental assessment report was not provided for review, and during the inspection, no obvious signs of contamination on or near the subject were observed. However, environmental issues are beyond the scope of expertise of the assignment participants. It is assumed the property is not adversely affected by environmental hazards.

Flood Hazard Status

The following table indicates applicable flood hazard information for the subject property, as determined by review of available flood maps obtained from the Federal Emergency Management Agency (FEMA).

Flood Hazard Status	IA #2	IA #3
Community Panel Number	48139C0180G	48139C0065G
Date	October 19, 2023	October 19, 2023
Zone	X	X
Description	Outside of 500-year floodplain	Outside of 500-year floodplain
Insurance Required?	No	No

Ground Stability

A soils report was not provided for review. Based on the viewing of the subject and development on nearby sites, there are no apparent ground stability problems. However, soils analyses are beyond the scope of expertise of the assignment participants. It is assumed the subject's soil bearing capacity is sufficient to support a variety of uses, including those permitted by zoning.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage		
Street	Oaks Boulevard	Stephenson Road
Frontage Feet (±)	1,517 (South Side); 1,598 (West Side)	695 (South Side)
Paving	Concrete	Dirt (will be concrete from Oaks Blvd. to IH-35E upon completion of IA #3
Curbs	Yes	None
Sidewalks	Yes	None
Lanes	2 way, 2 lanes each way	1 way, 2 lanes
Direction of Traffic	East/West & North/South	East/West
Condition	Good	Fair
Traffic Levels	Low	Low
Signals/Traffic Control	None	None
Access/Curb Cuts	Yes	Yes
Visibility	Good	Fair

Utilities

Utilities available to the subject are summarized below.

Utilities	
Service	Provider
Water	Rockett Special Utility District
Sewer	Rockett Special Utility District

Zoning

The subject is within the Planned Development (Single-Family Residential) zone, which is intended to allow for detached single-family residential use. The following table summarizes the applicable zoning requirements affecting the subject.

Zoning Summary	
Zoning Jurisdiction	City of Red Oak, Texas
Zoning Designation	PD
Description	Planned Development (Single-Family Residential)
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Single-family residential use

According to the local planning department, there are no pending or prospective zoning changes.

Interpretation of zoning ordinances is beyond the scope of expertise of the assignment participants. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

There are no other known land use regulations that would affect the property.

Easements, Encroachments and Restrictions

Based upon a review of the final plats, there are no apparent easements, encroachments, or restrictions that would adversely affect value. This valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include single-family residential use. No other restrictions on development are apparent.

General Description - Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3)

The subject represents Improvement Area No. 2 (IA #2) and Improvement Area No. 3 (IA #3) as part of the 210.522-acre Red Oak Public Improvement District No. 1 (PID) located in the city of Red Oak in Ellis County, Texas. IA #2 is currently under construction with 264 single-family lots on 54.418 acres (4.9 upa) and is being marketed as The Oaks, Phases 5A and 5B. The 264 lots are under construction with two typical lot types (242 - 50' lots and 22 - 62' lots) and are designed for front access.

IA #3 is platted and proposed to be developed with 66 single-family lots (74' x 120') on 18.622 acres (3.5 upa) as Phase 3 with an additional 12.247 acres of open space.

The PID is zoned under the guidelines of a Planned Development District restricting IA #2 to single-family residential use. Substantial completion of IA #2 is expected by July 31, 2026 and July 31, 2028 for IA #3.

Improvements will also include concrete streets with curbs and gutters, streetlights, landscaping, and an entry feature.

The unit mix within the Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3) is summarized in the following exhibit:

Red Oak PID No. 1, IA #2 & IA #3 Red Oak, Ellis County, Texas

Phase	Improvement Area	Acres	Location	Density Per Acre	Typical Lot Dimensions 50' x 120'	62' x 120'	74' x 120'	Total Lots	Expected Completion Date
5A	IA #2	25.714	S/S Oaks Blvd., west of IH-35E	4.5	94	22	0	116	July 31, 2026
5B	IA #2	28.704	S/S of Phase 5A	5.2	148	0	0	148	July 31, 2026
3	IA #3	18.622	SWC Stephenson Rd. & Oaks Blvd.	3.5	0	0	66	66	July 31, 2028
Open Space	IA #3	12.247	N/S Stephenson Rd.	N/A	N/A	N/A	N/A	N/A	
Totals		**85.287**		**3.9**	**242**	**22**	**66**	**330**	

Entrance Signage

Subject

Subject

Subject

Subject

Subject

Subject

Subject

Subject

Subject

Subject

Subject

Pond Amenity

Street Scene at Entrance

Oaks Boulevard

Playground Amenity

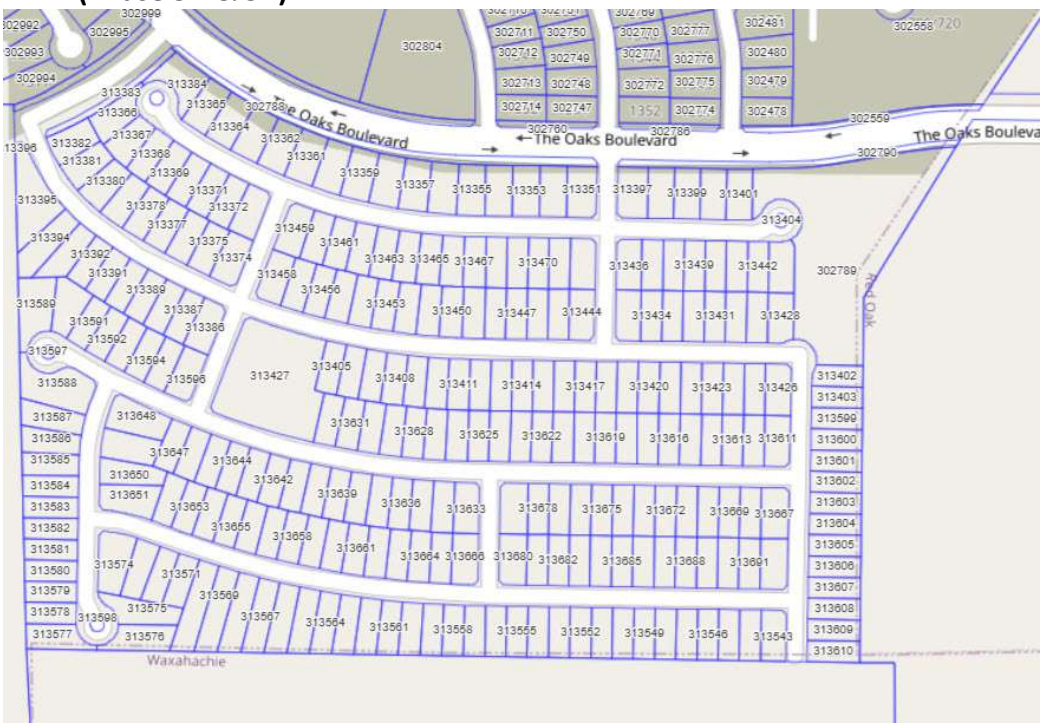
Existing Amenity Center

Aerial Photograph

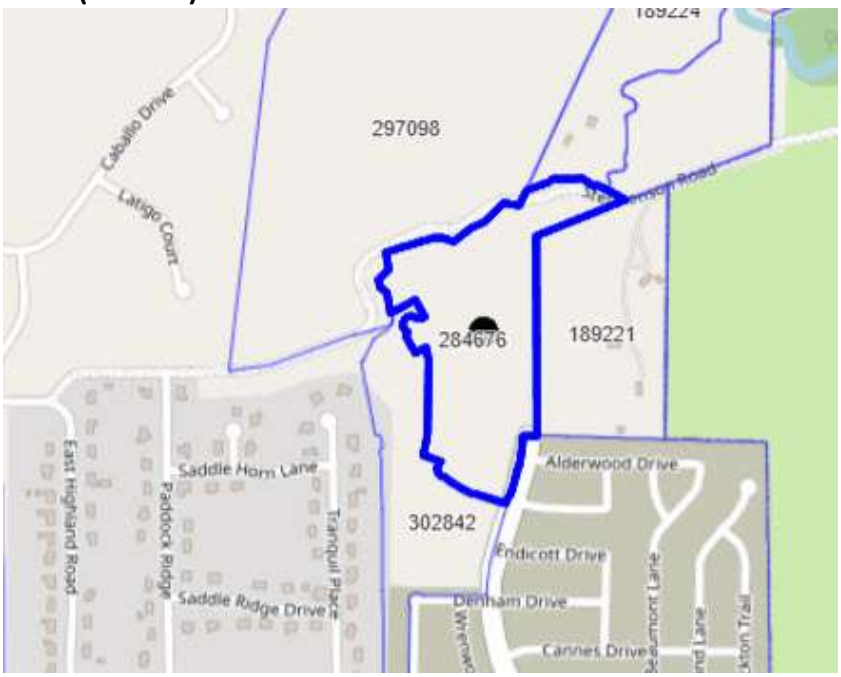
Overall Concept Plan

Tax Plat Maps

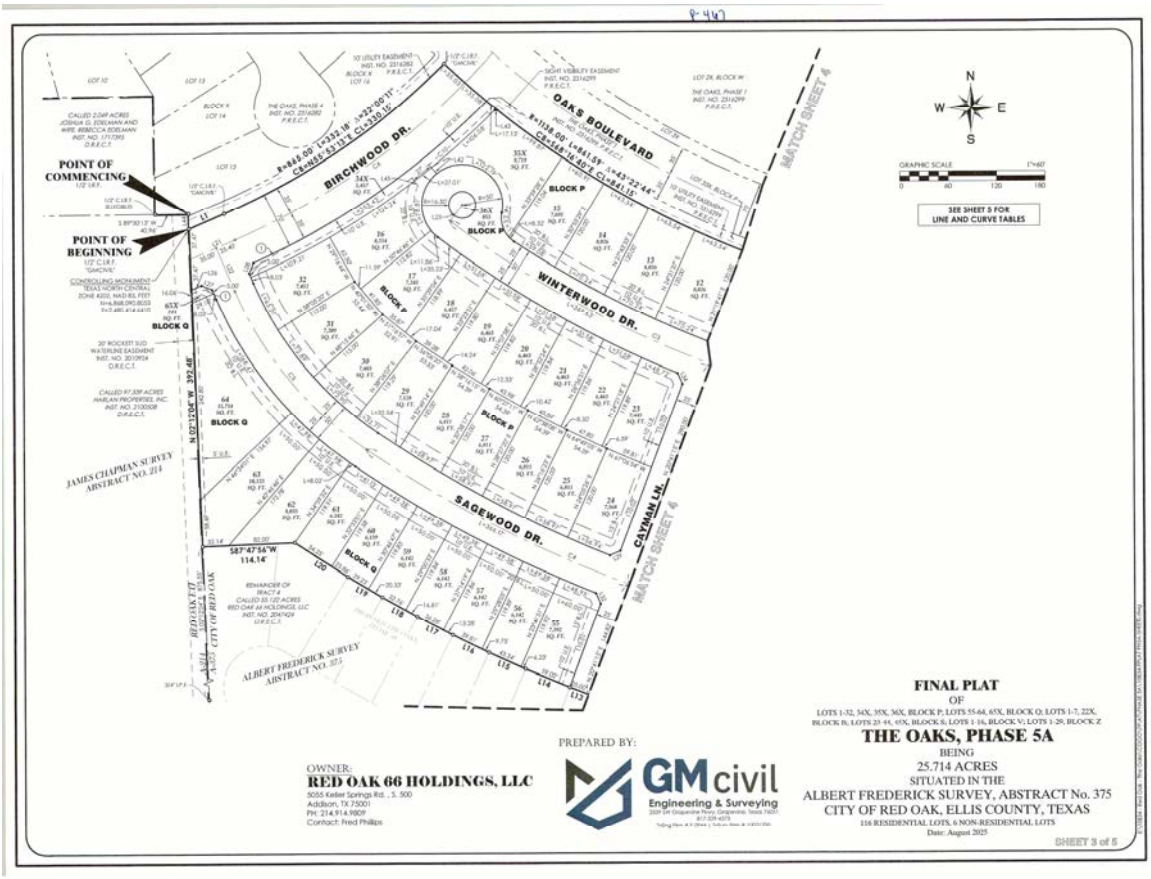
IA #2 (Phase 5A & 5B)

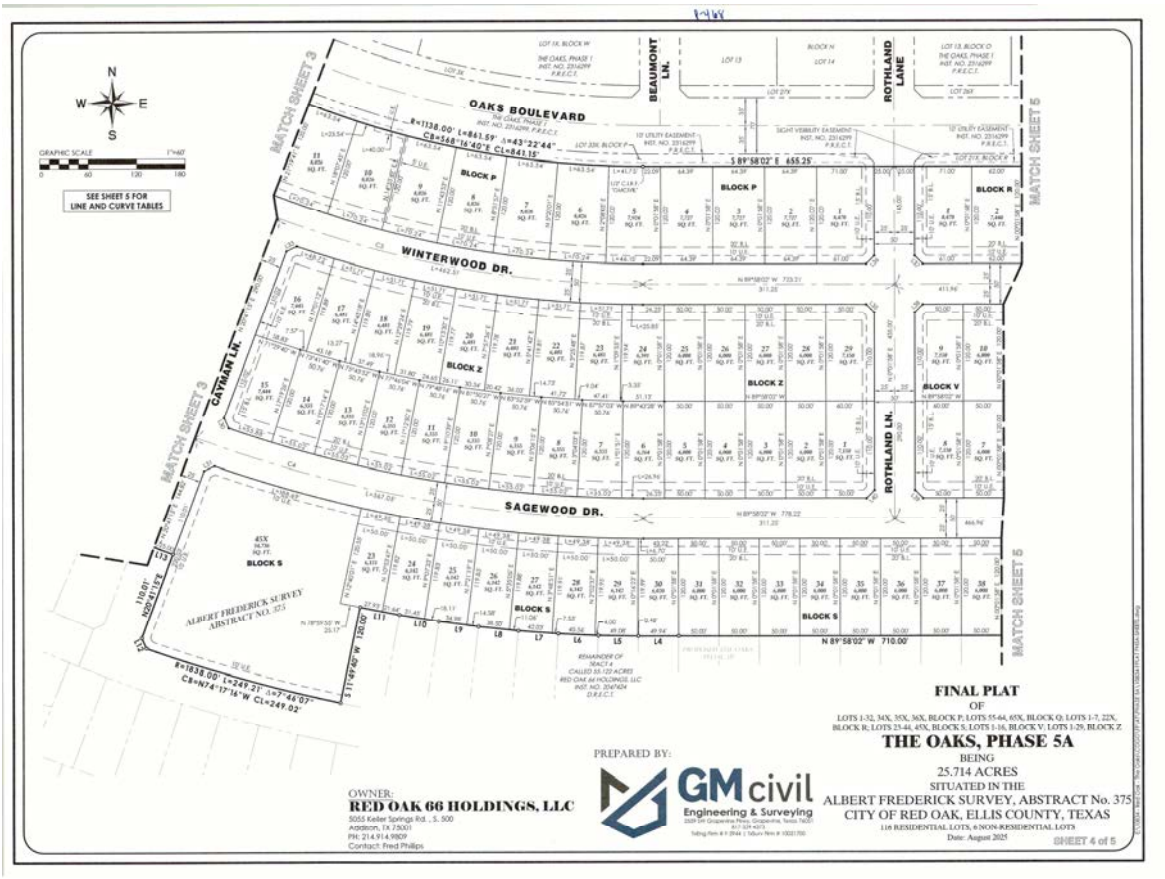


IA #3 (Phase 3)



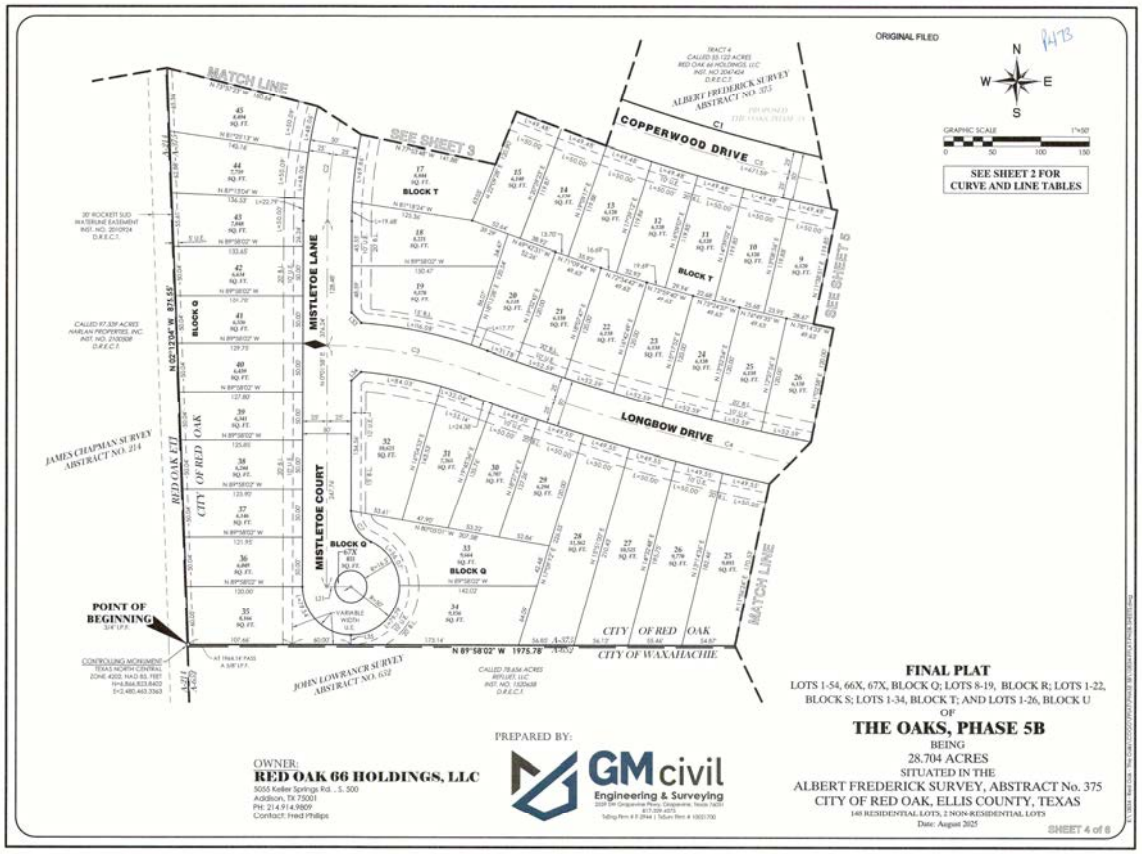
Final Plat, Phase 5A (IA #2)

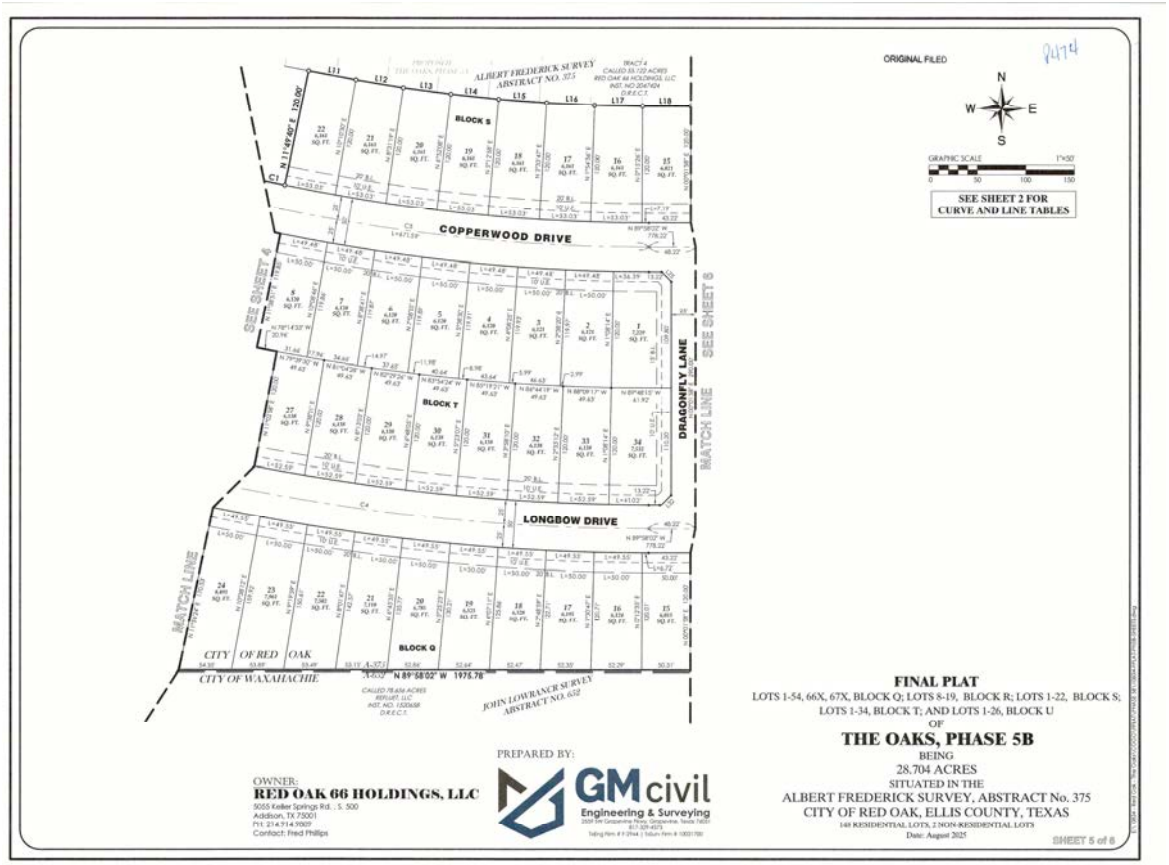



OAKS BOULEVARD
WINTERWOOD DR.
SAGEWOOD DR.
BEAUMONT LN.
ROTHLAND LANE
ROTHLAND LN.
CATHAY LN.
MATCH SHEET 3
MATCH SHEET 5
BLOCK P
BLOCK R
BLOCK Z
BLOCK V
BLOCK S
SEE SHEET 5 FOR LINE AND CURVE TABLES
ALBERT FREDERICK SURVEY ABSTRACT NO. 375
FINAL PLAT
OF
THE OAKS, PHASE 5A
BEING
25.714 ACRES
SITUATED IN THE
ALBERT FREDERICK SURVEY, ABSTRACT No. 375
CITY OF RED OAK, ELLIS COUNTY, TEXAS
PREPARED BY:
GM civil
Engineering & Surveying
OWNER:
RED OAK 66 HOLDINGS, LLC
SHEET 4 of 5

FINAL PLAT
OF
THE OAKS, PHASE 5A
BEING
25.714 ACRES
SITUATED IN THE
ALBERT FREDERICK SURVEY, ABSTRACT No. 375
CITY OF RED OAK, ELLIS COUNTY, TEXAS
116 RESIDENTIAL LOTS, 6 NON-RESIDENTIAL LOTS
Date: August 2025
SHEET 5 of 5
OWNER:
RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Rd., S. 500
Addison, TX 75001
PH: 214.914.9809
Contact: Fred Phillips
PREPARED BY:
GM civil
Engineering & Surveying
OAKS BOULEVARD
STOCKTON TRAIL
WINTERWOOD DR.
SAGEWOOD DR.
PALMDALE LN.
BLOCK R
BLOCK V
BLOCK S
ALBERT FREDERICK SURVEY ABSTRACT NO. 375
S 89°58'02" E 655.25'
N 89°58'02" W 710.00'
N 89°58'02" W 170.67'
S 00°01'58" W 220.38'
N 00°01'58" E 100.00'
MATCH SHEET 4
GRAPHIC SCALE
LINE TABLE
CURVE TABLE

Final Plat, Phase 5B (IA #2)


ORIGINAL FILED
MATCH LINE
SEE SHEET 3
COPPERWOOD DRIVE
LONGBOW DRIVE
MISTLETOE LANE
MISTLETOE COURT
BLOCK T
BLOCK Q
BLOCK G
SEE SHEET 5
SEE SHEET 2 FOR CURVE AND LINE TABLES
POINT OF BEGINNING
JAMES CHAPMAN SURVEY ABSTRACT NO. 214
JOHN LOWRANCE SURVEY ABSTRACT NO. 632
ALBERT FREDERICK SURVEY ABSTRACT NO. 375
CITY OF RED OAK
CITY OF WAXAHACHIE
N 89°58'02" W 1975.78'
FINAL PLAT
LOTS 1-54, 66X, BLOCK Q; LOTS 8-19, BLOCK R; LOTS 1-22, BLOCK S; LOTS 1-34, BLOCK T; AND LOTS 1-26, BLOCK U
OF
THE OAKS, PHASE 5B
BEING
28.704 ACRES
SITUATED IN THE
ALBERT FREDERICK SURVEY, ABSTRACT No. 375
CITY OF RED OAK, ELLIS COUNTY, TEXAS
148 RESIDENTIAL LOTS, 2 NON-RESIDENTIAL LOTS
Date: August 2025
PREPARED BY:
GMcivil
Engineering & Surveying
OWNER:
RED OAK 66 HOLDINGS, LLC
3055 Keller Springs Rd., S. 300
Addison, Tx 75001
PH: 214.914.9809
Contact: Fred Phillips
SHEET 4 of 6


ORIGINAL FILED
N
W
E
S
GRAPHIC SCALE
SEE SHEET 2 FOR CURVE AND LINE TABLES
ALBERT FREDERICK SURVEY ABSTRACT NO. 375
BLOCK S
COPPERWOOD DRIVE
DRAGONFLY LANE
BLOCK T
LONGBOW DRIVE
BLOCK Q
CITY OF RED OAK
CITY OF WAXAHACHIE
N 89°58'02" W 1975.78
JOHN LOWRANCE SURVEY ABSTRACT NO. 652
MATCH LINE
SEE SHEET 4
SEE SHEET 6
FINAL PLAT
LOTS 1-54, 66X, 67X, BLOCK Q; LOTS 8-19, BLOCK R; LOTS 1-22, BLOCK S; LOTS 1-34, BLOCK T; AND LOTS 1-26, BLOCK U
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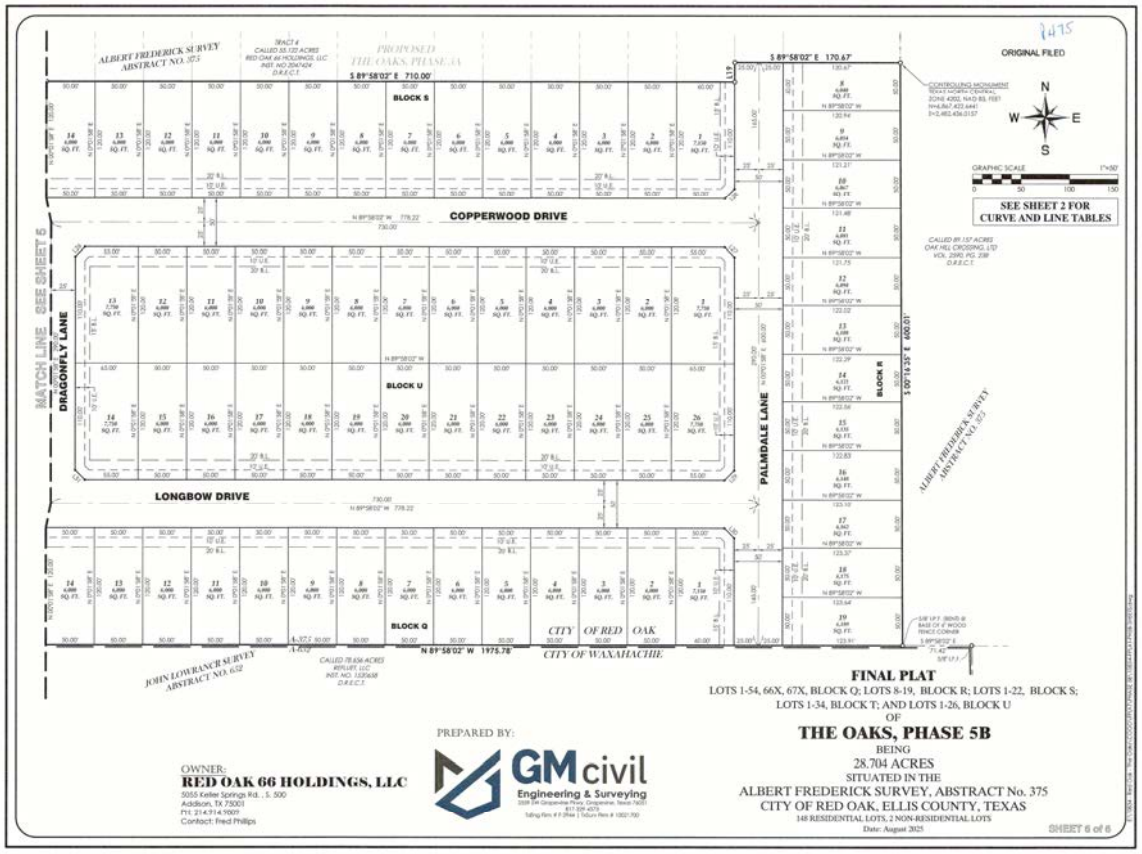
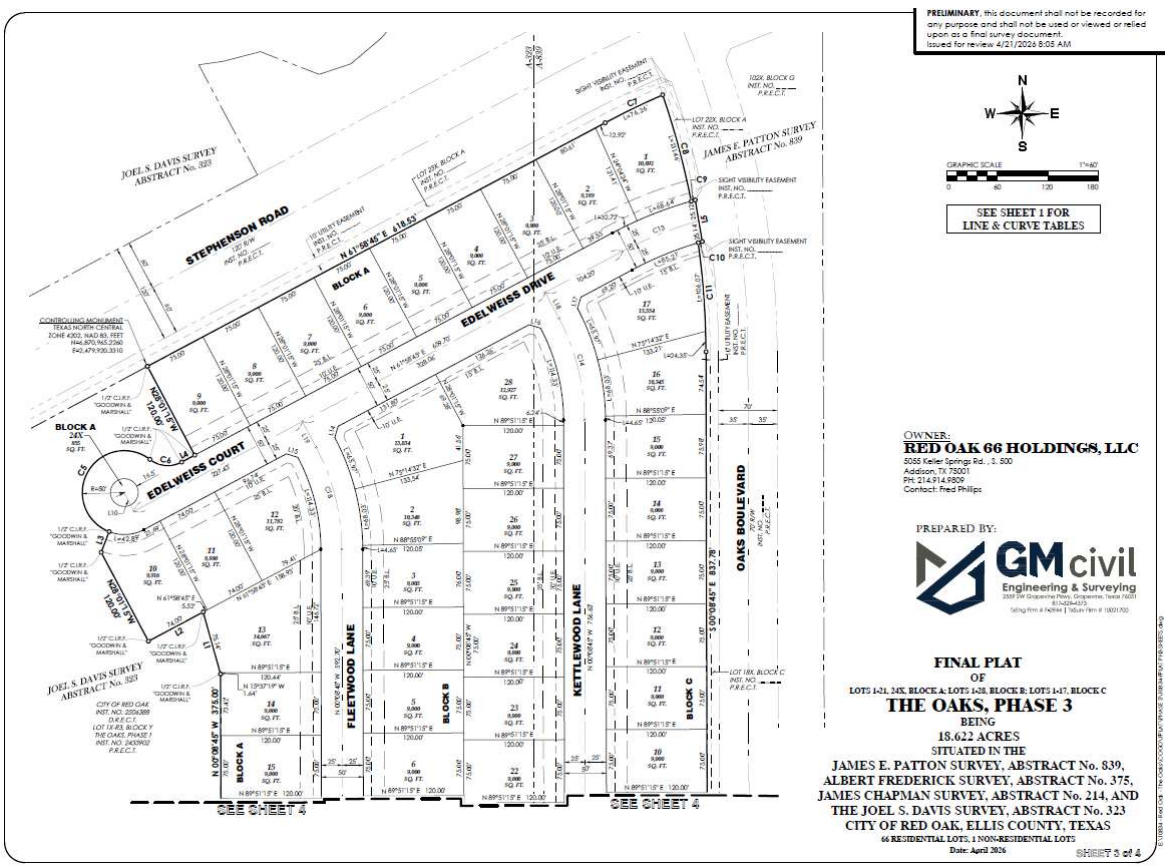
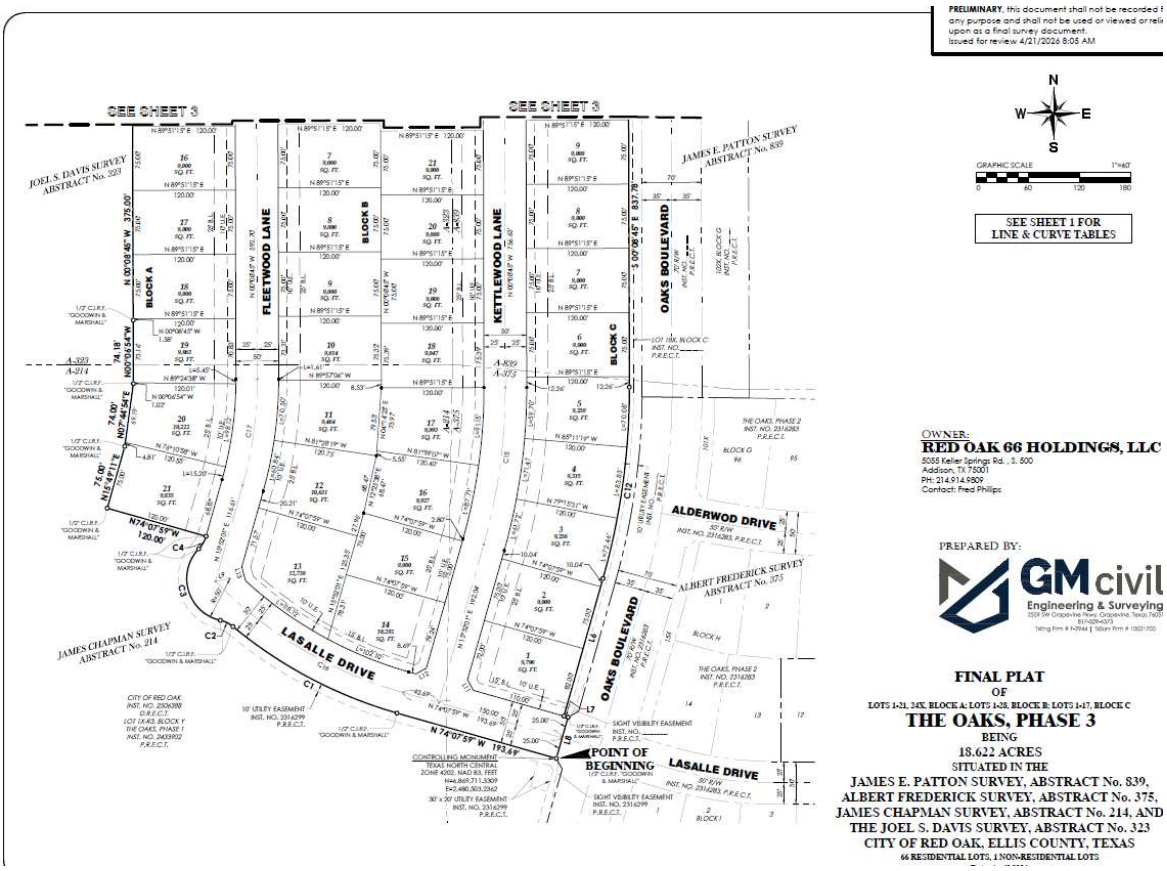
GM civil
Engineering & Surveying
OWNER:
RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Rd., S. 500
Addison, TX 75001
Ph1: 214.714.0007
Contact: Fred Phillips
SHEET 5 of 6


ORIGINAL FILED
SEE SHEET 2 FOR CURVE AND LINE TABLES
COPPERWOOD DRIVE
LONGBOW DRIVE
DRAGONFLY LANE
PALMDALE LANE
BLOCK S
BLOCK U
BLOCK Q
BLOCK R
MATCH LINE SEE SHEET 5
CITY OF RED OAK
CITY OF WAXAHACHIE
FINAL PLAT
LOTS 1-54, 66X, 67X, BLOCK Q; LOTS 8-19, BLOCK R; LOTS 1-22, BLOCK S;
LOTS 1-34, BLOCK T; AND LOTS 1-26, BLOCK U
OF
THE OAKS, PHASE 5B
BEING
28.704 ACRES
SITUATED IN THE
ALBERT FREDERICK SURVEY, ABSTRACT No. 375
CITY OF RED OAK, ELLIS COUNTY, TEXAS
148 RESIDENTIAL LOTS, 2 NON-RESIDENTIAL LOTS
Date: August 2025
SHEET 6 of 6
PREPARED BY:
GM civil
Engineering & Surveying
OWNER:
RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Rd., S. 500
Addison, TX 75001
Ph: 214.714.9001
Contact: Fred Phillips

Final Plat, Phase 3 (IA #3)




PRELIMINARY, this document shall not be recorded f
any purpose and shall not be used or viewed or rel
upon as a final survey document.
Issued for review 4/21/2026 8:05 AM
SEE SHEET 3
SEE SHEET 3
JOEL S. DAVIS SURVEY ABSTRACT No. 323
JAMES E. PATTON SURVEY ABSTRACT No. 839
JAMES CHAPMAN SURVEY ABSTRACT No. 214
ALBERT FREDERICK SURVEY ABSTRACT No. 375
FLEETWOOD LANE
KETTLEWOOD LANE
OAKS BOULEVARD
ALDERWOOD DRIVE
LASALLE DRIVE
BLOCK A
BLOCK B
BLOCK C
POINT OF BEGINNING
N
W
E
S
GRAPHIC SCALE
SEE SHEET 1 FOR LINE & CURVE TABLES
OWNER:
RED OAK 66 HOLDINGS, LLC
5055 Keller Springs Rd., S. 500
Addison, TX 75001
PH: 214.914.9809
Contact: Fred Phillips
PREPARED BY:
GM civil
Engineering & Surveying
FINAL PLAT
OF
LOTS 1-21, 24X, BLOCK A; LOTS 1-28, BLOCK B; LOTS 1-17, BLOCK C
THE OAKS, PHASE 3
BEING
18.622 ACRES
SITUATED IN THE
JAMES E. PATTON SURVEY, ABSTRACT No. 839,
ALBERT FREDERICK SURVEY, ABSTRACT No. 375,
JAMES CHAPMAN SURVEY, ABSTRACT No. 214, AND
THE JOEL S. DAVIS SURVEY, ABSTRACT No. 323
CITY OF RED OAK, ELLIS COUNTY, TEXAS
66 RESIDENTIAL LOTS, 1 NON-RESIDENTIAL LOTS

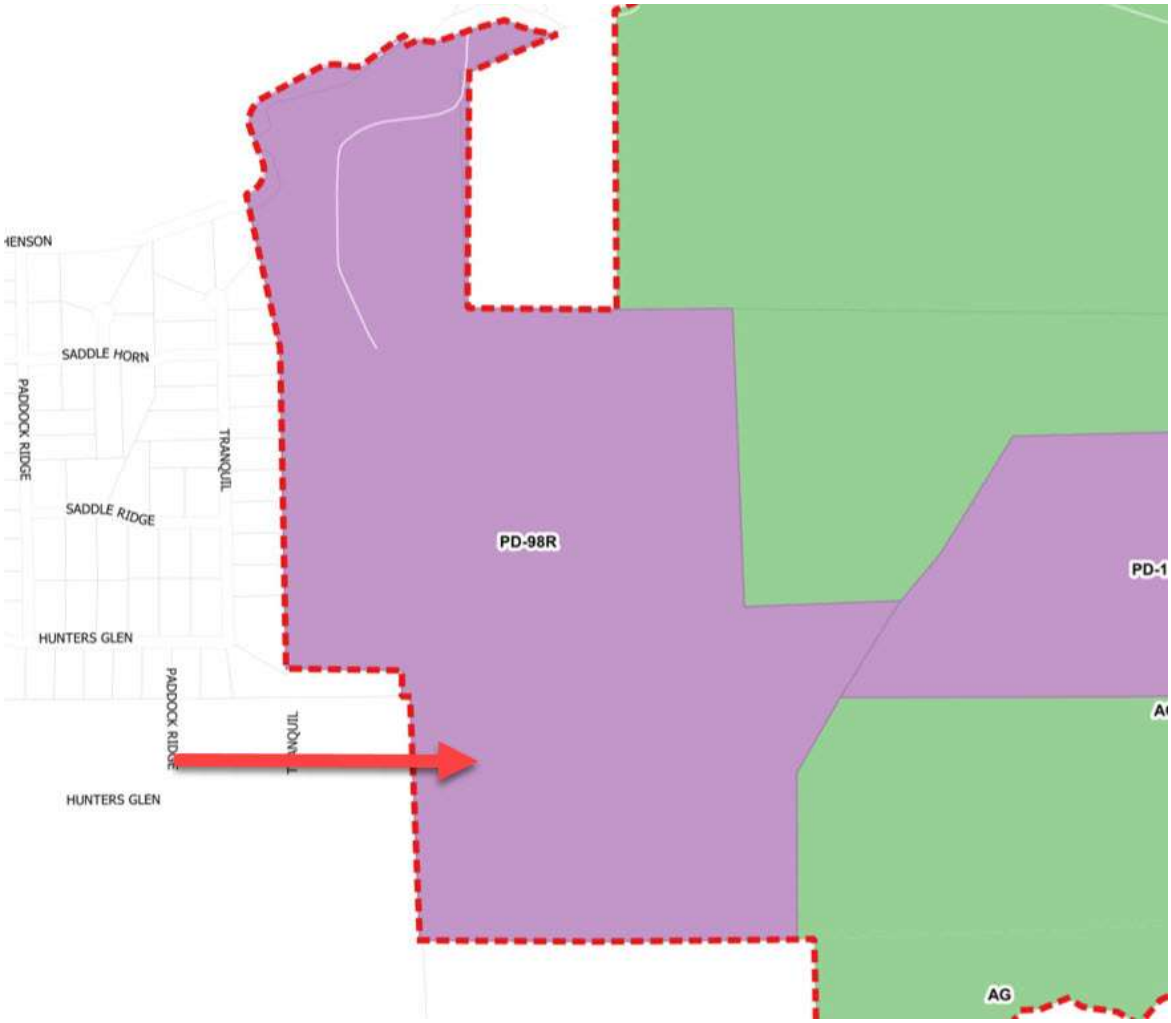
Flood Hazard Maps

IA #2

IA #3

InterFlood by a la mode
Prepared for: Integra Realty Resources
Stephenson Road
Red Oak, TX 75154
Oak Creek
Red Oak Creek
Stephenson Rd
Stephenson Rd
Stephenson Rd
Saddle Horn Ln
Paddock Ridge
Saddle Ridge
Tranquil Pl
Alderwood Dr
Lasalle Dr
Endicott Dr
Denham Dr
Woodbine Ln
Beaumont Ln
Rothland Ln
Stockton Trl
Amberwood Ln
Wrenwood Ln
Cannes Dr
The Oaks Park
Quincy Dr
Rainer Ct
300 yards
Google
Map data ©2026 Google Imagery ©2026 Airbus, Maxar Technologies, Vexcel Imaging US, Inc.
Powered by CoreLogic®
MAP DATA
FEMA Special Flood Hazard Area: No
Map Number: 48139C0065G
Zone: X
Map Date: October 19, 2023
FIPS: 48139
MAP LEGEND
Areas inundated by 500-year flooding
Areas inundated by 100-year flooding
Velocity Hazard
Protected Areas
Floodway
Subject Area

Zoning Map


HENSON
SADDLE HORN
PADDOCK RIDGE
TRANQUIL
SADDLE RIDGE
HUNTERS GLEN
PADDOCK RIDGE
HUNTERS GLEN
PD-98R
AG

Allocation of Authorized Improvements

All Improvement Area #2 Improvements and Improvement Area #3 Improvements will be designed and constructed in accordance with City standards and will be owned and operated by the City.

Improvement Area #2 Improvements

- *Streets*

  Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, stamped concrete pavement, concrete headers, laid down curb, sidewalks, testing, handicapped ramps, and streetlights. All related earthwork, excavation, clearing and grubbing, erosion control, intersections, barricades, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #2.

- *Sewer*

  Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2.

- *Storm Drain*

  Improvements including curb inlets, RCP piping and reinforced concrete boxes, storm junction boxes, headwalls, rock rip rap, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #2.

- *Soft Costs*

  Costs related to designing, constructing, and installing the Improvement Area #2 Improvements, including land planning and design, City fees, final plat fees, engineering and surveying, materials testing, inspection, construction management, contingency, legal fees, and consultant fees.

A. Improvement Area #3 Improvements

- *Streets*

  Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, stamped concrete pavement, sidewalks, testing, handicapped ramps, and streetlights. All related earthwork, excavation, clearing and grubbing, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #3.

- *Sewer*

  Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, a lift station, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #3.

- *Storm Drain*

  Improvements including curb inlets, RCP piping and boxes, storm junction boxes, headwalls, rock rip rap, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #3.

- *Soft Costs*

  Costs related to designing, constructing, and installing the Improvement Area #3 Improvements, including land planning and design, City fees, final plat fees, engineering and surveying, materials testing, inspection, construction management, contingency, legal fees, and consultant fees.

Major Improvements

All Major Improvements will be designed and constructed in accordance with City standards and will be owned and operated by the City.

- *Streets*

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

- *Sewer*

  Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District.

- *Storm Drain*

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

- *Park*

  A 20.0 ± acre open space park designed for passive recreational uses that will contain an 8' (typical) wide concrete trail throughout that will serve as a running/bike trail. It will be landscaped and irrigated along Oaks Boulevard, in accordance with the Landscape Plan, however, the remainder will be in a more natural native state. This area will be improved in the initial phase of the development.

- *Soft Costs*

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

Sources and Uses of Funds

			Improvement Area #2-3 Bonds		
	Privately Funded	Improvement Area #1	Improvement Area #2	Improvement Area #3	Total
Sources of Funds					
Improvement Area #1 Bonds	$ -	$ 5,657,000	$ -	$ -	$ 5,657,000
Improvement Area #1 Bond Net Premium	-	53,579	-	-	53,579
Improvement Area #2-3 Bonds	-	-	6,403,000	1,940,000	8,343,000
Developer Contribution - Private Improvements[a]	6,579,510	-	-	-	6,579,510
Developer Contribution[a]	-	10,568,095	5,479,995	4,176,919	20,225,009
Total Sources of Funds	**$ 6,579,510**	**$ 16,278,674**	**$ 11,882,995**	**$ 6,116,919**	**$ 40,858,097**
Uses of Funds					
Major Improvements	$ -	$ 5,057,696	$ 3,906,955	$ 1,217,752	$ 10,182,403
Improvement Area #1 Improvements	-	10,095,399	-	-	10,095,399
Improvement Area #2 Improvements	-	-	6,837,305	-	6,837,305
Improvement Area #3 Improvements	-	-	-	4,553,834	4,553,834
Private Improvements[a]	6,579,510	-	-	-	6,579,510
	$ 6,579,510	$ 15,153,095	$ 10,744,260	$ 5,771,586	$ 38,248,450
Bond Issuance Costs [b]					
Debt Service Reserve Fund	$ -	$ 325,560	$ 480,565	$ 145,918	$ 952,043
Capitalized Interest	-	243,888	-	-	243,888
Underwriter Discount[c]	-	169,710	192,090	58,200	420,000
Cost of Issuance	-	356,420	416,195	126,100	898,715
	$ -	$ 1,095,579	$ 1,088,850	$ 330,218	$ 2,514,647
Other Costs [b]					
Deposit to Administrative Fund	$ -	$ 30,000	$ 49,886	$ 15,114	$ 95,000
	$ -	$ 30,000	$ 49,886	$ 15,114	$ 95,000
Total Uses of Funds	**$ 6,579,510**	**$ 16,278,674**	**$ 11,882,995**	**$ 6,116,919**	**$ 40,858,097**

Footnotes:

[a] Not reimbursable to the Developer through Assessments or the issuance of PID Bonds.
[b] Preliminary estimates only and subject to change upon the issuance of PID Bonds.
[c] Includes the fee of counsel to the Underwriter.

Real Estate Taxes

Real estate tax assessments are administered by the Ellis Appraisal District 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 tax rates are certified in October. Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2026 Preliminary

			Assessed Value			Taxes and Assessments	
Tax ID	Improvement Area		Land	Improvements	Total	2025 Tax Rate	Ad Valorem Taxes
263 Accounts @	IA #2		$55,000	$0	$14,465,000	2.132598%	$308,480
1 Account @	IA #2		$65,000	$0	$65,000	2.132598%	$1,386
284676	IA #3	32.321 Acres	$1,050,433	$0	$1,050,433	2.132598%	$22,402
Totals				$0	$15,580,433		$332,268

As shown above, the subject's IA #2 is currently assessed as 264 individual accounts as developed lots and IA #3 is assessed as a 32.321-acre tract of undeveloped land. Based on the concluded market value of the subject's lots, the assessed values per lot appear low. Furthermore, the assessed value as undeveloped land is irrelevant to our valuation of the IA #3 lots. Tax districts use "mass appraisal" to set values, not custom inspections. Because they value thousands of properties at once, assessments often lag behind current market values.

Texas is a non-disclosure State with a mandate to assess property at 100% of market value. Some Texas County Assessors are more successful at achieving the mandate than others. In Texas Counties with little or no transaction activity, values can lag the market. However, there is no limit to increases in the event of a re-assessment.

Property owners in Texas may protest ad valorem assessments using the one of two tests, 1) Market Value or 2) "Equal Appraisal". Market Value is self-explanatory. "Equal Appraisal" means there is a burden on the District's Assessor to ensure mass appraisal methods produce consistent results from property to property. To measure equality, the Appraisal Review Board will consider the assessed values of competing properties in the District. The process involves generation of "ratio study" in which, after appropriate adjustments, the "median value" is the conclusion of "Equal Appraisal".

Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value and represents the use of an asset that maximizes its productivity.

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

IA #2 and IA #3 are zoned under the guidelines of a PD, Planned Development (Single-Family Residential) District. Permitted uses include single-family residential use. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only single-family residential use is given further consideration in determining highest and best use of the site.

Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for single-family residential use in the subject's area. It appears 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 site that would generate a higher residual land value than single-family residential use. Accordingly, single-family residential use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the sites for single-family residential use is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property.

Most Probable Buyer

Taking into account the characteristics of the site, as well as area development trends, the probable buyer is a homebuilder.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach - (Subdivision Development Analysis)	Applicable	Not Utilized

Sales Comparison Approach

To develop an opinion of the subject's lot values within IA #2, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

As discussed previously, the property is divided for valuation purposes relative to the two lot types being 50-feet and 62-feet in lot width which are summarized as follows:

Land Parcels

Name	SF	Acres	Units	Unit of Comparison
50' Frontage Lots	6,000	0.138	50	Front Footages
62' Frontage Lots	7,440	0.171	62	Front Footages
74' Frontage Lots	8,880	0.204	74	Front Footages

50' Frontage Lots (50’ x 120’ = 6,000 SF)

To apply the sales comparison approach to the 50' Frontage Lots, the research focused on transactions within the following parameters:

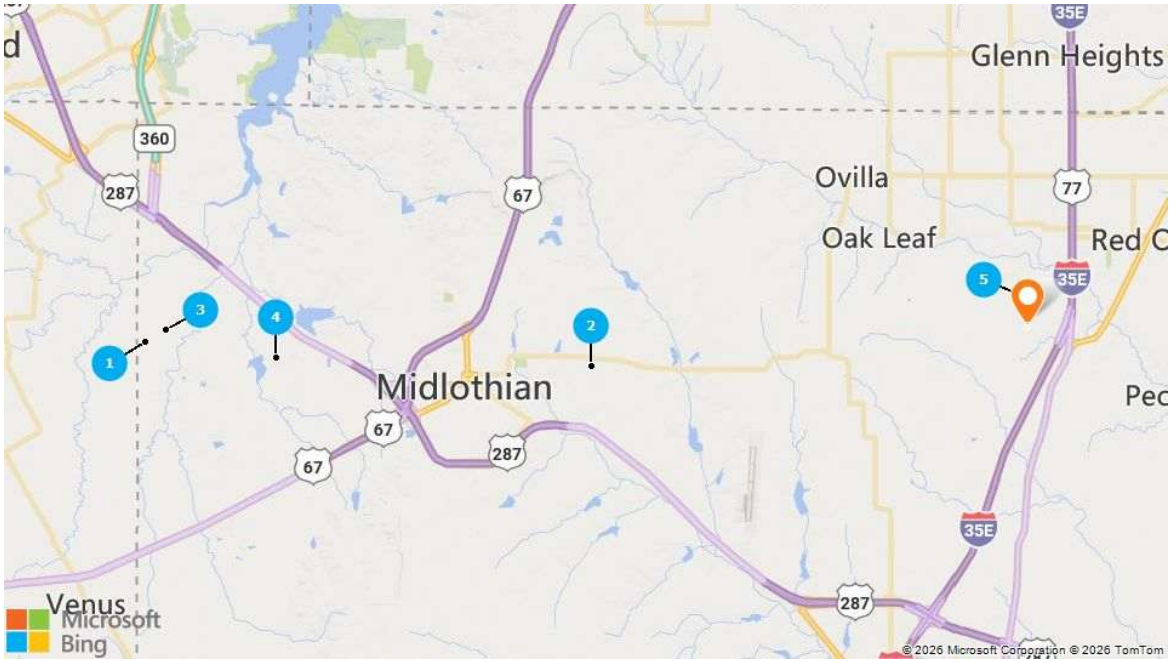
- Location: General Market Area
- Size: 50’ – 62’ Frontage Lots
- Use: Residential
- Transaction Date: January 2026+ or Pending

For this analysis, price per front footage is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table:

Summary of Comparable Land Sales - 50' Frontage Lots

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Front Footage	Zoning	$/Front Footage	$/SF Land
1	Prairie Ridge, Ph. 9 - 50' Lots 3743 Long Stem Street Midlothian Ellis County TX	Mar-26 Closed	$127,800	6,000 0.14	50	Development Agreement	$2,556	$21.30
	Comments: This master-planned subdivision is located in the Midlothian ISD. It is also known as Goodland/Feather Grass Village.							
2	Redden Farms, Phase 1B West - 50' Lots 2849 Redden Lane MIdlothian Ellis County TX	Jan-26 Closed	$83,600	6,000 0.14	50	PD	$1,672	$13.93
	Comments: Lots in this master-planned residential development are located within the Midlothian ISD.							
3	Goodland, Phase 12 - 50' Lots South of Prairieside Trail, east of Lupine Trail Grand Prairie ETJ Ellis County TX	Apr-27 In-Contract	$120,000	6,000 0.14	50	None	$2,400	$20.00
	Comments: This is a proposed residential phase which is served by the Midlothian ISD and Venus ISD.							
4	The Westside Preserve East side of Michigan Avenue, northwest of Auburn Avenue Midlothian Ellis County TX	Jun-26 Closed	$115,000	7,440 0.17	62	PD	$1,855	$15.46
	Comments: This was part of a 56-lot bulk purchase. This master-planned, mixed-use development is located in the Midlothian ISD.							
5	The Oaks, Phase 1 - 50' Lot North side of Alderwood Drive, east of Oaks Boulevard Red Oak Ellis County TX	May-26 Closed	$74,546	6,000 0.14	50	PD	$1,491	$12.42
	Comments: This lot is located in a master-planned community located in the Red Oak ISD.							
	Subject Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3) Red Oak, TX			6,000 0.14	50	PD		

Comparable Land Sales Map – 50' Frontage Lots



Sale 1
Prairie Ridge, Ph. 9 - 50' Lots

Sale 2
Redden Farms, Phase 1B West - 50' Lots

Sale 3
Goodland, Phase 12 - 50' Lots

Sale 4
The Westside Preserve

Sale 5
The Oaks, Phase 1 - 50' Lot

Analysis and Adjustment of Sales

Adjustments are based on a rating of each comparable sale in relation to the subject. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of both analyses. Quantitative adjustments are often developed as dollar or percentage amounts and are most credible when there is sufficient data to perform a paired sales analysis.

While percentage adjustments are presented in the adjustment grid, they are based on qualitative judgment rather than empirical research, as there is not sufficient data to develop a sound quantitative estimate. Although the adjustments appear to be mathematically precise, they are merely intended to illustrate an opinion of typical market activity and perception. With the exception of market conditions, the adjustments are based on a scale, with a minor adjustment in the range of 1-5% and a substantial adjustment considered to be 20% or greater.

The rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

Transactional adjustments are applied for property rights conveyed, financing, conditions of sale, expenditures made immediately after purchase, and market conditions. In addition, property adjustments include – but are not limited to – location, access/exposure, size, quality, effective age, economic and legal characteristics, and non-realty components of value. Adjustments are considered for the following factors, in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

Sale 4 represents a bulk purchase of lots and was adjusted upward for this factor. Sale 5 was negotiated in 2023 and was adjusted upward for this factor. Sales 1, 2, and 3 of the comparable sales did not have atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

This category considers expenditures incurred immediately after the purchase of a property. There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

It is noted that most all lot contracts still contain interest carry clauses providing for increased sale prices through the take down period. The most current take down contracts found in the market area still include from 6-7% interest carry with some contracts reportedly renegotiated to include up to 8.5% carry in exchange for extended absorption periods. As such, we have included a market conditions adjustment of 7% through the date of valuation. The sales took place or will take place from January 2026 to April 2027. Thus, the adjustment grid accounts for this trend with upward adjustments through the date of valuation.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 4 and 5 are similar to the subject. No adjustments are necessary. Sales 1 and 3 are adjusted downward for superior location. Sale 2 is adjusted upward for inferior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject. No adjustments are necessary.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

Sales 1, 2, 3 and 5 are similar to the subject and require no adjustment. Sale 4 is larger than the subject and requires an upward adjustment.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of PD - Planned Development (Single-Family Residential).

All of the comparables are similar to the subject. No adjustments are necessary.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid - 50' Frontage Lots

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3)	Prairie Ridge, Ph. 9 - 50' Lots	Redden Farms, Phase 1B West - 50' Lots	Goodland, Phase 12 - 50' Lots	The Westside Preserve	The Oaks, Phase 1 - 50' Lot
Address	South and west sides of Oaks Boulevard, west of IH-35E	3743 Long Stem Street	2849 Redden Lane	South of Prairieside Trail, east of Lupine Trail	East side of Michigan Avenue, northwest of Auburn Avenue	North side of Alderwood Drive, east of Oaks Boulevard
City	Red Oak	Midlothian	MIdlothian	Grand Prairie ETJ	Midlothian	Red Oak
County	Ellis	Ellis	Ellis	Ellis	Ellis	Ellis
State	Texas	TX	TX	TX	TX	TX
Sale Date		Mar-26	Jan-26	Apr-27	Jun-26	May-26
Sale Status		Closed	Closed	In-Contract	Closed	Closed
Sale Price		$127,800	$83,600	$120,000	$115,000	$74,546
Effective Sale Price		$127,800	$83,600	$120,000	$115,000	$74,546
Square Feet	6,000	6,000	6,000	6,000	7,440	6,000
Number of Front Footages	50	50	50	50	62	50
Price per Front Footage		**$2,556**	**$1,672**	**$2,400**	**$1,855**	**$1,491**
Transactional Adjustments						
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		–	–	–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		–	–	–	–	–
Conditions of Sale						
% Adjustment		–	–	–	10%	20%
Expenditures Made Immediately After Purchase						
$ Adjustment		–	–	–	–	–
Market Conditions	7/31/2026	Mar-26	Jan-26	Apr-27	Jun-26	May-26
Annual % Adjustment	7%	3%	4%	–	1%	1%
Cumulative Adjusted Price		**$2,633**	**$1,739**	**$2,400**	**$2,061**	**$1,807**
Property Adjustments						
Location		-20%	15%	-10%	–	–
Access/Exposure		–	–	–	–	–
Size		–	–	–	5%	–
Shape and Topography		–	–	–	–	–
Zoning		–	–	–	–	–
Net Property Adjustments ($)		-$527	$261	-$240	$103	$0
Net Property Adjustments (%)		-20%	15%	-10%	5%	0%
Final Adjusted Price		**$2,106**	**$2,000**	**$2,160**	**$2,164**	**$1,807**

Range of Adjusted Prices	**$1,807 - $2,164**
Average	**$2,047**
Indicated Value	**$2,100**

Land Value Conclusion – 50' Frontage Lots

Prior to adjustments, the sales reflect a range of $1,491 - $2,556 per front footage. After adjustment, the range is narrowed to $1,807 - $2,164 per front footage, with an average of $2,047 per front footage. To arrive at an indication of value, equal weight is given to all sales.

Based upon the preceding analysis, the land value conclusion for the subject is presented as follows:

Land Value Conclusion	
Indicated Value per Front Footage	$2,100
Subject Front Footages	50
Indicated Value	$105,000
Rounded	$105,000

62' Frontage Lots (62’ x 120’ = 7,440 SF)

To apply the sales comparison approach to the 62' Frontage Lots, the research focused on transactions within the following parameters:

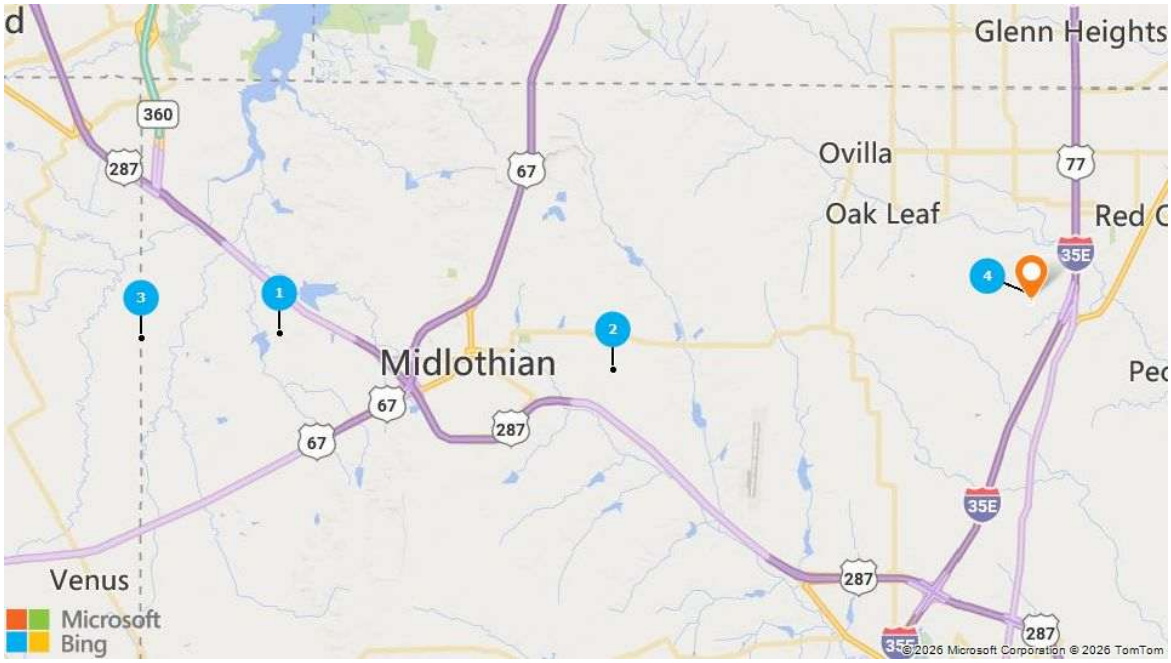
- Location: General Market Area
- Size: 60’ – 70’ Frontage Lots
- Use: Residential
- Transaction Date: October 2023+ or Pending

For this analysis, price per front footage is used as the appropriate unit of comparison. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales - 62' Frontage Lots

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Front Footage	Zoning	$/Front Footage	$/SF Land
1	The Westside Preserve East side of Michigan Avenue, northwest of Auburn Avenue Midlothian Ellis County TX	Jun-26 Closed	$115,000	7,440 0.17	62	PD	$1,855	$15.46
	Comments: This was part of a 56-lot bulk purchase. This master-planned, mixed-use development is located in the Midlothian ISD.							
2	Redden Farms, Phase 1B East - 60' Lots 3266 Kingston Court MIdlothian Ellis County TX	Jan-26 Closed	$100,800	7,500 0.17	60	PD	$1,680	$13.44
	Comments: Lots in this master-planned development are located in the Midlothian ISD.							
3	Prairie Ridge, Ph. 8 - 70' Lots 3391 Pink Petal Drive Midlothian Ellis County TX	Jan-26 Closed	$178,080	8,400 0.19	70	Development Agreement	$2,544	$21.20
	Comments: This master-planned residential subdivision is located in the Midlothian ISD and is also known as Goodland/Feather Grass Village.							
4	The Oaks, Phase 1 - 60' Lot East side of Beaumont Lane, north of Oaks Boulevard Red Oak Ellis County TX	Oct-23 Closed	$68,200	7,200 0.17	60	PD	$1,137	$9.47
	Comments: This represents a bulk purchase of 12 lots at substantial completion. The lot is located in a master-planned subdivision located in the Red Oak ISD.							
	Subject Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3) Red Oak, TX			7,440 0.17	62	PD		

Comparable Land Sales Map – 62' Frontage Lots



Sale 1
The Westside Preserve

Sale 2
Redden Farms, Phase 1B East - 60' Lots

Sale 3
Prairie Ridge, Ph. 8 - 70' Lots

Sale 4
The Oaks, Phase 1 - 60' Lot

Analysis and Adjustment of Sales

Adjustments are considered for the following factors in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Sale 1 represents a bulk purchase and was adjusted upward for this factor. Sale 4 represents a bulk purchase of lots that were contracted at an earlier date and was adjusted upward for these factors. Sales 2 and 3 of the comparable sales did not have atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

It is noted that most all lot contracts still contain interest carry clauses providing for increased sale prices through the take down period. The most current take down contracts found in the market area still include from 6-7% interest carry with some contracts reportedly renegotiated to include up to 8.5% carry in exchange for extended absorption periods. As such, we have included a market conditions adjustment of 7% through the date of valuation. The sales took place from October 2023 to June 2026.

Thus, the adjustment grid accounts for this trend with upward adjustments through the date of valuation.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 1 and 4 are similar to the subject. No adjustments are necessary. Sale 3 is adjusted downward for superior location. Sale 2 is adjusted upward for inferior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject. No adjustments are necessary.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

Sales 1, 2 and 4 are similar to the subject and require no adjustment. Sale 3 is larger than the subject and requires an upward adjustment.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of PD - Planned Development (Single-Family Residential).

All of the comparables are similar to the subject. No adjustments are necessary.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid - 62' Frontage Lots					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3)	The Westside Preserve	Redden Farms, Phase 1B East - 60' Lots	Prairie Ridge, Ph. 8 - 70' Lots	The Oaks, Phase 1 - 60' Lot
Address	South and west sides of Oaks Boulevard, west of IH-35E	East side of Michigan Avenue, northwest of Auburn Avenue	3266 Kingston Court	3391 Pink Petal Drive	East side of Beaumont Lane, north of Oaks Boulevard
City	Red Oak	Midlothian	MIdlothian	Midlothian	Red Oak
County	Ellis	Ellis	Ellis	Ellis	Ellis
State	Texas	TX	TX	TX	TX
Sale Date		Jun-26	Jan-26	Jan-26	Oct-23
Sale Status		Closed	Closed	Closed	Closed
Sale Price		$115,000	$100,800	$178,080	$68,200
Effective Sale Price		$115,000	$100,800	$178,080	$68,200
Square Feet	7,440	7,440	7,500	8,400	7,200
Number of Front Footages	62	62	60	70	60
Price per Front Footage		**$1,855**	**$1,680**	**$2,544**	**$1,137**
Transactional Adjustments					
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		–	–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		–	–	–	–
Conditions of Sale					
% Adjustment		10%	–	–	30%
Expenditures Made Immediately After Purchase					
$ Adjustment		–	–	–	–
Market Conditions	7/31/2026	Jun-26	Jan-26	Jan-26	Oct-23
Annual % Adjustment	7%	1%	4%	4%	20%
Cumulative Adjusted Price		**$2,061**	**$1,747**	**$2,646**	**$1,773**
Property Adjustments					
Location		–	15%	-25%	–
Access/Exposure		–	–	–	–
Size		–	–	5%	–
Shape and Topography		–	–	–	–
Zoning		–	–	–	–
Net Property Adjustments ($)		$0	$262	-$529	$0
Net Property Adjustments (%)		0%	15%	-20%	0%
Final Adjusted Price		**$2,061**	**$2,009**	**$2,117**	**$1,773**

Range of Adjusted Prices	**$1,773 - $2,117**
Average	**$1,990**
Indicated Value	**$2,000**

Land Value Conclusion – 62' Frontage Lots

Prior to adjustments, the sales reflect a range of $1,137 - $2,544 per front footage. After adjustment, the range is narrowed to $1,773 - $2,117 per front footage, with an average of $1,990 per front footage. To arrive at an indication of value, equal weight is given to all sales.

Based upon the preceding analysis, the land value conclusion is as follows:

Land Value Conclusion	
Indicated Value per Front Footage	$2,000
Subject Front Footages	62
Indicated Value	$124,000
Rounded	$124,000

74' Frontage Lots (74’ x 120’ = 8,880 SF)

To apply the sales comparison approach to the 74' Frontage Lots, the research focused on transactions within the following parameters:

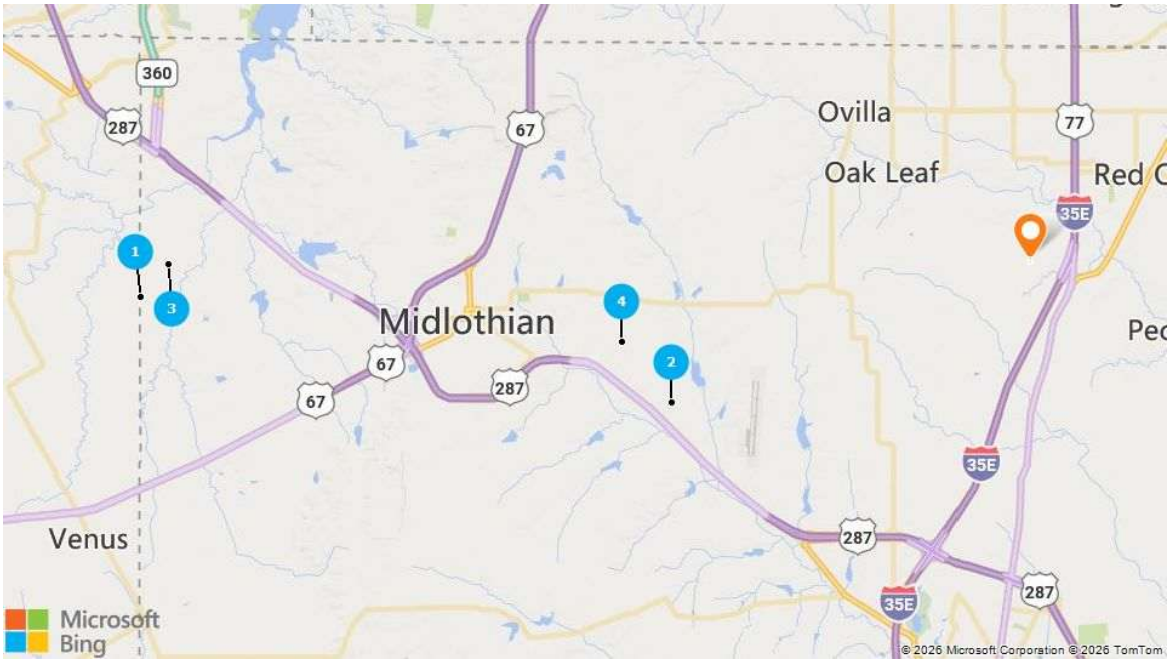
- Location: General Market Area
- Size: 70’ – 75’ Frontage Lots
- Use: Residential
- Transaction Date: January 2024+ or Pending

For this analysis, price per front footage is used as the appropriate unit of comparison. The most relevant sales are summarized in the following table.

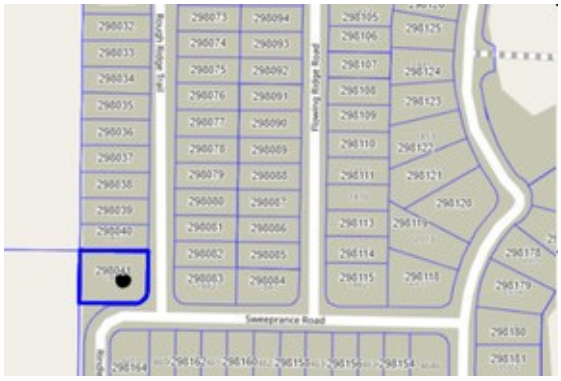
Summary of Comparable Land Sales - 74' Frontage Lots

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Usable SF; Usable Acres	Front Footage	Zoning	$/Front Footage	$/SF Land
1	Prairie Ridge, Ph. 8 - 70' Lots 3391 Pink Petal Drive Midlothian Ellis County TX	Jan-26 Closed	$178,080	8,400 0.19	8,400 0.19	70	Development Agreement	$2,544	$21.20
	Comments: This master-planned residential subdivision is located in the Midlothian ISD and is also known as Goodland/Feather Grass Village.								
2	Bridgewater, Phase 1A - 70' Lots Northwest corner of Rough Ridge Trail and Sweeprance Road Midlothian Ellis County TX	Jun-24 Closed	$94,500	9,100 0.21	9,100 0.21	70	PD	$1,350	$10.38
	Comments: This master-planned subdivision is located in the Midlothian ISD within the city limits of Midlothian.								
3	Goodland, Phase 12 - 70' Lots South of Prairieside Trail, east of Lupine Trail Grand Prairie ETJ Ellis County TX	Apr-27 In-Contract	$168,000	8,400 0.19	8,400 0.19	70	None	$2,400	$20.00
	Comments: Lots in this proposed Phase 12 are served by Midlothian ISD and Venus ISD.								
4	Redden Farms, Phase 2A/2B East - 70' Lots South side of Grove Branch Boulevard, east of Eastgate Road MIdlothian Ellis County TX	Jun-27 In-Contract	$145,000	9,100 0.21	9,100 0.21	70	PD-107	$2,071	$15.93
	Comments: Phase 2A/2B East is one phase of a master-planned development located in the Midlothian ISD. The development is within the Redden Farms Public Improvement District.								
	Subject Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3) Red Oak, TX			8,880 0.20	8,880 0.20	74	PD		

Comparable Land Sales Map – 74' Frontage Lots



Sale 1
Prairie Ridge, Ph. 8 - 70' Lots



Sale 2
Bridgewater, Phase 1A - 70' Lots

Sale 3
Goodland, Phase 12 - 70' Lots

Sale 4
Redden Farms, Phase 2A/2B East - 70' Lots

Analysis and Adjustment of Sales

Adjustments are considered for the following factors in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Sale 2 was contracted at an earlier date and was adjusted upward for this factor. Sales 1, 3, and 4 of the comparable sales did not have atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

It is noted that most all lot contracts still contain interest carry clauses providing for increased sale prices through the take down period. The most current take down contracts found in the market area still include from 6-7% interest carry with some contracts reportedly renegotiated to include up to 8.5% carry in exchange for extended absorption periods. As such, we have included a market conditions adjustment of 7% through the date of valuation. The sales took place or will take place from June 2024 to June 2027. Thus, the adjustment grid accounts for this trend with upward adjustments through the date of valuation.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 2 and 4 are similar to the subject. No adjustments are necessary. Sales 1 and 3 are adjusted downward for superior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject. No adjustments are necessary.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

All of the comparables are similar to the subject. No adjustments are necessary.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of PD - Planned Development (Single-Family Residential).

All of the comparables are similar to the subject. No adjustments are necessary.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid - 74' Frontage Lots					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Red Oak PID No. 1, IA #2 (Phases 5A and 5B) and IA #3 (Phase 3)	Prairie Ridge, Ph. 8 - 70' Lots	Bridgewater, Phase 1A - 70' Lots	Goodland, Phase 12 - 70' Lots	Redden Farms, Phase 2A/2B East - 70' Lots
Address	South and west sides of Oaks Boulevard, west of IH-35E	3391 Pink Petal Drive	Northwest corner of Rough Ridge Trail and Sweeprance Road	South of Prairieside Trail, east of Lupine Trail	South side of Grove Branch Boulevard, east of Eastgate Road
City	Red Oak	Midlothian	Midlothian	Grand Prairie ETJ	MIdlothian
County	Ellis	Ellis	Ellis	Ellis	Ellis
State	Texas	TX	TX	TX	TX
Sale Date		Jan-26	Jun-24	Apr-27	Jun-27
Sale Status		Closed	Closed	In-Contract	In-Contract
Sale Price		$178,080	$94,500	$168,000	$145,000
Effective Sale Price		$178,080	$94,500	$168,000	$145,000
Square Feet	8,880	8,400	9,100	8,400	9,100
Number of Front Footages	74	70	70	70	70
Price per Front Footage		**$2,544**	**$1,350**	**$2,400**	**$2,071**
Transactional Adjustments					
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		–	–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		–	–	–	–
Conditions of Sale					
% Adjustment		–	15%	–	–
Expenditures Made Immediately After Purchase					
$ Adjustment		–	–	–	–
Market Conditions	7/31/2028	Jan-26	Jun-24	Apr-27	Jun-27
Annual % Adjustment	7%	18%	29%	9%	8%
Cumulative Adjusted Price		**$3,002**	**$2,003**	**$2,616**	**$2,237**
Property Adjustments					
Location		-20%	–	-10%	–
Access/Exposure		–	–	–	–
Size		–	–	–	–
Shape and Topography		–	–	–	–
Zoning		–	–	–	–
Net Property Adjustments ($)		-$600	$0	-$262	$0
Net Property Adjustments (%)		-20%	0%	-10%	0%
Final Adjusted Price		**$2,402**	**$2,003**	**$2,354**	**$2,237**

Range of Adjusted Prices	**$2,003 - $2,402**
Average	**$2,249**
Indicated Value	**$2,250**

Land Value Conclusion – 74' Frontage Lots

Prior to adjustments, the sales reflect a range of $1,350 - $2,544 per front footage. After adjustment, the range is narrowed to $2,003 - $2,402 per front footage, with an average of $2,249 per front footage. To arrive at an indication of value, equal weight is given to all sales.

Based on the preceding analysis, the land value conclusion is as follows:

Land Value Conclusion	
Indicated Value per Front Footage	$2,250
Subject Front Footages	74
Indicated Value	$166,500
Rounded	$166,500

Summary of Lot Values

Based upon this analysis, the individual lot values are summarized as follows:

Summary of Land Values

Parcel	Unit of Comparison	Front Footages	Indicated Value per Front Footage	Indicated Value	Rounded
50' Frontage Lots	Front Footages	50	$2,100	$105,000	$105,000
62' Frontage Lots	Front Footages	62	$2,000	$124,000	$124,000
74' Frontage Lots	Front Footages	74	$2,250	$166,500	$166,500

Cumulative Retail Lot Values – PID, IA #2 (Phases 5A & 5B) & IA #3 (Phase 3)

Following are the calculations for the total cumulative retail lot values for the subject's 264 lots under construction within the PID, IA #2 (Phases 5A and 5B) and the 66 proposed lots within IA #3:

Cumulative Retail Lot Value Calculation

IA #2 (Phases 5A & 5B)

Total Lots	Front Footage	Average Price/Lot	Price/FF	Total Cumulative Retail Value
242	50	$105,000	$2,100	$25,410,000
22	62	$124,000	$2,000	$2,728,000
264		**$106,583**		**$28,138,000**

IA #3 (Phase 3)

Total Lots	Front Footage	Average Price/Lot	Price/FF	Total Cumulative Retail Value
66	**74**	**$166,500**	**$2,250**	**$10,989,000**

As shown, the total cumulative retail lot value equates to $28,138,000 or $106,583/lot average for the 264 lots in IA #2.

The total cumulative retail lot value equates to $10,989,000 or $166,500/lot for the 66 lots in IA #3.

It should be clearly understood that the summation of lot values does not represent our opinion of the market discounted/bulk value, as if the lots are all sold in bulk in a single transaction.

Reconciliation and Conclusion of Values

As discussed previously, only the sales comparison approach is used to develop an opinion of value for the subject. The cost and income approaches are not applicable and are not used.

Conclusion

Based upon the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusions

Parcel	Interest Appraised	Date of Value	Value Conclusion
Prospective Cumulative Retail Market Value at Completion (264 lots, Phases 5A & 5B)*	Fee Simple	July 31, 2026	$28,138,000
Prospective Cumulative Retail Market Value at Completion (66 lots, Phase 3)*	Fee Simple	July 31, 2028	$10,989,000

***It should be clearly understood that the summation of lot values does not represent our opinion of the market discounted/bulk value, as if the lots are all sold in bulk in a single transaction.**

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption 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.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by GM Civil Engineering & Surveying (engineering/surveyors), Red Oak 66 Holdings LLC (owner/developer), the city of Red Oak, and the Ellis Appraisal District is assumed to be correct.
2. IA #2 is currently under construction and IA #3 is platted and proposed to be developed as a future Phase 3. Therefore, this report contains prospective opinions of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation dates. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior tothe
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of July 31, 2026 (IA #2) and July 31, 2028 (IA #3), the effective appraisal dates.
4. The values presented within this report are prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from the stated estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, these opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, the assignment participants are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on review of recent sales transactions for similar properties and analysis of supply and demand in the local land market, the probable exposure time for the subject at the concluded market values stated previously is 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. As no significant changes in market conditions are foreseen in the near term, a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, the subject's marketing period is estimated at 6 - 12 months.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Shelley Sivakumar has made a personal inspection of the property that is the subject of this report. Jimmy H. Jackson, MAI has not personally inspected the subject. Ernest Gatewood has personally inspected the subject.
12. No one provided significant real property appraisal assistance to the persons signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Jimmy H. Jackson, MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.

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Email: jhjackson@irr.com

Ernest Gatewood
Senior Director
Texas Certified General Real Estate Appraiser
License TX #1324355-CG
Telephone: 972.725.7755
Email: egatewood@irr.com

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The 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 property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the 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 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.

This appraisal and any other work product related to this engagement are 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 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 property without compensation relative to such additional employment.

6. We have made no survey of the property and assume no responsibility in connection 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.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the 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 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 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 appraised 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 premises 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 values 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 conducted a specific survey or analysis of the 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 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. IRR - Dallas, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra 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 property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

22. We are not a building or environmental inspector. The Integra Parties do 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 assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. **IRR - Dallas is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Dallas. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.**

25. IRR - Dallas 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).

26. 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. The Integra Parties are 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 this property.

27. 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, and 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 with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption 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.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by GM Civil Engineering & Surveying (engineering/surveyors), Red Oak 66 Holdings LLC (owner/developer), the city of Red Oak, and the Ellis Appraisal District is assumed to be correct.
2. IA #2 is currently under construction and IA #3 is platted and proposed to be developed as a future Phase 3. Therefore, this report contains prospective opinions of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation dates. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior tothe
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of July 31, 2026 (IA #2) and July 31, 2028 (IA #3), the effective appraisal dates.
4. The values presented within this report are prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Addendum A

Appraiser Qualifications

Jimmy H. Jackson, MAI

Experience

Executive Director with the Dallas and Lubbock, Texas offices of Integra Realty Resources, a full-service real estate consulting and appraisal firm.

Jimmy H. Jackson, MAI has over 40 years of experience as a commercial appraiser as well as years of experience as a seasoned real estate investor. Prior to joining Integra Realty Resources, Jackson was one of the original two founding partners of Jackson Claborn, Inc. (JCI), a real estate consulting/valuation firm that was established in 1992. JCI grew to have one of the largest staffs of commercial and residential appraisers in the Southwest and has performed valuation and consulting on a vast number of commercial property types across Texas as well as the United States. Mr. Jackson holds the MAI designation and has been involved in the analysis of virtually all types of commercial and residential properties. Mr. Jackson has experience in state and federal courts as an expert witness. Testimony has involved such varied issues as bankruptcy, taxation and condemnation. Mr. Jackson has also been involved in numerous real estate developments and personal real estate investments.

A major philanthropic achievement for Mr. Jackson was consulting with and influencing family members to provide the start-up expertise as well as the seed funding in 1994 for the formation of The Parent Project for Muscular Dystrophy/PPMD (www.parentprojectmd.org). The PPMD organization has developed into a worldwide non-profit centered to provide research funds for children suffering from Duchenne Muscular Dystrophy. Since inception, the PPMD organization has directly funded more than $50 million in direct research and assisted and helped leverage more than $500 million of other research related to other genetic diseases through government grants and other private funding sources. In 2008, Mr. Jackson received a Humanitarian Award from Texas Gov. Rick Perry for charitable work associated with National Jewish Hospital/NJH in Denver. Mr. Jackson currently serves as a national trustee for NJH which is the #1 respiratory care hospital in the world.

Mr. Jackson graduated from Texas Tech University in 1984 with a B.B.A. in Finance with a Real Estate Emphasis. Mr. Jackson has served on numerous professional boards, including serving on the Ethics and Counseling Panel of the North Texas Chapter of the Appraisal Institute as well as serving on the Board of Directors as well as being Chair and Co-Chair of the Public Relations Committee.

As a college student, Mr. Jackson was a member of Phi Delta Theta social fraternity and the Texas Tech Finance Association. Mr. Jackson served for eight (8) years on the Advisory Board for the Jerry Rawls College of Business Administration (COBA) at Texas Tech University. Mr. Jackson has also served as a guest lecturer on real estate entrepreneurship to upper-level COBA students at Texas Tech over the years.

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Experience (Cont'd)

Basic Core Real Estate Appraisal Services
Feasibility Studies, Absorption Studies & Demographic Studies
Highest & Best Use Studies for All Property Types
3rd Party Appraisal Reviews
Detrimental Conditions Valuation & Consulting
Encroachment Analysis
Land Use Studies & Planning/Zoning Studies
Litigation/Litigation Support
In-Depth Market Analysis for All Property Types
Tax Assessment & Mass Appraisal Analysis
Fair & Equitable Appraisal Analysis
Right of Way Analysis Appraisals
Mediation, Arbitration, & Dispute Resolution
Portfolio Valuation & Analysis
Retrospective Valuation Opinions

Appraisal of all property types including the following:

Residential
High-Rise Condominium and Garden-Style Multi-Family and Townhome Projects
High-End Residential Property
Historical Residential Property
All types of Single-Family Appraisals (Conventional, Relocation, Unique / Historical Property)

Land
Acreage (Commercial Mixed-Use)
Subdivided Land (Mixed-Use, Commercial and Industrial)
Standard Single-Family Subdivision Lot development appraisals
PID/MUD Single-Family Subdivision Lot development appraisals

Commercial, Office & Retail
Branch Banks / Financial Building
Convenience Stores / Service Stations
Convention Center / Hotel / Resort /Motel
Office Building (High Rise, over three stories)
Office Building (Low Rise, three stories or less)
Parking Facility (Lot or Garage)
Retail (Single Tenant or Free Standing)
Shopping Center (Local, Strip, Neighborhood, Community, Etc.)
Shopping Center (Power Center, Outlet Center, Lifestyle, Etc.)
Shopping Center (Super Regional, Regional Mall)

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Jimmy H. Jackson, MAI

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Experience (Cont'd)

Industrial
Industrial (Heavy (Manufacturing)
Industrial (Small Office Warehouse / Mfg.)
Industrial Light (Distribution, Storage)

Special Purpose
Automobile Dealerships
Church Facilities
Collegiate Student Housing
Self-Serve and Full-Service Car Wash Facilities
Self-Storage Facilities

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute

Licenses

Texas, Certified General Real Estate Appraiser, 1324004-CG, Expires November 2026
Oklahoma, Certified General Real Estate Appraiser, 13279CGA, Expires September 2026
New Mexico, Certified General Real Estate Appraiser, 03819-G, Expires April 2027
Louisiana, Certified General Real Estate Appraiser, APR.05151 CGA, Expires December 2026

Education

Mr. Jackson is a graduate of Texas Tech University where he received a Bachelor of Business Administration in Finance with a Real Estate Emphasis.

Miscellaneous

Member of Region 8 Ethics and Counseling Regional Panel (1992-1995)
Chair - Public Relations North Texas Chapter (2003, 2004)
Co-Chair - Public Relations North Texas Chapter (2005)
Board Member - North Texas Chapter (2005-2007)

jhjackson@irr.com - 972.725.7724

TALCB

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: JIMMY HUEL JACKSON

License #: 1324004-CG **License Expires: 11/30/2026**

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

Ernest Gatewood

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Experience

Senior Director PID/MUD/SF Lot Development Valuation Specialist with the Dallas office of Integra Realty Resources DFW, a full-service real estate consulting and appraisal firm.

Mr. Gatewood has been in the appraisal field for over 40 years. This extensive experience has formed knowledge of the Texas real estate market as well as select areas throughout the entire United States. This experience has formed an understanding of the dynamics of market forces in both increasing, as well as declining markets. Mr. Gatewood began his appraisal career in 1980 at Crosson Dannis, Inc. where he spent 10 years specializing in master-planned communities. Mr. Gatewood's appraisals were utilized in the funding of Legacy Business Park in Plano, Texas as well as Stonebridge Ranch in McKinney, Texas. In 1991, Mr. Gatewood joined Heartland (Seattle, Washington) as Acquisitions Director for Texas. In this role, Mr. Gatewood was key to the development of several single-family subdivisions, a property type which he still specializes into this day. From 1992 until 2017, Mr. Gatewood represented Jackson Claborn, Inc. as the Vice President of the Commercial Division where he has helped manage the production of the commercial appraisal practice which has enhanced JCI's strong commitment to client services.

Mr. Gatewood has experience in appraising commercial, industrial, multifamily, and investment-grade real property and related tangible assets to provide opinions of value for purposes of mortgage lending, sale or purchase, financial reporting, federal tax, capital lease testing, litigation support, allocation of purchase price, estate tax planning/settlement, ad valorem taxation, property exchange, internal planning, and partial taking/just compensation by eminent domain agencies.

Property types include vacant land, agricultural land, rights of way (road and pipeline), shopping centers, single-tenant retail buildings, CBD and suburban office projects, air rights, truck terminals, light industrial facilities, heavy manufacturing plants, corporate headquarters, hospitals, surgery centers, medical office buildings, self-storage facilities, religious facilities, hotels, mixed-use developments, apartment projects, convenience stores, and single-family subdivision analyses.

Licenses

Texas, Certified General Real Estate Appraiser, TX 1324355-CG, Expires December 2026
Texas, Licensed Real Estate Salesman, 277705, Expires December 2027

Education

Richland Junior College, Dallas, Texas
The University of North Texas, Denton, Texas

Miscellaneous

An Associate Member of the Appraisal Institute

egatewood@irr.com - 972.725.7755

TALCB

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: ERNEST ELVA GATEWOOD

License #: 1324355-CG **License Expires: 12/31/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

Shelley Sivakumar

Integra Realty Resources - Dallas

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Experience

Shelley Sivakumar has over 28 years of experience as a commercial appraiser representing Jackson Claborn, Inc. and later Integra Realty Resources. This extensive experience has formed a knowledge of the Texas real estate market with an understanding of the dynamics of market forces in both increasing, as well as declining markets. After graduating from the University of Texas at Dallas with a Bachelor of Science degree with a double major of Accounting/Finance, Ms. Sivakumar began her career in tax accounting. For the next 20 years, she managed a private multi-million-dollar individual asset portfolio. Since 1998, she has specialized in appraising master-planned residential developments and subdivisions including Public Improvement Districts in the Dallas/Fort Worth metroplex as well as outlying areas in Dallas, Collin, Rockwall, Ellis, Tarrant, Grayson, and Denton Counties. Ms. Sivakumar's appraisal experience also includes public improvement districts, subdivision development, single and multi-tenant office/medical buildings, retail developments, industrial facilities, educational centers, religious facilities, townhome developments, right-of-ways (road), as well as vacant land.

In her spare time, Ms. Sivakumar enjoys equestrian riding and working out. She has competed in the 100-mile "Hotter'N Hell Hundred bike ride, one of the oldest and largest cycling events in the nation held in Wichita Falls, Texas every August.

Licenses

Texas, Licensed Residential Real Estate Appraiser, 1333354-LR, Expires February 2028

Education

University of Texas at Dallas, Dallas, Texas: Bachelor of Science 1978
University of North Texas, Denton, Texas 1977
Marshall University, Huntington, West Virginia: Associate of Science 1974

Appraisal Institute Courses
A Review of Disciplinary Cases
Workfile Documentation for Appraisers
Basic Appraisal Procedures
General Appraiser Market Analysis Highest and Best Use
General Appraiser Sales Comparison Approach
General Report Writing and Case Studies
A Review of Disciplinary Cases
Workfile Documentation for Appraisers
Appraising Residential Properties
Income Property Appraisal
Real Estate Appraisal
Basic Income Capitalization

Appraisal Math & Statistics
Owner-Occupied Commercial Properties
Residential Report Writing
Modern Green Building Concepts
Ad Valorem Tax Consultation

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Shelley Sivakumar

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Education (Cont'd)

The Dirty Dozen
Essential Elements of Disclosure & Disclaimer
Land & Site Valuation
Commercial Clients Want Appraisers to Know

Market Analysis/STDB
USPAP
Expert Witness for Commercial Appraisers
General Appraiser Site Valuation
& Cost Approach
Commercial Appraisal Review
Fair Housing, Bias & Discrimination
Market Analysis/STDB
USPAP
Environmental Issues
Texas Real Estate Contracts
Texas Real Estate Agency
Modern Real Estate Practice in Texas
Statistics, Modeling and Finance
General Appraiser Income Approach
Market Disturbances in Atypical Markets & Cycles

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Licensed Residential Real Estate Appraiser

Appraiser: SHELLEY MARIE SIVAKUMAR
License #: 1333354-LR **License Expires: 02/29/2028**

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

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About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com

Addendum B

IRR Quality Assurance Survey

IRR Quality Assurance Survey

We welcome your feedback!

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

Integra Quality Control Team

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will contact you.

Link to the IRR Quality Assurance Survey: quality.irr.com

Addendum C

Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022), unless otherwise noted.

As Is Market Value
The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Disposition Value
The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analysis, opinions, and conclusions apply; also referred to as *date of value*. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect.

Entitlement
In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

Entrepreneurial Incentive
The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project.

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motived by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovation change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.
2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

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.

Floor Area Ratio (FAR)
The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)

3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

Lease

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time
An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal.

Market Value
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:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also, Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

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 value 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.

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 value 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."

Definition of Aggregate of Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Bulk Sale

The sale of multiple parcels of real estate to one buyer in one transaction. A bulk sale may include dissimilar properties in different locations or a group of lots or units in the same project. Typically, the bulk sale price is less than the sum of the values of the individual parcels.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Development Procedure

In land valuation, a technique for valuing undeveloped acreage that involves discounting the cost of development and the probable proceeds from the sale of developed sites.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Subdivision Development Method

A method of estimating land value when subdividing and developing a parcel of land is the highest and best use of that land. When all direct and indirect costs and entrepreneurial incentive are deducted from an estimate of the anticipated gross sales price of the finished lots (or the completed improvements on those lots), the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the land.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Allocation

1) The process of separating the contributory value of a component or part of an asset from the total value of the asset. 2) A method of estimating land value in which sales of improved properties are analyzed to establish a typical ratio of land value to total property value and this ratio is applied to the property being appraised or the comparable sale being analyzed."

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Extraction

1) A method of estimating land value in which the depreciated cost of the improvements on an improved property is calculated and deducted from the total sale price to arrive at an estimated sale price for the land. 2) A method of deriving capitalization rates from property sales when sale price and net operating income are known.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Residual

The quantity left over; in appraising, a term used to describe the result of an appraisal procedure in which known components of value are accounted for, thus solving for the quantity that is left over, such as land residual or building residual.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Addendum D

Property Information

Tax Data

Year	Prop ID	Owner Name	Property Address	City	Legal Description	Market Value	Appraised Value
2026	313351	RED OAK 66 HOLDINGS LLC	805 WINTERWOOD DR	RED OAK	LOT 1 BLK P THE OAKS PH 5A 0.1944 AC	$55,000	$55,000
2026	313397	RED OAK 66 HOLDINGS LLC	761 WINTERWOOD DR	RED OAK	LOT 1 BLK R THE OAKS PH 5A 0.1944 AC	$55,000	$55,000
2026	313360	RED OAK 66 HOLDINGS LLC	855 WINTERWOOD DR	RED OAK	LOT 10 BLK P THE OAKS PH 5A 0.1843 AC	$55,000	$55,000
2026	313361	RED OAK 66 HOLDINGS LLC	859 WINTERWOOD DR	RED OAK	LOT 11 BLK P THE OAKS PH 5A 0.1843 AC	$55,000	$55,000
2026	313362	RED OAK 66 HOLDINGS LLC	905 WINTERWOOD DR	RED OAK	LOT 12 BLK P THE OAKS PH 5A 0.1843 AC	$55,000	$55,000
2026	313363	RED OAK 66 HOLDINGS LLC	909 WINTERWOOD DR	RED OAK	LOT 13 BLK P THE OAKS PH 5A 0.1843 AC	$55,000	$55,000
2026	313364	RED OAK 66 HOLDINGS LLC	915 WINTERWOOD DR	RED OAK	LOT 14 BLK P THE OAKS PH 5A 0.1843 AC	$55,000	$55,000
2026	313365	RED OAK 66 HOLDINGS LLC	921 WINTERWOOD DR	RED OAK	LOT 15 BLK P THE OAKS PH 5A 0.1766 AC	$55,000	$55,000
2026	313366	RED OAK 66 HOLDINGS LLC	932 BIRCHWOOD DR	RED OAK	LOT 16 BLK P THE OAKS PH 5A 0.1909 AC	$55,000	$55,000
2026	313367	RED OAK 66 HOLDINGS LLC	928 WINTERWOOD DR	RED OAK	LOT 17 BLK P THE OAKS PH 5A 0.1663 AC	$55,000	$55,000
2026	313368	RED OAK 66 HOLDINGS LLC	924 WINTERWOOD DR	RED OAK	LOT 18 BLK P THE OAKS PH 5A 0.1482 AC	$55,000	$55,000
2026	313369	RED OAK 66 HOLDINGS LLC	920 WINTERWOOD DR	RED OAK	LOT 19 BLK P THE OAKS PH 5A 0.1484 AC	$55,000	$55,000
2026	313352	RED OAK 66 HOLDINGS LLC	809 WINTERWOOD DR	RED OAK	LOT 2 BLK P THE OAKS PH 5A 0.1774 AC	$55,000	$55,000
2026	313398	RED OAK 66 HOLDINGS LLC	755 WINTERWOOD DR	RED OAK	LOT 2 BLK R THE OAKS PH 5A 0.1708 AC	$55,000	$55,000
2026	313370	RED OAK 66 HOLDINGS LLC	916 WINTERWOOD DR	RED OAK	LOT 20 BLK P THE OAKS PH 5A 0.1484 AC	$55,000	$55,000
2026	313371	RED OAK 66 HOLDINGS LLC	912 WINTERWOOD DR	RED OAK	LOT 21 BLK P THE OAKS PH 5A 0.1484 AC	$55,000	$55,000
2026	313372	RED OAK 66 HOLDINGS LLC	908 WINTERWOOD DR	RED OAK	LOT 22 BLK P THE OAKS PH 5A 0.1484 AC	$55,000	$55,000
2026	313373	RED OAK 66 HOLDINGS LLC	904 WINTERWOOD DR	RED OAK	LOT 23 BLK P THE OAKS PH 5A 0.1709 AC	$55,000	$55,000
2026	313405	RED OAK 66 HOLDINGS LLC	852 SAGEWOOD DR	RED OAK	LOT 23 BLK S THE OAKS PH 5A 0.1412 AC	$55,000	$55,000
2026	313374	RED OAK 66 HOLDINGS LLC	905 SAGEWOOD DR	RED OAK	LOT 24 BLK P THE OAKS PH 5A 0.1737 AC	$55,000	$55,000
2026	313406	RED OAK 66 HOLDINGS LLC	848 SAGEWOOD DR	RED OAK	LOT 24 BLK S THE OAKS PH 5A 0.141 AC	$55,000	$55,000
2026	313375	RED OAK 66 HOLDINGS LLC	909 SAGEWOOD DR	RED OAK	LOT 25 BLK P THE OAKS PH 5A 0.1564 AC	$55,000	$55,000
2026	313407	RED OAK 66 HOLDINGS LLC	844 SAGEWOOD DR	RED OAK	LOT 25 BLK S THE OAKS PH 5A 0.141 AC	$55,000	$55,000
2026	313376	RED OAK 66 HOLDINGS LLC	916 SAGEWOOD DR	RED OAK	LOT 26 BLK P THE OAKS PH 5A 0.1564 AC	$55,000	$55,000
2026	313408	RED OAK 66 HOLDINGS LLC	840 SAGEWOOD DR	RED OAK	LOT 26 BLK S THE OAKS PH 5A 0.141 AC	$55,000	$55,000
2026	313377	RED OAK 66 HOLDINGS LLC	919 SAGEWOOD DR	RED OAK	LOT 27 BLK P THE OAKS PH 5A 0.1564 AC	$55,000	$55,000
2026	313409	RED OAK 66 HOLDINGS LLC	836 SAGEWOOD DR	RED OAK	LOT 27 BLK S THE OAKS PH 5A 0.141 AC	$55,000	$55,000
2026	313378	RED OAK 66 HOLDINGS LLC	923 SAGEWOOD DR	RED OAK	LOT 28 BLK P THE OAKS PH 5A 0.1564 AC	$55,000	$55,000
2026	313410	RED OAK 66 HOLDINGS LLC	832 SAGEWOOD DR	RED OAK	LOT 28 BLK S THE OAKS PH 5A 0.141 AC	$55,000	$55,000
2026	313379	RED OAK 66 HOLDINGS LLC	929 SAGEWOOD DR	RED OAK	LOT 29 BLK P THE OAKS PH 5A 0.1636 AC	$55,000	$55,000
2026	313411	RED OAK 66 HOLDINGS LLC	828 SAGEWOOD DR	RED OAK	LOT 29 BLK S THE OAKS PH 5A 0.141 AC	$55,000	$55,000
2026	313353	RED OAK 66 HOLDINGS LLC	815 WINTERWOOD DR	RED OAK	LOT 3 BLK P THE OAKS PH 5A 0.1774 AC	$55,000	$55,000
2026	313399	RED OAK 66 HOLDINGS LLC	751 WINTERWOOD DR	RED OAK	LOT 3 BLK R THE OAKS PH 5A 0.1708 AC	$55,000	$55,000
2026	313380	RED OAK 66 HOLDINGS LLC	935 SAGEWOOD DR	RED OAK	LOT 30 BLK P THE OAKS PH 5A 0.1699 AC	$55,000	$55,000
2026	313412	RED OAK 66 HOLDINGS LLC	824 SAGEWOOD DR	RED OAK	LOT 30 BLK S THE OAKS PH 5A 0.1382 AC	$55,000	$55,000
2026	313381	RED OAK 66 HOLDINGS LLC	941 SAGEWOOD DR	RED OAK	LOT 31 BLK P THE OAKS PH 5A 0.1655 AC	$55,000	$55,000
2026	313413	RED OAK 66 HOLDINGS LLC	820 SAGEWOOD DR	RED OAK	LOT 31 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313382	RED OAK 66 HOLDINGS LLC	947 SAGEWOOD DR	RED OAK	LOT 32 BLK P THE OAKS PH 5A 0.1711 AC	$55,000	$55,000
2026	313414	RED OAK 66 HOLDINGS LLC	814 SAGEWOOD DR	RED OAK	LOT 32 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313354	RED OAK 66 HOLDINGS LLC	819 WINTERWOOD DR	RED OAK	LOT 4 BLK P THE OAKS PH 5A 0.1774 AC	$55,000	$55,000
2026	313400	RED OAK 66 HOLDINGS LLC	747 WINTERWOOD DR	RED OAK	LOT 4 BLK R THE OAKS PH 5A 0.1708 AC	$55,000	$55,000
2026	313355	RED OAK 66 HOLDINGS LLC	825 WINTERWOOD DR	RED OAK	LOT 5 BLK P THE OAKS PH 5A 0.1819 AC	$55,000	$55,000
2026	313401	RED OAK 66 HOLDINGS LLC	743 WINTERWOOD DR	RED OAK	LOT 5 BLK R THE OAKS PH 5A 0.1707 AC	$55,000	$55,000
2026	313386	RED OAK 66 HOLDINGS LLC	904 SAGEWOOD DR	RED OAK	LOT 55 BLK Q THE OAKS PH 5A 0.1697 AC	$55,000	$55,000
2026	313387	RED OAK 66 HOLDINGS LLC	908 SAGEWOOD DR	RED OAK	LOT 56 BLK Q THE OAKS PH 5A 0.141 AC	$55,000	$55,000
2026	313388	RED OAK 66 HOLDINGS LLC	912 SAGEWOOD DR	RED OAK	LOT 57 BLK Q THE OAKS PH 5A 0.141 AC	$55,000	$55,000
2026	313389	RED OAK 66 HOLDINGS LLC	916 SAGEWOOD DR	RED OAK	LOT 58 BLK Q THE OAKS PH 5A 0.141 AC	$55,000	$55,000
2026	313390	RED OAK 66 HOLDINGS LLC	920 SAGEWOOD DR	RED OAK	LOT 59 BLK Q THE OAKS PH 5A 0.141 AC	$55,000	$55,000
2026	313356	RED OAK 66 HOLDINGS LLC	831 WINTERWOOD DR	RED OAK	LOT 6 BLK P THE OAKS PH 5A 0.1843 AC	$55,000	$55,000
2026	313402	RED OAK 66 HOLDINGS LLC	1508 PALMDALE LN	RED OAK	LOT 6 BLK R THE OAKS PH 5A 0.1354 AC	$55,000	$55,000
2026	313391	RED OAK 66 HOLDINGS LLC	924 SAGEWOOD DR	RED OAK	LOT 60 BLK Q THE OAKS PH 5A 0.1409 AC	$55,000	$55,000
2026	313392	RED OAK 66 HOLDINGS LLC	928 SAGEWOOD DR	RED OAK	LOT 61 BLK Q THE OAKS PH 5A 0.1419 AC	$55,000	$55,000
2026	313393	RED OAK 66 HOLDINGS LLC	932 SAGEWOOD DR	RED OAK	LOT 62 BLK Q THE OAKS PH 5A 0.1845 AC	$55,000	$55,000
2026	313394	RED OAK 66 HOLDINGS LLC	936 SAGEWOOD DR	RED OAK	LOT 63 BLK Q THE OAKS PH 5A 0.2324 AC	$55,000	$55,000
2026	313395	RED OAK 66 HOLDINGS LLC	940 SAGEWOOD DR	RED OAK	LOT 64 BLK Q THE OAKS PH 5A 0.3607 AC	$65,000	$65,000
2026	313357	RED OAK 66 HOLDINGS LLC	837 WINTERWOOD DR	RED OAK	LOT 7 BLK P THE OAKS PH 5A 0.1843 AC	$55,000	$55,000
2026	313403	RED OAK 66 HOLDINGS LLC	1512 PALMDALE LN	RED OAK	LOT 7 BLK R THE OAKS PH 5A 0.1384 AC	$55,000	$55,000
2026	313358	RED OAK 66 HOLDINGS LLC	843 WINTERWOOD DR	RED OAK	LOT 8 BLK P THE OAKS PH 5A 0.1843 AC	$55,000	$55,000
2026	313359	RED OAK 66 HOLDINGS LLC	849 WINTERWOOD DR	RED OAK	LOT 9 BLK P THE OAKS PH 5A 0.1843 AC	$55,000	$55,000

Year	Prop ID	Owner Name	Property Address	City	Legal Description	Market Value	Appraised Value
2026	313415	RED OAK 66 HOLDINGS LLC	812 SAGEWOOD DR	RED OAK	LOT 33 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313416	RED OAK 66 HOLDINGS LLC	808 SAGEWOOD DR	RED OAK	LOT 34 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313417	RED OAK 66 HOLDINGS LLC	804 SAGEWOOD DR	RED OAK	LOT 35 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313418	RED OAK 66 HOLDINGS LLC	766 SAGEWOOD DR	RED OAK	LOT 36 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313419	RED OAK 66 HOLDINGS LLC	762 SAGEWOOD DR	RED OAK	LOT 37 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313420	RED OAK 66 HOLDINGS LLC	758 SAGEWOOD DR	RED OAK	LOT 38 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313421	RED OAK 66 HOLDINGS LLC	754 SAGEWOOD DR	RED OAK	LOT 39 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313422	RED OAK 66 HOLDINGS LLC	750 SAGEWOOD DR	RED OAK	LOT 40 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313423	RED OAK 66 HOLDINGS LLC	746 SAGEWOOD DR	RED OAK	LOT 41 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313424	RED OAK 66 HOLDINGS LLC	742 SAGEWOOD DR	RED OAK	LOT 42 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313425	RED OAK 66 HOLDINGS LLC	738 SAGEWOOD DR	RED OAK	LOT 43 BLK S THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313426	RED OAK 66 HOLDINGS LLC	734 SAGEWOOD DR	RED OAK	LOT 44 BLK S THE OAKS PH 5A 0.1641 AC	$55,000	$55,000
2026	313428	RED OAK 66 HOLDINGS LLC	735 SAGEWOOD DR	RED OAK	LOT 1 BLK V THE OAKS PH 5A 0.164 AC	$55,000	$55,000
2026	313429	RED OAK 66 HOLDINGS LLC	739 SAGEWOOD DR	RED OAK	LOT 2 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313430	RED OAK 66 HOLDINGS LLC	743 SAGEWOOD DR	RED OAK	LOT 3 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313431	RED OAK 66 HOLDINGS LLC	747 SAGEWOOD DR	RED OAK	LOT 4 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313432	RED OAK 66 HOLDINGS LLC	751 SAGEWOOD DR	RED OAK	LOT 5 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313433	RED OAK 66 HOLDINGS LLC	755 SAGEWOOD DR	RED OAK	LOT 6 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313434	RED OAK 66 HOLDINGS LLC	759 SAGEWOOD DR	RED OAK	LOT 7 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313435	RED OAK 66 HOLDINGS LLC	763 SAGEWOOD DR	RED OAK	LOT 8 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313436	RED OAK 66 HOLDINGS LLC	762 WINTERWOOD DR	RED OAK	LOT 9 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313437	RED OAK 66 HOLDINGS LLC	758 WINTERWOOD DR	RED OAK	LOT 10 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313438	RED OAK 66 HOLDINGS LLC	754 WINTERWOOD DR	RED OAK	LOT 11 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313439	RED OAK 66 HOLDINGS LLC	750 WINTERWOOD DR	RED OAK	LOT 12 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313440	RED OAK 66 HOLDINGS LLC	746 WINTERWOOD DR	RED OAK	LOT 13 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313441	RED OAK 66 HOLDINGS LLC	742 WINTERWOOD DR	RED OAK	LOT 14 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313442	RED OAK 66 HOLDINGS LLC	738 WINTERWOOD DR	RED OAK	LOT 15 BLK V THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313443	RED OAK 66 HOLDINGS LLC	734 WINTERWOOD DR	RED OAK	LOT 16 BLK V THE OAKS PH 5A 0.1683 AC	$55,000	$55,000
2026	313444	RED OAK 66 HOLDINGS LLC	805 SAGEWOOD	RED OAK	LOT 1 BLK Z THE OAKS PH 5A 0.1641 AC	$55,000	$55,000
2026	313445	RED OAK 66 HOLDINGS LLC	809 SAGEWOOD	RED OAK	LOT 2 BLK Z THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313446	RED OAK 66 HOLDINGS LLC	813 SAGEWOOD	RED OAK	LOT 3 BLK Z THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313447	RED OAK 66 HOLDINGS LLC	817 SAGEWOOD	RED OAK	LOT 4 BLK Z THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313448	RED OAK 66 HOLDINGS LLC	821 SAGEWOOD	RED OAK	LOT 5 BLK Z THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313449	RED OAK 66 HOLDINGS LLC	825 SAGEWOOD	RED OAK	LOT 6 BLK Z THE OAKS PH 5A 0.1438 AC	$55,000	$55,000
2026	313450	RED OAK 66 HOLDINGS LLC	829 SAGEWOOD	RED OAK	LOT 7 BLK Z THE OAKS PH 5A 0.1459 AC	$55,000	$55,000
2026	313451	RED OAK 66 HOLDINGS LLC	835 SAGEWOOD	RED OAK	LOT 8 BLK Z THE OAKS PH 5A 0.1459 AC	$55,000	$55,000
2026	313452	RED OAK 66 HOLDINGS LLC	839 SAGEWOOD	RED OAK	LOT 9 BLK Z THE OAKS PH 5A 0.1459 AC	$55,000	$55,000
2026	313453	RED OAK 66 HOLDINGS LLC	843 SAGEWOOD	RED OAK	LOT 10 BLK Z THE OAKS PH 5A 0.1459 AC	$55,000	$55,000
2026	313454	RED OAK 66 HOLDINGS LLC	849 SAGEWOOD	RED OAK	LOT 11 BLK Z THE OAKS PH 5A 0.1459 AC	$55,000	$55,000
2026	313455	RED OAK 66 HOLDINGS LLC	853 SAGEWOOD	RED OAK	LOT 12 BLK Z THE OAKS PH 5A 0.1459 AC	$55,000	$55,000
2026	313456	RED OAK 66 HOLDINGS LLC	857 SAGEWOOD	RED OAK	LOT 13 BLK Z THE OAKS PH 5A 0.1459 AC	$55,000	$55,000
2026	313457	RED OAK 66 HOLDINGS LLC	861 SAGEWOOD	RED OAK	LOT 14 BLK Z THE OAKS PH 5A 0.1459 AC	$55,000	$55,000
2026	313458	RED OAK 66 HOLDINGS LLC	865 SAGEWOOD	RED OAK	LOT 15 BLK Z THE OAKS PH 5A 0.1709 AC	$55,000	$55,000
2026	313459	RED OAK 66 HOLDINGS LLC	856 WINTERWOOD DR	RED OAK	LOT 16 BLK Z THE OAKS PH 5A 0.1709 AC	$55,000	$55,000
2026	313460	RED OAK 66 HOLDINGS LLC	852 WINTERWOOD DR	RED OAK	LOT 17 BLK Z THE OAKS PH 5A 0.1488 AC	$55,000	$55,000
2026	313461	RED OAK 66 HOLDINGS LLC	848 WINTERWOOD DR	RED OAK	LOT 18 BLK Z THE OAKS PH 5A 0.1488 AC	$55,000	$55,000
2026	313462	RED OAK 66 HOLDINGS LLC	844 WINTERWOOD DR	RED OAK	LOT 19 BLK Z THE OAKS PH 5A 0.1488 AC	$55,000	$55,000
2026	313463	RED OAK 66 HOLDINGS LLC	840 WINTERWOOD DR	RED OAK	LOT 20 BLK Z THE OAKS PH 5A 0.1488 AC	$55,000	$55,000
2026	313464	RED OAK 66 HOLDINGS LLC	836 WINTERWOOD DR	RED OAK	LOT 21 BLK Z THE OAKS PH 5A 0.1488 AC	$55,000	$55,000
2026	313465	RED OAK 66 HOLDINGS LLC	832 WINTERWOOD DR	RED OAK	LOT 22 BLK Z THE OAKS PH 5A 0.1488 AC	$55,000	$55,000
2026	313466	RED OAK 66 HOLDINGS LLC	828 WINTERWOOD DR	RED OAK	LOT 23 BLK Z THE OAKS PH 5A 0.1488 AC	$55,000	$55,000
2026	313467	RED OAK 66 HOLDINGS LLC	824 WINTERWOOD DR	RED OAK	LOT 24 BLK Z THE OAKS PH 5A 0.1467 AC	$55,000	$55,000
2026	313468	RED OAK 66 HOLDINGS LLC	820 WINTERWOOD DR	RED OAK	LOT 25 BLK Z THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313469	RED OAK 66 HOLDINGS LLC	816 WINTERWOOD DR	RED OAK	LOT 26 BLK Z THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313470	RED OAK 66 HOLDINGS LLC	812 WINTERWOOD DR	RED OAK	LOT 27 BLK Z THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313471	RED OAK 66 HOLDINGS LLC	808 WINTERWOOD DR	RED OAK	LOT 28 BLK Z THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313472	RED OAK 66 HOLDINGS LLC	804 WINTERWOOD DR	RED OAK	LOT 29 BLK Z THE OAKS PH 5A 0.1377 AC	$55,000	$55,000
2026	313543	RED OAK 66 HOLDINGS LLC	734 LONGBOW DR	RED OAK	LOT 1 BLK Q THE OAKS PH 5B 0.1641 AC	$55,000	$55,000
2026	313544	RED OAK 66 HOLDINGS LLC	738 LONGBOW DR	RED OAK	LOT 2 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313545	RED OAK 66 HOLDINGS LLC	742 LONGBOW DR	RED OAK	LOT 3 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313546	RED OAK 66 HOLDINGS LLC	746 LONGBOW DR	RED OAK	LOT 4 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313547	RED OAK 66 HOLDINGS LLC	750 LONGBOW DR	RED OAK	LOT 5 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313548	RED OAK 66 HOLDINGS LLC	754 LONGBOW DR	RED OAK	LOT 6 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313549	RED OAK 66 HOLDINGS LLC	758 LONGBOW DR	RED OAK	LOT 7 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000

Year	Prop ID	Owner Name	Property Address	City	Legal Description	Market Value	Appraised Value
2026	313550	RED OAK 66 HOLDINGS LLC	762 LONGBOW DR	RED OAK	LOT 8 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313551	RED OAK 66 HOLDINGS LLC	766 LONGBOW DR	RED OAK	LOT 9 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313552	RED OAK 66 HOLDINGS LLC	800 LONGBOW DR	RED OAK	LOT 10 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313553	RED OAK 66 HOLDINGS LLC	804 LONGBOW DR	RED OAK	LOT 11 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313554	RED OAK 66 HOLDINGS LLC	808 LONGBOW DR	RED OAK	LOT 12 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313555	RED OAK 66 HOLDINGS LLC	812 LONGBOW DR	RED OAK	LOT 13 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313556	RED OAK 66 HOLDINGS LLC	816 LONGBOW DR	RED OAK	LOT 14 BLK Q THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313557	RED OAK 66 HOLDINGS LLC	824 LONGBOW DR	RED OAK	LOT 15 BLK Q THE OAKS PH 5B 0.1381 AC	$55,000	$55,000
2026	313558	RED OAK 66 HOLDINGS LLC	828 LONGBOW DR	RED OAK	LOT 16 BLK Q THE OAKS PH 5B 0.1406 AC	$55,000	$55,000
2026	313559	RED OAK 66 HOLDINGS LLC	832 LONGBOW DR	RED OAK	LOT 17 BLK Q THE OAKS PH 5B 0.1422 AC	$55,000	$55,000
2026	313560	RED OAK 66 HOLDINGS LLC	836 LONGBOW DR	RED OAK	LOT 18 BLK Q THE OAKS PH 5B 0.1453 AC	$55,000	$55,000
2026	313561	RED OAK 66 HOLDINGS LLC	840 LONGBOW DR	RED OAK	LOT 19 BLK Q THE OAKS PH 5B 0.1498 AC	$55,000	$55,000
2026	313562	RED OAK 66 HOLDINGS LLC	844 LONGBOW DR	RED OAK	LOT 20 BLK Q THE OAKS PH 5B 0.1558 AC	$55,000	$55,000
2026	313563	RED OAK 66 HOLDINGS LLC	848 LONGBOW DR	RED OAK	LOT 21 BLK Q THE OAKS PH 5B 0.1632 AC	$55,000	$55,000
2026	313564	RED OAK 66 HOLDINGS LLC	852 LONGBOW DR	RED OAK	LOT 22 BLK Q THE OAKS PH 5B 0.1722 AC	$55,000	$55,000
2026	313565	RED OAK 66 HOLDINGS LLC	856 LONGBOW DR	RED OAK	LOT 23 BLK Q THE OAKS PH 5B 0.1828 AC	$55,000	$55,000
2026	313566	RED OAK 66 HOLDINGS LLC	860 LONGBOW DR	RED OAK	LOT 24 BLK Q THE OAKS PH 5B 0.1949 AC	$55,000	$55,000
2026	313567	RED OAK 66 HOLDINGS LLC	864 LONGBOW DR	RED OAK	LOT 25 BLK Q THE OAKS PH 5B 0.2087 AC	$55,000	$55,000
2026	313568	RED OAK 66 HOLDINGS LLC	868 LONGBOW DR	RED OAK	LOT 26 BLK Q THE OAKS PH 5B 0.2243 AC	$55,000	$55,000
2026	313569	RED OAK 66 HOLDINGS LLC	872 LONGBOW DR	RED OAK	LOT 27 BLK Q THE OAKS PH 5B 0.2416 AC	$55,000	$55,000
2026	313570	RED OAK 66 HOLDINGS LLC	876 LONGBOW DR	RED OAK	LOT 28 BLK Q THE OAKS PH 5B 0.2608 AC	$55,000	$55,000
2026	313571	RED OAK 66 HOLDINGS LLC	880 LONGBOW DR	RED OAK	LOT 29 BLK Q THE OAKS PH 5B 0.1445 AC	$55,000	$55,000
2026	313572	RED OAK 66 HOLDINGS LLC	884 LONGBOW DR	RED OAK	LOT 30 BLK Q THE OAKS PH 5B 0.154 AC	$55,000	$55,000
2026	313573	RED OAK 66 HOLDINGS LLC	888 LONGBOW DR	RED OAK	LOT 31 BLK Q THE OAKS PH 5B 0.1668 AC	$55,000	$55,000
2026	313574	RED OAK 66 HOLDINGS LLC	892 LONGBOW DR	RED OAK	LOT 32 BLK Q THE OAKS PH 5B 0.2439 AC	$55,000	$55,000
2026	313575	RED OAK 66 HOLDINGS LLC	1618 MISTLETOE CT	RED OAK	LOT 33 BLK Q THE OAKS PH 5B 0.2219 AC	$55,000	$55,000
2026	313576	RED OAK 66 HOLDINGS LLC	1624 MISTLETOE CT	RED OAK	LOT 34 BLK Q THE OAKS PH 5B 0.2102 AC	$55,000	$55,000
2026	313577	RED OAK 66 HOLDINGS LLC	1623 MISTLETOE CT	RED OAK	LOT 35 BLK Q THE OAKS PH 5B 0.1875 AC	$55,000	$55,000
2026	313578	RED OAK 66 HOLDINGS LLC	1619 MISTLETOE CT	RED OAK	LOT 36 BLK Q THE OAKS PH 5B 0.1389 AC	$55,000	$55,000
2026	313579	RED OAK 66 HOLDINGS LLC	1615 MISTLETOE CT	RED OAK	LOT 37 BLK Q THE OAKS PH 5B 0.1411 AC	$55,000	$55,000
2026	313580	RED OAK 66 HOLDINGS LLC	1611 MISTLETOE CT	RED OAK	LOT 38 BLK Q THE OAKS PH 5B 0.1433 AC	$55,000	$55,000
2026	313581	RED OAK 66 HOLDINGS LLC	1607 MISTLETOE CT	RED OAK	LOT 39 BLK Q THE OAKS PH 5B 0.1456 AC	$55,000	$55,000
2026	313582	RED OAK 66 HOLDINGS LLC	1603 MISTLETOE CT	RED OAK	LOT 40 BLK Q THE OAKS PH 5B 0.1478 AC	$55,000	$55,000
2026	313583	RED OAK 66 HOLDINGS LLC	1545 MISTLETOE CT	RED OAK	LOT 41 BLK Q THE OAKS PH 5B 0.15 AC	$55,000	$55,000
2026	313584	RED OAK 66 HOLDINGS LLC	1541 MISTLETOE CT	RED OAK	LOT 42 BLK Q THE OAKS PH 5B 0.1523 AC	$55,000	$55,000
2026	313585	RED OAK 66 HOLDINGS LLC	1537 MISTLETOE CT	RED OAK	LOT 43 BLK Q THE OAKS PH 5B 0.1618 AC	$55,000	$55,000
2026	313586	RED OAK 66 HOLDINGS LLC	1533 MISTLETOE CT	RED OAK	LOT 44 BLK Q THE OAKS PH 5B 0.1777 AC	$55,000	$55,000
2026	313587	RED OAK 66 HOLDINGS LLC	1529 MISTLETOE CT	RED OAK	LOT 45 BLK Q THE OAKS PH 5B 0.195 AC	$55,000	$55,000
2026	313588	RED OAK 66 HOLDINGS LLC	1525 MISTLETOE CT	RED OAK	LOT 46 BLK Q THE OAKS PH 5B 0.351 AC	$55,000	$55,000
2026	313589	RED OAK 66 HOLDINGS LLC	937 COPPERWOOD DR	RED OAK	LOT 47 BLK Q THE OAKS PH 5B 0.2781 AC	$55,000	$55,000
2026	313590	RED OAK 66 HOLDINGS LLC	933 COPPERWOOD DR	RED OAK	LOT 48 BLK Q THE OAKS PH 5B 0.1956 AC	$55,000	$55,000
2026	313591	RED OAK 66 HOLDINGS LLC	929 COPPERWOOD DR	RED OAK	LOT 49 BLK Q THE OAKS PH 5B 0.1414 AC	$55,000	$55,000
2026	313592	RED OAK 66 HOLDINGS LLC	925 COPPERWOOD DR	RED OAK	LOT 50 BLK Q THE OAKS PH 5B 0.1414 AC	$55,000	$55,000
2026	313593	RED OAK 66 HOLDINGS LLC	921 COPPERWOOD DR	RED OAK	LOT 51 BLK Q THE OAKS PH 5B 0.1414 AC	$55,000	$55,000
2026	313594	RED OAK 66 HOLDINGS LLC	913 COPPERWOOD DR	RED OAK	LOT 52 BLK Q THE OAKS PH 5B 0.1414 AC	$55,000	$55,000
2026	313595	RED OAK 66 HOLDINGS LLC	909 COPPERWOOD DR	RED OAK	LOT 53 BLK Q THE OAKS PH 5B 0.1414 AC	$55,000	$55,000
2026	313596	RED OAK 66 HOLDINGS LLC	905 COPPERWOOD DR	RED OAK	LOT 54 BLK Q THE OAKS PH 5B 0.1698 AC	$55,000	$55,000
2026	313599	RED OAK 66 HOLDINGS LLC	1520 PALMDALE LN	RED OAK	LOT 8 BLK R THE OAKS PH 5B 0.1387 AC	$55,000	$55,000
2026	313600	RED OAK 66 HOLDINGS LLC	1524 PALMDALE LN	RED OAK	LOT 9 BLK R THE OAKS PH 5B 0.139 AC	$55,000	$55,000
2026	313601	RED OAK 66 HOLDINGS LLC	1528 PALMDALE LN	RED OAK	LOT 10 BLK R THE OAKS PH 5B 0.1393 AC	$55,000	$55,000
2026	313602	RED OAK 66 HOLDINGS LLC	1532 PALMDALE LN	RED OAK	LOT 11 BLK R THE OAKS PH 5B 0.1396 AC	$55,000	$55,000
2026	313603	RED OAK 66 HOLDINGS LLC	1536 PALMDALE LN	RED OAK	LOT 12 BLK R THE OAKS PH 5B 0.1399 AC	$55,000	$55,000
2026	313604	RED OAK 66 HOLDINGS LLC	1540 PALMDALE LN	RED OAK	LOT 13 BLK R THE OAKS PH 5B 0.1402 AC	$55,000	$55,000
2026	313605	RED OAK 66 HOLDINGS LLC	1544 PALMDALE LN	RED OAK	LOT 14 BLK R THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313606	RED OAK 66 HOLDINGS LLC	1548 PALMDALE LN	RED OAK	LOT 15 BLK R THE OAKS PH 5B 0.1408 AC	$55,000	$55,000
2026	313607	RED OAK 66 HOLDINGS LLC	1550 PALMDALE LN	RED OAK	LOT 16 BLK R THE OAKS PH 5B 0.1411 AC	$55,000	$55,000
2026	313608	RED OAK 66 HOLDINGS LLC	1602 PALMDALE LN	RED OAK	LOT 17 BLK R THE OAKS PH 5B 0.1415 AC	$55,000	$55,000
2026	313609	RED OAK 66 HOLDINGS LLC	1606 PALMDALE LN	RED OAK	LOT 18 BLK R THE OAKS PH 5B 0.1418 AC	$55,000	$55,000
2026	313610	RED OAK 66 HOLDINGS LLC	1610 PALMDALE LN	RED OAK	LOT 19 BLK R THE OAKS PH 5B 0.1421 AC	$55,000	$55,000
2026	313611	RED OAK 66 HOLDINGS LLC	735 COPPERWOOD DR	RED OAK	LOT 1 BLK S THE OAKS PH 5B 0.1641 AC	$55,000	$55,000
2026	313612	RED OAK 66 HOLDINGS LLC	739 COPPERWOOD DR	RED OAK	LOT 2 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313613	RED OAK 66 HOLDINGS LLC	743 COPPERWOOD DR	RED OAK	LOT 3 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313614	RED OAK 66 HOLDINGS LLC	747 COPPERWOOD DR	RED OAK	LOT 4 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000

Year	Prop ID	Owner Name	Property Address	City	Legal Description	Market Value	Appraised Value
2026	313615	RED OAK 66 HOLDINGS LLC	751 COPPERWOOD DR	RED OAK	LOT 5 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313616	RED OAK 66 HOLDINGS LLC	755 COPPERWOOD DR	RED OAK	LOT 6 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313617	RED OAK 66 HOLDINGS LLC	759 COPPERWOOD DR	RED OAK	LOT 7 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313618	RED OAK 66 HOLDINGS LLC	763 COPPERWOOD DR	RED OAK	LOT 8 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313619	RED OAK 66 HOLDINGS LLC	767 COPPERWOOD DR	RED OAK	LOT 9 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313620	RED OAK 66 HOLDINGS LLC	801 COPPERWOOD DR	RED OAK	LOT 10 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313621	RED OAK 66 HOLDINGS LLC	805 COPPERWOOD DR	RED OAK	LOT 11 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313622	RED OAK 66 HOLDINGS LLC	809 COPPERWOOD DR	RED OAK	LOT 12 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313623	RED OAK 66 HOLDINGS LLC	813 COPPERWOOD DR	RED OAK	LOT 13 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313624	RED OAK 66 HOLDINGS LLC	817 COPPERWOOD DR	RED OAK	LOT 14 BLK S THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313625	RED OAK 66 HOLDINGS LLC	823 COPPERWOOD DR	RED OAK	LOT 15 BLK S THE OAKS PH 5B 0.1382 AC	$55,000	$55,000
2026	313626	RED OAK 66 HOLDINGS LLC	827 COPPERWOOD DR	RED OAK	LOT 16 BLK S THE OAKS PH 5B 0.1414 AC	$55,000	$55,000
2026	313627	RED OAK 66 HOLDINGS LLC	831 COPPERWOOD DR	RED OAK	LOT 17 BLK S THE OAKS PH 5B 0.1414 AC	$55,000	$55,000
2026	313628	RED OAK 66 HOLDINGS LLC	835 COPPERWOOD DR	RED OAK	LOT 18 BLK S THE OAKS PH 5B 0.1414 AC	$55,000	$55,000
2026	313629	RED OAK 66 HOLDINGS LLC	839 COPPERWOOD DR	RED OAK	LOT 19 BLK S THE OAKS PH 5B 0.1414 AC	$55,000	$55,000
2026	313630	RED OAK 66 HOLDINGS LLC	843 COPPERWOOD DR	RED OAK	LOT 20 BLK S THE OAKS PH 5B 0.1414 AC	$55,000	$55,000
2026	313631	RED OAK 66 HOLDINGS LLC	847 COPPERWOOD DR	RED OAK	LOT 21 BLK S THE OAKS PH 5B 0.1414 AC	$55,000	$55,000
2026	313632	RED OAK 66 HOLDINGS LLC	851 COPPERWOOD DR	RED OAK	LOT 22 BLK S THE OAKS PH 5B 0.1414 AC	$55,000	$55,000
2026	313633	RED OAK 66 HOLDINGS LLC	824 COPPERWOOD DR	RED OAK	LOT 1 BLK T THE OAKS PH 5B 0.166 AC	$55,000	$55,000
2026	313634	RED OAK 66 HOLDINGS LLC	828 COPPERWOOD DR	RED OAK	LOT 2 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313635	RED OAK 66 HOLDINGS LLC	832 COPPERWOOD DR	RED OAK	LOT 3 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313636	RED OAK 66 HOLDINGS LLC	836 COPPERWOOD DR	RED OAK	LOT 4 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313637	RED OAK 66 HOLDINGS LLC	840 COPPERWOOD DR	RED OAK	LOT 5 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313638	RED OAK 66 HOLDINGS LLC	844 COPPERWOOD DR	RED OAK	LOT 6 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313639	RED OAK 66 HOLDINGS LLC	848 COPPERWOOD DR	RED OAK	LOT 7 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313640	RED OAK 66 HOLDINGS LLC	852 COPPERWOOD DR	RED OAK	LOT 8 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313641	RED OAK 66 HOLDINGS LLC	856 COPPERWOOD DR	RED OAK	LOT 9 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313642	RED OAK 66 HOLDINGS LLC	860 COPPERWOOD DR	RED OAK	LOT 10 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313643	RED OAK 66 HOLDINGS LLC	864 COPPERWOOD DR	RED OAK	LOT 11 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313644	RED OAK 66 HOLDINGS LLC	868 COPPERWOOD DR	RED OAK	LOT 12 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313645	RED OAK 66 HOLDINGS LLC	872 COPPERWOOD DR	RED OAK	LOT 13 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313646	RED OAK 66 HOLDINGS LLC	876 COPPERWOOD DR	RED OAK	LOT 14 BLK T THE OAKS PH 5B 0.1405 AC	$55,000	$55,000
2026	313647	RED OAK 66 HOLDINGS LLC	900 COPPERWOOD DR	RED OAK	LOT 15 BLK T THE OAKS PH 5B 0.141 AC	$55,000	$55,000
2026	313648	RED OAK 66 HOLDINGS LLC	1524 MISTLETOE LN	RED OAK	LOT 16 BLK T THE OAKS PH 5B 0.2391 AC	$55,000	$55,000
2026	313649	RED OAK 66 HOLDINGS LLC	1532 MISTLETOE LN	RED OAK	LOT 17 BLK T THE OAKS PH 5B 0.203 AC	$55,000	$55,000
2026	313650	RED OAK 66 HOLDINGS LLC	1538 MISTLETOE LN	RED OAK	LOT 18 BLK T THE OAKS PH 5B 0.1887 AC	$55,000	$55,000
2026	313651	RED OAK 66 HOLDINGS LLC	1542 MISTLETOE LN	RED OAK	LOT 19 BLK T THE OAKS PH 5B 0.2151 AC	$55,000	$55,000
2026	313652	RED OAK 66 HOLDINGS LLC	887 LONGBOW DR	RED OAK	LOT 20 BLK T THE OAKS PH 5B 0.1404 AC	$55,000	$55,000
2026	313653	RED OAK 66 HOLDINGS LLC	883 LONGBOW DR	RED OAK	LOT 21 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313654	RED OAK 66 HOLDINGS LLC	879 LONGBOW DR	RED OAK	LOT 22 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313655	RED OAK 66 HOLDINGS LLC	873 LONGBOW DR	RED OAK	LOT 23 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313656	RED OAK 66 HOLDINGS LLC	869 LONGBOW DR	RED OAK	LOT 24 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313657	RED OAK 66 HOLDINGS LLC	865 LONGBOW DR	RED OAK	LOT 25 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313658	RED OAK 66 HOLDINGS LLC	861 LONGBOW DR	RED OAK	LOT 26 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313659	RED OAK 66 HOLDINGS LLC	857 LONGBOW DR	RED OAK	LOT 27 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313660	RED OAK 66 HOLDINGS LLC	853 LONGBOW DR	RED OAK	LOT 28 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313661	RED OAK 66 HOLDINGS LLC	849 LONGBOW DR	RED OAK	LOT 29 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313662	RED OAK 66 HOLDINGS LLC	843 LONGBOW DR	RED OAK	LOT 30 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313663	RED OAK 66 HOLDINGS LLC	839 LONGBOW DR	RED OAK	LOT 31 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313664	RED OAK 66 HOLDINGS LLC	835 LONGBOW DR	RED OAK	LOT 32 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313665	RED OAK 66 HOLDINGS LLC	829 LONGBOW DR	RED OAK	LOT 33 BLK T THE OAKS PH 5B 0.1409 AC	$55,000	$55,000
2026	313666	RED OAK 66 HOLDINGS LLC	825 LONGBOW DR	RED OAK	LOT 34 BLK T THE OAKS PH 5B 0.1729 AC	$55,000	$55,000
2026	313667	RED OAK 66 HOLDINGS LLC	734 COPPERWOOD DR	RED OAK	LOT 1 BLK U THE OAKS PH 5B 0.1779 AC	$55,000	$55,000
2026	313668	RED OAK 66 HOLDINGS LLC	738 COPPERWOOD DR	RED OAK	LOT 2 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313669	RED OAK 66 HOLDINGS LLC	742 COPPERWOOD DR	RED OAK	LOT 3 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313670	RED OAK 66 HOLDINGS LLC	746 COPPERWOOD DR	RED OAK	LOT 4 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313671	RED OAK 66 HOLDINGS LLC	750 COPPERWOOD DR	RED OAK	LOT 5 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313672	RED OAK 66 HOLDINGS LLC	754 COPPERWOOD DR	RED OAK	LOT 6 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313673	RED OAK 66 HOLDINGS LLC	758 COPPERWOOD DR	RED OAK	LOT 7 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313674	RED OAK 66 HOLDINGS LLC	762 COPPERWOOD DR	RED OAK	LOT 8 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313675	RED OAK 66 HOLDINGS LLC	766 COPPERWOOD DR	RED OAK	LOT 9 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313676	RED OAK 66 HOLDINGS LLC	800 COPPERWOOD DR	RED OAK	LOT 10 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313677	RED OAK 66 HOLDINGS LLC	804 COPPERWOOD DR	RED OAK	LOT 11 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313678	RED OAK 66 HOLDINGS LLC	808 COPPERWOOD DR	RED OAK	LOT 12 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313679	RED OAK 66 HOLDINGS LLC	812 COPPERWOOD DR	RED OAK	LOT 13 BLK U THE OAKS PH 5B 0.1779 AC	$55,000	$55,000

Year	Prop ID	Owner Name	Property Address	City	Legal Description	Market Value	Appraised Value
2026	313680	RED OAK 66 HOLDINGS LLC	813 LONGBOW DR	RED OAK	LOT 14 BLK U THE OAKS PH 5B 0.1779 AC	$55,000	$55,000
2026	313681	RED OAK 66 HOLDINGS LLC	809 LONGBOW DR	RED OAK	LOT 15 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313682	RED OAK 66 HOLDINGS LLC	805 LONGBOW DR	RED OAK	LOT 16 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313683	RED OAK 66 HOLDINGS LLC	801 LONGBOW DR	RED OAK	LOT 17 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313684	RED OAK 66 HOLDINGS LLC	767 LONGBOW DR	RED OAK	LOT 18 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313685	RED OAK 66 HOLDINGS LLC	763 LONGBOW DR	RED OAK	LOT 19 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313686	RED OAK 66 HOLDINGS LLC	759 LONGBOW DR	RED OAK	LOT 20 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313687	RED OAK 66 HOLDINGS LLC	755 LONGBOW DR	RED OAK	LOT 21 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313688	RED OAK 66 HOLDINGS LLC	751 LONGBOW DR	RED OAK	LOT 22 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313689	RED OAK 66 HOLDINGS LLC	747 LONGBOW DR	RED OAK	LOT 23 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313690	RED OAK 66 HOLDINGS LLC	743 LONGBOW DR	RED OAK	LOT 24 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313691	RED OAK 66 HOLDINGS LLC	739 LONGBOW DR	RED OAK	LOT 25 BLK U THE OAKS PH 5B 0.1377 AC	$55,000	$55,000
2026	313692	RED OAK 66 HOLDINGS LLC	735 LONGBOW DR	RED OAK	LOT 26 BLK U THE OAKS PH 5B 0.1779 AC	$55,000	$55,000

PID 284676 | STEPHENSON RD

Property Summary Report | 2026
Online Services | Ellis Appraisal District

GENERAL INFO

ACCOUNT

Property ID:	284676
Geographic ID:	99.0323.000.001.00.111
Type:	R
Zoning:	
Agent:	D ALAN BOWLBY & ASSOCIATES
Legal Description:	323 JS DAVIS;214 J CHAPMAN;839 JE PATTON 32.321 ACRES
Property Use:	*USTND

LOCATION

Address:	STEPHENSON RD, RED OAK TX 75154
Market Area:	
Market Area CD:	LAND
Map ID:	16-5

PROTEST

Protest Status:
Informal Date:
Formal Date:

OWNER

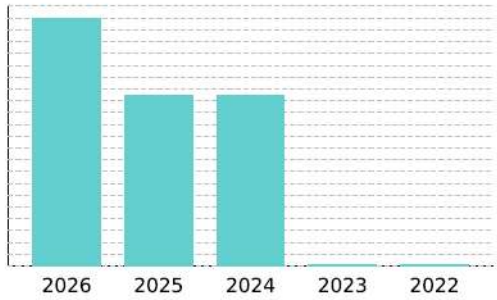
Name:	RED OAK 66 HOLDINGS LLC
Secondary Name:	
Mailing Address:	5055 KELLER SPGS STE 500 ADDISON TX 75001
Owner ID:	187612
% Ownership:	100.000000
Exemptions:	

VALUES

CURRENT VALUES

Land Homesite:	$0
Land Non-Homesite:	$1,050,433
Special Use Land Market:	$0
Total Land:	$1,050,433
Improvement Homesite:	$0
Improvement Non-Homesite:	$0
Total Improvement:	$0
Market:	$1,050,433
Special Use Exclusion (-):	$0
Appraised:	$1,050,433
Value Limitation Adjustment (-):	$0
Net Appraised:	$1,050,433

VALUE HISTORY



Values for the current year are preliminary and are subject to change.

VALUE HISTORY

Year	Land Market	Improvement	Special Use Exclusion	Appraised	Value Limitation Adj (-)	Net Appraised
2026	$1,050,433	$0	$0	$1,050,433	$0	$1,050,433
2025	$1,098,914	$0	$374,661	$724,253	$0	$724,253
2024	$1,098,914	$0	$374,916	$723,998	$0	$723,998
2023	$964,044	$0	$955,903	$8,141	$0	$8,141
2022	$964,044	$0	$956,599	$7,445	$0	$7,445

Page 1 of 2 Effective Date of Appraisal: January 1 Date Printed: July 14, 2026 Powered By: <True Prodigy>

TAXING UNITS

Unit	Description	Tax Rate	Net Appraised	Taxable Value
070	ELLIS COUNTY	0.255778	$1,050,433	$1,050,433
211	RED OAK ISD	1.063300	$1,050,433	$1,050,433
372	CITY OF RED OAK	0.695306	$1,050,433	$1,050,433
504	EC ESD #4 (RED OAK)	0.100000	$1,050,433	$1,050,433
R70	ELLIS COUNTY LAT RD	0.018214	$1,050,433	$1,050,433
418	RED OAK PID #1	0.000000	$1,050,433	$1,050,433

IMPROVEMENT

LAND

Land	Description	Acres	SQFT	Cost per SQFT	Market Value	Special Use Value
ACRE	PER ACRE	21.2370	925,083.7	$0.80	N/A	N/A
IP	IMPROVED PASTURE	11.0840	482,819.0	$0.80	N/A	N/A

DEED HISTORY

Deed Date	Type	Description	Grantor/Seller	Grantee/Buyer	Book ID	Volume	Page	Instrument
12/21/20	35	DEED	212 RED OAK LP	RED OAK 66 HOLDINGS LLC		20201222	MV	2047424
12/21/20	35	DEED	212 RED OAK LP, RED OAK 66	THE OAKS OF RED OAK LLC		20201222	MV	2047425
10/30/20	39	OTHER				20201125	MV	2043890
12/20/19	39	OTHER				20200129	MV	2003012
9/16/04	OT	Other	JENKINS J B ETAL	212 RED OAK LP		2066	990	0
	OT	Other	PREVIOUS OWNER UNKNOWN	JENKINS J B ETAL		00000	00000	0
	OT	Other		ALMAND TOMMIE		00000	00000	0

Legal Descriptions

IA #2 (Tract 1 - The Oaks, Phase 5A)

All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, City of Red Oak, Ellis County, Texas, being part of that certain called 55.122 acre tract described as Tract 4 in a deed to Red Oak 66 Holdings, LLC recorded in Instrument No. 2047424 of the Deed Records of Ellis County, Texas (DRECT), being all of a called 0.086 acre tract and all of a called 0.007 acre tract described in a deed to same recorded in Instrument No. 2334585 (DRECT) and being more completely described as follows, to-wit:

COMMENCING at a 1/2" iron rod found for the Northeast corner of a called 97.339 acre tract described in a deed to Harlan Properties, Inc. recorded in Instrument No. 2100508 (DRECT) and an ell corner of The Oaks, Phase 4 recorded in Instrument No. 2316282 of the Plat Records of Ellis County, Texas (PRECT), from which a 1/2" capped iron rod found (illegible) for the most westerly Southwest corner of said The Oaks, Phase 4 and the Southeast corner of a called 2.049 acre tract described in a deed to Joshua G. Edelman and wife, Rebecca Edelman recorded in Instrument No. 1717395 (DRECT) bears South 89 deg. 30 min. 13 sec. West - 40.96 feet;

THENCE South 02 deg. 12 min. 04 sec. East along the East line of said 97.339 acre tract and the West line of said The Oaks, Phase 4, a distance of 18.59 feet to a 1/2" capped iron rod found stamped "GMCIVIL", hereinafter referred to as 1/2" capped iron rod found, for the most westerly Northwest corner of said 55.122 acre tract and the most southerly Southwest corner of said The Oaks, Phase 4, said point being the **TRUE POINT OF BEGINNING**;

THENCE North 66 deg. 53 min. 18 sec. East departing said East line and continue along the Northwest line of said 55.122 acre tract and the Southeast line of said The Oaks, Phase 4, a distance of 47.03 feet to a 1/2" capped iron rod found stamped "GMCIVIL", hereinafter referred to as 1/2" capped iron rod found, for a Point of Curvature of a circular curve to the left, having a radius of 865.00 feet, a central angle of 22 deg. 00 min. 11 sec., and being subtended by a chord which bears North 55 deg. 53 min. 13 sec. East - 330.15 feet;

THENCE in a northeasterly direction along said curve to the left and said Northwest and Southeast lines, a distance of 332.18 feet to a 1/2" capped iron rod found for an ell corner of The Oaks, Phase 1 recorded in Instrument No. 2316299 (PRECT), said point being a Point of Curvature of a non-tangent circular curve to the left, having a radius of 1,138.00 feet, a central angle of 43 deg. 22 min. 44 sec., and being subtended by a chord which bears South 68 deg. 16 min. 40 sec. East - 841.15 feet;

THENCE in a southeasterly direction departing said Northwest and Southeast lines and continue along the South line of said The Oaks, Phase 1 the following nine (9) courses;

Continue in an easterly direction along said curve to the left, a distance of 861.59 feet to a 1/2" capped iron rod found;

South 89 deg. 58 min. 02 sec. East tangent to said curve, a distance of 655.25 feet to a 1/2" capped iron rod found;

South 00 deg. 01 min. 58 sec. West, a distance of 118.69 feet to a 1/2" capped iron rod found for an ell corner of same and the Northwest corner of said 0.086 acre tract, said point being a Point of Curvature of a non-tangent circular curve to the left, having a radius of 35.00 feet, a central angle of 49 deg. 56 min. 08 sec., and being subtended by a chord which bears North 49 deg. 18 min. 59 sec. East - 29.55 feet;

Continue in a northeasterly direction along said curve to the left and the North line of said 0.086 acre tract, a distance of 30.50 feet to a 1/2" capped iron rod found for a Point of Curvature of a reverse circular curve to the right, having a radius of 50.00 feet, a central angle of 216 deg. 15 min. 28 sec., and being subtended by a chord which bears South 47 deg. 31 min. 21 sec. East - 95.04 feet;

Continue in a southeasterly direction along said curve to the right and said North line, at an arc length of 126.65 feet pass the Southeast corner of said 0.086 acre tract, continue a total distance along said curve of 188.72 feet to a 1/2" capped iron rod found;

South 29 deg. 23 min. 37 sec. East non-tangent to said curve, a distance of 18.89 feet to a 1/2" capped iron rod found;

South 00 deg. 01 min. 58 sec. West, a distance of 220.38 feet to a 1/2" capped iron rod found for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 50.00 feet, a central angle of 108 deg. 36 min. 50 sec., and being subtended by a chord which bears South 42 deg. 44 min. 13 sec. East - 81.22 feet;

Continue in a southeasterly direction along said curve to the right, a distance of 94.78 feet to a 1/2" capped iron rod found for an ell corner of said The Oaks, Phase 1 and the Southeast corner of said 0.007 acre tract;

South 89 deg. 58 min. 02 sec. East non-tangent to said curve, a distance of 111.15 feet to a 1/2" capped iron rod found for the Southeast corner of said The Oaks, Phase 1, the most easterly Northeast corner of said 55.122 acre tract and being in the West line of a called 89.157 acre tract described in a deed to Oak Hill Crossing, LTD recorded in Volume 2590, Page 238 (DRECT), from which a P.K. nail found in concrete at a fence corner of an ell corner of Lot 20X, Block R of said The Oaks, Phase 1 and an ell corner of said 89.157 acre tract bears North 00 deg. 16 min. 35 sec. West - 159.70 feet;

THENCE South 00 deg. 16 min. 35 sec. East along the East line of said 55.122 acre tract and said West line, a distance of 100.00 feet to a 1/2" capped iron rod set stamped "GMCIVIL" hereinafter referred to as 1/2" capped iron rod set, from which a 5/8" iron pipe found at the base of a 6" wood fence corner for the Southeast corner of said 55.122 acre tract bears South 00 deg. 16 min. 35 sec. East - 600.01 feet;

THENCE North 89 deg. 58 min. 02 sec. West departing said East and West lines, a distance of 170.67 feet to a 1/2" capped iron rod set;

THENCE South 00 deg. 01 min. 58 sec. West, a distance of 20.00 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 58 min. 02 sec. West, a distance of 710.00 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 57 min. 07 sec. West, a distance of 49.94 feet to a 1/2" capped iron rod set;

THENCE North 88 deg. 54 min. 59 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 87 deg. 15 min. 48 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 85 deg. 36 min. 38 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 83 deg. 57 min. 27 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 82 deg. 18 min. 16 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 80 deg. 39 min. 06 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 78 deg. 59 min. 55 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 11 deg. 49 min. 40 sec. West, a distance of 120.00 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 1,838.00 feet, a central angle of 07 deg. 46 min. 07 sec., and being subtended by a chord which bears North 74 deg. 17 min. 16 sec. West - 249.02 feet;

THENCE in a westerly direction along said curve to the right, a distance of 249.21 feet to a 1/2" capped iron rod set;

THENCE North 24 deg. 46 min. 49 sec. West non-tangent to said curve, a distance o 14.03 feet to a 1/2" capped iron rod set;

THENCE North 20 deg. 41 min. 15 sec. East, a distance of 110.01 feet to a 1/2" capped iron rod set;

THENCE North 69 deg. 18 min. 45 sec. West, a distance of 50.00 feet to a 1/2" capped iron rod set;

THENCE North 67 deg. 29 min. 40 sec. West, a distance of 59.02 feet to a 1/2" capped iron rod set;

THENCE North 65 deg. 41 min. 02 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 64 deg. 01 min. 51 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 62 deg. 22 min. 40 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 60 deg. 43 min. 30 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 59 deg. 04 min. 19 sec. West, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE North 56 deg. 50 min. 19 sec. West, a distance of 78.11 feet to a 1/2" capped iron rod set;

THENCE South 87 deg. 47 min. 56 sec. West, a distance of 114.14 feet to a 1/2" capped iron rod set in the East line of said 97.339 acre tract and the West line of said 55.122 acre tract, from which a 3/4" iron pipe found for the Southwest corner of said 55.122 acre tract bears South 02 deg. 12 min. 04 sec. East - 875.55 feet;

THENCE North 02 deg. 12 min. 04 sec. West along said East and West lines, a distance of 392.48 feet to the **POINT OF BEGINNING**, containing 1,120,110 square feet or 25.714 acres of land, more or less.

IA #2 (Tract 2 – The Oaks, Phase 5B)

All that certain lot, tract, or parcel of land, situated in a portion of the Albert Frederick Survey, Abstract No. 375, City of Red Oak, Ellis County, Texas, being part of that certain called 55.122 acre tract described as Tract 4 in a deed to Red Oak 66 Holdings, LLC recorded in Instrument No. 2047424 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 3/4" iron pipe found for the Southwest corner of said 55.122 acre tract, the Northwest corner of a called 78.656 acre tract described in a deed to Refluet, LLC recorded in instrument No. 1520658 (DRECT) and being in the East line of a called 97.339 acre tract described in a deed to Harlan Properties, Inc. recorded in Instrument No. 2100508 (DRECT);

THENCE North 02 deg. 12 min. 04 sec. West along said East line and the West line of said 55.122 acre tract, a distance of 875.55 feet to a 1/2" capped iron rod set stamped "GMCIVIL", hereinafter referred to as a 1/2" capped iron rod set;

THENCE North 87 deg. 47 min. 56 sec. East departing said East and West lines, a distance of 114.14 feet to a 1/2" capped iron rod set;

THENCE South 56 deg. 50 min. 19 sec. East, a distance of 78.11 feet to a 1/2" capped iron rod set;

THENCE South 59 deg. 04 min. 19 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 60 deg. 43 min. 30 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 62 deg. 22 min. 40 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 64 deg. 01 min. 51 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 65 deg. 41 min. 02 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 67 deg. 29 min. 40 sec. East, a distance of 59.02 feet to a 1/2" capped iron rod set;

THENCE South 69 deg. 18 min. 45 sec. East, a distance of 50.00 feet to a 1/2" capped iron rod set;

THENCE South 20 deg. 41 min. 15 sec. West, a distance of 110.01 feet to a 1/2" capped iron rod set;

THENCE South 24 deg. 46 min. 49 sec. East, a distance of 14.03 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 1,838.00 feet, a central angle of 07 deg. 46 min. 07 sec., and being subtended by a chord which bears South 74 deg. 17 min. 16 sec. East - 249.02 feet;

THENCE in an easterly direction along said curve to the left, a distance of 249.21 feet to a 1/2" capped iron rod set;

THENCE North 11 deg. 49 min. 40 sec. East non-tangent to said curve, a distance of 120.00 feet to a 1/2" capped iron rod set;

THENCE South 78 deg. 59 min. 55 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 80 deg. 39 min. 06 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 82 deg. 18 min. 16 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 83 deg. 57 min. 27 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 85 deg. 36 min. 38 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 87 deg. 15 min. 48 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 88 deg. 54 min. 59 sec. East, a distance of 49.56 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 57 min. 07 sec. East, a distance of 49.94 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 02 sec. East, a distance of 710.00 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 01 min. 58 sec. East, a distance of 20.00 feet to a 1/2" capped iron rod set;

THENCE South 89 deg. 58 min. 02 sec. East, a distance of 170.67 feet to a 1/2" capped iron rod set in the East line of said 55.122 acre tract and in the West line of a called 89.157 acre tract described in a deed to Oak Hill Crossing, LTD recorded in Volume 2590, Page 238 (DRECT);

THENCE South 00 deg. 16 min. 35 sec. East along said East and West lines, a distance of 600.01 feet to a 5/8" iron pipe found at the base of a 6" wood fence corner for the Southeast corner of said 55.122 acre tract and the most westerly Southwest corner of said 89.157 acre tract and being in the North line of said 78.656 acre tract, from which a 5/8" iron pipe found for the Northeast corner of said 78.656 acre tract bears South 89 deg. 58 min. 02 sec. East - 71.42 feet;

THENCE North 89 deg. 58 min. 02 sec. West along said North line and the South line of said 55.122 acre tract, at 1964.14 feet pass a 5/8" iron pipe found, continue a total distance of 1,975.78 feet to the **POINT OF BEGINNING**, containing 1,250,354 square feet or 28.704 acres of land, more or less.

Containing a combined 2,370,464 square feet or 54.418 acres of land, more or less.

IA #3 (Tract 1 – The Oaks, Phase 3)

All that certain lot, tract, or parcel of land, situated in a portion of the James E. Patton Survey, Abstract No. 839, the Albert Frederick Survey, Abstract No. 375, James Chapman Survey, Abstract No. 214, and the Joel S. Davis Survey, Abstract No. 323, City of Red Oak, Ellis County, Texas, being part of that certain called 53.558 acre tract described as Tract 2 in a deed to Red Oak 66 Holdings, LLC recorded in Instrument No. 2047424 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 1/2" capped iron rod found stamped "GOODWIN & MARSHALL", hereinafter referred to as a 1/2" capped iron rod found, in the West right-of-way line of Oaks Boulevard (70' width right-of-way) recorded in Instrument No. 2316283 of the Plat Records of Ellis County, Texas (PRECT) and the northerly most corner of a clip corner in an East line of Lot 1X-R3, Block Y of The Oaks, Phase 1 recorded in Instrument No. 2433902 (PRECT);

THENCE in a northerly direction along the East line of said Lot 1X-R3, Block Y the following eighteen (18) courses:

North 74 deg. 07 min. 59 sec. West, a distance of 193.69 feet to a 1/2" capped iron rod found for a Point of Curvature of a circular curve to the right, having a radius of 525.00 feet, a central angle of 23 deg. 50 min. 10 sec., and being subtended by a chord which bears North 62 deg. 12 min. 54 sec. West - 216.84 feet;

Continue in a northwesterly direction along said curve to the right, a distance of 218.41 feet to a 1/2" capped iron rod found for a Point of Curvature of a reverse circular curve to the left, having a radius of 35.00 feet, a central angle of 27 deg. 12 min. 41 sec., and being subtended by a chord which bears North 63 deg. 54 min. 10 sec. West - 16.47 feet;

Continue in a northwesterly direction along said curve to the left, a distance of 16.62 feet to a 1/2" capped iron rod found for a Point of Curvature of a reverse circular curve to the right, having a radius of 50.00 feet, a central angle of 121 deg. 26 min. 52 sec., and being subtended by a chord which bears North 16 deg. 47 min. 04 sec. West - 87.23 feet;

Continue in a northerly direction along said curve to the right, a distance of 105.98 feet to a 1/2" capped iron rod found for a Point of Curvature of a reverse circular curve to the left, having a radius of 35.00 feet, a central angle of 28 deg. 04 min. 21 sec., and being subtended by a chord which bears North 29 deg. 54 min. 11 sec. East - 16.98 feet;

Continue in a northeasterly direction along said curve to the left, a distance of 17.15 feet to a 1/2" capped iron rod found;

North 74 deg. 07 min. 59 sec. West non-tangent to said curve, a distance of 120.00 feet to a 1/2" capped iron rod found for an interior ell corner in the East line of said Lot 1X-R3;

North 15 deg. 49 min. 11 sec. East, a distance of 75.00 feet to a 1/2" capped iron rod found;

North 07 deg. 44 min. 54 sec. East, a distance of 74.00 feet to a 1/2" capped iron rod found;

North 00 deg. 06 min. 54 sec. West, a distance of 74.18 feet to a 1/2" capped iron rod found;

North 00 deg. 08 min. 45 sec. West, a distance of 375.00 feet to a 1/2" capped iron rod found;

North 15 deg. 37 min. 19 sec. West, a distance of 76.78 feet to a 1/2" capped iron rod found for an ell corner in the East line of said Lot 1X-R3;

South 61 deg. 58 min. 45 sec. West, a distance of 74.00 feet to a 1/2" capped iron rod found for an interior ell corner in the East line of said Lot 1X-R3;

North 28 deg. 01 min. 15 sec. West, a distance of 120.00 feet to a 1/2" capped iron rod found;

North 21 deg. 07 min. 59 sec. East, a distance of 26.45 feet to a 1/2" capped iron rod found for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 50.00 feet, a central angle of 196 deg. 31 min. 50 sec., and being subtended by a chord which bears North 29 deg. 23 min. 54 sec. East - 98.96 feet;

Continue in a northeasterly direction along said curve to the right, a distance of 171.51 feet to a 1/2" capped iron rod found for a Point of Curvature of a reverse circular curve to the left, having a radius of 35.00 feet, a central angle of 65 deg. 41 min. 03 sec., and being subtended by a chord which bears South 85 deg. 10 min. 43 sec. East - 37.96 feet;

Continue in an easterly direction along said curve to the left, a distance of 40.12 feet to a 1/2" capped iron rod found;

North 61 deg. 58 min. 45 sec. East tangent to said curve, a distance of 17.68 feet to a 1/2" capped iron rod found;

North 28 deg. 01 min. 15 sec. West, a distance of 120.00 feet to a 1/2" capped iron rod found for the most northerly Northeast corner of said Lot 1X-R3, Block Y;

THENCE North 61 deg. 58 min. 45 sec. East, a distance of 618.53 feet to a 1/2" capped iron rod set stamped “GMCIVIL”, hereinafter referred to as 1/2" capped iron rod set, for a Point of Curvature of a circular curve to the right, having a radius of 1,040.00 feet, a central angle of 04 deg. 12 min. 05 sec., and being subtended by a chord which bears North 64 deg. 04 min. 48 sec. East - 76.24 feet;

THENCE in a northeasterly direction along said curve to the right, a distance of 76.26 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 950.00 feet, a central angle of 07 deg. 55 min. 42 sec., and being subtended by a chord which bears South 15 deg. 00 min. 43 sec. East - 131.35 feet;

THENCE in a southerly direction along said curve to the right, a distance of 131.46 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 475.00 feet, a central angle of 00 deg. 36 min. 26 sec., and being subtended by a chord which bears North 74 deg. 30 min. 37 sec. East - 5.03 feet;

THENCE in an easterly direction along said curve to the right, a distance of 5.03 feet to a 1/2" capped iron rod set;

THENCE South 09 deg. 37 min. 44 sec. East non-tangent to said curve, a distance of 50.26 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 425.00 feet, a central angle of 00 deg. 41 min. 29 sec., and being subtended by a chord which bears South 73 deg. 48 min. 43 sec. West - 5.13 feet;

THENCE in a westerly direction along said curve to the left, a distance of 5.13 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 950.00 feet, a central angle of 07 deg. 51 min. 57 sec., and being subtended by a chord which bears South 04 deg. 04 min. 44 sec. East - 130.32 feet;

THENCE in a southerly direction along said curve to the right, a distance of 130.42 feet to a 1/2" capped iron rod set;

THENCE South 00 deg. 08 min. 45 sec. East tangent to said curve, a distance of 837.78 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the right, having a radius of 810.00 feet, a central angle of 16 deg. 00 min. 46 sec., and being subtended by a chord which bears South 07 deg. 51 min. 38 sec. West - 225.64 feet;

THENCE in a southerly direction along said curve to the right, a distance of 226.37 feet to a 1/2" capped iron rod set;

THENCE South 15 deg. 52 min. 01 sec. West tangent to said curve, a distance of 167.04 feet to a 1/2" capped iron rod set;

THENCE South 74 deg. 07 min. 59 sec. East, a distance of 5.00 feet to a 1/2" capped iron rod found stamped “GOODWIN & MARSHALL”;

THENCE South 15 deg. 52 min. 01 sec. West, a distance of 50.00 feet to the **POINT OF BEGINNING**, containing 811,163 square feet or 18.622 acres of land, more or less.

IA #3 (Tract 2 – The Oaks, Open Space)

All that certain lot, tract, or parcel of land, situated in a portion of the James E. Patton Survey, Abstract No. 839, the Joel S. Davis Survey, Abstract No. 323, the Albert Frederick Survey, Abstract No. 375 and the John S. Patton Survey Abstract No. 842, City of Red Oak, Ellis County, Texas, being part of that certain called 53.558 acre tract described as Tract 2 in a deed to Red Oak 66 Holdings, LLC recorded in Inst. No. 2047424 of the Deed Records of Ellis County, Texas (DRECT), and being more completely described as follows, to-wit:

BEGINNING at a 5/8" iron pipe found for the Northwest corner of a called 24.574 acre tract described in a deed to Keith Alan Nichols and Kristina Nichols recorded in Volume 2825, Page 663 (DRECT);

THENCE South 00 deg. 08 min. 45 sec. East to along the East line of said 53.558 acre tract and the West line of said 24.574 acre tract, a distance of 1,235.09 feet to a 5/8" iron pipe found for an ell corner of said 53.558 acre tract and the Southwest corner of said 24.574 acre tract being in the North line of The Oaks, Phase 2 recorded in Instrument No. 2316283 of the Plat Records of Ellis County, Texas (PRECT);

THENCE North 89 deg. 21 min. 28 sec. West along said North line, a distance of 125.09 feet to a 1/2" capped iron rod set for the Northwest corner of said The Oaks, Phase 2 and an ell corner of said 53.558 acre tract and a Point of Curvature of a non-tangent circular curve to the right, having a radius of 825.00 feet, a central angle of 15 deg. 13 min. 29 sec., and being subtended by a chord which bears South 08 deg. 15 min. 16 sec. West - 218.57 feet;

THENCE in a southerly direction along said curve to the right along the West line of said The Oaks, Phase 2 and the East line of said 53.558 acre tract, a distance of 219.22 feet to a 1/2" capped iron rod set;

THENCE South 15 deg. 52 min. 01 sec. West tangent to said curve along said East and West lines, a distance of 157.04 feet to a 1/2" capped iron rod set;

THENCE South 60 deg. 52 min. 01 sec. West along said East and West lines, a distance of 14.14 feet to a 1/2" capped iron rod set;

THENCE North 74 deg. 07 min. 59 sec. West departing said East and West lines, a distance of 5.00 feet to a 1/2" capped iron rod set;

THENCE North 15 deg. 52 min. 01 sec. East, a distance of 167.04 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the left, having a radius of 810.00 feet, a central angle of 16 deg. 00 min. 46 sec., and being subtended by a chord which bears North 07 deg. 51 min. 38 sec. East - 225.64 feet;

THENCE in a northerly direction along said curve to the left, a distance of 226.37 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 08 min. 45 sec. West tangent to said curve, a distance of 837.78 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the left, having a radius of 950.00 feet, a central angle of 07 deg. 51

min. 57 sec., and being subtended by a chord which bears North 04 deg. 04 min. 44 sec. West - 130.32 feet;

THENCE in a northerly direction along said curve to the left, a distance of 130.42 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the right, having a radius of 425.00 feet, a central angle of 00 deg. 41 min. 29 sec., and being subtended by a chord which bears North 73 deg. 48 min. 43 sec. East - 5.13 feet;

THENCE in an easterly direction along said curve to the right, a distance of 5.13 feet to a 1/2" capped iron rod set;

THENCE North 09 deg. 37 min. 44 sec. West, a distance of 50.26 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 475.00 feet, a central angle of 00 deg. 36 min. 26 sec., and being subtended by a chord which bears South 74 deg. 30 min. 37 sec. West - 5.03 feet;

THENCE in a westerly direction along said curve to the left, a distance of 5.03 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 950.00 feet, a central angle of 07 deg. 55 min. 42 sec., and being subtended by a chord which bears North 15 deg. 00 min. 43 sec. West - 131.35 feet;

THENCE in a northerly direction along said curve to the left, a distance of 131.46 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 1,040.00 feet, a central angle of 04 deg. 12 min. 05 sec., and being subtended by a chord which bears South 64 deg. 04 min. 48 sec. West - 76.24 feet;

THENCE in a southwesterly direction along said curve to the left, a distance of 76.26 feet to a 1/2" capped iron rod set;

THENCE South 61 deg. 58 min. 45 sec. West tangent to said curve, a distance of 792.60 feet a 1/2" capped iron rod set in the West line of said 53.588 acre tract and the most northerly Northwest corner of Lot 1X-R3, Block Y of The Oaks, Phase 1 recorded in Instrument No. 2433902 (PRECT) being in the approximate centerline of the Davis Branch;

THENCE North 14 deg. 44 min. 19 sec. West along said West line and centerline of said branch, a distance of 113.10 feet to a 1/2" capped iron rod set;

THENCE North 63 deg. 04 min. 50 sec. West along said West line and centerline of said branch, a distance of 36.56 feet to a 1/2" capped iron rod set;

THENCE North 61 deg. 58 min. 45 sec. East departing said West line and centerline of said branch, a distance of 392.22 feet to a 1/2" capped iron rod set;

THENCE in a northeasterly direction along the North line of said 53.588 acre tract and along the centerline of said Davis Branch the following thirty-three (33) courses;

North 28 deg. 01 min. 15 sec. West, a distance of 148.78 feet;

North 81 deg. 47 min. 05 sec. East, a distance of 29.17 feet;

North 75 deg. 30 min. 52 sec. East, a distance of 45.98 feet;

South 68 deg. 56 min. 39 sec. East, a distance of 75.21 feet;

North 71 deg. 42 min. 40 sec. East, a distance of 39.74 feet;

North 49 deg. 43 min. 10 sec. East, a distance of 47.55 feet;

North 40 deg. 31 min. 00 sec. East, a distance of 66.25 feet

North 52 deg. 16 min. 23 sec. East, a distance of 24.60 feet;

South 86 deg. 34 min. 42 sec. East, a distance of 21.27 feet;

North 72 deg. 34 min. 13 sec. East, a distance of 46.42 feet;

North 47 deg. 42 min. 06 sec. East, a distance of 56.57 feet;

North 38 deg. 32 min. 16 sec. East, a distance of 103.29 feet;

North 84 deg. 22 min. 50 sec. East, a distance of 33.86 feet;

South 71 deg. 27 min. 56 sec. East, a distance of 67.95 feet;

North 79 deg. 54 min. 59 sec. East, a distance of 32.23 feet;

North 46 deg. 28 min. 47 sec. East, a distance of 40.01 feet;

North 33 deg. 22 min. 57 sec. East, a distance of 37.03 feet;

North 41 deg. 30 min. 58 sec. East, a distance of 58.96 feet;

North 64 deg. 58 min. 14 sec. East, a distance of 89.74 feet;

North 68 deg. 39 min. 43 sec. East, a distance of 97.72 feet;

North 58 deg. 56 min. 25 sec. East, a distance of 35.47 feet;

South 86 deg. 14 min. 23 sec. East, a distance of 45.48 feet;

South 65 deg. 20 min. 53 sec. East, a distance of 21.84 feet;

South 87 deg. 30 min. 28 sec. East, a distance of 37.12 feet;

North 82 deg. 46 min. 44 sec. East, a distance of 60.04 feet;

South 67 deg. 42 min. 32 sec. East, a distance of 8.84 feet;

South 53 deg. 45 min. 16 sec. East, a distance of 25.75 feet;

South 33 deg. 00 min. 34 sec. East, a distance of 21.81 feet;

South 42 deg. 58 min. 08 sec. East, a distance of 18.81 feet;

South 71 deg. 39 min. 10 sec. East, a distance of 17.97 feet;

North 76 deg. 25 min. 38 sec. East, a distance of 8.28 feet

North 59 deg. 35 min. 45 sec. East, a distance of 16.20 feet;

North 39 deg. 09 min. 07 sec. East, a distance of 2.76 feet;

South 62 deg. 10 min. 59 sec. East, a distance of 195.10 feet to a 1/2" capped iron rod set for the most easterly Northeast corner of said 53.558 acre tract;

THENCE South 67 deg. 50 min. 44 sec. West along the Northwest line of said 24.5745 acre tract and the Southeast line of said 53.588 acre tract, a distance of 602.30 feet to the **POINT OF BEGINNING**, containing 533,474 square feet or 12.247 acres of land, more or less.

Containing a combined 1,344,637 square feet or 30.869 acres of land, more or less.

Addendum E

Comparable Data

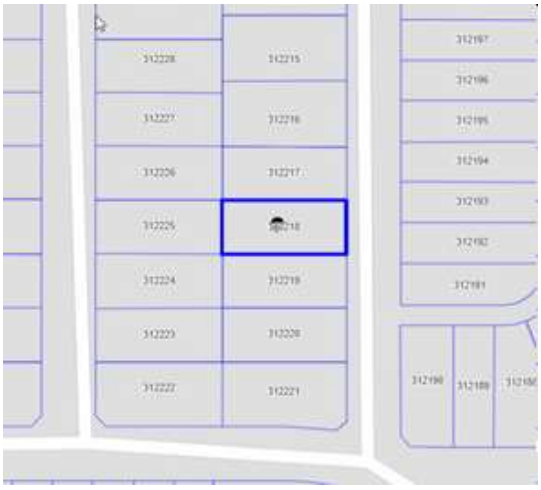
Land Sales - 50' Frontage Lots

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Prairie Ridge, Ph. 9 - 50' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	3743 Long Stem Street
City/State/Zip:	Midlothian, TX 76084
County:	Ellis
Submarket:	Venus
Market Orientation:	Suburban
Property Location:	West side of Long Stem Street, north of Anastasia Street
IRR Event ID:	3499035



Sale Information

Sale Price:	$127,800
Effective Sale Price:	$127,800
Sale Date:	03/11/2026
Sale Status:	Closed
$/Acre(Gross):	$928,105
$/Land SF(Gross):	$21.30
$/Acre(Usable):	$928,105
$/Land SF(Usable):	$21.30
$/Unit (Potential):	$2,556 /Unit
Grantor/Seller:	DFC Goodland LLC
Grantee/Buyer:	Highland Homes - Dallas LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $120,000/lot for substantial completion in February 2025 with an annual 6% escalation.
Document Type:	Deed
Recording No.:	2608027
Verified By:	Shelley Sivakumar
Verification Date:	05/12/2026
Confirmation Source:	Rie Solis - Highland Homes
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	Lot 17, Block HHH, Prairie Ridge, Phase 9/Tax ID 312218
Acres(Usable/Gross):	0.14/0.14
Land-SF(Usable/Gross):	6,000/6,000
Usable/Gross Ratio:	1.00
No. of Units (Potential):	50
Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Frontage Desc.:	50' x 120'
Zoning Code:	Development Agreement
Zoning Desc.:	Development Agreement
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

This master-planned subdivision is located in the Midlothian ISD. It is also known as Goodland/Feather Grass Village.

Prairie Ridge, Ph. 9 - 50' Lots

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Redden Farms, Phase 1B West - 50' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	2849 Redden Lane
City/State/Zip:	MIdlothian, TX 76065
County:	Ellis
Submarket:	Midlothian
Market Orientation:	Suburban
Property Location:	North side of Redden Lane, west of Onward Road
IRR Event ID:	3499668

Sale Information

Sale Price:	$83,600
Effective Sale Price:	$83,600
Sale Date:	01/05/2026
Sale Status:	Closed
$/Acre(Gross):	$607,117
$/Land SF(Gross):	$13.93
$/Acre(Usable):	$607,117
$/Land SF(Usable):	$13.93
$/Unit (Potential):	$1,672 /Unit
Grantor/Seller:	Spur Redden Farms LP
Grantee/Buyer:	Impression Homes LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was increased from $60,000/lot to $80,000/lot in April 2025 with an annual 6% escalation.
Document Type:	Deed
Recording No.:	2600612
Verified By:	Shelley Sivakumar
Verification Date:	05/12/2026
Confirmation Source:	Lot Contract
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Lot 4, Block A, Redden Farms, Ph. 1B West/Tax ID 313833
Acres(Usable/Gross):	0.14/0.14
Land-SF(Usable/Gross):	6,000/6,000
Usable/Gross Ratio:	1.00
No. of Units (Potential):	50
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	50' x 120'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

Lots in this master-planned residential development are located within the Midlothian ISD.

Redden Farms, Phase 1B West - 50' Lots

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Goodland, Phase 12 - 50' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	South of Prairieside Trail, east of Lupine Trail
City/State/Zip:	Grand prairie ETJ, TX 76084
County:	Ellis
Submarket:	Venus
Market Orientation:	Suburban
Property Location:	North side of Woodgate Drive
IRR Event ID:	3490431

Sale Information

Sale Price:	$120,000
Effective Sale Price:	$120,000
Sale Date:	04/30/2027
Sale Status:	In-Contract
$/Acre(Gross):	$871,460
$/Land SF(Gross):	$20.00
$/Acre(Usable):	$871,460
$/Land SF(Usable):	$20.00
$/Unit (Potential):	$2,400 /Unit
Grantor/Seller:	Soap Box Partners
Grantee/Buyer:	Beazer Homes of Texas, L.P.
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	Base lot price is set for substantial completion expected by April 2027.
Document Type:	Contract of Sale
Verified By:	Shelley Sivakumar
Verification Date:	04/22/2026
Confirmation Source:	Beazer Homes - contract
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	Joseph Stewart Survey, Abstract No. 961/Lot 22, Block E/Tax ID
Acres(Usable/Gross):	0.14/0.14
Land-SF(Usable/Gross):	6,000/6,000
Usable/Gross Ratio:	1.00
No. of Units (Potential):	50
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	50' x 120'
Zoning Code:	None
Zoning Desc.:	None (ETJ)
Flood Plain:	No
Utilities:	Water Public, Sewer
Utilities Desc.:	Ellis County Fresh Water Supply District No. 1
Source of Land Info.:	Engineering Report

Comments

This is a proposed residential phase which is served by the Midlothian ISD and Venus ISD.

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	The Westside Preserve
Sub-Property Type:	Residential, Finished SFR Lots
Address:	East side of Michigan Avenue, northwest of Auburn Avenue
City/State/Zip:	Midlothian, TX 76065
County:	Ellis
Submarket:	Midlothian
Market Orientation:	Suburban
Property Location:	4321 Michigan Avenue
IRR Event ID:	3498847

Sale Information

Sale Price:	$115,000
Effective Sale Price:	$115,000
Sale Date:	06/08/2026
Sale Status:	Closed
$/Acre(Gross):	$673,302
$/Land SF(Gross):	$15.46
$/Acre(Usable):	$673,302
$/Land SF(Usable):	$15.46
$/Unit (Potential):	$1,855 /Unit
Grantor/Seller:	Lillian Custom Homes LLC
Grantee/Buyer:	Bloomfield Homes
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	This lot was part of a 56-lot bulk purchase by Bloomfield Homes.
Document Type:	Deed
Recording No.:	2620279
Verified By:	Shelley Sivakumar
Verification Date:	07/09/2026
Confirmation Source:	Don Dykstra
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	Lot 35, Block K, Westside Preserve, Section 1B/Tax ID 310014
Acres(Usable/Gross):	0.17/0.17
Land-SF(Usable/Gross):	7,440/7,440
Usable/Gross Ratio:	1.00
No. of Units (Potential):	62
Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Frontage Desc.:	62' x 120'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

This was part of a 56-lot bulk purchase. This master-planned, mixed-use development is located in the Midlothian ISD.

The Westside Preserve

Land Sale Profile

Sale No. 5

Location & Property Identification

Property Name:	The Oaks, Phase 1 - 50' Lot
Sub-Property Type:	Residential, Finished SFR Lots
Address:	North side of Alderwood Drive, east of Oaks Boulevard
City/State/Zip:	Red Oak, TX 75154
County:	Ellis
Submarket:	GlennHeights
Market Orientation:	Suburban
Property Location:	809 Alderwood Drive
IRR Event ID:	3523325

Sale Information

Sale Price:	$74,546
Effective Sale Price:	$74,546
Sale Date:	05/18/2026
Sale Status:	Closed
$/Acre(Gross):	$541,365
$/Land SF(Gross):	$12.42
$/Acre(Usable):	$541,365
$/Land SF(Usable):	$12.42
$/Unit (Potential):	$1,491 /Unit
Grantor/Seller:	The Oaks of Red Oak, LLC
Grantee/Buyer:	HMH Lifestyles, L.P.
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $63,750/lot or $1,275/FF at substantial completion in October 2023 with an annual 6% escalation. Additional fees include $1,000 for amenity fee and $250 mailbox fee.
Document Type:	Deed
Recording No.:	2617354
Verified By:	Shelley Sivakumar
Verification Date:	07/09/2026
Confirmation Source:	Steve Fluker (SteveF@trezcapital.com)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	The Oaks, Phase 1, Lot 80, Block G/Tax ID 302793
Acres(Usable/Gross):	0.14/0.14
Land-SF(Usable/Gross):	6,000/6,000
Usable/Gross Ratio:	1.00
No. of Units (Potential):	50
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	50' x 120'
Zoning Code:	PD
Zoning Desc.:	Planned Development - Single-Family
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

This lot is located in a master-planned community located

The Oaks, Phase 1 - 50' Lot

Comments (Cont'd)

in the Red Oak ISD.

Land Sales - 62' Frontage Lots

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	The Westside Preserve
Sub-Property Type:	Residential, Finished SFR Lots
Address:	East side of Michigan Avenue, northwest of Auburn Avenue
City/State/Zip:	Midlothian, TX 76065
County:	Ellis
Submarket:	Midlothian
Market Orientation:	Suburban
Property Location:	4321 Michigan Avenue
IRR Event ID:	3498847

Sale Information

Sale Price:	$115,000
Effective Sale Price:	$115,000
Sale Date:	06/08/2026
Sale Status:	Closed
$/Acre(Gross):	$673,302
$/Land SF(Gross):	$15.46
$/Acre(Usable):	$673,302
$/Land SF(Usable):	$15.46
$/Unit (Potential):	$1,855 /Unit
Grantor/Seller:	Lillian Custom Homes LLC
Grantee/Buyer:	Bloomfield Homes
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	This lot was part of a 56-lot bulk purchase by Bloomfield Homes.
Document Type:	Deed
Recording No.:	2620279
Verified By:	Shelley Sivakumar
Verification Date:	07/09/2026
Confirmation Source:	Don Dykstra
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	Lot 35, Block K, Westside Preserve, Section 1B/Tax ID 310014
Acres(Usable/Gross):	0.17/0.17
Land-SF(Usable/Gross):	7,440/7,440
Usable/Gross Ratio:	1.00
No. of Units (Potential):	62
Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Frontage Desc.:	62' x 120'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

This was part of a 56-lot bulk purchase. This master-planned, mixed-use development is located in the Midlothian ISD.

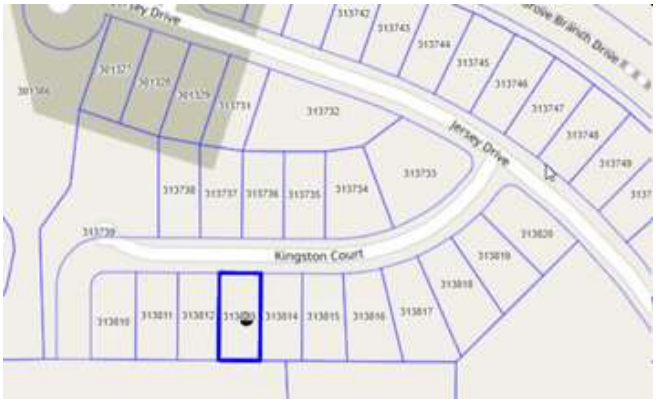
The Westside Preserve

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Redden Farms, Phase 1B East - 60' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	3266 Kingston Court
City/State/Zip:	MIdlothian, TX 76065
County:	Ellis
Submarket:	Midlothian
Market Orientation:	Suburban
Property Location:	South side of Kingston Court, west of Jersey Drive
IRR Event ID:	3499632



Sale Information

Sale Price:	$100,800
Effective Sale Price:	$100,800
Sale Date:	01/22/2026
Sale Status:	Closed
$/Acre(Gross):	$585,366
$/Land SF(Gross):	$13.44
$/Acre(Usable):	$585,366
$/Land SF(Usable):	$13.44
$/Unit (Potential):	$1,680 /Unit
Grantor/Seller:	Spur Redden Farms LP
Grantee/Buyer:	Weekly Homes LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was amended in March 2025 from $72,000/lot to $96,000/lot with an annual 6% escalation.
Document Type:	Deed
Recording No.:	2602635
Verified By:	Shelley Sivakumar
Verification Date:	05/12/2026
Confirmation Source:	Redden Farms Lot Contract
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Lot 4, Block E, Redden Farms, Ph. 1B East/Tax ID 313813
Acres(Usable/Gross):	0.17/0.17
Land-SF(Usable/Gross):	7,500/7,500
Usable/Gross Ratio:	1.00
No. of Units (Potential):	60
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	60' x 125'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

Lots in this master-planned development are located in the Midlothian ISD.

Redden Farms, Phase 1B East - 60' Lots

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Prairie Ridge, Ph. 8 - 70' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	3391 Pink Petal Drive
City/State/Zip:	Midlothian, TX 76084
County:	Ellis
Submarket:	Venus
Market Orientation:	Suburban
Property Location:	Southwest corner of Pink Petal Drive and Camas Avenue
IRR Event ID:	3499058

Sale Information

Sale Price:	$178,080
Effective Sale Price:	$178,080
Sale Date:	01/21/2026
Sale Status:	Closed
$/Acre(Gross):	$923,651
$/Land SF(Gross):	$21.20
$/Acre(Usable):	$923,651
$/Land SF(Usable):	$21.20
$/Unit (Potential):	$2,544 /Unit
Grantor/Seller:	DFC Goodland LLC
Grantee/Buyer:	Highland Homes - Dallas LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $168,000/lot for substantial completion in February 2025 with an annual 6% escalation.
Document Type:	Deed
Recording No.:	2602648
Verified By:	Shelley Sivakumar
Verification Date:	05/12/2026
Confirmation Source:	Rie Solis - Highland Homes
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	Lot 11, Block EEE, Prairie Ridge, Phase 8/Tax ID 312075
Acres(Usable/Gross):	0.19/0.19
Land-SF(Usable/Gross):	8,400/8,400
Usable/Gross Ratio:	1.00
No. of Units (Potential):	70
Shape:	Rectangular
Topography:	Level
Corner Lot:	Yes
Frontage Desc.:	70' x 120'
Zoning Code:	Development Agreement
Zoning Desc.:	Development Agreement
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

This master-planned residential subdivision is located in the Midlothian ISD and is also known as Goodland/Feather Grass Village.

Prairie Ridge, Ph. 8 - 70' Lots

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	The Oaks, Phase 1 - 60' Lot
Sub-Property Type:	Residential, Finished SFR Lots
Address:	East side of Beaumont Lane, north of Oaks Boulevard
City/State/Zip:	Red Oak, TX 75154
County:	Ellis
Submarket:	GlennHeights
Market Orientation:	Suburban
Property Location:	1348 Beaumont Lane
IRR Event ID:	3523337

Sale Information

Sale Price:	$68,200
Effective Sale Price:	$68,200
Sale Date:	10/02/2023
Sale Status:	Closed
$/Acre(Gross):	$412,583
$/Land SF(Gross):	$9.47
$/Acre(Usable):	$412,583
$/Land SF(Usable):	$9.47
$/Unit (Potential):	$1,137 /Unit
Grantor/Seller:	The Oaks of Red Oak LLC
Grantee/Buyer:	Bloomfield Homes, LP
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price of $68,200/lot was set for substantial completion in October 2023 and represents a bulk purchase of 12 lots. Additional fees include an amenity fee of $1,000/lot and a $250/lot mailbox fee.
Document Type:	Deed
Recording No.:	2329558
Verified By:	Shelley Sivakumar
Verification Date:	07/09/2026
Confirmation Source:	Steve Fluker (SteveF@trezcapital.com)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	The Oaks, Phase 1, Lot 12, Block N/Tax ID 302713
Acres(Usable/Gross):	0.17/0.17
Land-SF(Usable/Gross):	7,200/7,200
Usable/Gross Ratio:	1.00
No. of Units (Potential):	60
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	60' x 120'
Zoning Code:	PD
Zoning Desc.:	Planned Development - Single-Family
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

This represents a bulk purchase of 12 lots at substantial completion. The lot is located in a master-planned

The Oaks, Phase 1 - 60' Lot

Comments (Cont'd)

subdivision located in the Red Oak ISD.

Land Sales - 74' Frontage Lots

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Prairie Ridge, Ph. 8 - 70' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	3391 Pink Petal Drive
City/State/Zip:	Midlothian, TX 76084
County:	Ellis
Submarket:	Venus
Market Orientation:	Suburban
Property Location:	Southwest corner of Pink Petal Drive and Camas Avenue
IRR Event ID:	3499058

Sale Information

Sale Price:	$178,080
Effective Sale Price:	$178,080
Sale Date:	01/21/2026
Sale Status:	Closed
$/Acre(Gross):	$923,651
$/Land SF(Gross):	$21.20
$/Acre(Usable):	$923,651
$/Land SF(Usable):	$21.20
$/Unit (Potential):	$2,544 /Unit
Grantor/Seller:	DFC Goodland LLC
Grantee/Buyer:	Highland Homes - Dallas LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $168,000/lot for substantial completion in February 2025 with an annual 6% escalation.
Document Type:	Deed
Recording No.:	2602648
Verified By:	Shelley Sivakumar
Verification Date:	05/12/2026
Confirmation Source:	Rie Solis - Highland Homes
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	Lot 11, Block EEE, Prairie Ridge, Phase 8/Tax ID 312075
Acres(Usable/Gross):	0.19/0.19
Land-SF(Usable/Gross):	8,400/8,400
Usable/Gross Ratio:	1.00
No. of Units (Potential):	70
Shape:	Rectangular
Topography:	Level
Corner Lot:	Yes
Frontage Desc.:	70' x 120'
Zoning Code:	Development Agreement
Zoning Desc.:	Development Agreement
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

This master-planned residential subdivision is located in the Midlothian ISD and is also known as Goodland/Feather Grass Village.

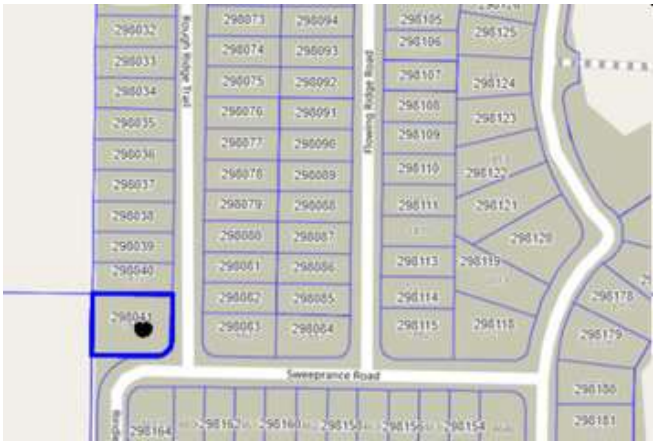
Prairie Ridge, Ph. 8 - 70' Lots

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Bridgewater, Phase 1A - 70' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	Northwest corner of Rough Ridge Trail and Sweeprance Road
City/State/Zip:	Midlothian, TX 76065
County:	Ellis
Submarket:	Midlothian
Market Orientation:	Suburban
Property Location:	1881 Rough Ridge Trail
IRR Event ID:	3499199



Sale Information

Sale Price:	$94,500
Effective Sale Price:	$94,500
Sale Date:	06/26/2024
Sale Status:	Closed
$/Acre(Gross):	$452,370
$/Land SF(Gross):	$10.38
$/Acre(Usable):	$452,370
$/Land SF(Usable):	$10.38
$/Unit (Potential):	$1,350 /Unit
Grantor/Seller:	HPC Bridgewater Development Corporation
Grantee/Buyer:	Highland Homes - Dallas LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $87,500 for substantial completion in February 2023 with an annual 6% escalation.
Document Type:	Deed
Recording No.:	2420567
Verified By:	Shelley Sivakumar
Verification Date:	05/12/2026
Confirmation Source:	Rie Solis - Highland Homes
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	Lot 42, Block 27, Bridgewater, Phase 1A/Tax Id 298041
Acres(Usable/Gross):	0.21/0.21
Land-SF(Usable/Gross):	9,100/9,100
Usable/Gross Ratio:	1.00
No. of Units (Potential):	70
Shape:	Rectangular
Topography:	Level
Corner Lot:	Yes
Frontage Feet:	70
Frontage Desc.:	70' x 130'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Other

Comments

This master-planned subdivision is located in the

Bridgewater, Phase 1A - 70' Lots

Comments (Cont'd)

Midlothian ISD within the city limits of Midlothian.

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Goodland, Phase 12 - 70' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	South of Prairieside Trail, east of Lupine Trail
City/State/Zip:	Grand prairie ETJ, TX 76084
County:	Ellis
Submarket:	Venus
Market Orientation:	Suburban
Property Location:	East side of Tumblewood Trail
IRR Event ID:	3490437

Sale Information

Sale Price:	$168,000
Effective Sale Price:	$168,000
Sale Date:	04/30/2027
Sale Status:	In-Contract
$/Acre(Gross):	$871,369
$/Land SF(Gross):	$20.00
$/Acre(Usable):	$871,369
$/Land SF(Usable):	$20.00
$/Unit (Potential):	$2,400 /Unit
Grantor/Seller:	Soap Box Partners
Grantee/Buyer:	Beazer Homes of Texas, L.P.
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $2,400/FF for substantial completion by April 2027.
Document Type:	Contract of Sale
Verified By:	Shelley Sivakumar
Verification Date:	04/22/2026
Confirmation Source:	Beazer Homes - contract
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	Joseph Stewart Survey, Abstract No. 961/Lot 18, Block I/Tax ID
Acres(Usable/Gross):	0.19/0.19
Land-SF(Usable/Gross):	8,400/8,400
Usable/Gross Ratio:	1.00
No. of Units (Potential):	70
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	70' x 120'
Zoning Code:	None
Zoning Desc.:	None (ETJ)
Flood Plain:	No
Utilities:	Water Public, Sewer
Utilities Desc.:	Ellis County Fresh Water Supply District No. 1
Source of Land Info.:	Engineering Report

Comments

Lots in this proposed Phase 12 are served by Midlothian ISD and Venus ISD.

Goodland, Phase 12 - 70' Lots

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	Redden Farms, Phase 2A/2B East - 70' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	South side of Grove Branch Boulevard, east of Eastgate Road
City/State/Zip:	MIdlothian, TX 76065
County:	Ellis
Submarket:	Midlothian
Market Orientation:	Suburban
Property Location:	South side of Bicentennial Street, west of Greencove Drive
IRR Event ID:	3525573

Sale Information

Sale Price:	$145,000
Effective Sale Price:	$145,000
Sale Date:	06/30/2027
Sale Status:	In-Contract
$/Acre(Gross):	$694,112
$/Land SF(Gross):	$15.93
$/Acre(Usable):	$694,112
$/Land SF(Usable):	$15.93
$/Unit (Potential):	$2,071 /Unit
Grantor/Seller:	Spur Redden Farms L.P.
Grantee/Buyer:	Weekley Homes, LLC
Property Rights:	Fee Simple
Financing:	Cash to seller

Terms of Sale Comments:	The base lot price was set for substantial completion by June 2027 with an annual 8% escalation. There are additional fees of $1,500/lot marketing fee, $500/lot maintenance fee, $1,500/lot amenity fee, and a $250/lot cluster mailbox fee.
Document Type:	Contract of Sale
Verified By:	Shelley Sivakumar
Verification Date:	06/12/2026
Confirmation Source:	Craig Campbell (ccampbell@starwoodland.com)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Redden Farms, Phase 2A/2B East, Block H, Lot 22/Tax ID as vacant land - 283848

Redden Farms, Phase 2A/2B East - 70' Lots

Improvement and Site Data (Cont'd)

Acres(Usable/Gross):	0.21/0.21
Land-SF(Usable/Gross):	9,100/9,100
Usable/Gross Ratio:	1.00
No. of Units (Potential):	70
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	70' x 130'
Zoning Code:	PD-107
Zoning Desc.:	Planned Development - Single-Family
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

Phase 2A/2B East is one phase of a master-planned development located in the Midlothian ISD. The development is within the Redden Farms Public Improvement District.

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CITY OF RED OAK, TEXAS • SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(RED OAK PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREAS #2-3 PROJECTS)

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