

NEW ISSUE

NOT RATED

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

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

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



7,646,000*

CITY OF CELINA, TEXAS,

(a municipal corporation of the State of Texas located in Collin and Denton Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026

(EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREAS #2-3 PROJECT)

Dated Date: Closing Date

Due: September 1, as shown on the inside cover

Interest to Accrue from Closing Date

The City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek Public Improvement District Improvement Areas #2-3 Project) (the “Bonds”), are being issued by the City of Celina, 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 1 and September 1, commencing September 1, 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 U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), to DTC as the registered owner thereof. See “BOOK-ENTRY ONLY SYSTEM.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance expected to be adopted by the City Council of the City (the “City Council”) on November 10, 2026, and an Indenture of Trust, dated as of December 1, 2026 (the “Indenture”), to be entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used for the purposes of (i) paying all or a portion of the Actual Costs of the Improvement Areas #2-3 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying costs of issuance. See “THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS” and “APPENDIX A — Form of Indenture.”

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of Assessments levied or to be levied against Assessed Property located within Improvement Areas #2-3 of the District in accordance with a Service and Assessment Plan, all to the extent and upon the conditions described in the Indenture. The Bonds are not payable from funds raised or to be raised from taxation. See “SECURITY FOR THE BONDS.” The Bonds are subject to redemption at the times, in the amounts, and at the redemption price more fully described herein under the subcaption “DESCRIPTION OF THE BONDS – Redemption Provisions.”

The Bonds involve a significant degree of risk and are not suitable for all investors. See “BONDHOLDERS’ RISKS” and “SUITABILITY FOR INVESTMENT.” The Underwriter is limiting this offering to Qualified Institutional Buyers and Accredited Investors. The limitation of the initial offering to Qualified Institutional Buyers and Accredited Investors does not denote restrictions on transfers in any secondary market for the 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 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 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 the Underwriter, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX C — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, LLP, and for the Developer by its counsel, Boghetich Law, PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about December 10, 2026 (the “Closing Date”).



* Preliminary; subject to change.

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

CUSIP Prefix: _____ (a)

\$7,646,000*

CITY OF CELINA, TEXAS,

(a municipal corporation of the State of Texas located in Collin and Denton Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026

(EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREAS #2-3 PROJECT)

\$ _____ % Term Bonds, Due September 1, 20 __, Priced to Yield _____%; CUSIP (a) (c)

\$ _____ % Term Bonds, Due September 1, 20 __, Priced to Yield _____%; CUSIP (a) (b) (c)

\$ _____ % Term Bonds, Due September 1, 20 __, Priced to Yield _____%; CUSIP (a) (b) (c)

* Preliminary; subject to change.

- (a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City's Municipal Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.
- (b) The Bonds maturing on or after September 1, 20 __ are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 1, 20 __, at the redemption price of 100% of the principal amount plus accrued interest to the date of redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."
- (c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

**CITY OF CELINA, TEXAS,
CITY COUNCIL**

<u>Name</u>	<u>Position</u>	<u>Term Expires (May)</u>
Ryan Tubbs	Mayor	2029
Brandon Grumbles	Mayor Pro Tem, Place 6	2028
Andy Hopkins	Deputy Mayor Pro Tem, Place 3	2027
Philip Ferguson	Councilmember, Place 1	2028
Eddie Cawfield	Councilmember, Place 2	2027
Shea Scott	Councilmember, Place 4	2029
Shane Lambert	Councilmember, Place 5	2029

CITY MANAGER
Robert Ranc

ASSISTANT CITY MANAGER
Karla Stovall

ASSISTANT CITY MANAGER
Kimberly Brawner

FINANCE DIRECTOR
Robin Bromiley

CITY SECRETARY
Ashley Owens

BOND COUNSEL
Norton Rose Fulbright US LLP
Dallas, Texas

MUNICIPAL ADVISOR
Hilltop Securities Inc.
Dallas, Texas

ADMINISTRATOR
MuniCap, Inc.
Irving, Texas

UNDERWRITER'S COUNSEL
Greenberg Traurig, LLP
Dallas, Texas

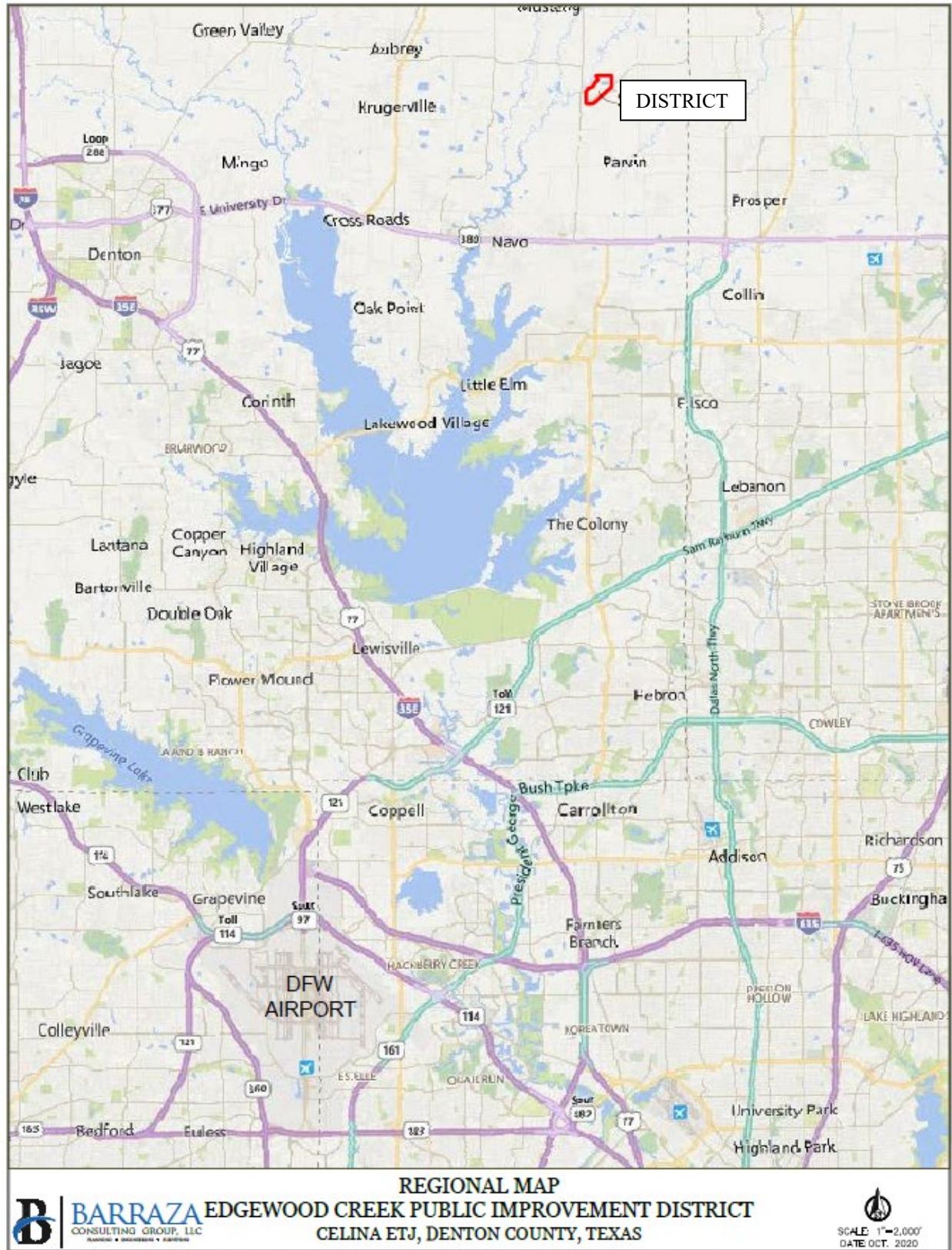
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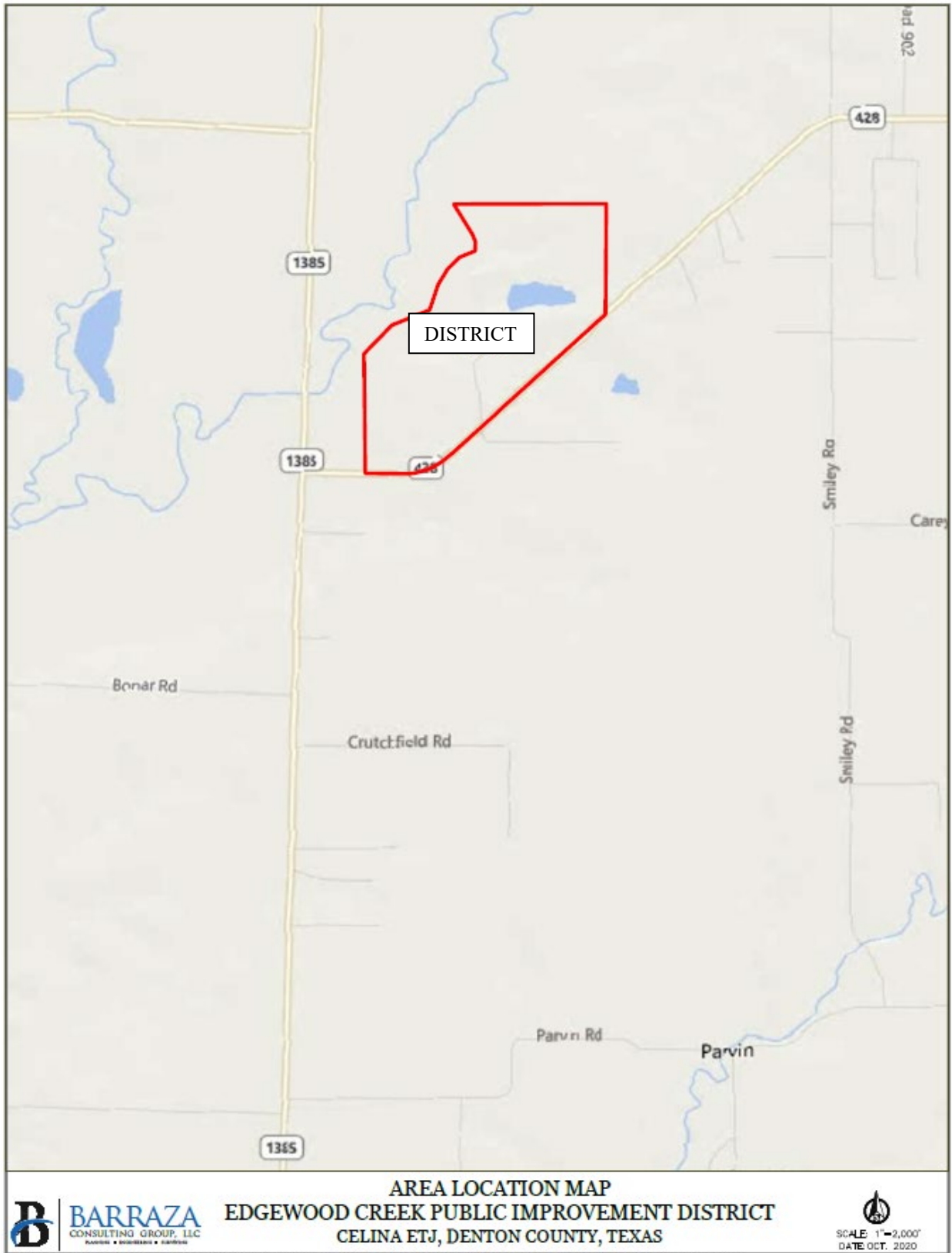
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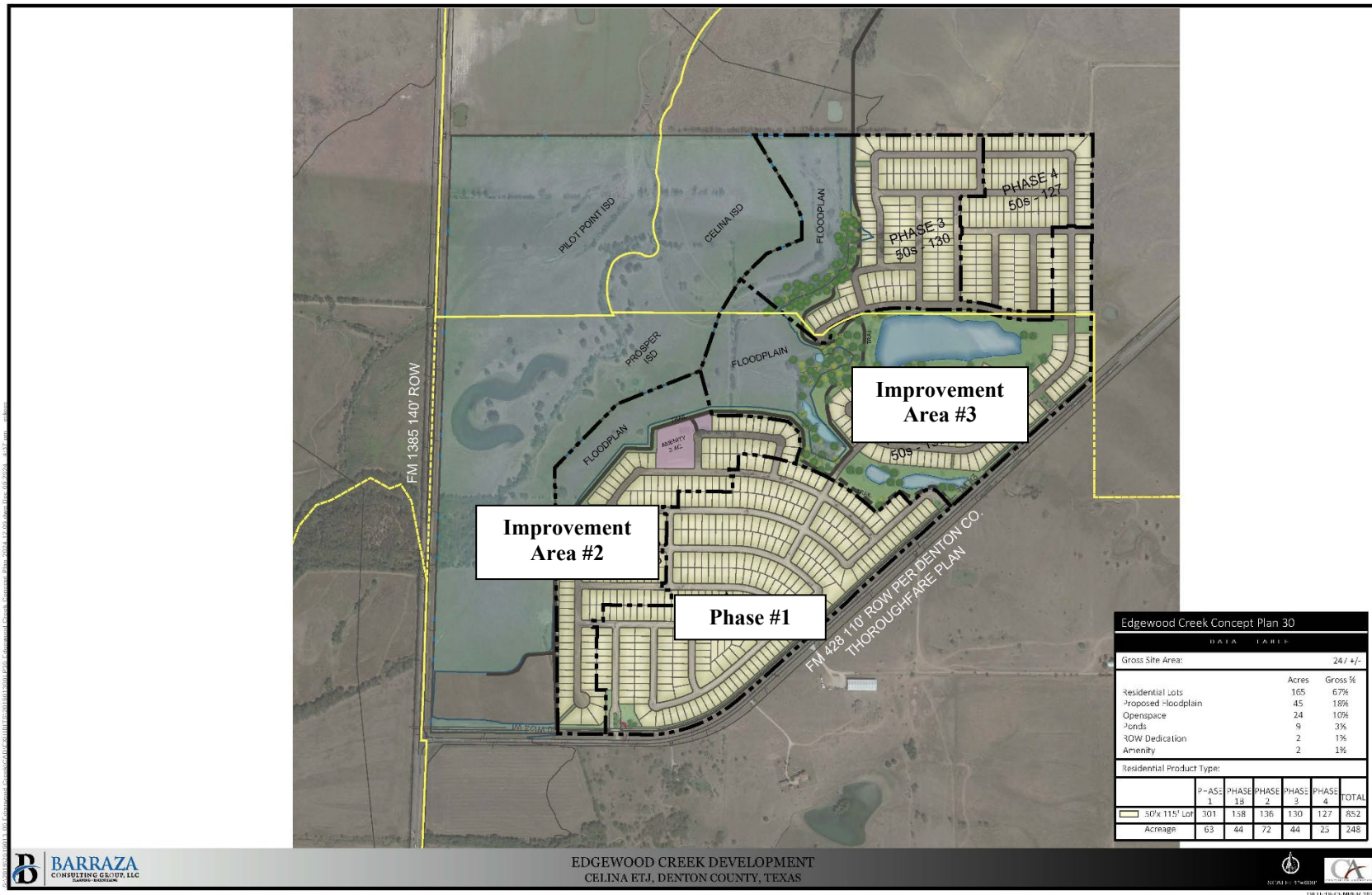
REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF THE DISTRICT, PHASE #1, IMPROVEMENT AREA #2, IMPROVEMENT AREA #3 AND FUTURE PHASES



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

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

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

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

NONE OF THE CITY, THE CITY’S MUNICIPAL ADVISOR OR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS

EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

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

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE 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

\$7,646,000*

CITY OF CELINA, TEXAS,

(a municipal corporation of the State of Texas located in Collin and Denton Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026

(EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREAS #2-3 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Celina, Texas (the “City”), of its \$7,646,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek Public Improvement District Improvement Areas #2-3 Project) (the “Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. THE LIMITATION OF THE INITIAL OFFERING TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE BONDS. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “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 enacted by the City Council of the City (the “City Council”) on November 10, 2026 (the “Bond Ordinance”), and an Indenture of Trust, dated as of December 1, 2026 (the “Indenture”), to be entered into by and between the City and U.S. Bank Trust Company, National Association, 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 that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX A — Form of Indenture.”

The Bonds will be payable from a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of revenue from (i) assessments levied against assessable property located within Improvement Area #2 (the “Improvement Area #2 Assessments”) of the Edgewood Creek Public Improvement District (the “District”) pursuant to a separate ordinance adopted by the City Council on January 14, 2025 (the “Improvement Area #2 Assessment Ordinance”) and (ii) assessments expected to be levied against assessable property located within Improvement Area #3 of the District (the “Improvement Area #3 Assessments”) and, together with the Improvement Area #2 Assessments, the “Assessments”) pursuant to a separate ordinance expected to be adopted by the City Council on November 10, 2026 (the “Improvement Area #3 Assessment Ordinance” and, together with the Improvement Area #2 Assessment Ordinance, the “Assessment Ordinances”). The City created the District pursuant to a resolution adopted by the City Council on May 12, 2020 (the “Creation Resolution”).

Set forth herein are brief descriptions of the City, the District, the Assessment Ordinances, the Bond Ordinance, MuniCap, Inc. (the “Administrator”), the Service and Assessment Plan (as defined herein), the Construction, Funding, and Acquisition Agreement (as defined herein), and the Edgewood Creek Development Agreement between the City and Centurion American Acquisitions, LLC, a Texas limited liability company, effective October 8, 2020 (the “Development Agreement”), as assigned to MM Edgewood Creek, LLC, a Texas limited liability

* Preliminary; subject to change.

company and as further assigned to First Texas Homes, Inc., a Texas corporation (the “Developer”), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas, 75034, Phone: (214) 302-2246. The Form of Indenture appears in APPENDIX A and the Form of Service and Assessment Plan appears in APPENDIX B. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed in this Limited Offering Memorandum.

PLAN OF FINANCE

The District

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Areas #2-3 Improvements (as defined herein), authorized by the PID Act and approved by the City Council that confer a special benefit on the District.

Development Plan, Status of Development and Plan of Finance

The District is composed of approximately 246.54 acres which are being developed in phases as a master-planned residential development which is expected to consist of 852 50’ lots at build out. Development of the District began with the concurrent development of the major infrastructure to serve the entire District (the “Major Improvements”), as well as local infrastructure to serve the initial phase (“Phase #1”) of the District, which development was completed by the original developer of the District, MM Edgewood Creek, LLC (the “Original Developer”) in 2023. The Developer and the Original Developer originally entered into a finished lot purchase and sale agreement, which was subsequently amended to provide for the sale of all land in the District, which included the 301 finished lots in Phase #1 and the undeveloped paper lots in the remainder of the District outside of Phase #1 (such land outside Phase #1 being referred to herein as the “Major Improvement Area”). The Developer purchased the finished lots in Phase #1 and the remaining paper lots in the Major Improvement Area of the District on May 18, 2023 at a purchase price of \$30,135,000, which was funded with cash available to the Developer.

The Developer will develop the land in the Major Improvement Area in four phases. The Developer developed approximately 44.251 acres into 158 lots which were platted as Phase #1B (and are referred to herein as “Improvement Area #2”). The Developer developed approximately 72.217 acres into 136 lots which were platted as Phase #2 (and are referred to herein as “Improvement Area #3”). The Developer expects to develop the two remaining phases in the District (the “Future Phases”) over a two-year period. See “THE DEVELOPMENT — Development Plan and Status of Development.” The boundaries of the District, Phase #1, Improvement Area #2, Improvement Area #3 and the Future Phases (shown as Phase 3 and Phase 4) are shown in the “MAP SHOWING BOUNDARIES OF THE DISTRICT, PHASE #1, IMPROVEMENT AREA #2, IMPROVEMENT AREA #3 AND FUTURE PHASES” on page v.

The Developer will serve as the homebuilder for all homes in the District. As of September 15, 2026, the Developer owned 43 completed homes and 6 lots in Phase #1 of the District. As of September 15, 2026, 252 homes had been sold to end users in Phase #1 of the District at an average sale price of \$500,000. As of September 15, 2026, the Developer owned 22 completed homes and 111 lots in Improvement Area #2 of the District. On the Developer’s lots, 11 additional homes were under construction. As of September 15, 2026, 25 homes had been sold to end users in Improvement Area #2 of the District at an average sale price of \$630,000. As of September 15, 2026, an additional 7 homes were under contract in Improvement Area #2 at an average sale price of \$650,000. Home construction in Improvement Area #3 is expected to begin in Q4 2026.

The Developer has constructed certain improvements consisting of road improvements, water improvements, sanitary sewer improvements, and storm drainage improvements that will benefit only Improvement Area #2 of the

District and expended certain soft and miscellaneous costs related thereto (the “Improvement Area #2 Improvements”). Construction of the Improvement Area #2 Improvements began in Q2 2023 and was completed in Q2 2025. The total cost of the Improvement Area #2 Improvements (exclusive of any costs of issuance of the Bonds or related reserve funds) was approximately \$4,391,687. The Developer has constructed certain improvements consisting of road improvements, water improvements, sanitary sewer improvements, and storm drainage improvements that will benefit only Improvement Area #3 of the District and expended certain soft and miscellaneous costs related thereto (the “Improvement Area #3 Improvements,” and together with the Improvement Area #2 Improvements, the “Improvement Areas #2-3 Improvements”). Construction of the Improvement Area #3 Improvements began in Q1 2025 and is expected to be completed by the end of October 2026. The total cost of the Improvement Area #3 Improvements (exclusive of any costs of issuance of the Bonds or related reserve funds) is expected to be approximately \$8,487,095.

The Developer funded the Improvement Areas #2-3 Improvements with cash available to the Developer. See “THE DEVELOPER – History and Financing of the District.”

The City will pay a portion of the project costs for the Improvement Areas #2-3 Improvements from proceeds of the Bonds. The Developer will submit payment requests on a monthly basis for costs actually incurred in developing and constructing the Improvement Areas #2-3 Improvements and be paid in accordance with the Indenture, and the Edgewood Creek Public Improvement District Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement (the “Construction, Funding, and Acquisition Agreement”). See “THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS – General,” “THE DEVELOPMENT – Development Plan and Status of Development,” and “APPENDIX F – Form of Construction, Funding, and Acquisition Agreement.”

The City expects to issue one or more series of bonds (collectively, the “Phased PID Bonds”) to finance the cost of local improvements benefiting the Future Phases. The estimated costs of the local improvements benefiting the Future Phases will be determined as each Future Phase is developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within the Future Phases and financed by each new series of Phased PID Bonds. Such Phased PID Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within each applicable Future Phase.

Prior Bonds

To finance a portion of the costs of the Phase #1 Projects (as such term is defined in the Service and Assessment Plan), the City previously issued its \$4,465,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Edgewood Creek Public Improvement District Phase #1 Project) (the “Phase #1 Bonds”). The Phase #1 Bonds are outstanding in the amount of \$4,075,000. The Phase #1 Bonds are secured by a pledge of assessments levied on Phase #1 of the District (the “Phase #1 Assessments”). **The Phase #1 Assessments are not pledged to and do not secure the Bonds.**

To finance a portion of the costs of the portion of the Major Improvements that benefitted the entire District and allocated to Improvement Areas #2-3 and the Future Phases, the City previously issued its \$3,460,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Edgewood Creek Public Improvement District Phases #2-3 Major Improvement Project) (the “Major Improvement Area Bonds”). The Major Improvement Area Bonds are outstanding in the amount of \$3,190,000. **The Major Improvement Area Bonds are secured by assessments levied in the Major Improvement Area of the District (the “Major Improvement Area Assessments”), which includes the land in Improvement Areas #2-3. The Major Improvement Area Assessments are not pledged to and do not secure the Bonds.**

The Bonds

Proceeds of the Bonds will be used for the purposes of (i) paying all or a portion of the Actual Costs of the Improvement Areas #2-3 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying costs of issuance. See “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS,” and “APPENDIX A – Form of Indenture.”

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of Pledged Revenues derived from Assessments levied or expected to be levied against Assessed Property within Improvement Areas #2-3 of the District, all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES,” and “APPENDIX A – Form of Indenture.”

The Bonds, the Phase #1 Bonds, the Major Improvement Area Bonds, and any Phased PID Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (the “State”), or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds. The Phase #1 Bonds, the Major Improvement Area Bonds, and any Phased PID Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from the Closing Date and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 1 and September 1, commencing September 1, 2027 (each an “Interest Payment Date”), until maturity or prior redemption. U.S. Bank Trust Company, National Association is the initial Trustee, Paying Agent and Registrar for the Bonds.

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

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Bonds maturing on or after September 1, 20__, before their respective scheduled maturity dates, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the City, at the Redemption Price, upon written direction from the City, to be provided to the Trustee no fewer than 45 days before the date fixed for redemption (or such shorter time as may be acceptable to the Trustee), directing the Trustee to provide notice of redemption as provided in the Indenture.

Extraordinary Optional Redemption. Notwithstanding any provision in the Indenture to the contrary, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, and in an amount and on any date specified in a City Certificate, at the Redemption Price of such Bonds, or portions thereof, to be redeemed from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to the terms of the Indenture) or any other transfers to the Redemption Fund under the terms of the Indenture, or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of the Indenture. No fewer than 45 days before the date fixed for redemption (or such shorter time as may be acceptable to the Trustee), the City will provide the Trustee a City Certificate directing the Bonds to be redeemed pursuant to the Indenture and in accordance with the provisions of the Indenture, and directing the Trustee to provide notice of redemption as provided in the Indenture. See “ASSESSMENT PROCEDURES – Prepayment of Assessments” for a description of Prepayments. See also “APPENDIX A – Form of Indenture.”

Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the City in part at the Redemption Price from moneys available for

such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

<u>\$ Bonds Maturing September 1, 20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__	
September 1, 20__ [†]	
[†] Stated Maturity	

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

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

Notice of Redemption. The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds are in book-entry-only form and held by DTC as security depository, references to Owner in the Indenture means Cede & Co., as nominee for DTC. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Outstanding Bonds are to be redeemed, and subject to the Indenture, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any notice given as provided in the Indenture shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice

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

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

Partial Redemption. The following defined terms apply to this subsection:

“Substantial Amount Redemption” means an extraordinary optional redemption of a principal amount of the Bonds that is greater than or equal to 10% of the Outstanding principal amount of the Bonds.

“Minor Amount Redemption” means an extraordinary optional redemption of a principal amount of the Bonds that is less than 10% of the Outstanding principal amount of the Bonds.

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

In selecting the Bonds to be redeemed pursuant to a mandatory sinking fund redemption, the Trustee may select Bonds in any method that results in a random selection.

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

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

- (i) with respect to a Substantial Amount Redemption, the principal amount called for redemption shall be allocated on a pro rata basis among all Outstanding Bonds; and
- (ii) with respect to a Minor Amount Redemption, the Outstanding Bonds shall be redeemed in inverse order of maturity.

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

BOOK-ENTRY ONLY SYSTEM

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

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an

authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an

Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

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

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser (each, an "Investor") 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. 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. Each Investor of the Bonds 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 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 council members, officers, or employees shall have any liability to the Investor whatsoever for, or in connection with the Investor’s decision to purchase the Bonds except for gross negligence, fraud or willful misconduct, to the extent permitted by law. For the avoidance of doubt, it is acknowledged that Underwriter is not deemed an officer or employee of the City.
- 6) The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid by the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Indenture.
- 7) The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.
- 8) The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

SECURITY FOR THE BONDS

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds. Investors must read the entire Indenture to

obtain information essential to the making of an informed investment decision. See “APPENDIX A — Form of Indenture.”

General

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM A FIRST LIEN ON, SECURITY INTEREST IN, AND PLEDGE OF THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY 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 ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE. SEE “APPENDIX A — FORM OF INDENTURE.”

The principal of, premium, if any, and interest on the Bonds are payable by a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of Assessments levied and expected to be levied against Assessed Property within Improvement Areas #2-3 of the District, all to the extent and upon the conditions described in the Indenture. In accordance with the PID Act, the City has caused the preparation of a preliminary Service and Assessment Plan in connection with the levy of the Improvement Area #3 Assessments and expects to adopt a final Amended and Restated Service and Assessment Plan (the “Service and Assessment Plan”) in connection with the levy of the Improvement Area #3 Assessments and authorization of the issuance of the Bonds. The Service and Assessment Plan describes the special benefit received by the Assessed Property, including Improvement Areas #2-3 of the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Assessments, and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX B — Form of Service and Assessment Plan.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinances, and other provisions of applicable law to finance the Improvement Areas #2-3 Improvements by levying Assessments upon properties in Improvement Areas #2-3 of the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied and expected to be levied in Improvement Areas #2-3, see “ASSESSMENT PROCEDURES” and “APPENDIX B – Form of Service and Assessment Plan.”

The Bonds are payable from a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of Assessment Revenue, all to the extent and upon the conditions described in the Indenture. Pursuant to the Indenture, the following terms are assigned the following meanings:

“Additional Interest” means the amount collected by application of the Additional Interest Rate.

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

“Administrative Expenses” means the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of: (i) creating and organizing the District, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the

annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the District, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Paying Agent/Registrar's and Trustee's fees and expenses relating to the Bonds, including their respective legal counsel, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Improvement Areas #2-3 Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses in one year shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

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

"Annual Service Plan Update" means the annual review and update to the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

"Assessed Parcel" means each Parcel of land located within Improvement Areas #2-3 of the District against which an Assessment is levied by the Assessment Ordinances in accordance with the Service and Assessment Plan.

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

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

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

"Delinquent Collection Costs" mean interest, penalties and expenses incurred or imposed with respect to any delinquent Assessment or Annual Installment thereof, in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney's fees.

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

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

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

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

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

and whether now or hereafter acquired; and (ii) any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned, or transferred to the Trustee as additional security under the Indenture by the City or by anyone on its behalf or with its written consent.

Collection and Enforcement of Assessments

The Indenture contains the covenant, agreement and warranty of the City that, for so long as any Bonds are Outstanding, the City 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. See “– Pledged Revenue Fund,” “APPENDIX A – Form of Indenture,” and “APPENDIX B – Form of Service and Assessment Plan.”

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

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

Unconditional Levy of Assessments

The City has imposed and will impose Assessments on Assessed Property in Improvement Areas #2-3 of the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each fiscal year. The Assessments shall be effective on the date of adoption, and strictly in accordance with the terms, of the applicable 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. Interest on the Assessments will be calculated at the rate of interest on the Bonds plus the Additional Interest Rate, calculated on the basis of a 360-day year of twelve 30-day months. Such rates may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated annually and shall be due when billed on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect, each year while the Bonds are Outstanding and unpaid, as part of the Annual Installment, an amount to pay the Administrative Expenses. The portion of each Annual Installment used to pay Administrative Expenses shall remain in effect each year until all Bonds are finally paid or until the City adjusts the amount after an annual review in any year pursuant to Section 372.013 of the PID Act. The amounts collected to pay Administrative Expenses shall be due in the manner set forth in the Assessment Ordinances on or about October 1 of each year and shall be delinquent if not paid by February 1 of the following year. Amounts collected for Administrative Expenses do not secure repayment of the Bonds.

There is no discount for the early payment of Assessments.

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

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the applicable Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the applicable Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. 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 and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture, or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under the Indenture, and such pledge is therefore valid, effective, and perfected from and after the Closing Date. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under the Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur. See “APPENDIX A — Form of Indenture.”

Pledged Revenue Fund

On or before February 15 of each year while the Bonds are Outstanding and beginning February 15, 2027, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with the Indenture, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with the Indenture, (iv) fourth, to pay Actual Costs of the Improvement Areas #2-3 Improvements, and (v) fifth, to pay other costs permitted by the PID Act.

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

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

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

Notwithstanding the deposits described in (i) *first* through (v) *fifth* above, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve

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

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

Bond Fund

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

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

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

<u>Date</u>	<u>Amount</u>
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Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #3 Improvements Account of the Project Fund, or if the Improvement Area #3 Improvements Account has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Project Fund

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

Money on deposit in the Improvement Area #2 Improvements Account shall only be used to pay Actual Costs of the Improvement Area #2 Improvements, except as otherwise provided for in the Indenture. Money on deposit in the Improvement Area #3 Improvements Account shall only be used to pay Actual Costs of the Improvement Area #3 Improvements, except as otherwise provided for in the Indenture.

Disbursements from the Improvement Accounts of the Project Fund to pay costs related to the creation of the District shall be made by the Trustee pursuant to either (i) the Closing Memorandum, (ii) one or more City Certificates, or (iii) an executed, completed, and accepted Closing Disbursement Request. Disbursements from the Improvement Accounts of the Project Fund to pay all other Actual Costs of the respective Improvement Areas #2-3 Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Accounts of the Project Fund pursuant to a Closing Memorandum, Closing Disbursement Request or Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Construction, Funding, and Acquisition Agreement or

as provided in a Closing Memorandum, Closing Disbursement Request or Certification for Payment, provided that the Trustee may rely solely and conclusively on the Closing Memorandum, a City Certificate, a Closing Disbursement Request, Certification for Payment or other written direction from the City or its designee in making a disbursement from the Improvement Accounts of the Project Fund. Such provisions and procedures related to such disbursements contained in the Construction, Funding, and Acquisition Agreement, are incorporated in the Indenture by reference and deemed set forth in the Indenture in full.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #2 Improvements Account or Improvement Area #3 Improvements Account of the Project Fund are not expected to be expended for the purposes of the respective Account due to the abandonment, or constructive abandonment, of the respective Improvement Areas #2-3 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the applicable Improvement Account of the Project Fund will ever be expended for the purposes of such Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in such Improvement Account of the Project Fund that are not expected to be used for the purposes of such Account. If such City Certificate is so filed, the amounts on deposit in such Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

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

Upon the filing of a City Certificate stating that all Improvement Area #2 Improvements have been completed and that all Actual Costs of the Improvement Area #2 Improvements have been paid, or that any such Actual Costs of the Improvement Area #2 Improvements are not required to be paid from the Improvement Area #2 Improvements Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee shall (i) transfer the amount, if any, remaining within the Improvement Area #2 Improvements Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture as directed by the City Representative in a City Certificate filed with the Trustee and (ii) close the Improvement Area #2 Improvements Account.

Upon the filing of a City Certificate stating that all Improvement Area #3 Improvements have been completed and that all Actual Costs of the Improvement Area #3 Improvements have been paid, or that any such Actual Costs of the Improvement Area #3 Improvements are not required to be paid from the Improvement Area #3 Improvements Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee shall (i) transfer the amount, if any, remaining within the Improvement Area #3 Improvements Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture as directed by the City Representative in a City Certificate filed with the Trustee and (ii) close the Improvement Area #3 Improvements Account.

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

Reserve Account of the Reserve Fund

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

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

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

Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess (the "Excess Reserve Account Balance"). Such excess shall be transferred pursuant to instructions in a City Certificate to (i) the Redemption Fund to be applied to the redemption of Bonds, (ii) to pay amounts due for Rebatale Arbitrage, (iii) to a specified Improvement Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the Closing Date, or (iv) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond; provided, however, if on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay debt service on the Bonds and the amount on deposit in the Additional Interest Account is insufficient to cure such deficiency, the Excess Reserve Account Balance shall be transferred to the Principal and Interest Account to cure such deficiency, in accordance with the below provisions.

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

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

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

Additional Interest Reserve Account of the Reserve Fund

The Trustee, if needed, will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 and September 1 of each year, commencing March 1, 2027, an amount equal to the Additional Interest collected, if any, as shown on the respective Assessment Roll attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any later time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the

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

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

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

Administrative Fund

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

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

Defeasance

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

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

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

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

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

Remedies in Event of Default

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

exercise such one or more of the rights and powers conferred by the Indenture as so directed if Trustee shall have been indemnified by the Owners as provided in the Indenture. Notwithstanding the foregoing, the Trustee may refuse to follow any direction that it believes conflicts with Applicable Laws or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any Owner of Bonds (it being understood that the Trustee does not have any affirmative duty to ascertain whether or not any action or forbearance is unduly prejudicial to such Owner) or that would involve the Trustee in personal liability; provided, however that the Trustee may take any other action deemed proper to the Trustee that is not inconsistent with such direction. Prior to taking any act under the Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking any such action. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

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

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

Whenever moneys are to be applied as a result of any Event of Default, irrespective of whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may, but solely upon receipt of indemnity satisfactory in the sole discretion of the Trustee in accordance with the Indenture, cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of the Indenture. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

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

execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy thereunder.

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

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

Application of Revenues and Other Moneys After Event of Default

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

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

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

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

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the PFIA, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times.

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

Against Encumbrances

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

So long as Bonds are Outstanding under the Indenture, and except as described below in “– Additional Obligations or Other Liens,” the City shall not issue any bonds, notes, or other evidences of indebtedness other than the Bonds and Refunding Bonds, if any, secured by any pledge of or other lien or charge on the Trust Estate, except for other indebtedness incurred in compliance with the Indenture.

Additional Obligation or other Liens

The City reserves the right, subject to the provisions contained in the Indenture, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues.

The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the state of Texas. Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omit to be done any matter or things whatsoever whereby the lien of the Indenture or the priority hereof might or could be lost or impaired.

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

Notwithstanding any contrary provision of the Indenture, the City shall not issue Refunding Bonds, Additional Obligations, or subordinate obligations unless: (1) the principal (including sinking fund installments) of such Refunding Bonds, Additional Obligations, or subordinate obligations is scheduled to mature on September 1 of the years in which principal is scheduled to mature, and (2) the interest on such Refunding Bonds, Additional Obligations or subordinate obligations is scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid.

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SOURCES AND USES OF FUNDS

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

Sources of Funds:

Principal Amount	\$
Original Issue Discount	
Total Sources	\$

Uses of Funds:

Deposit to Improvement Area #2 Improvements Account of the Project Fund	\$
Deposit to Improvement Area #3 Improvements Account of the Project Fund	
Deposit to Capitalized Interest Account of the Bond Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to District Administration Account of the Administrative Fund	
Deposit to Costs of Issuance Account of the Project Fund	
Underwriter's Discount ⁽¹⁾	
Total Uses	\$

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

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DEBT SERVICE REQUIREMENTS

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

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2027 ⁽¹⁾	\$	\$	\$
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
2056			
Total	\$	\$	\$

⁽¹⁾ Moneys in the Capitalized Interest Account will be used for the payment of a portion of the interest due on the Bonds on September 1, 2027.

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OVERLAPPING TAXES AND DEBT

Overlapping Taxes and Debt

The District is located within the boundaries of the City and Denton County, Texas, and partially in the Prosper Independent School District (Phase #1, Improvement Area #2 and the majority of Improvement Area #3) and partially in the Celina Independent School District (a portion of Improvement Area #3 and the Future Phases). The land within Improvement Areas #2-3 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments levied and expected to be levied by the City.

In addition to the City, Denton County, Texas, and, depending on the location of a lot, the Celina Independent School District (“Celina ISD”) or the Prosper Independent School District (“Prosper ISD”) may each levy ad valorem taxes upon land in Improvement Areas #2-3 of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities.

The following table reflects the estimated overlapping ad valorem tax rates for property within Improvement Areas #2-3 of the District, as well as City debt secured by the Assessments, after delivery of the Bonds.

OVERLAPPING TAX RATES

Taxing Entity	Improvement Area #2 Tax Year 2026 Ad Valorem Tax Rate ⁽¹⁾	Improvement Area #3 (Prosper ISD Lots) Tax Year 2026 Ad Valorem Tax Rate ⁽¹⁾	Improvement Area #3 (Celina ISD Lots) Tax Year 2026 Ad Valorem Tax Rate ⁽¹⁾
The City	\$0.571677	\$0.571677	\$0.571677
Denton County, Texas	0.183394	0.183394	0.183394
Celina ISD	----	----	1.208800
Prosper ISD	1.201100	1.201100	---
Total Existing Tax Rate	<u>\$1.956171</u>	<u>\$1.956171</u>	<u>\$1.963871</u>
Estimated Average Annual Installment of Major Improvement Area Assessments in Improvement Areas #2-3 of the District as tax rate equivalent per Parcel ⁽²⁾	<u>\$0.091331</u>	<u>\$0.091331</u>	<u>\$0.091331</u>
Less Projected TIRZ Credit to Major Improvement Area Assessments per parcel as tax rate equivalent ⁽³⁾	<u>(\$0.268688)</u>	<u>(\$0.268688)</u>	<u>(\$0.268688)</u>
Estimated Average Annual Installment of Assessments in Improvement Areas #2-3 of the District as tax rate equivalent per Parcel ⁽²⁾	<u>\$0.414561</u>	<u>\$0.420472</u>	<u>\$0.420472</u>
Net Estimated Total Tax Rate and Average Annual Installment in Improvement Areas #2-3 of the District as tax rate equivalent per Parcel	<u>\$2.193375</u>	<u>\$2.199285</u>	<u>\$2.206985</u>

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

⁽²⁾ Source: MuniCap. Derived from information presented in the Service and Assessment Plan. *Preliminary, subject to change.*

⁽³⁾ See “ASSESSMENT AND COLLECTION DATA FOR THE DISTRICT —TIRZ Credit to Phase #1 Assessments and Major Improvement Area Assessments.”

Source: Denton Central Appraisal District and the City.

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

OVERLAPPING DEBT

<u>Taxing or Assessing Entity⁽¹⁾</u>	<u>Gross Outstanding Debt as of 10/1/2026</u>	<u>Estimated Percentage Applicable⁽²⁾</u>	<u>Direct and Estimated Overlapping Debt⁽²⁾</u>
The City (Assessments - The Bonds) ⁽³⁾	\$ 7,646,000	100.000%	\$7,646,000
The City (Major Improvement Area Assessments)	1,717,692	100.000%	1,717,692
The City	712,755,000	0.322%	2,293,353
Denton County, Texas	700,610,000	0.018%	129,123
Celina ISD	2,645,199,736	0.146%	3,852,719
Prosper ISD	<u>811,530,000</u>	0.036%	<u>291,250</u>
TOTAL	<u>\$4,879,458,428</u>		<u>\$15,930,138</u>

⁽¹⁾ 23 lots in Improvement Area #3 lie within Celina ISD and the remaining lots and homes within Improvement Areas #2-3 lie within Prosper ISD.

⁽²⁾ Based on the values set forth in the Appraisal and on the Tax Year 2026 Net Taxable Assessed Valuations for the taxing entities.

⁽³⁾ Preliminary, subject to change.

Source: Municipal Advisory Council of Texas

Homeowners' Association

In addition to the Assessments described above, the Developer anticipates that each lot owner in Improvement Areas #2-3 of the District will pay a maintenance and operation fee and/or property owner's association fee of \$850 annually to the homeowners' association in the District (the "HOA").

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determined to defray a portion of the costs of the Improvement Area #2 Improvements through the Improvement Area #2 Assessments, it adopted a resolution generally describing the Improvement Area #2 Improvements and the land within Improvement Area #2 of the District to be subject to Assessments to pay the cost therefor. The City caused an assessment roll to be prepared (the "Improvement Area #2 Assessment Roll"), which Assessment Roll showed the land within Improvement Area #2 of the District to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Improvement Area #2 Assessment is divided. The Improvement Area #2 Assessment Roll was filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #2 Improvements and funding a portion of the same with Assessments. The City levied the Improvement Area #2 Assessments on January 10, 2025, after which the Improvement Area #2 Assessments became legal, valid and binding liens upon the property against which the Improvement Area #2 Assessments were made.

As required by the PID Act, when the City determined to defray a portion of the costs of the Improvement Area #3 Improvements through the Improvement Area #3 Assessments, it adopted a resolution generally describing the Improvement Area #3 Improvements and the land within Improvement Area #3 of the District to be subject to Improvement Area #3 Assessments to pay the cost therefor. The City has caused an assessment roll to be prepared

(the “Improvement Area #3 Assessment Roll,” and together with the Improvement Area #2 Assessment Roll, the “Assessment Rolls”), which Improvement Area #3 Assessment Roll shows the land within Improvement Area #3 of the District to be assessed, the amount of the benefit to and the Improvement Area #3 Assessment against each lot or parcel of land and the number of Annual Installments in which the Improvement Area #3 Assessment is divided. The Improvement Area #3 Assessment Roll was filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #3 Improvements and funding a portion of the same with Improvement Area #3 Assessments. The City expects to levy the Improvement Area #3 Assessments and adopt the Improvement Area #3 Assessment Ordinance immediately prior to adopting the Bond Ordinance. After such adoption, the Improvement Area #3 Assessments will become legal, valid and binding liens upon the property against which the Improvement Area #3 Assessments have been made.

Under the PID Act, the Actual Costs of the Improvement Areas #2-3 Improvements may be assessed by the City against the assessable property in Improvement Areas #2-3 of the District so long as the special benefit conferred upon the Assessed Property by the Improvement Areas #2-3 Improvements equals or exceeds the Assessments. The costs of the Improvement Areas #2-3 Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Property similarly benefited. The allocation of benefits and assessments to the benefitted land within the District, including land in Improvement Areas #2-3, is set forth in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX B — Form of Service and Assessment Plan.”

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Improvement Areas #2-3 Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments levied and being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Areas #2-3 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 Improvements is being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Assessment Revenues.

As set forth in the Service and Assessment Plan, the City Council has determined that (i) the costs associated with the Improvement Area #2 Improvements will be allocated to the parcels against which the Improvement Area #2 Assessments are levied by spreading the entire Improvement Area #2 Assessment across all Parcels within Improvement Area #2 based on the estimated number of units anticipated to be developed on each Parcel within Improvement Area #2 and (ii) the costs associated with the Improvement Area #3 Improvements will be allocated to the parcels against which the Improvement Area #3 Assessments will be levied by spreading the entire Improvement Area #3 Assessment across all Parcels within Improvement Area #3 based on the estimated number of units anticipated to be developed on each Parcel within Improvement Area #3.

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

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

Lot type	Planned No. of Units	Estimated Finished Lot Value per unit ⁽¹⁾	Projected Average Home Value per unit ⁽²⁾	Improvement Area #2 Assessment per unit	Average Annual Installment of Assessment per unit	Tax Rate Equivalent of Average Annual Installment of Assessment (per \$100 lot Value) ⁽¹⁾	Tax Rate Equivalent of Average Annual Installment of Assessment (per \$100 Home Value)	Estimated Ratio of Estimated Lot Value to Assessment ⁽¹⁾	Ratio of Projected Average Home Value to Assessment
50'	158	\$112,250	\$575,000	\$26,240.51	\$2,383.73	\$2.12	\$0.41	4.28	21.91

⁽¹⁾ Values based on the Appraisal. See "APPRAISAL" and APPENDIX E.

⁽²⁾ Developer estimates.

Source: MuniCap, Inc. and information presented in the Service and Assessment Plan

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

Lot type	Planned No. of Units	Estimated Finished Lot Value per unit ⁽¹⁾	Projected Average Home Value per unit ⁽²⁾	Improvement Area #2 Assessment per unit	Major Improvement Area Assessment per unit	Total Assessment per unit ⁽³⁾	Average Annual Installment of Total Assessment per unit ⁽³⁾	Tax Rate Equivalent of Average Annual Installment of Total Assessment (per \$100 lot Value) ^{(1), (3)}	Tax Rate Equivalent of Average Annual Installment of Total Assessment (per \$100 Home Value) ⁽³⁾	Estimated Ratio of Estimated Lot Value to Total Assessment ^{(1), (3)}	Ratio of Projected Average Home Value to Total Assessment ⁽³⁾
50'	158	\$112,250	\$575,000	\$26,240.51	\$5,789.47	\$32,029.98	\$2,908.88	\$2.59	\$0.51	3.50	17.95

⁽¹⁾ Values based on the Appraisal. See "APPRAISAL" and APPENDIX E.

⁽²⁾ Developer estimates.

⁽³⁾ Includes the Improvement Area #2 Assessments and the Major Improvement Area Assessments.

Source: MuniCap, Inc. and information presented in the Service and Assessment Plan

* Preliminary; subject to change.

**VALUE TO LIEN ANALYSIS, IMPROVEMENT AREA #3 ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE AND LEVERAGE PER UNIT IN IMPROVEMENT
AREA #3 OF THE DISTRICT***

Lot type	Planned No. of Units	Estimated Finished Lot Value per unit⁽¹⁾	Projected Average Home Value per unit⁽²⁾	Improvement Area #3 Assessment per unit	Average Annual Installment of Assessment per unit	Tax Rate Equivalent of Average Annual Installment of Assessment (per \$100 lot Value)⁽¹⁾	Tax Rate Equivalent of Average Annual Installment of Assessment (per \$100 Home Value)	Estimated Ratio of Estimated Lot Value to Assessment⁽¹⁾	Ratio of Projected Average Home Value to Assessment
50'	136	\$112,750	\$575,000	\$25,735.29	\$2,417.71	\$2.14	\$0.42	4.38	22.34

⁽¹⁾ Values based on the Appraisal. See "APPRAISAL" and APPENDIX E.

⁽²⁾ Developer estimates.

Source: MuniCap, Inc. and information presented in the Service and Assessment Plan

**VALUE TO LIEN ANALYSIS, IMPROVEMENT AREA #3 ASSESSMENT ALLOCATION, MAJOR IMPROVEMENT AREA ASSESSMENT ALLOCATION, EQUIVALENT
TAX RATE AND LEVERAGE PER UNIT IN IMPROVEMENT AREA #3 OF THE DISTRICT***

Lot type	Planned No. of Units	Estimated Finished Lot Value per unit⁽¹⁾	Projected Average Home Value per unit⁽²⁾	Improvement Area #3 Assessment per unit	Major Improvement Area Assessment per unit	Total Assessment per unit⁽³⁾	Average Annual Installment of Total Assessment per unit⁽³⁾	Tax Rate Equivalent of Average Annual Installment of Total Assessment (per \$100 lot Value)^{(1), (3)}	Tax Rate Equivalent of Average Annual Installment of Total Assessment (per \$100 Home Value)⁽³⁾	Estimated Ratio of Estimated Lot Value to Total Assessment^{(1), (3)}	Ratio of Projected Average Home Value to Total Assessment⁽³⁾
50'	136	\$112,750	\$575,000	\$25,735.29	\$5,789.47	\$31,524.77	\$2,942.86	\$2.61	\$0.51	3.58	18.24

⁽¹⁾ Values based on the Appraisal. See "APPRAISAL" and APPENDIX E.

⁽²⁾ Developer estimates.

⁽³⁾ Includes the Improvement Area #3 Assessments and the Major Improvement Area Assessments.

Source: MuniCap, Inc. and information presented in the Service and Assessment Plan

* Preliminary; subject to change.

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

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels similarly situated within Improvement Areas #2-3 of the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within the District. See “APPENDIX B — Form of Service and Assessment Plan.”

Assessment Payer Concentration in Improvement Areas #2-3

The information appearing in the following table illustrates the assessment payer concentration in Improvement Areas #2-3 of the District.

IMPROVEMENT AREA #2

Property Owner⁽¹⁾	Percentage of Lots and Improvement Area #2 Assessments	Total Outstanding Improvement Area #2 Assessments
Individual Homeowners	15.82%	\$656,012.66
Developer	84.18%	\$3,489,987.34
Total	100.00%	\$4,146,000.00

Source: The Administrator

¹ Based on information provided by the Developer as of September 15, 2026.

IMPROVEMENT AREA #3

Property Owner	Percentage of Lots	Total Outstanding Improvement Area #3 Assessments*	Percentage of Assessments
Developer	100.00%	\$3,500,000.00	100.00%
Total	100.00%	\$3,500,000.00	100.00%

Source: The Administrator

Collection and Enforcement of Assessment Amounts

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

The Indenture contains the covenant of the City to collect, or cause to be collected, Assessments as provided in the Assessment Ordinances. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update 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 Assessed Property. Administrative Expenses shall be allocated among all Assessed Property in proportion to the amount of the Annual Installments for the Assessed Property.

* Preliminary; subject to change.

The Indenture contains the covenant, agreement and warranty of the City that, for so long as any Bonds are Outstanding, the City 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 expects that it will implement the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit D of the City's Continuing Disclosure Agreement set forth in APPENDIX D-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedure for enforcing the payment of delinquent Assessments.

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

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

<u>Date Payment</u>	<u>Cumulative</u>	<u>Cumulative</u>	
<u>Received</u>	<u>Penalty</u>	<u>Interest</u>	<u>Total</u>
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 prevent liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The Improvement Area #2 Maximum Assessment Per Unit and the Improvement Area #3 Maximum Assessment Per Unit have been established by the methodology described in the Service and Assessment Plan. The Assessment Rolls set forth for each year the Annual Installment for each Parcel of Assessed Property within Improvement Areas #2-3. The Annual Installments of the Assessments may not exceed the amounts shown on the

Assessment Rolls. The Assessments have been or will be levied against the Parcels comprising the Assessed Property as indicated on the Assessment Rolls. See “APPENDIX B – Form of Service and Assessment Plan.”

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

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that (i) the costs associated with the Improvement Area #2 Improvements will be allocated to the parcels against which the Improvement Area #2 Assessments are levied by spreading the entire Improvement Area #2 Assessment across all Parcels within Improvement Area #2 based on the estimated number of units anticipated to be developed on each Parcel within Improvement Area #2 and (ii) the costs associated with the Improvement Area #3 Improvements will be allocated to the parcels against which the Improvement Area #3 Assessments will be levied by spreading the entire Improvement Area #3 Assessment across all Parcels within Improvement Area #3 based on the estimated number of units anticipated to be developed on each Parcel within Improvement Area #3. See “APPENDIX B — Form of Service and Assessment Plan.” See “ASSESSMENT PROCEDURES — Assessment Methodology.”

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be subdivided as described in the Service and Assessment Plan. See “APPENDIX B — Form of Service and Assessment Plan.”

Maximum Assessments. The Service and Assessment Plan establishes that the Improvement Area #2 Maximum Assessment Per Unit with respect to the Improvement Area #2 Assessments and the Major Improvement Area Assessments allocable to Improvement Area #2 is \$32,029.98 and the Improvement Area #3 Maximum Assessment Per Unit with respect to the Improvement Area #3 Assessments and the Major Improvement Area Assessments allocable to Improvement Area #3 of the District is \$31,524.77*. See “ASSESSMENT PROCEDURES — Assessment Methodology.” The Bonds are secured by a first lien on and pledge of Pledged Revenues, including the Assessments. See “SECURITY FOR THE BONDS” and “APPENDIX B — Form of Service and Assessment Plan.”

Prepayment of Assessments

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

Optional Prepayment. Pursuant to the PID Act and the Indenture, the owner of any property assessed may voluntarily prepay all or part of any Assessment levied against any lot or parcel, together with accrued interest to the date of prepayment, 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 a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.

If at any time the Assessment per unit on a Parcel exceeds the Improvement Area #2 Maximum Assessment Per Unit and the Improvement Area #3 Maximum Assessment Per Unit, as applicable, calculated in the Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by the Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to

* Preliminary; subject to change.

the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per unit for the Parcel exceeds the Improvement Area #2 Maximum Assessment Per Unit and the Improvement Area #3 Maximum Assessment Per Unit, as applicable, calculated in the Service and Assessment Plan.

The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinances, and the Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

Priority of Lien

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

Foreclosure Proceedings

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

Any sale of property for nonpayment of an installment or installments of an Assessment will be subject to the lien established for remaining unpaid installments of the Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments of the Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds 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. The City is not required under any circumstance to purchase the property or to pay the delinquent Assessment on the corresponding Assessed Parcel.

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

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

ASSESSMENT AND COLLECTION DATA FOR THE DISTRICT

Collection and Delinquency History in Phase #1 of the District

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

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

COLLECTION AND DELINQUENCY HISTORY OF PHASE #1 ASSESSMENTS

Fiscal Year Ending 9/30	Tax Year Billed	Annual Installment Billed	Delinquent Amount as of 3/1 (following year)	Delinquent Percentage as of 3/1 (following year)	Delinquent Amount as of 9/1 (following year)	Delinquent Percentage as of 9/1 (following year)	Annual Installments Collected⁽¹⁾⁽²⁾
2022	2021	\$334,435	\$0	0.00%	\$0	0.00%	\$334,435
2023	2022	\$618,953	\$0	0.00%	\$0	0.00%	\$618,953
2024	2023	\$599,090	\$0	0.00%	\$0	0.00%	\$599,090
2025	2024	\$588,858	\$13,821	2.35%	\$0	0.00%	\$588,858
2026	2025	\$331,428	\$7,252	2.19%	\$1,998 ⁽³⁾	0.60%	\$329,430

⁽¹⁾ Does not include interest and penalties.

⁽²⁾ Collection data as of September 1, 2026.

⁽³⁾ The City has referred collection efforts for the delinquent parcel to the City's collection attorney.

Delinquency, Foreclosure and Prepayment History of Phase #1 Assessments

As of September 1, 2026, annual installment delinquencies of the Phase #1 Assessments were as follows: (i) delinquent for greater than six months: \$1,998; (ii) delinquent for greater than one year: \$0; (iii) delinquent for greater than two years: \$0. As of September 1, 2026, there have been no foreclosure sales of the assessed property within Phase #1 of the District for non-payment of Phase #1 Assessments. The City has referred collection of the parcel delinquent in excess of six months to its collection attorney.

As of September 1, 2026, there have been no prepayments of the Phase #1 Assessments.

Collection and Delinquency History in Improvement Area #2 of the District

THE FOLLOWING SUBSECTIONS SET FORTH, FOR INFORMATIONAL PURPOSES ONLY, INFORMATION REGARDING COLLECTION HISTORY FOR THE IMPROVEMENT AREA #2 ASSESSMENTS. NO ASSURANCES CAN BE MADE THAT FUTURE COLLECTION OF THE IMPROVEMENT AREA #2 ASSESSMENTS WILL REFLECT THE HISTORICAL COLLECTION OF THE IMPROVEMENT AREA #2 ASSESSMENTS.

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

COLLECTION AND DELINQUENCY HISTORY OF IMPROVEMENT AREA #2 ASSESSMENTS

Fiscal Year Ending 9/30	Tax Year Billed	Annual Installment Billed	Delinquent Amount as of 3/1 (following year)	Delinquent Percentage as of 3/1 (following year)	Delinquent Amount as of 9/1 (following year)	Delinquent Percentage as of 9/1 (following year)	Annual Installments Collected⁽¹⁾⁽²⁾
2026	2025	\$362,700	\$0	0.00%	\$0	0.00%	\$362,700

⁽¹⁾ Does not include interest and penalties.

⁽²⁾ Collection data as of September 1, 2026.

Delinquency, Foreclosure and Prepayment History of Improvement Area #2 Assessments

As of September 1, 2026, Annual Installment delinquencies of the Improvement Area #2 Assessments were as follows: (i) delinquent for greater than six months: \$0; (ii) delinquent for greater than one year: \$0; (iii) delinquent for greater than two years: \$0.

As of September 1, 2026, there have been no foreclosure sales of the assessed property within Improvement Area #2 of the District for non-payment of Improvement Area #2 Assessments.

As of September 1, 2026, there have been no prepayments of the Improvement Area #2 Assessments.

Collection and Delinquency History of Major Improvement Area Assessments

THE FOLLOWING SECTION SETS FORTH, FOR INFORMATION PURPOSES ONLY, INFORMATION REGARDING COLLECTION HISTORY FOR THE MAJOR IMPROVEMENT AREA ASSESSMENTS. THE MAJOR IMPROVEMENT AREA ASSESSMENTS ARE NOT PLEDGED TO AND WILL NOT BE AVAILABLE FOR PAYMENT OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT COLLECTION OF THE ASSESSMENTS WILL REFLECT THE HISTORICAL COLLECTION OF THE MAJOR IMPROVEMENT AREA ASSESSMENTS.

The following table shows the collection and delinquency history of the Major Improvement Area Assessments:

COLLECTION AND DELINQUENCY HISTORY OF MAJOR IMPROVEMENT AREA ASSESSMENTS

<u>Fiscal Year Ending 9/30</u>	<u>Tax Year Billed</u>	<u>Annual Installments Billed</u>	<u>Delinquent Amount as of 3/1 (following year)</u>	<u>Delinquent Percentage as of 3/1 (following year)</u>	<u>Delinquent Amount as of 9/1 (following year)</u>	<u>Delinquent Percentage as of 9/1 (following year)</u>	<u>Annual Installments Collected⁽¹⁾⁽²⁾</u>
2022	2021	\$53,000	\$0	0.00%	\$0	0.00%	\$53,000
2023	2022	\$301,050	\$0	0.00%	\$0	0.00%	\$301,050
2024	2023	\$284,453	\$0	0.00%	\$0	0.00%	\$284,453
2025	2024	\$285,016	\$0	0.00%	\$0	0.00%	\$285,016
2026	2025	\$257,861	\$0	0.00%	\$0	0.00%	\$257,861

⁽¹⁾ Information as of September 1, 2026.

⁽²⁾ Does not include interest and penalties.

Delinquency, Foreclosure and Prepayment History of Major Improvement Area Assessments

According to the Tax Office as of September 1, 2026, annual installment delinquencies of the Major Improvement Area Assessments were as follows: (i) delinquent for greater than six months: \$0; (ii) delinquent for greater than one year: \$0; (iii) delinquent for greater than two years: \$0. As of September 1, 2026, there has never been a foreclosure sale of any of the assessed property within the Major Improvement Area of the District for non-payment of Major Improvement Area Assessments.

As of September 1, 2026, there have been no prepayments of the Major Improvement Area Assessments.

TIRZ Credit to Phase #1 Assessments and Major Improvement Area Assessments

Pursuant to Chapter 311 of the Texas Tax Code (the “TIRZ Act”), on December 8, 2020, the City created “Reinvestment Zone Number Twelve, City of Celina” (the “TIRZ”) the boundaries of which are coterminous with the boundaries of the District. The City has authorized the use of TIRZ Revenues (defined below) for project costs under the TIRZ Act relating to the Major Improvements and Phase #1 Improvements.

Pursuant to the TIRZ Act, the Final Project Plan and Financing Plan for the TIRZ, and the Development Agreement, the City will set the amount of the “Tax Increment” for a year as the amount equal to 47% of the ad valorem tax increment collected on all real property in the TIRZ taxable by the City. It is expected that the City will use annual Tax Increment revenues (the “TIRZ Revenues”) collected, on a parcel-by-parcel basis, to offset the costs of the Major Improvements and Phase #1 Improvements benefiting the District. The City will transfer from the tax increment fund a portion of TIRZ Revenues collected each year on a parcel-by-parcel basis relating to the Phase #1 Bonds and Major Improvement Area Bonds, to the applicable trustee for the payment of debt service on the Phase #1 Bonds and Major Improvement Area Bonds. Such Tax Increment revenue, if and when collected and transferred by the City, will result in a reduction in annual installments of the Phase #1 Assessments and Major Improvement Area Assessments by a corresponding amount. The City intends to dedicate and deposit Tax Increment revenues in the TIRZ collected for a period of (i) forty years or (ii) until the aggregate amount of increment placed in the Tax Increment fund for the TIRZ totals \$21,108,677.

The TIRZ Credit is available only for the Phase #1 Assessments and the Major Improvement Area Assessments. No such TIRZ Credit will be applied to, or be available for, the Assessments.

THE CITY

Background

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

City Government

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

Major Employers

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

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
University of North Texas	Education	8,891
Lewisville ISD	Education	6,845
Denton ISD	Education	4,593
Northwest ISD	Education	3,000
City of Denton	Government	2,070
Peterbilt Motors	Manufacturing	2,000
Denton County	Government	1,959
Medical City Hospitals	Healthcare	1,684
OrthoFix	Medical Products	1,267
Denton State School	Education	1,146

Source: 2024 Denton County Annual Comprehensive Financial Report

Historical Employment in Denton County

	Average Annual				
	2026 ⁽¹⁾	2025	2024	2023	2022
Civilian Labor Force	614,643	607,941	597,424	580,161	557,036
Total Employed	590,412	585,073	574,981	559,165	538,568
Total Unemployed	24,231	22,868	22,443	20,996	18,468
Unemployment Rate	3.9%	3.8%	3.8%	3.6%	3.3%

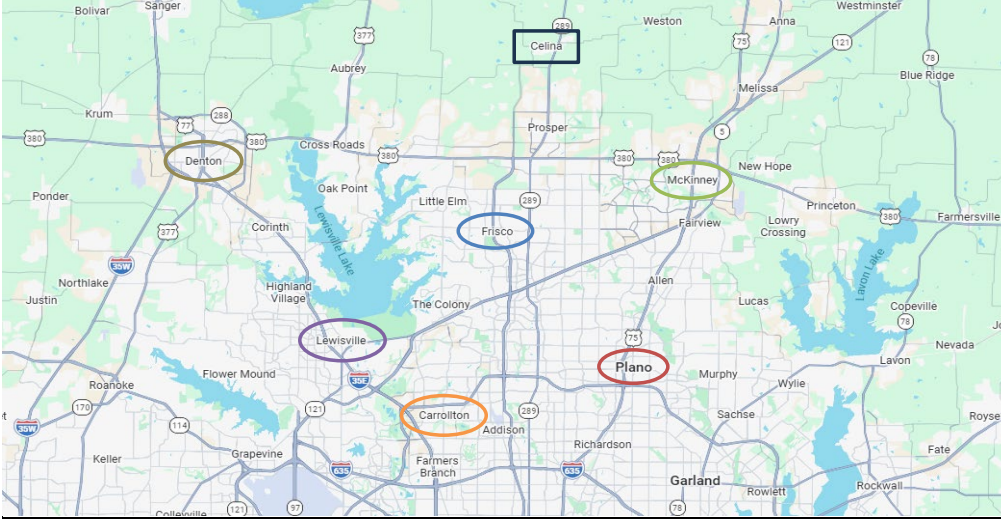
Source: Texas Workforce Commission.

⁽¹⁾ Data through September 2026.

Surrounding Economic Activity

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

City of McKinney		City of Frisco		City of Plano		City of Denton	
Approximately 11 miles from the City		Approximately 12 miles from the City		Approximately 21 miles from the City		Approximately 21 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employees
Raytheon Space & Airborne Systems	4,500	Frisco ISD	8,850	JP Morgan Chase	11,261	University of North Texas	8,891
McKinney ISD	3,689	Dallas Cowboys Football Club	2,000	Bank of America	6,566	Denton ISD	4,431
Collin County	2,098	City of Frisco	1,866	Capital One Finance	5,649	Peterbilt Motors - Headquarters & Plant	2,000
City of McKinney	1,682	HCL Technologies LTD	1,500	Toyota Motor North American, Inc.	4,938	Denton County	1,822
Encore Wire	1,653	Integrated Commercialization Solution	1,300	PepsiCo Food North America	3,759	Denton State Supported Living Center	1,146
Medical City McKinney	1,500	Keurig Dr. Pepper Inc	1,213	Ericsson	3,346	City of Denton	1,104
Baylor Scott & White Medical Center McKinney	1,500	Amerisource Begen Speciality Group	749	AT&T Foundry and Services	2,500	Texas Presbyterian Hospital	1,100
Globe Life	1,200	Baylor Medical Center (Warren Pkwy)	567	Medical City Plano	2,332	Texas Womens University	1,077
Collin College	957	Community Impact Newspaper	500	Liberty Mutual Insurance Company	2,100	Medical City Denton	799
Simpson Strong-Tie	700	Mario Sinacola & Sons Excavating	500	USAA	2,092	Safran Electrical & Power	571



City of Lewisville	
Approximately 23 miles from the City	
Employer	Employees
Lewisville ISD	6,265
Caliber Collision	1,957
Wal-Mart	950
City of Lewisville	908
Medical City of Lewisville	276
Mary Kay	509
SYSCO	476
HOYA Vision Care	322
Orthofix	250
The Flooring Services	250

City of Carrollton	
Approximately 24 miles from the City	
Employer	Employees
Brandt	1,200
AER Manufacturing	1,000
Western Extrusions Corporation	1,000
BuzzBallz	626
Schneider Electric	574
Fairway Independent Mortgage Corp	513
International Paper	450
MB2 Dental	450
Cyrus One	400
Sanmina	400

Source: Municipal Advisory Council of Texas

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THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by the Creation Resolution for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Areas #2-3 Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page v hereof.

Powers and Authority

Pursuant to the PID Act, the City may establish and create the District and undertake, or pay a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City's extraterritorial jurisdiction. The District is located within the corporate limits of the City. The PID Act provides that the City may levy and collect Assessments on property in the District, or portions thereof, payable in 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 Improvements. See "THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition, or purchase of certain road, water, sanitary sewer, and storm drainage improvements within Improvement Areas #2-3 of the District and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues, consisting primarily of the Assessment Revenues, and other assets comprising the Trust Estate. See "ASSESSMENT PROCEDURES" herein and "APPENDIX B — Form of Service and Assessment Plan."

THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS

General

The Improvement Areas #2-3 Improvements consist of the costs of the local infrastructure benefiting only Improvement Area #2 of the District and the local infrastructure benefiting only Improvement Area #3 of the District. A portion of the costs of construction of the Improvement Areas #2-3 Improvements will be funded with proceeds of the Bonds. The balance of the costs of the Improvement Areas #2-3 Improvements has been paid by the Developer. See "SOURCES AND USES OF FUNDS." The Developer will submit payment requests on a monthly basis for costs actually incurred in developing and constructing the Improvement Areas #2-3 Improvements and be paid in accordance with the Indenture and the Construction, Funding, and Acquisition Agreement.

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

Road improvements: The road improvement portion of the Improvement Area #2 Improvements consists of the construction of road improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, which benefit the Improvement Area #2 Assessed Property. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water improvements: The water improvements portion of the Improvement Area #2 Improvements consists of construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Improvement

Area #2 Assessed Property. The water improvements will be designed and constructed according to Mustang Special Utility District (“MSUD”) and City standards and will be owned and operated by MSUD.

Sanitary sewer improvements: The sanitary sewer improvement portion of the Improvement Area #2 Improvements consists of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Improvement Area #2 Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and City standards and specifications and will be owned and operated by MSUD.

Storm drainage improvements: The storm drainage improvement portion of the Improvement Area #2 Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the Improvement Area #2 Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Improvements: The soft and miscellaneous costs portion of the Improvement Area #2 Improvements consists of engineering and surveying, project management fees, contingency, and other soft and miscellaneous costs.

Improvement Area #3 Improvements. The Improvement Area #3 Improvements, a portion of which are being financed with proceeds of the Bonds, include road, water, sanitary sewer, and storm drainage improvements benefiting only Improvement Area #3 of the District.

Road improvements: The road improvement portion of the Improvement Area #3 Improvements consists of the construction of road improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, which benefit the Improvement Area #3 Assessed Property. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water improvements: The water improvements portion of the Improvement Area #3 Improvements consists of construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Improvement Area #3 Assessed Property. The water improvements will be designed and constructed according to MSUD and City standards and will be owned and operated by MSUD.

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

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

Other Soft and Miscellaneous Improvements: The soft and miscellaneous costs portion of the Improvement Area #3 Improvements consists of engineering and surveying, project management fees, contingency, and other soft and miscellaneous costs.

The cost of the Improvement Areas #2-3 Improvements, including costs of issuance of the Bonds, is expected to be approximately \$14,536,782*. A portion of such costs in the amount of \$7,646,000* is expected to be paid with proceeds of the Bonds. The balance of such costs is expected to be paid by the Developer. See “SOURCES AND USES OF FUNDS.”

* Preliminary; subject to change.

The following table reflects the expected total costs of the Improvement Areas #2-3 Improvements along with costs of issuance of the Bonds.

Improvement	Improvement Area #2	Improvement Area #3	Total
<i><u>Improvement Area #2 Improvements</u></i>			
Road Improvements	\$1,841,998	\$0	\$1,841,998
Water Improvements	\$670,592	\$0	\$670,592
Sanitary Sewer Improvements	\$257,196	\$0	\$257,196
Storm Drainage Improvements	\$1,027,797	\$0	\$1,027,797
Soft and miscellaneous costs	\$594,105	\$0	\$594,105
<i>Subtotal</i>	<i>\$4,391,687</i>	<i>\$0</i>	<i>\$4,391,687</i>
<i><u>Improvement Area #3 Improvements</u></i>			
Road Improvements	\$0	\$3,404,083	\$3,404,083
Water Improvements	\$0	\$748,000	\$748,000
Sanitary Sewer Improvements	\$0	\$949,570	\$949,570
Storm Drainage Improvements	\$0	\$1,648,047	\$1,648,047
Soft and miscellaneous costs	\$0	\$1,737,395	\$1,737,395
<i>Subtotal</i>	<i>\$0</i>	<i>\$8,487,095</i>	<i>\$8,487,095</i>
<i><u>Bond Issuance Costs</u></i>			
Cost of Issuance	\$269,813	\$227,680	\$497,493
Reserve Fund	\$378,307	\$319,404	\$697,711
Capitalized Interest	\$0	\$153,417	\$153,417
Administrative Expense	\$40,000	\$40,000	\$80,000
Underwriters Discount	\$124,380	\$105,000	\$229,380
<i>Subtotal</i>	<i>\$812,500</i>	<i>\$845,500</i>	<i>\$1,658,000</i>
Total Uses	\$5,204,187	\$9,332,595	\$14,536,782

Ownership and Maintenance of Improvement Areas #2-3 Improvements

The Improvement Areas #2-3 Improvements will be dedicated to and accepted by the City and MSUD, as applicable, and will constitute a portion of the City's and MSUD's infrastructure improvements. The City and MSUD will provide for the ongoing operation, maintenance and repair of the Improvement Areas #2-3 Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

THE DEVELOPMENT

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

Overview

The land within the District is being developed as a development to be known as "Edgewood Creek" (the "Development"). The Development is an approximately 246.54-acre master planned project which is expected to consist of 852 50' lots at build out. The Development is located within the city limits of the City, near the intersection of FM 1385 and FM 428. The City, located in the north-central region of the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (the "DFW MSA"), is experiencing significant growth as the overall DFW MSA continues its growth trajectory. The Development is located partially within Prosper ISD and Celina ISD. The Development will include a variety of hike and bike trails, ponds, an amenity center and open space areas for its residents and others to enjoy.

Development Plan and Status of Development

Development of the District began with the concurrent development of the major infrastructure to serve the entire District, as well as local infrastructure to serve Phase #1 of the District, which development was completed by the Original Developer in 2023. The Developer purchased the lots in Phase #1 and the remaining land in the Major Improvement Area of the District in 2023 and has developed and is developing the land in the Major Improvement Area in four phases.

Set forth below is the status of lot ownership and home sales in Phase #1 of the District as of September 15, 2026.

Lot Type	Qty.	Completed Lots	Lots Owned by the Developer ⁽¹⁾	Homes Under Construction	Completed Homes	Homes Closed to End Users	Average Home Price
50'	301	301	49	1	295	252	\$500,000

⁽¹⁾ The Developer expects to build homes on and sell homes on five of the remaining lots in Phase #1 and hold the final 44 lots in Phase #1 for construction until homes in the other phases in the District have been completed and sold.

The Developer developed Improvement Area #2, which consists of approximately 44.251 acres, into 158 lots. Development in Improvement Area #2, which consisted of construction of the Improvement Area #2 Improvements, began in Q2 2023 and was completed in Q2 2025. The total cost of the Improvement Area #2 Improvements (exclusive of any costs of issuance of the Bonds or related reserve funds) was approximately \$4,391,687.

The Developer developed Improvement Area #3, which consists of approximately 72.217 acres, into 136 lots. Development in Improvement Area #3, which consisted of construction of the Improvement Area #3 Improvements, began in Q1 2025 and is expected to be completed by the end of October 2026. The total cost of the Improvement Area #3 Improvements (exclusive of any costs of issuance of the Bonds or related reserve funds) is expected to be approximately \$8,487,095.

The Developer expects to develop the Future Phases over a two-year period.

Proceeds of the Bonds will pay for a portion of the costs of the Improvement Areas #2-3 Improvements. See “SOURCES AND USES OF FUNDS.” The Developer has financed the balance of the Improvement Areas #2-3 Improvements not paid with proceeds of the Bonds with cash available to the Developer. See “THE DEVELOPER – History and Financing of the District.”

The Developer will serve as the homebuilder for all homes in the District.

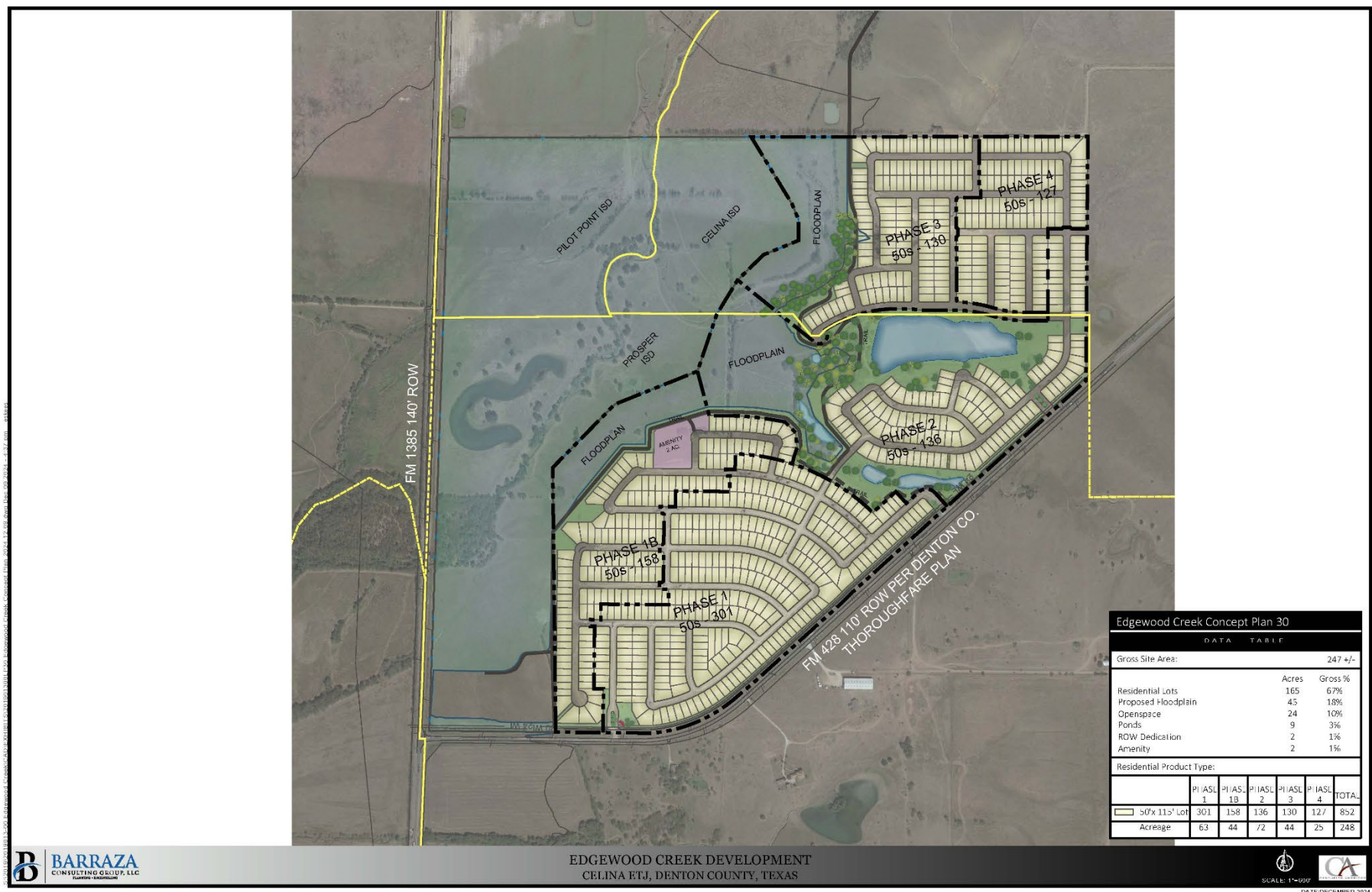
As of September 15, 2026, the Developer owned 22 completed homes and 111 lots in Improvement Area #2 of the District. On the Developer’s lots, 11 additional homes were under construction. As of September 15, 2026, 25 homes had been sold to end users in Improvement Area #2 of the District at an average sale price of \$630,000. As of September 15, 2026, an additional 7 homes were under contract in Improvement Area #2 at an average sale price of \$650,000. Home construction in Improvement Area #3 is expected to begin in Q4 2026.

Photographs of Development in Improvement Areas #2-3 the District

Photographs of development in Improvement Areas #2-3 of the District taken in September 2026 are shown in APPENDIX G hereto.

Concept Plan

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



Expected Build-Out and Home Prices in the Development

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

ESTIMATED HOME PRICES

<u>Phase/Improvement</u> <u>Area</u>	<u>Lot Size (Width in</u> <u>Ft.)</u>	<u>Quantity</u>	<u>Base Lot Price</u>	<u>Average Base Home</u> <u>Price*</u>
1	50'	301	\$45,000	\$500,000
2	50'	158	N/A **	\$575,000
3	50'	136	N/A **	\$575,000
Future	50'	257	N/A **	\$600,000

* Developer estimates. For Phase #1, based on sale prices of first 252 homes.

** Developer will serve as homebuilder in the District and is the owner of all land in Improvement Areas #2-3, other than the lots in Improvement Area #2 sold to homeowners, and the Future Phases. No lot contract is expected.

The following tables provide the Developer's expected build-out schedule of the District and absorption schedule of lots for the District.

ACTUAL/EXPECTED BUILD-OUT OF THE DISTRICT

<u>Phase/Improvement</u> <u>Area</u>	<u>Single-Family</u> <u>Lots</u>	<u>Actual/Expected</u> <u>Infrastructure</u> <u>Start Date</u>	<u>Actual/Expected</u> <u>Infrastructure</u> <u>Completion Date</u>	<u>Expected Final</u> <u>Home</u> <u>Sale Date</u>
1	301	Q4 2020	Q2 2023	Q3 2034 ⁽¹⁾
2	158	Q2 2023	Q2 2025	Q2 2031
3	136	Q1 2025	Q4 2026	Q4 2031
Future	257	Q3 2027	Q4 2028	Q1 2035

⁽¹⁾ The Developer expects to build homes on and sell homes on five of the remaining lots in Phase #1 and hold the final 44 lots in Phase #1 for construction until homes in the other phases in the District have been completed and sold.

ACTUAL/EXPECTED ABSORPTION OF HOMES IN PHASE #1 AND IMPROVEMENT AREAS #2-3

<u>Phase #1</u>		<u>Improvement Area #2</u>		<u>Improvement Area #3</u>	
<u>Actual/Expected</u> <u>Final Sale Date</u>	<u>Total Lots</u>	<u>Actual/Expected</u> <u>Final Sale Date</u>	<u>Total Lots</u>	<u>Expected Final</u> <u>Sale Date</u>	<u>Total Lots</u>
Q2 2023	1	Q4 2025	10	Q1 2027	5
Q3 2023	8	Q1 2026	7	Q2 2027	5
Q4 2023	49	Q2 2026	3	Q3 2027	5
Q1 2024	52	Q3 2026	5	Q4 2027	5
Q2 2024	66	Q4 2026	5	Q1 2028	5
Q3 2024	31	Q1 2027	5	Q2 2028	5
Q4 2024	14	Q2 2027	5	Q3 2028	5
Q1 2025	8	Q3 2027	5	Q4 2028	8
Q2 2025	9	Q4 2027	5	Q1 2029	8
Q3 2025	3	Q1 2028	5	Q2 2029	8
Q4 2025	5	Q2 2028	5	Q3 2029	8
Q1 2026	3	Q3 2028	5	Q4 2029	7
Q2 2026	1	Q4 2028	9	Q1 2030	7
Q3 2026	2	Q1 2029	9	Q2 2030	7
Q4 2026	1	Q2 2029	9	Q3 2030	7
Q1 2027	1	Q3 2029	9	Q4 2030	8
Q2 2027	1	Q4 2029	9	Q1 2031	8
Q3 2027	1	Q1 2030	9	Q2 2031	8

<u>Phase #1</u>		<u>Improvement Area #2</u>		<u>Improvement Area #3</u>	
<u>Actual/Expected Final Sale Date</u>	<u>Total Lots</u>	<u>Actual/Expected Final Sale Date</u>	<u>Total Lots</u>	<u>Expected Final Sale Date</u>	<u>Total Lots</u>
Q4 2027	1	Q2 2030	9	Q3 2031	8
Q1 2028-Q3 2033	0 ⁽¹⁾	Q3 2030	9	Q4 2031	9
Q4 2033	11	Q4 2030	9	TOTAL	136
Q1 2034	11	Q1 2031	9		
Q2 2034	11	Q2 2031	3		
Q3 2034	11	TOTAL	158		
TOTAL	301				

⁽¹⁾ The Developer expects to build homes on and sell homes on five of the remaining lots in Phase #1 and hold the final 44 lots in Phase #1 for construction until homes in the other phases in the District have been completed and sold.

Development Agreement

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

Under the Development Agreement, the Developer is obligated, inter alia, to:

- Pay to the City a "City Assessment Fee" in the amount of \$250,000 at the closing of the Phase #1 Bonds and at the closing of the Bonds, which City Assessment Fee will be used to fund a portion of the costs of on or off-site improvements benefiting the District;
- Construct the Authorized Improvements;
- Construct an amenity center consisting of at least a swimming pool, toddler area, shade structures and restrooms with construction to begin before the City's acceptance of Improvement Area #2 and be continuously and diligently pursued until completion;
- Construct a trail system; and
- Pay certain capital recovery, technology, park and outdoor warning device fees;

The Development Agreement also sets forth the City's commitment with respect to the use of funds generated by tax increment reinvestment zones formed within the District, including the TIRZ.

Zoning

Development of the District is governed by Ordinance No. 2021-17, adopted by the City Council on February 9, 2021, which establishes the District as a Planned Development District and allows certain residential uses, and establishes development guidelines pertaining to purpose, height, area, setbacks, landscaping and the like consistent with the Concept Plan and the Development Agreement.

Amenities; Private Improvements

The Developer will construct certain amenities within the Development, including hike and bike trails, open space improvements and an amenity center (the "Amenities"). The amenity center will consist of an in-ground swimming pool, play area, shade structures and restroom (the "Amenity Center"). The Development Agreement requires the Developer to begin construction of the amenity center before the City's acceptance of Improvement Area #2 of the Development. The Developer has begun construction of the Amenity Center and expects to complete the Amenity Center in Q1 2027. The expected cost of the Amenity Center is \$2,100,000, which will be funded with cash available to the Developer.

The Developer has completed the Amenities allocable to Improvement Area #2. The Developer commenced construction of the Amenities allocable to Improvement Area #3 in Q3 2026 and expects to complete such Amenities in Q4 2026. The expected total cost of the Amenities allocable to Improvement Areas #2-3 is \$2,400,000 (which excludes costs related to the Amenity Center) and will be funded with cash available to the Developer. As of September 15, 2026, the Developer has expended approximately \$700,000 on the Amenities allocable to Improvement Areas #2-3.

Additionally, the Developer has constructed and expects to continue constructing certain private improvements to serve the entire District consisting of site preparation, retaining walls, and franchise allocable to Improvement Areas #2-3 (collectively, the “IA #2-3 Private Improvements”). The expected total cost of the IA #2-3 Private Improvements is \$2,733,752, which has been and will be funded with cash available to the Developer. As of September 15, 2026, the Developer has expended approximately \$1,400,000.00 constructing the IA #2-3 Private Improvements which was financed with cash available to the Developer.

The IA #2-3 Private Improvements and Amenities will be dedicated to and accepted by the HOA. The HOA will provide for the ongoing operation, maintenance and repair of the IA #2-3 Private Improvements and Amenities through the administration of a maintenance and operation fee and/or a property owner’s association fee to be paid by each lot owner within the District.

Education

Prosper ISD serves Phase #1 and the majority of Improvement Areas #2-3 of the District. Prosper ISD enrolls over 34,000 students in four high schools, six middle schools, twenty elementary schools and one early childhood school. Students in the District attending Prosper ISD schools will attend Mrs. Jerry Bryant Elementary School (1 mile from the District), William Rushing Middle School (2 miles from the District) and Prosper High School (4.5 miles from the District). According to the Texas Education Agency (“TEA”), Prosper ISD, Mrs. Jerry Bryant Elementary School, William Rushing Middle School and Prosper High School each received a “District Accountability Rating” of “A” from the TEA for the 2025-2026 school year. Greatschools.org rates Mrs. Jerry Bryant Elementary School a 9/10, William Rushing Middle School an 8/10, and Prosper High School a 7/10.

Children in a portion of Improvement Area #3 and the Future Phases of the District will attend schools in Celina ISD. Celina ISD enrolls over 6,300 students in one high school, two middle schools, five elementary schools and one early childhood/primary school. Students in the District attending Celina ISD schools will attend Bothwell Elementary School (approximately 5.9 miles from the District), Willard Middle School (5th-6th grades) (approximately 8.8 miles from the District), Jerry and Linda Moore Middle School (7th-8th grades) (approximately 11.3 miles from the District) and Celina High School (approximately 12.1 miles from the District). According to the TEA, Celina ISD, Bothwell Elementary School, Jerry and Linda Moore Middle School, and Celina High School all received a “District Accountability Rating” of “B” from the TEA for the 2025-2026 school year. Greatschools.org rates Celina High School a 6/10 and Jerry and Linda Moore Middle School an 8/10. Bothwell Elementary School has not yet been rated by Greatschools.org. Willard Middle School opened in August 2026 and has not been rated by the TEA or Greatschools.org.

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

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

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

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

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

Environmental

Phase One. A Phase One Environmental Site Assessment (a “Phase One ESA”) of land within the District was completed on April 13, 2020 by Alpha Testing (“Alpha”). 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. The Developer is not aware of any endangered species located on District property.

Geotechnical Explorations

A Geotechnical Exploration report dated July 7, 2023 (the “IA #2 Geotechnical Report”), for Improvement Area #2 was prepared by Alpha. The IA #2 Geotechnical Report was commissioned for the purpose of exploring the near-surface soil and groundwater conditions in Improvement Area #2 to assist in formulation of appropriate geotechnical design parameters for the foundation of proposed residential structures. The IA #2 Geotechnical Report presented various geotechnical discussions and conclusions regarding the probable impacts of subsurface conditions to the proposed residential development, including various engineering recommendations. The IA #2 Geotechnical Report noted that the soils had the potential for vertical movement of up to 6 or 7 inches depending on the area in Improvement Area #2 and provided fill, moisture conditioning and foundation recommendations to achieve a potential 4 ½ inch vertical movement. The Developer is following and expects to follow all engineering recommendations presented in the IA #2 Geotechnical Report with respect to Improvement Area #2.

A Geotechnical Exploration report dated October 18, 2024 (the “IA #3 Geotechnical Report”), for Improvement Area #3 was prepared by UES Professional Engineering Services 44, LLC (formerly known as Alpha). The IA #3 Geotechnical Report was commissioned for the purpose of exploring the near-surface soil and groundwater conditions in Improvement Area #3 to assist in formulation of appropriate geotechnical design parameters for the foundation of proposed residential structures. The IA #3 Geotechnical Report presented various geotechnical discussions and conclusions regarding the probable impacts of subsurface conditions to the proposed residential development, including various engineering recommendations. The IA #3 Geotechnical Report noted that the soils had the potential for vertical movement of up to 6 or 7 inches depending on the area in Improvement Area #3 and provided fill, moisture conditioning and foundation recommendations to achieve a potential 4 ½ inch vertical movement. The Developer is following and expects to follow all engineering recommendations presented in the IA #3 Geotechnical Report with respect to Improvement Area #3.

Flood Designation

According to Federal Emergency Management Agency (“FEMA”) Flood Insurance Rate Map No. Panel Map No. 48121C0270G, April 18, 2011 (the “FIRM Map”), a portion of the property in Improvement Areas #2-3 of the District lies within the 100-year flood plain. Land encompassing approximately 70 residential lots in Improvement Areas #2-3 was previously within the 100-year floodplain and was reclaimed through a Letter of Map Revision (“LOMR”) in 2025. The remaining land within the 100-year flood plain is used as open space.

Utilities

Water and Wastewater. In lieu of the City providing water and wastewater services to the District, the Original Developer and MSUD entered into a Non-Standard Service Agreement (the “MSUD Agreement”) effective

on October 20, 2020 pursuant to which MSUD became the provider of retail water and wastewater to the residents of the District. In accordance with the MSUD Agreement, all existing and future water improvements and wastewater improvements will be dedicated to, and owned and operated by, MSUD. It is expected that MSUD will provide both retail water and wastewater to the District, and all water improvements and wastewater improvements will be dedicated to, and owned and operated by MSUD. Wastewater treatment services will be provided by MSUD through a contract with the Upper Trinity River Water District (“UTRWD”) to treat MSUD wastewater at the UTRWD wastewater treatment plant.

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

THE DEVELOPER

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

General

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

Description of the Developer

The Developer, First Texas Homes® (also referred to herein as, “First Texas”), has served as a trusted new home builder in Dallas–Fort Worth for 40 years, delivering quality craftsmanship, innovative design, flexible customization, and exceptional value. Together with its sister brands, Gallery Custom Homes and Harwood Homes, First Texas is a locally owned and independently operated Texas builder focused on serving Texas families and offers the flexibility of custom design with the value of production pricing. First Texas is consistently ranked among the nation’s top builders. First Texas is a privately held regional homebuilder operating exclusively in the Dallas-Fort Worth market and is owned by Randall Van Wolfswinkel. First Texas builds approximately 1,200 homes per year.

The following is a brief sampling of recent development projects of First Texas:

Name of Project	Location	Description (SF, MF, Commercial)	Status of Development
Pecan Hill	Mckinney, Texas	Single Family	Homebuilding Ongoing
The Bluffs at Legacy Hills	Celina, Texas	Single Family	Homebuilding Ongoing
Brookfield	Melissa, Texas	Single Family	Homebuilding Ongoing
Collinsbrook	Frisco, Texas	Single Family	Homebuilding Ongoing
The Meadows	Denton, Texas	Single Family	Phase 1 Homebuilding Ongoing Phase 2 Grading Ongoing
Birdsong Ranch	Mansfield, Texas	Single Family	Phase 2 Homebuilding Ongoing Phase 3 Utilities Ongoing
Westside Preserve	Midlothian, Texas	Single Family	Homebuilding Ongoing

Name of Project	Location	Description (SF, MF, Commercial)	Status of Development
Broadmoor Estates	Ovilla, Texas	Single Family	Homebuilding Ongoing
Parker Ranch	Parker, Texas	Single Family	Homebuilding Ongoing
Cambridge Estates	Prosper, Texas	Single Family	Homebuilding Ongoing
Oaklawn	Van Alstyne, Texas	Single Family	Homebuilding Ongoing
Trails at Cottonwood Creek	Rowlett, Texas	Single Family	In Paving
Homestead	Frisco, Texas	Single Family	Preconstruction

Executive Biography

Keith Hardesty, Division President and Principal Officer. Keith Hardesty serves as Division President and Principal Officer at First Texas Homes, overseeing operations across approximately 50 active communities throughout the Dallas–Fort Worth area. With additional communities coming soon, the company’s growing footprint stretches from Van Alstyne to Waxahachie and from West Fort Worth to Terrell.

History and Financing of the District

The Original Developer purchased the land comprising the District on October 8, 2020 from Yousef Saadi, as Trustee and individually, Dema Saadi; Bilal K. Nabahani, Rouba S. Kayal, Mohammed Hikmat Ahmad a/k/a Mohammed Hikmat, and Souhad M. El Mootassem at a purchase price of \$14,000,000.

The Developer and the Original Developer originally entered into a finished lot purchase and sale agreement, which was subsequently amended to provide for the sale of all land in the District, which included the 301 finished lots in Phase #1 and the undeveloped paper lots in the Major Improvement Area of the District. The Developer purchased the finished lots in Phase #1 and the remaining paper lots in the District on May 18, 2023 at a purchase price of \$30,135,000, which was funded with cash available to the Developer.

Development in Improvement Areas #2-3 of the District was funded with cash available to the Developer.

THE ADMINISTRATOR

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

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

MuniCap is a public finance consulting firm with a specialized consulting practice providing services related to the formation and administration of special tax and special assessment districts. MuniCap currently acts as the administrator for over 300 special assessment and taxing districts in 30 states, including Texas. MuniCap periodically donates to certain charitable or public events hosted by the City.

APPRAISAL

The Appraisal

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

Value Estimates. The Appraiser estimated the retrospective aggregate cumulative retail lot value of the fee simple interest in 139 completed lots in Improvement Area #2 of the District and 19 completed homes in Improvement Area #2 as of July 1, 2026. The Appraisal does not reflect the as-is condition of Improvement Area #2 of the District as additional construction has occurred since the effective date of the Appraisal. Moreover, the Appraisal does not reflect the value of Improvement Area #2 of the District as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for Improvement Area #2 of the District. See “APPENDIX E — Appraisal.”

The retrospective cumulative retail lot value estimate of the fee simple interest in the 139 finished lots within Improvement Area #2 of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of July 1, 2026, is \$15,603,000. The retrospective cumulative retail value estimate of the fee simple interest in the 19 completed homes lots within Improvement Area #2 of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of July 1, 2026, is \$8,835,000. The collective value within Improvement Area #2 of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of July 1, 2026, is \$24,438,000.

The Appraiser estimated the aggregate cumulative retail lot value of the fee simple interest in various tracts of land comprising the land in Improvement Area #3 of the District under the assumption that the Improvement Area #3 Projects are completed. See “THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS.” As of the dated date of the Appraisal, the Improvement Area #3 Improvements had not been completed; they have since been completed. The Appraisal does not reflect the as-is condition of Improvement Area #3 of the District. Moreover, the Appraisal does not reflect the value of Improvement Area #3 of the District as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for Improvement Area #3 of the District. See “APPENDIX E — Appraisal.”

The prospective cumulative retail lot value estimate of the fee simple interest in the assessable property within Improvement Area #3 of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of October 1, 2026, is \$15,334,000.

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

BONDHOLDERS’ RISKS

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

Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

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 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 ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE.

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of owners of Assessed Property 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, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings, and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the property within the District, it being understood that poor economic conditions within the City, State, and region may slow the assumed pace of sales of such property.

The rate of development of the property in the District 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 or homeowners in the District are 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.

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

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

Deemed Representations and Acknowledgment by Investors

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

Assessment Limitations

Annual Installments of Assessments are billed to owners of Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as described under “ASSESSMENT PROCEDURES.” Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of the Bonds maturing in each year, interest, and the Administrative Expenses for such year. See “ASSESSMENT PROCEDURES.” The unwillingness or inability of an owner of Assessed Property to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessments in the future.

In order to pay debt service on the Bonds, 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.”

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

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

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinances. However, an Assessment Lien may not be foreclosed upon if any Pre-existing Homestead Rights were properly claimed prior to the adoption of the Assessment Ordinances 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 Improvement Area #2 Assessment Ordinance, no such homestead rights had been claimed. As of the date of adoption of the Improvement Area #3 Assessment Ordinance, no such homestead rights will have been claimed. Furthermore, the Developer is not eligible to claim homestead rights and the Developer represented that it owned or will own all property within Improvement Area #2 and Improvement Area #3, respectively, of the District as of the date of adoption of the applicable Assessment Ordinance. Consequently, there are and can be no Pre-existing Homestead Rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

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

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

The Assessments levied for and pledged to the payment of the Bonds and the Major Improvement Area Assessments which were levied for and pledged to the payment of the Major Improvement Area Bonds have liens of equal dignity of the parcels assessed therefor. In the event of partial payments of the Annual Installments of the Assessments and the Major Improvement Area Assessments, the Denton County Tax Assessor/Collector advises that such partial payments will be applied to the payment of the Annual Installments of the Assessments and the Major Improvement Area Assessments on a pro rata basis unless otherwise directed by the payer of such Annual Installments of the Assessments and the Major Improvement Area Assessments.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of Assessed 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, whether from taxes, assessments, or private financing, may reduce the ability or willingness of the landowners to pay the Assessments. See “OVERLAPPING TAXES AND DEBT.”

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

Failure of the owners of Assessed 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 Additional Interest Reserve Account of the Reserve Fund prior to replenishment from the resale of Assessed Property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Fund. The Reserve Account of the Reserve Fund will be fully funded from the proceeds of the Bonds; however, funding of the Additional Interest Reserve Account is accumulated over time, by the mechanism described in “SECURITY FOR THE BONDS – Additional Interest Reserve Account of the Reserve Fund.” 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 Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment, as described under “SECURITY FOR THE BONDS – Additional Interest Reserve Account of the Reserve Fund.”

State Law Regarding Notice of Assessments

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract 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 homebuilder within Improvement Areas #2-3 does not provide the required notice and prospective purchasers of Assessed 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 Assessed Property. In such an event, the outstanding Assessments on such Assessed Property should be prepaid. In the event of such prepayment, a partial redemption of the Bonds 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 homebuilder does not provide the required notice and becomes liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The form of notice to be provided to homebuyers is attached to the Service and Assessment Plan. See "APPENDIX B – Form of Service and Assessment Plan."

Potential Future Changes in State Law Regarding Public Improvement Districts

During prior Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of 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.

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; 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.

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 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, the homeowners in Improvement Area #2 and any subsequent owners to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay

the Assessments and could greatly reduce the value of the property within Improvement Areas #2-3 the District in the event such property has to be foreclosed upon. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Risks Related to the Current Residential Real Estate Market

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. It is difficult to determine what effects the on-again, off-again tariffs imposed by the federal administration and retaliatory tariffs against the United States will have on inflation and mortgage interest rates. Downturns in the real estate market, mortgage rates, and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of lot and home sales within Improvement Areas #2-3. No assurance can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

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

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's on-again, off-again tariffs, threatened impositions of tariffs, and the imposition or threatened imposition of retaliatory tariffs against the United States will impact the ability of the homebuilders to estimate costs. If the cost of materials remains elevated, it may impact the ability of the Developer to complete the Improvement Area #3 Projects and the homebuilders to construct homes in Improvement Areas #2-3 of the District.

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

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

Availability of Utilities

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

wastewater services to the property in the District, the Development of the land in the District could be adversely affected. See “THE DEVELOPMENT — Utilities.”

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 MSUD to provide an adequate supply of water and sufficient capacity for treatment of wastewater, as applicable, is dependent on many factors, including, but not limited to, supply and demand of materials to complete necessary water and wastewater improvements, compliance with the Texas Commission on Environmental Quality regulations, the effects of extreme weather events on MSUD’s 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.

Bankruptcy

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

Bondholders’ Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and at the written direction of the Owners of not less than 25% 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 Assessed Property within Improvement Areas #2-3 or sell Assessed 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.”

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against an owner of Assessed Property 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 judgement, is justiciable against a municipality.

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

Bankruptcy Limitation to Bondholders’ Rights

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

because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

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

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.

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 Assessed 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 the Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

Hazardous Substances

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

The value of the land within Improvement Areas #2-3 of the District does not consider the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within the District has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within Improvement 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 ESA performed on 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.

Risk from Weather Events

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

100-Year Flood Plain

According to the FEMA FIRM Map, a portion of the property in Improvement Areas #2-3 of the District lies within the 100-year flood plain. Land encompassing approximately 70 residential lots in Improvement Areas #2-3 was previously within the 100-year floodplain and was reclaimed through the LOMR in 2025. The remaining land within the 100-year flood plain is used as open space.

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

Exercise of Third-Party Property Rights

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

The Developer does not expect the existence or exercise of any Third-Party Property Rights, mineral rights or related real property rights in or around Improvement Areas #2-3 of 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 Developer expectations.

Management and Ownership

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

new developer or new officers in management positions may not have comparable experience in development projects comparable to that of the Development.

Dependence Upon Developer

As of September 15, 2026, the Developer, as the owner of the majority of the Assessed Property in Improvement Area #2 and all of the Assessed Property in Improvement Area #3 of the District, currently has the obligation for payment of approximately 84.18% of the Improvement Area #2 Assessments and all of the Improvement Area #3 Assessments. The ability of the Developer to make full and timely payment of the applicable Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

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

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 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.

Loss of Tax Exemption

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

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

Tax-Exempt Status of the Bonds

As further described in "TAX MATTERS" below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its

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

Competition

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

<u>Project Name</u>	<u>Proximity to District (Miles)</u>	<u>Developer/Builders</u>	<u>Expected Home Sale Prices</u>
Green Meadows	3.4 miles	Tomlin Investments/CastleRock	\$400,000-\$700,000
Cambridge Crossing	6.0 miles	Cambridge Crossing/Perry Homes, Coventry Homes, Highland Homes	\$300,000-\$900,000
Cross Creek Meadows	10 miles	Celina LD/Trophy Signature Homes, Normandy Homes, Taylor Morrison	\$500,000-\$650,000

No Credit Rating

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

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid

secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of Improvement Areas #2-3 of the District subject to the Assessments, existing real estate and financial market conditions and other factors.

TAX MATTERS

Tax Exemption

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

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

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

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

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer’s applicable

financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

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

Tax Accounting Treatment of Discount and Premium on Certain Bonds

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

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

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

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

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

LEGAL MATTERS

Legal Proceedings

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

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

Legal Opinions

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

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE – The Bonds" (except for the final paragraph thereunder), "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS" (except for the last paragraph under the subcaption "– General"), "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology," "Assessment Payer Concentration in Improvement Areas #2-3" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS – Legal Proceedings" (first paragraph only), "LEGAL MATTERS – Legal Opinions," "CONTINUING DISCLOSURE – The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," "APPENDIX A" and "APPENDIX C" and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinances and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinances and the Indenture.

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

Litigation — The City

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

the validity or enforceability of the Bonds, the Assessment Ordinances, the Indenture, any action of the City contemplated by any of said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation — The Developer

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

SUITABILITY FOR INVESTMENT

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

ENFORCEABILITY OF REMEDIES

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

NO RATING

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

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”), the City, the Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the “Dissemination Agent”) expect to enter into a Continuing Disclosure Agreement (the “City Disclosure Agreement”)

for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the City Disclosure Agreement, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX D-1 — Form of City Disclosure Agreement.” Under certain circumstances, the failure of the City to comply with its obligations under the City Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the City Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The City’s Compliance with Prior Undertakings

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

The Developer

The Developer, the Administrator, and the Dissemination Agent expect to enter into a Continuing Disclosure Agreement (the “Developer Disclosure Agreement”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Developer Disclosure Agreement, certain information regarding the Development and the Improvement Areas #2-3 Improvements (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX D-2 — Form of Developer Disclosure Agreement.” Under certain circumstances, the failure of the Developer or the Administrator to comply with its obligations under the Developer Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Developer Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Developer Disclosure Agreement is a voluntary agreement made for the benefit of the holders of the Bonds and is not entered into pursuant to the Rule.

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

The Developer’s Compliance with Prior Undertakings

The Developer believes it has complied with its previous undertakings to provide continuing disclosure, which began in 2023.

UNDERWRITING

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the Bonds from the City at a purchase price of \$_____ (the par amount of the Bonds, less an underwriting discount of \$_____, which includes Underwriter’s

Counsel's fee of \$_____). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

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

INVESTMENTS

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

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas

Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City's custodian of the banking deposits issued for the City's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above 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 "AAA-m" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than ten 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 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 15% of the City’s monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value,

yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

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

SOURCES OF INFORMATION

General

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

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Areas #2-3 Improvements, the Development and the Developer generally and, in particular, the information included in the maps in this Limited Offering Memorandum and in the sections captioned "PLAN OF FINANCE" (except for the subcaptions "— The Bonds" and "— Prior Bonds"), "OVERLAPPING TAXES AND DEBT — Homeowners' Association," "THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Areas #2-3 Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION — Source of Certain Information," "APPENDIX D-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 therein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

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

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

Updating of Limited Offering Memorandum

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

FORWARD-LOOKING STATEMENTS

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

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

AUTHORIZATION AND APPROVAL

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

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APPENDIX A
FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF CELINA, TEXAS

and

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

DATED AS OF DECEMBER 1, 2026

SECURING

\$_[]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREAS #2-3 PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of December 1, 2026 is by and between the CITY OF CELINA, TEXAS (the "City"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles and recitals and not otherwise defined shall have the meanings assigned thereto in Article I.

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

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

WHEREAS, on May 12, 2020, after due notice, the City Council of the City (the "City Council") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act, made the findings required by Section 372.009(b) of the PID Act and, by a resolution adopted by a majority of the members of the City Council, authorized the creation of the District in accordance with its findings; and

WHEREAS, on June 12, 2020, the City published notice of its authorization of the District in the *Celina Record*, a newspaper of general circulation in the City and in the part of the City's extraterritorial jurisdiction in which the District is located; 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 June 12, 2020; and

WHEREAS, all of the land in the District was annexed into the corporate limits of the City in 2021; and

WHEREAS, the City has previously issued the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Edgewood Creek Public Improvement District Phases #2-3 Major Improvement Project) (the "Phases #2-3 Major Improvement Bonds") secured by certain assessments levied against property located within Phases #2-3 of the District, including property within Improvement Area #2 and Improvement Area #3; and

WHEREAS, in the indenture authorizing the Phases #2-3 Major Improvement Bonds (the "MI Indenture"), the City reserves the right to issue additional obligations secured by separate assessments levied on property within Phases #2-3 pursuant to other indentures ("Future Improvement Area Bonds"), which are not payable from the pledged revenues securing the Phases #2-3 Major Improvement Bonds, provided that prior to the issuance of such Future

Improvement Area Bonds, the requirements set forth in Section 13.2(d) of the MI Indenture must be satisfied; and

WHEREAS, on December 10, 2024, the City Council by resolution made findings and determinations relating to the estimated costs of certain Improvement Area #2 Improvements, received and accepted a preliminary amended service and assessment plan (the "2025 SAP") and a proposed assessment roll for Improvement Area #2 of the District, called a public hearing for January 14, 2025 (the "IA #2 Assessment Hearing"), and directed City staff to (i) file the proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail notice relating to the IA #2 Assessment Hearing (the "IA #2 Assessment Notice") as required by Sections 372.016(b) and (c) of the PID Act; and

WHEREAS, on December 23, 2024, City staff, pursuant to Section 372.016(b) of the PID Act, published the IA #2 Assessment Notice in the *Celina Record*, a newspaper of general circulation in the City; and

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

WHEREAS, the City Council opened and convened the IA #2 Assessment Hearing on January 14, 2025, and at the IA #2 Assessment Hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed 2025 SAP, the proposed Improvement Area #2 Assessment Roll, and the proposed Improvement Area #2 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #2 Assessments, the allocation of estimated costs of the Improvement Area #2 Improvements to the Assessed Property within Improvement Area #2 of the District, the purposes of the Improvement Area #2 Assessments, the special benefits of the Improvement Area #2 Improvements, and the penalties and interest on Annual Installments of the Improvement Area #2 Assessments and on delinquent Annual Installments; and

WHEREAS, there were no written objections or evidence submitted to the City Secretary in opposition to the 2025 SAP, the allocation of estimated costs of the Improvement Area #2 Improvements to the Assessed Property within Improvement Area #2 of the District, the Improvement Area #2 Assessment Roll, and the levy of the Improvement Area #2 Assessments; and

WHEREAS, on January 14, 2025, the City Council closed the IA #2 Assessment Hearing, and, after considering all written and documentary evidence presented at the IA #2 Assessment Hearing, including all written comments and statements filed with the City, the City Council found and determined that the Improvement Area #2 Assessments should be levied as provided in the 2025 SAP, and approved the Improvement Area #2 Assessment Ordinance, which levied the Improvement Area #2 Assessments and approved the 2025 SAP, including the Improvement Area #2 Assessment Roll, in conformity with the requirements of the PID Act; and

WHEREAS, the City filed a copy of the Improvement Area #2 Assessment Ordinance and the 2025 SAP not later than the seventh day after the date the City Council approved the Improvement Area #2 Assessment Ordinance with the county clerk of Denton County; and

WHEREAS, on October 13, 2026, the City Council by resolution made findings and determinations relating to the estimated costs of certain Improvement Area #3 Improvements, received and accepted a preliminary amended service and assessment plan and a proposed assessment roll for Improvement Area #3 of the District, called a public hearing for November 10, 2026 (the "IA #3 Assessment Hearing"), and directed City staff to (i) file the proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail notice relating to the IA #3 Assessment Hearing (the "IA #3 Assessment Notice") as required by Sections 372.016(b) and (c) of the PID Act; and

WHEREAS, on October [], 2026, City staff, pursuant to Section 372.016(b) of the PID Act, published the IA #3 Assessment Notice in the *Celina Record*, a newspaper of general circulation in the City; and

WHEREAS, City staff, pursuant to Section 372.016(c) of the PID Act, mailed the IA #3 Assessment Notice to the last known addresses of the owners of the property liable for the Improvement Area #3 Assessments; and

WHEREAS, the City Council opened and convened the IA #3 Assessment Hearing on November 10, 2026, and at the IA #3 Assessment Hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Improvement Area #3 Assessment Roll, and the proposed Improvement Area #3 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #3 Assessments, the allocation of estimated costs of the Improvement Area #3 Improvements to the Assessed Property within Improvement Area #3 of the District, the purposes of the Improvement Area #3 Assessments, the special benefits of the Improvement Area #3 Improvements, and the penalties and interest on Annual Installments of the Improvement Area #3 Assessments and on delinquent Annual Installments; and

WHEREAS, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Improvement Area #3 Improvements to the Assessed Property within Improvement Area #3 of the District, the Improvement Area #3 Assessment Roll, and the levy of the Improvement Area #3 Assessments; and

WHEREAS, on November 10, 2026, the City Council closed the IA #3 Assessment Hearing, and, after considering all written and documentary evidence presented at the IA #3 Assessment Hearing, including all written comments and statements filed with the City, the City Council found and determined that the Improvement Area #3 Assessments should be levied as provided in the Service and Assessment Plan, and approved the Improvement Area #3 Assessment Ordinance, which levied the Improvement Area #3 Assessments and approved the Service and Assessment Plan, including the Improvement Area #3 Assessment Roll, in conformity with the requirements of the PID Act; and

WHEREAS, the City filed a copy of the Improvement Area #3 Assessment Ordinance and the Service and Assessment Plan not later than the seventh day after the date the City Council approved the Improvement Area #3 Assessment Ordinance with the county clerk of Denton County; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purposes of (i) paying all or a portion of the Actual Costs of the Improvement Areas #2-3 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying costs of issuance; and

WHEREAS, prior to the issuance of the Bonds, evidence satisfactory to the City and its advisors has been presented that the requirements of Section 13.2(d) of the MI Indenture have been satisfied and that the Bonds may be issued as Future Improvement Area Bonds in accordance with the MI Indenture; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek Public Improvement District Improvement Areas #2-3 Project)" (the "Bonds"), such Bonds being payable solely from a first lien on, security interest in, and pledge of the Trust Estate and for the purposes set forth in the preambles of this Indenture; and

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

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

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

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

"Actual Costs" mean, with respect to the Improvement Areas #2-3 Improvements, the demonstrated, reasonable, allocable, and allowable costs of constructing such Improvement Areas #2-3 Improvements, as specified in a Certification for Payment in a form that has been reviewed and approved by the City. Actual Costs may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Improvement Areas #2-3 Improvements, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Improvement Areas #2-3 Improvements, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Improvement Areas #2-3 Improvements, (d) the costs for external professional costs associated with such Improvement Areas #2-3 Improvements, such

as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and taxes (property and franchise), (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Improvement Areas #2-3 Improvements, and (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, City permit fees, development fees), insurance premiums, miscellaneous expenses. Actual Costs include general contractor's fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

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

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

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

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

"Additional Obligations" means any bonds or obligations (including specifically, any installment contracts, reimbursement agreements, temporary notes, or time warrants) secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within Improvement Areas #2-3 of the District in accordance with the PID Act.

"Administrative Expenses" means the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of: (i) creating and organizing the District, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the District, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Paying Agent/Registrar's and Trustee's fees and expenses relating to the Bonds, including their respective legal counsel, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Improvement Areas #2-3 Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual

Administrative Expenses in one year shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

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

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

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

“Annual Installment” means, with respect to each Assessed Parcel, each annual payment of the Assessments (including both principal of and interest on the Assessments), as shown on the respective Assessment Roll; which annual payment includes the Administrative Expenses and the Additional Interest collected on each annual payment of the Assessments as described in Section 6.7 herein and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

“Annual Service Plan Update” means the annual review and update to the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

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

“Assessed Parcel” means each Parcel of land located within Improvement Areas #2-3 against which an Assessment is levied by the respective Assessment Ordinance.

“Assessed Property” means, collectively, all Assessed Parcels.

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

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

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

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

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

“Authorized Improvements” means the costs and improvements authorized by Section 372.003 of the PID Act, including, but not limited to, the Improvement Areas #2-3 Improvements listed in Section III of the Service and Assessment Plan.

“Bond” means any of the Bonds.

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

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

“Bond Ordinance” means the Ordinance adopted by the City Council on November 10, 2026, authorizing the issuance of the Bonds pursuant to this Indenture.

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

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

“Bonds” means the City’s bonds authorized to be issued by Section 3.1 of this Indenture entitled “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek Public Improvement District Improvement Areas #2-3 Project)”.

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

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

“Certification for Payment” means a certificate substantially in the form of Exhibit A attached to the Construction, Funding, and Acquisition Agreement executed by or on behalf of the Developer, approved by a City Representative and delivered to the Trustee, specifying the amount of work performed related to the Improvement Areas #2-3 Improvements and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in an Improvement Account of the Project Fund, as further described in the Construction, Funding, and Acquisition Agreement and Section 6.5 herein.

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

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

“Closing Date” means the date of the initial delivery of and payment for the Bonds, which is December 10, 2026.

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

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

“Construction, Funding, and Acquisition Agreement” means the “Edgewood Creek Public Improvement District Improvement Areas #2-3 Construction, Funding and Acquisition Agreement” by and between the City and the Developer dated as of November 10, 2026 which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds, the payment of costs of the Improvement Areas #2-3 Improvements, the use of the funds in the Improvement Accounts, and other matters related thereto.

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

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

“Delinquent Collection Costs” means interest, penalties and expenses incurred or imposed with respect to any delinquent Assessment or Annual Installment thereof, in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney’s fees.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the office located in Irving, Texas, provided, however, that with respect to payments on the Bonds and any exchange, transfer, or surrender of the Bonds, the Designated Payment/Transfer Office shall mean the corporate trust operations office of the Trustee at 111 Fillmore Avenue E, St. Paul, Minnesota 55107-1402, or such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“Developer” means First Texas Homes, Inc., a Texas corporation, and any successors or assigns.

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

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

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

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

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

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

“Improvement Accounts” means, collectively, the Improvement Area #2 Improvements Account and Improvement Area #3 Improvements Account.

“Improvement Area #2” shall have the meaning given to it in the Service and Assessment Plan.

“Improvement Area #2 Assessment Ordinance” means the Ordinance adopted by the City Council on January 14, 2025, which levied the Improvement Area #2 Assessments on the Assessed Property located within Improvement Area #2.

“Improvement Area #2 Assessment Roll” means the assessment roll attached as Appendix G to the Service and Assessment Plan or any other assessment roll for Improvement Area #2 of the District in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area #2 Assessments levied against each Assessed Parcel within Improvement Area #2, and/or the portion of the total Improvement Area #2 Assessment levied against each Assessed Parcel, related to the Bonds and the Improvement Area #2 Improvements, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

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

“Improvement Area #2 Improvements” means the Authorized Improvements which only benefit the Assessed Property within Improvement Area #2, as more particularly described in Section III of the Service and Assessment Plan.

“Improvement Area #2 Improvements Account” means the Account of such name established pursuant to Section 6.1.

“Improvement Area #3” shall have the meaning given to it in the Service and Assessment Plan.

“Improvement Area #3 Assessment Ordinance” means the Ordinance adopted by the City Council on November 10, 2026, which levied the Improvement Area #3 Assessments on the Assessed Property located within Improvement Area #3.

“Improvement Area #3 Assessment Roll” means the assessment roll attached as Appendix H to the Service and Assessment Plan or any other assessment roll for Improvement Area #3 of the District in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area #3 Assessments levied against each Assessed Parcel within Improvement Area #3, and/or the portion of the total Improvement Area #3 Assessment levied against each Assessed Parcel, related to the Bonds and the Improvement Area #3 Improvements, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

“Improvement Area #3 Assessments” means the aggregate assessments shown on the Improvement Area #3 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, as shown on the Improvement Area #3 Assessment Roll or in the Service and Assessment Plan, subject to reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

“Improvement Area #3 Improvements” means the Authorized Improvements which only benefit the Assessed Property within Improvement Area #3, as more particularly described in Section III of the Service and Assessment Plan.

“Improvement Area #3 Improvements Account” means the Account of such name established pursuant to Section 6.1.

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

“Improvement Areas #2-3 Improvements” means, collectively, the Improvement Area #2 Improvements and Improvement Area #3 Improvements.

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

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

property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

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

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year, commencing on September 1, 2027.

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

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

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

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

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

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

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

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

“Phases #2-3” shall have the meaning given to it in the Service and Assessment Plan.

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

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

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

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

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

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

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

“Purchaser” means the initial purchaser of the Bonds.

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

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

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

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

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

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

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

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

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

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

“Service and Assessment Plan” means the “Edgewood Creek Public Improvement District Amended Service and Assessment Plan” dated November 10, 2026, including the Assessment Rolls, as hereinafter amended, updated, and/or restated by an Annual Service Plan Update or otherwise, a version of which is attached as an exhibit to the Improvement Area #3 Assessment Ordinance.

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

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

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

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

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

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

“Trustee” means U.S. Bank Trust Company, National Association, Irving, Texas and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds; provided, however, that with respect to payments on the Bonds and any exchange, transfer or other surrender of the Bonds, the Trustee’s principal office shall mean the corporate trust operations office of the Trustee at 111 Fillmore Avenue E, St. Paul, Minnesota 55107-1402 or such other office or location designated by the Trustee by written notice.

Section 1.2. Findings.

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

Section 1.3. Table of Contents, Titles and Headings.

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

Section 1.4. Interpretation.

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

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

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

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

ARTICLE II

THE BONDS

Section 2.1. Granting Clauses.

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

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

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

receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof.

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

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

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

Section 2.2. Security for the Bonds.

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

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

Section 2.3. Limited Obligations.

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

Section 2.4. Authorization for Indenture.

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

Section 2.5. Contract with Owners and Trustee.

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$[] for the purposes of (i) paying all or a portion of the Actual Costs of the Improvement Areas #2-3 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying costs of issuance.

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

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

(b) Interest shall accrue and be paid on each Bond from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rates per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing September 1, 2027, computed on the basis of a 360-day year of twelve 30-day months.

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

<u>Year</u>	<u>Principal Amount(\$)</u>	<u>Interest Rate (%)</u>
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(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to this Indenture.

Section 3.3. Conditions Precedent to Delivery of Bonds.

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

- (i) copies of the executed Assessment Ordinances;
- (ii) a copy of the executed Bond Ordinance;
- (iii) a copy of the executed Construction, Funding, and Acquisition Agreement;
- (iv) a copy of this Indenture executed by the Trustee and the City;
- (v) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate; and
- (vi) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

Section 3.4. Medium, Method and Place of Payment.

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

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

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

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

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

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

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem and the City Secretary or the Assistant City Secretary, by their manual or facsimile

signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

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

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

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

Section 3.6. Ownership.

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

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

Section 3.7. Registration, Transfer and Exchange.

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

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer, which shall be in the Form of Assignment included in the Form of Bond attached hereto as Exhibit A and executed by the Owner and accompanied by such additional documentation or certification as may be required by the Paying Agent/Registrar. All transfers are subject to DTC requirements for so long as the Bonds are DTC registered. No transfer of any Bond shall be effective until entered in the Register.

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

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

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

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

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

(h) Neither the Paying Agent/Registrar, nor the Trustee shall have any duty or obligation to monitor, investigate, determine or otherwise inquire as to the compliance with any restrictions on transfer imposed under this Indenture or under any applicable law with respect to any transfer of any interest in any Bond, other than as expressly required by this Indenture. Each Owner agrees to indemnify the City, the Paying Agent/Registrar and the Trustee against any liability that may result from any transfer, exchange or assignment of such Owner's Bonds in violation of any provision of this Indenture and/or applicable United States federal or state securities law.

Section 3.8. Cancellation.

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

Section 3.9. Temporary Bonds.

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

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

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

Section 3.10. Replacement Bonds.

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

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

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

(ii) furnishes such security or indemnity that is sufficient in the judgment of each of the Paying Agent/Registrar and the Trustee to save and hold harmless each of the Paying Agent/Registrar and the Trustee from any loss that any of them may suffer as a result of the delivery of such replacement Bond;

(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, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

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

Section 3.11. Book-Entry Only System.

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

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

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

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

Section 3.13. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such

Bonds shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

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

Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20*	

* maturity

Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20*	

* maturity

Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20*	

* maturity

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

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

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

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem the Bonds maturing on or after September 1, 20__, before their respective scheduled maturity dates, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the City, at the Redemption Price, upon written direction from the City, to be provided to the Trustee no fewer than 45 days before the date fixed for redemption (or such shorter time as may be acceptable to the Trustee), directing the Trustee to provide notice of redemption as provided in Section 4.6 hereof.

Section 4.4. Extraordinary Optional Redemption.

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

and in an amount and on any date specified in a City Certificate, at the Redemption Price of such Bonds, or portions thereof, to be redeemed from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to the terms of this Indenture) or any other transfers to the Redemption Fund under the terms of this Indenture, or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of this Indenture. No fewer than 45 days before the date fixed for redemption (or such shorter time as may be acceptable to the Trustee), the City will provide the Trustee a City Certificate directing the Bonds to be redeemed pursuant to this Section 4.4 and in accordance with the provisions of Section 4.5 hereof, and directing the Trustee to provide notice of redemption as provided in Section 4.6.

Section 4.5. Partial Redemption.

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

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

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

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

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

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

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

Section 4.6. Notice of Redemption to Owners.

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

in the Register. So long as the Bonds are in book-entry-only form and held by DTC as security depository, references to Owner in this Indenture means Cede & Co., as nominee for DTC.

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

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

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Sections 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available 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 written direction from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

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

Section 4.7. Payment Upon Redemption.

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

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

Section 4.8. Effect of Redemption.

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

thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. CUSIP Registration.

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

Section 5.3. Legal Opinion.

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

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

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund; and
- (vii) Administrative Fund.

(b) Creation of Accounts.

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

- (A) Bond Pledged Revenue Account.

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

- (A) Capitalized Interest Account; and
- (B) Principal and Interest Account.

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

- (A) Improvement Area #2 Improvements Account;
- (B) Improvement Area #3 Improvements Account; and
- (C) Costs of Issuance Account.

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

- (A) Reserve Account; and

(B) Additional Interest Reserve Account.

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

(A) District Administration Account.

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

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

Section 6.2. Initial Deposits to Funds and Accounts.

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

- (i) to the Capitalized Interest Account of the Bond Fund: \$_____;
- (ii) to the Improvement Area #2 Improvements Account of the Project Fund: \$_____;
- (iii) to the Improvement Area #3 Improvements Account of the Project Fund: \$_____;
- (iv) to the Costs of Issuance Account of the Project Fund: \$_____;
- (v) to the Reserve Account of the Reserve Fund: \$_____; and
- (vi) to the District Administration Account of the Administrative Fund: \$_____.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 15 of each year while the Bonds are Outstanding and beginning February 15, 2027, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with Section 6.7(a) hereof, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional

Interest collected, if any, in accordance with Section 6.7(b) hereof, (iv) fourth, to pay Actual Costs of the Improvement Areas #2-3 Improvements, and (v) fifth, to pay other costs permitted by the PID Act.

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

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

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

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

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

Section 6.4. Bond Fund.

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

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

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

<u>Date</u>	<u>Amount (\$)</u>
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Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #3 Improvements Account, to the extent such Account has not be closed, or if the Improvement Area #3 Improvements Account has closed as provided herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

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

(b) Money on deposit in the Improvement Area #2 Improvements Account shall only be used to pay Actual Costs of the Improvement Area #2 Improvements, except as otherwise provided for herein. Money on deposit in the Improvement Area #3 Improvements Account shall only be used to pay Actual Costs of the Improvement Area #3 Improvements, except as otherwise provided for herein.

(c) Disbursements from the Improvement Accounts of the Project Fund to pay costs related to the creation of the District shall be made by the Trustee pursuant to either (i) the Closing Memorandum, (ii) one or more City Certificates, or (iii) an executed, completed, and accepted Closing Disbursement Request. Disbursements from the Improvement Accounts of the Project Fund to pay all other Actual Costs of the respective Improvement Areas #2-3 Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Accounts of the Project Fund pursuant to a Closing Memorandum, Closing Disbursement Request or Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Construction, Funding, and Acquisition Agreement or as provided in a Closing Memorandum, Closing Disbursement Request or Certification for Payment, provided that the Trustee may rely solely and conclusively on the Closing Memorandum, a City Certificate, a Closing Disbursement Request, Certification for Payment or other written direction from the City or its designee in making a disbursement from the Improvement Accounts of the Project Fund. Such provisions and procedures related to such disbursements contained in the Construction, Funding, and Acquisition Agreement, are herein incorporated by reference and deemed set forth herein in full.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #2 Improvements Account or Improvement Area #3

Improvements Account of the Project Fund are not expected to be expended for the purposes of the respective Account due to the abandonment, or constructive abandonment, of the respective Improvement Areas #2-3 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the applicable Improvement Account of the Project Fund will ever be expended for the purposes of such Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in such Improvement Account of the Project Fund that are not expected to be used for the purposes of such Account. If such City Certificate is so filed, the amounts on deposit in such Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture.

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

(f) Upon the filing of a City Certificate stating that all Improvement Area #2 Improvements have been completed and that all Actual Costs of the Improvement Area #2 Improvements have been paid, or that any such Actual Costs of the Improvement Area #2 Improvements are not required to be paid from the Improvement Area #2 Improvements Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee shall (i) transfer the amount, if any, remaining within the Improvement Area #2 Improvements Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 as directed by the City Representative in a City Certificate filed with the Trustee and (ii) close the Improvement Area #2 Improvements Account.

(g) Upon the filing of a City Certificate stating that all Improvement Area #3 Improvements have been completed and that all Actual Costs of the Improvement Area #3 Improvements have been paid, or that any such Actual Costs of the Improvement Area #3 Improvements are not required to be paid from the Improvement Area #3 Improvements Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee shall (i) transfer the amount, if any, remaining within the Improvement Area #3 Improvements Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 as directed by the City Representative in a City Certificate filed with the Trustee and (ii) close the Improvement Area #3 Improvements Account.

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

(i) Notwithstanding anything to the contrary herein or in the Construction, Funding, and Acquisition Agreement, the Trustee shall not be required to make any investigation into any facts or matters stated in any Certification for Payment, Closing Memorandum, Closing Disbursement Request, City Certificate, or other written direction from the City or its designee provided as described in this Section 6.5 or to review any attachments thereto and shall have no

liability on account of any disbursement from the Project Fund (including Accounts therein) in accordance with such Certification for Payment, Closing Memorandum, Closing Disbursement Request, City Certificate or other written direction from the City or its designee, provided that it has complied with the procedures required in this Section 6.5 with respect to such Certification for Payment, Closing Memorandum, Closing Disbursement Request, City Certificate or other written direction. The Trustee shall have no responsibility whatsoever to disburse or transfer funds from the Improvement Accounts of the Project Fund hereunder absent written directions from the City.

Section 6.6. Redemption Fund.

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

Section 6.7. Reserve Fund.

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

(b) The Trustee, if needed, will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 and September 1 of each year, commencing March 1, 2027, an amount equal to the Additional Interest collected, if any, as shown on the respective Assessment Roll attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any later time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the respective Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update unless and until it receives a City Certificate directing that a different amount be used.

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

(d) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds to be redeemed, as identified in a City Certificate as a result of such Prepayments and as a result of the transfer from the Reserve Account under this Section 6.7(d), the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of \$1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess (the "Excess Reserve Account Balance"). Such excess shall be transferred pursuant to instructions in a City Certificate to (i) the Redemption Fund to be applied to the redemption of Bonds, (ii) to pay amounts due under Section 6.8 hereof, (iii) to a specified Improvement Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the Closing Date, or (iv) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond; provided, however, if on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay debt service on the Bonds and the amount on deposit in the Additional Interest Account is insufficient to cure such deficiency, the Excess Reserve Account Balance shall be transferred to the Principal and Interest Account to cure such deficiency, in accordance with the below provisions.

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

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

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

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

Section 6.8. Rebate Fund; Rebate Amount.

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

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

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

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

Section 6.9. Administrative Fund.

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

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

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

Section 6.10. Investment of Funds.

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

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Certificate. In the absence of any such instructions, all funds shall be held by the Trustee uninvested in cash, yet collateralized. The Trustee shall have no responsibility to ensure that an investment it is directed to purchase is a permitted investment pursuant to the terms of this Indenture. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments and may conclusively rely on the related City Certificate as to such matters. The Trustee shall have no duty to confirm or any responsibility to monitor the ratings of any investments made hereunder.

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

(e) The Trustee will furnish the City and the Administrator monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder; and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.

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

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

Section 6.11. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

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

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to

the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws to cause no reduction, abatement or exemption in the Assessments.

(b) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Parcel. Furthermore, nothing shall obligate the City, the City Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

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

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

Section 7.4. Records, Accounts, Accounting Reports.

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

Section 7.5. Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

“Regulations” means any proposed, temporary or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

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

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

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

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

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

(d) No Private Loan.

(i) Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

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

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

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

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

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

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

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

(iii) As additional consideration for the purchase of the Bonds by the Purchaser and the loan of the money represented thereby and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Certificate, direct the Trustee to transfer to the Rebate Fund from the Funds or Accounts designated in such City Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, 100% of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, 90% of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

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

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this

Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

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

ARTICLE VIII

LIABILITY OF CITY

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

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

No provision of this Indenture, the Bonds, the Bond Ordinance, the Assessment Ordinances, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (the "Bond Documents"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Administrative Expenses) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

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

enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

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

Whenever in the administration of its duties under this Indenture, the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector, the City Manager, or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Trustee as Paying Agent/Registrar.

The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and in respect to the Bonds.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified by the Owners, to the extent permitted by law and the provisions of this Indenture, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may, to the extent permitted pursuant to the provisions of this Indenture, make transfers from the District Administration Account of the Administrative Fund, and to the

extent money in the District Administration Account is insufficient, from the Pledged Revenue Fund to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Outstanding hereunder.

The Trustee's rights to immunities and protection from liability hereunder will survive its resignation or removal.

Section 9.3. Responsibilities of the Trustee.

The Trustee accepts the trusts imposed upon it by this Indenture, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article, to all of which the parties hereto and the Owners agree.

The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City only 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 the offering documents, this Indenture, or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; or (iv) any calculation of arbitrage or rebate under the Code. The Trustee has the right to act through agents and attorneys and shall have no liability for the negligence or willful misconduct of the agents and attorneys appointed by it with due care.

The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. No implied covenants or obligations shall be read into this Indenture against the Trustee. In case a default or an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified), the Trustee shall exercise those rights and powers vested in it by this Indenture and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct, both before and after default by the City.

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 any direction of the Owners of the applicable percentage of the Outstanding Bonds permitted to be given by them under this Indenture.

The Trustee shall not be liable for any error in judgment exercised in good faith and expressly authorized or within the discretion or rights or powers conferred upon it by this Indenture.

The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least a majority of the 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.

The rights, privileges, protections, immunities and benefits given to the Trustee including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and person employed to act hereunder.

In no event shall the Trustee be responsible or liable for incidental, special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

Section 9.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. Trustee Protected in Relying on Certain Documents.

The Trustee may request and conclusively rely and shall be protected in acting upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith.

The Trustee may execute any of the trusts or powers hereunder or perform any of its duties hereunder through agents and attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in

respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its sole discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13 herein.

The Trustee shall have no duty or obligation to monitor the City's compliance with the terms of this Indenture or to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the City herein except as may be expressly provided for herein.

The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers established by this Indenture.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty to take such action.

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the District Administration Account of the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund and, to the extent moneys in the Administrative Fund are insufficient, then 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 in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from any moneys in its possession in the Pledged Revenue Fund under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Subject to the provisions of this section, the right of the Trustee to receive compensation, and the City's obligation to make payment, hereunder shall survive the termination of this Indenture, payment in full of the Bonds or the resignation or removal of the Trustee.

TO THE EXTENT AUTHORIZED BY LAW, THE CITY SHALL INDEMNIFY AND HOLD HARMLESS THE TRUSTEE AGAINST ANY AND ALL LOSS, DAMAGE, CLAIMS, EXPENSE AND LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE ACCEPTANCE OF ADMINISTRATION OF THE TRUST OR TRUSTS HEREUNDER, INCLUDING THE COSTS AND EXPENSES OF DEFENDING ITSELF AGAINST ANY CLAIM (WHETHER ASSERTED BY THE CITY, ANY OWNER OR ANY OTHER PERSON) OR LIABILITY IN CONNECTION WITH THE EXERCISE OR PERFORMANCE OF ANY OF ITS POWERS OR DUTIES HEREUNDER EXCEPT TO THE EXTENT THAT SUCH LOSS, DAMAGE, CLAIM, EXPENSE OR LIABILITY IS CAUSED BY TRUSTEE'S NEGLIGENCE OR WILLFUL MISCONDUCT.

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 acting in its capacity as Paying Agent/Registrar and its officers, directors, agents, attorneys and employees.

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 also may engage in or be interested in any financial or other transaction with the City, provided that if the Trustee determines that any such relation is in conflict with its duties under this Indenture, it shall eliminate the conflict or resign as Trustee in accordance with the provisions of Section 9.8 hereof. So long as no event of default has occurred and is continuing, the Trustee may be a creditor of the City. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the Owners of a majority in aggregate outstanding principal amount of the Bonds.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor. The resigning Trustee shall not be liable for the actions of the successor trustee.

Section 9.9. Removal of Trustee.

Upon thirty (30) days written notice, the Trustee may be removed at any time by (i) the Owners of at least a majority of the aggregate Outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) the City, so long as the City is not in default under this Indenture. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the

Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate Outstanding principal of the Bonds.

Section 9.10. Successor Trustee.

If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

Unless such successor Trustee shall have been appointed by the Owners of the Bonds, 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 and to the predecessor Trustee. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds, in accordance with the immediately preceding paragraph.

If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be 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, 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 Trustee shall have no duty or obligation to file or record any financing statements pursuant to Title 1 of the Texas Business and Commerce Code, commonly referred to as the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"). If necessary and upon receipt of a copy of a filed financing statement the Trustee shall file or cause to be filed, such continuation statements as are delivered to the Trustee by the City, or on behalf of the City, and which may be required by the 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. Notwithstanding anything to the contrary contained herein, the Trustee shall not be responsible for any initial filings of any UCC financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the UCC, and unless the Trustee shall have been notified by the City that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in relying on such initial filing and descriptions in filing any continuation statements or modifications thereto pursuant to this Section 9.13 and in filing any continuation statements in the same filing offices

as the initial filings were made. All costs of preparation and filing the continuation statements required hereunder will be paid from the District Administration Account of the Administrative Fund.

Section 9.14. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds. Permissive rights of the Trustee are not to be construed as duties.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, executed by both the City and the Trustee, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of at least 51% of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws and this Indenture), or (iii) reduce the percentage of Owners of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights, indemnities, immunities or obligations of the Trustee without its written consent, which consent may be evidenced by the Trustee's entering and signing of such Supplemental Indenture.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to provide for the issuance of Refunding Bonds, as set forth in Section 13.2 hereof;

(v) to appoint or accept a successor trustee in accordance with the provisions of Section 9.10 hereof; provided, however in no event shall this provision limit the Owners' ability to appoint a successor trustee pursuant to Section 9.10 hereof; and

(vi) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

(c) Any modification or amendment made pursuant to Section 10.1(b) shall not be subject to the notice procedures specified in Section 10.3 below.

(d) Notwithstanding the above, no Supplemental Indenture under this Section shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment or supplement: (i) is permitted under Applicable Laws and the provisions of this Indenture in effect after taking into account the proposed amendment or supplement; (ii) will not adversely affect the interests of the Owners in any material respect; provided, however, that an appointment of a successor trustee in accordance with the provisions hereof and/or the issuance of Refunding Bonds in accordance with the provisions of Section 13.2 hereof, are each deemed to not be a material adverse effect for purposes of such opinion; and (iii) will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds. In such event the City is authorized to fix the time and place of such meeting and to provide for the giving of notice thereof, and to fix and adopt reasonable rules and regulations for said conduct of the meeting.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first-class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Except as set forth in Section 10.1(b), such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided and the City or Bond Counsel, acting on the City's behalf, has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any

subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period; provided, however, that the Trustee during such 60 day period and any such further period during which any such action or proceeding may be pending shall be entitled in its sole discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture, as it may deem expedient; provided, further, that the Trustee shall have no obligation to take or refrain from taking any such action and the Trustee shall have no liability with respect to any action taken or any instance of inaction.

Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee, and all Owners of Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.5. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.6. Amendatory Endorsement of Bonds.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.7. Waiver of Default.

Subject to the second and third sentences of Section 10.1 hereof, with the written consent of at least 51% of the Owners in aggregate principal amount of the Bonds then Outstanding, the Owners may waive non-compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners. For the avoidance of doubt, any waiver given pursuant to this Section shall be subject to Section 11.5 hereof.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

(a) Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

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

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

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

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

(b) Nothing in Section 11.1(a) will be an Event of Default if it is in violation of any applicable state law or court order.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners

of at least 25% of the Bonds then Outstanding and its receipt of indemnity satisfactory to it, shall proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by this Indenture or by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted; provided further that the Trustee shall only be obligated to exercise such one or more of the rights and powers conferred by this section as so directed if Trustee shall have been indemnified by the Owners as provided herein. Notwithstanding the foregoing, the Trustee may refuse to follow any direction that it believes conflicts with Applicable Laws or this Indenture or that the Trustee determines is unduly prejudicial to the rights of any Owner of Bonds (it being understood that the Trustee does not have any affirmative duty to ascertain whether or not any action or forbearance is unduly prejudicial to such Owner) or that would involve the Trustee in personal liability; provided, however that the Trustee may take any other action deemed proper to the Trustee that is not inconsistent with such direction. Prior to taking any act under this Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking any such action. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

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

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

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may, but solely upon receipt of indemnity satisfactory in the sole discretion of the Trustee in accordance with Section 9.2 hereof, cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be

necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his, or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, as advised by counsel, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

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

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

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such amounts, the expenses (including fees and expenses of its counsel and agents), liabilities, and advances owing to or incurred or made by the Trustee, and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, be applied by the Trustee, on behalf

of the City, to the payment of interest and principal or Redemption Price then due on the Bonds, as follows:

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

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

Within 10 days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be

provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bonds in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first-class, postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

Section 11.10. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. Direction by Owners.

Anything herein to the contrary notwithstanding, the Owners of at least 25% of the aggregate Outstanding principal of the Bonds shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method, and place of conducting a proceeding for any remedy available to the Trustee hereunder, under each

Supplemental Indenture, or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with Applicable Laws and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Pledged Revenues and the Trust Estate are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) The City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

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

Section 12.2. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City and the Owner or Owners of not less than 10% in principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

Section 12.3. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Additional Obligations or Other Liens.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues.

(b) The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the state of Texas. Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired.

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

(d) Notwithstanding anything to the contrary herein, no Refunding Bonds, Additional Obligations, or subordinate obligations may be issued by the City unless: (1) the principal (including sinking fund installments) of such Refunding Bonds, Additional Obligations or subordinate obligations is scheduled to mature on September 1 of the years in which principal is scheduled to mature, and (2) the interest on such Refunding Bonds, Additional Obligations or subordinate obligations is scheduled to be paid on March 1 and September 1 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 Pledged Revenues, the Pledged Funds, the Trust Estate, and the Bonds,

which books can be inspected by the Trustee during regular business hours of a Business Day upon request.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain the same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. Bonds Deemed Paid.

All Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee for such purpose, shall be sufficient to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant or other qualified third-party selected by the City verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the

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

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibit(s) hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing

acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any City Certificate, shall be in writing and shall be delivered by hand, mailed by first-class mail, postage prepaid, or transmitted by e-mail and addressed as follows:

If to the City:

City of Celina, Texas
142 North Ohio Street
Celina, Texas 75009
Attn: City Manager
Email: ranc@celina-tx.gov

If to the Trustee
or the Paying Agent/Registrar:

U.S. Bank Trust Company, National Association
1255 Corporate Drive, 6th Floor
Irving, Texas 75038
Attention: Global Corporate Trust
Email: Misty.Gutierrez@usbank.com

With a copy to:

U.S. Bank Trust Company, National Association
Attention: Bond Operations
111 Fillmore Avenue East
St. Paul, Minnesota 55107-1402

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in

accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of a Bond notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Outstanding.

(c) The Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Indenture by Electronic Means (as hereinafter defined); provided, however, that the City shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions ("Authorized Officers"), which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. As used in this paragraph, "Electronic Means" means a portable document format ("pdf") or other replicating image attached to an unsecured email, facsimile transmission, secure electronic transmission (containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee), or another method or system specified by the Trustee as available for use in connection with its services hereunder. If the City elects to give the Trustee instructions by Electronic Means and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The City and the Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee, if any.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas. With respect to this Indenture and any conflicts arising therefrom, the parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal district or state district court with jurisdiction in Denton County, Texas, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next

succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original. The City and the Trustee agree that electronic signatures to this Indenture may be regarded as original signatures.

Section 15.10. Statutory Verifications.

The Trustee makes the following representation and verifications pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

(a) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

Section 15.11. Dispute Resolution.

If any conflict, disagreement or dispute arises between, among, or involving any of the parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Indenture, or the Trustee is in doubt as to the action to be taken hereunder, the Trustee may, at its option, after sending written notice of the same to the City, refuse to act until such time as it (a) receives a final non-appealable order of a court of competent jurisdiction directing it as to such matter or (b) receives a written instruction, executed by each of the parties involved in such disagreement or dispute, in a form reasonably acceptable to the Trustee, directing it as to such matter. The Trustee will be entitled to act on any such written instruction or final, non-appealable order of a court of competent jurisdiction without further question, inquiry or consent. The Trustee may file an interpleader action in a state or federal court, and upon the filing thereof, the Trustee will be relieved of all liability as to the assets deposited with the court and will be entitled to recover reasonable and documented out-of-pocket attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF CELINA, TEXAS

By: _____
Mayor

ATTEST:

City Secretary

[CITY SEAL]

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

By: _____
Authorized Officer

EXHIBIT A

(a) Form of Bond.

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

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas

CITY OF CELINA, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2026
(EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREAS #2-3 PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____ %	September 1, 20__	December 10, 2026	_____

The City of Celina, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing September 1, 2027, until maturity or prior redemption.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust operations office at 111 Fillmore Avenue E, St. Paul, Minnesota 55107-1402 (the "Designated Payment/Transfer Office"), of U.S. Bank Trust Company, National Association, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the

Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth calendar day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

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

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated December 10, 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 December 1, 2026 (the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purposes of (i) paying all or a portion of the Actual Costs of the Improvement Areas #2-3 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying costs of issuance.

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

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

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of \$100,000 and any integral multiple of \$1,000 in excess thereof.

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

Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20*	

* maturity

Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20*	

* maturity

Term Bonds Maturing September 1, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20*	

* maturity

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

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

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

The City reserves the right and option to redeem the Bonds maturing on or after September 1, 20__ before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the City, at the Redemption Price.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, in an amount and on any date specified in a City Certificate, at the Redemption Price, pursuant to the provisions of the Indenture, from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

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

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

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

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

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

The City has reserved the right to issue Additional Obligations on the terms and conditions specified in the Indenture.

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

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

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

Mayor, City of Celina, Texas

City Secretary, City of Celina, Texas

[City Seal]

(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 _____

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.

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

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

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

Date: _____

Signature Guaranteed By:

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.

Authorized Signatory

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

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

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as
specified above, the sum of _____ DOLLARS" shall be deleted and the
following will be inserted: "on September 1 in each of the years, in the principal
installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
--------------	------------------------------	--------------------------

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

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

APPENDIX B

FORM OF SERVICE AND ASSESSMENT PLAN

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EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT

CITY OF CELINA, TEXAS



Life Connected.

PRELIMINARY AMENDED SERVICE AND ASSESSMENT PLAN

January 12, 2021

As Updated for Improvement Area #2 Assessments on
January 14, 2025, As Updated for Improvement Areas #2-3
Bonds on October 13, 2026

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

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EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT

PRELIMINARY AMENDED SERVICE AND ASSESSMENT PLAN

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On May 12, 2020, the City Council (the “City Council”) of the City of Celina, Texas (the “City”) passed and approved Resolution No. 2020-33R approving and authorizing the creation of the Edgewood Creek Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property in such public improvement district (the “Authorized Improvements”), all of which was located within the extraterritorial jurisdiction of the City at the time the PID was created.

The property in the PID is proposed to be developed in multiple phases, and the PID will finance public improvements for each phase as each phase is developed. Assessments will be imposed on all property in the PID for the public improvements that benefit the entire PID and on the property in each phase for the public improvements to be constructed for the benefit of that phase.

Chapter 372 of the Texas Local Government Code, the “Public Improvement District Assessment Act” (as amended, the “PID Act”), governs the creation and operation of public improvement districts within the State of Texas. The Edgewood Creek Public Improvement District Service and Assessment Plan (the “Service and Assessment Plan”) has been prepared in accordance with the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the assessment roll. According to Section 372.013 of the PID Act, a service plan “must (i) cover a period of at least five years; (ii) define the annual indebtedness and the projected costs for improvements; and (iii) include a copy of the notice form required by Section 5.014, Property Code.” The service plan is described in Section IV of this Service and Assessment Plan. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix I. The plan shall be reviewed and updated annually for the purpose of determining the annual budget for improvements.

Section 372.014 of the PID Act requires that “an assessment plan must be included in the annual service plan.” The assessment plan is described in Section V of this Service and Assessment Plan.

Section 372.015 of the PID Act requires that “the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district.” The method of assessing the costs of the Authorized Improvements and apportionment of such costs to the property in the PID is included in Section V of this Service and Assessment Plan.

Section 372.016 of the PID Act requires that “after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter.” The Assessment Rolls for the PID are included as Appendix E-1, Appendix F-1, Appendix G-1, and Appendix H-1 of this Service and Assessment Plan. The Assessments as shown on each

Assessment Roll are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. DEFINITIONS

Capitalized terms used herein shall have the meanings ascribed to them as follows:

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and taxes (property and franchise), (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, and (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, City permit fees, development fees), insurance premiums, miscellaneous expenses.

Actual Costs include general contractor’s fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

“Additional Interest Component” means the amount collected by application of the Additional Interest.

“Additional Interest” means the up to 0.50% additional interest rate charged on Assessments securing Bonds (if applicable) pursuant to Section 372.018 of the PID Act.

“Additional Interest Reserve” has the meaning set forth in Section V.G of this Service and Assessment Plan.

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization,

maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the paying agent/registrar's and Trustee's fees and expenses relating to the Bonds, including their respective legal counsel, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses in one year shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

“Administrator” means the employee or designee of the City, identified in any indenture of trust relating to the Bonds or in any other agreement approved by the City Council, who shall have the responsibilities provided for herein.

“Annual Installment” means, with respect to each Parcel, each annual payment of: (i) the Assessments including both principal and interest, as shown on the Assessment Rolls attached hereto as Appendix E-1, Appendix F-1, Appendix G-1, and Appendix H-1, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) the Additional Interest Component designated for the Additional Interest Reserve described in Section V of this Service and Assessment Plan, and (iii) the Administrative Expenses.

“Annual Service Plan Update” has the meaning set forth in Section IV.A of this Service and Assessment Plan.

“Assessed Property” means the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown in each Assessment Roll, as each Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes Parcels within the PID other than Non-Benefited Property.

“Assessment” means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act.

“Assessment Ordinance” means an Ordinance adopted by the City Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments.

“Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments or the Annual Installments thereof.

“Assessment Roll” means, as applicable, the Phases #2-3 Major Improvement Assessment Roll, the Phase #1 Assessment Roll, the Improvement Area #2 Assessment Roll, the Improvement Area #3 Assessment Roll, or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

“Authorized Improvements” mean those public improvements described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

“Bonds” mean any bonds issued by the City in one or more series and secured in whole or in part by the Assessment Revenues.

“Budgeted Cost(s)” means the amounts budgeted to construct the Authorized Improvements as used in the preparation of the applicable Service and Assessment Plan.

“Certification for Payment” means the certificate to be provided by the Developer, or his designee, to substantiate the Actual Cost of one or more Authorized Improvements.

“City” means the City of Celina, Texas.

“City Council” means the duly elected governing body of the City.

“Delinquent Collection Costs” mean interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment or Annual Installment and foreclosing the lien against the Assessed Property, including attorney’s fees.

“Development Agreement” means that certain “Development Agreement (Edgewood Creek)” by and between the City and Centurion American Acquisitions, LLC, a Texas limited liability company, and related to the Property effective October 8, 2020, as assigned to the Developer, and as the same may be amended from time to time.

“Developer” means First Texas Homes, Inc., a Texas corporation.

“Future Phases” means Phases that are fully developed after Phase #1, Improvement Area #2, and Improvement Area #3, as such areas are generally depicted in Appendix A. The Future Phases are subject to adjustment and are shown for example only.

“Homeowner Association” means a homeowners’ association or property owners’ association established for the benefit of property owners within the boundaries of the PID.

“Homeowner Association Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a Homeowner Association.

“Improvement Area #2” means the second Phase to be developed and generally shown as Phase 1B in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix G-1.

“Improvement Area #2 Assessed Property” means all Parcels within Improvement Area #2 other than Non-Benefited Property and shown in the Improvement Area #2 Assessment Roll against which an Assessment relating to the Improvement Area #2 Improvements is levied.

“Improvement Area #2 Assessment Revenues” mean the actual revenues received by or on behalf of the City from the collection of Assessments levied against Improvement Area #2 Assessed Property, or the Annual Installments thereof, for the Improvement Area #2 Improvements.

“Improvement Area #2 Assessment Roll” means the document included in this Service and Assessment Plan as Appendix G-1, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Improvement Area #2 Improvements” means the Authorized Improvements which only benefit Improvement Area #2 Assessed Property, which are described in Section III.D.

“Improvement Area #2 Maximum Assessment Per Unit” means for Improvement Area #2, the combined Assessment per unit for the Improvement Area #2 Improvements and the Phase #2-3 Major Improvements allocable to Improvement Area #2, not to exceed \$32,029.98.

“Improvement Area #2 Reimbursement Agreement” means that certain Edgewood Creek Public Improvement District Improvement Area #2 Reimbursement Agreement dated January 14, 2025, by and between the City and the Developer in which the Developer agrees to fund certain Actual Costs of Improvement Area #2 Improvements and the City agrees to reimburse the Developer for a portion of such Actual Costs funded by the Developer with interest as permitted by the PID Act.

“Improvement Area #2-3 Bonds” mean those certain City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek Public Improvement District Improvement Areas #2-3 Project) that are secured primarily by Improvement Area #2 Assessment Revenues and Improvement Area #3 Assessment Revenues.

“Improvement Area #3” means the third Phase to be developed and generally shown as Phase 2 in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix H-1.

“Improvement Area #3 Assessed Property” means all Parcels within Improvement Area #3 other than Non-Benefited Property and shown in the Improvement Area #3 Assessment Roll against which an Assessment relating to the Improvement Area #3 Improvements is levied.

“Improvement Area #3 Assessment Revenues” mean the actual revenues received by or on behalf of the City from the collection of Assessments levied against Improvement Area #3 Assessed Property, or the Annual Installments thereof, for the Improvement Area #3 Improvements.

“Improvement Area #3 Assessment Roll” means the document included in this Service and Assessment Plan as Appendix H-1, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Improvement Area #3 Improvements” means the Authorized Improvements which only benefit Improvement Area #3 Assessed Property, which are described in Section III.E.

“Improvement Area #3 Maximum Assessment Per Unit” means for Improvement Area #3, the combined Assessment per unit for the Improvement Area #3 Improvements and the Phase #2-3 Major Improvements allocable to Improvement Area #3, not to exceed \$31,524.77.

“Lot” means a tract of land described as a “lot” in a subdivision plat recorded in the official public records of Denton County, Texas.

“Lot Type” means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single family residential lots, the Lot Type shall be further defined by classifying the residential lots by the estimated average home value for each home at the time of assessment levy, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

“Major Improvements” or “MI” mean the Authorized Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

“MSUD” means the Mustang Special Utility District.

“Non-Benefited Property” means Parcels that accrue no special benefit from the Authorized Improvements, which may include Homeowner Association Property, Public Property and easements that create an exclusive use for a public utility provider to the extent they accrue no special benefit. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.G.

“Parcel” or “Parcels” means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Denton Central Appraisal District for real property tax

purposes or by lot and block number in a final subdivision plat recorded in the real property records of Denton County.

“Phase” means one or more Parcels within the PID that will be developed in the same general time period. The Parcels within a Phase will be assessed in connection with the issuance of Phased PID Bonds for Authorized Improvements (or the portion thereof) designated in an update to this Service and Assessment Plan that specially benefit the Parcels within the Phase.

“Phase #1” means the initial Phase to be developed and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix F-1.

“Phase #1 Assessed Property” means all Parcels within Phase #1 other than Non-Benefited Property and shown in the Phase #1 Assessment Roll against which an Assessment relating to the Phase #1 Projects is levied.

“Phase #1 Assessment Revenues” mean the actual revenues received by or on behalf of the City from the collection of Assessments levied against Phase #1 Assessed Property, or the Annual Installments thereof, for the Phase #1 Projects.

“Phase #1 Assessment Roll” means the document included in this Service and Assessment Plan as Appendix F-1, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phase #1 Bonds” mean those certain City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Edgewood Creek Public Improvement District Phase #1 Project) that are secured primarily by Phase #1 Assessment Revenues.

“Phase #1 Maximum Assessment Per Unit” means for Phase #1 an Assessment per unit for Phase #1 Improvements not to exceed \$29,766.63.

“Phase #1 Projects” mean (i) the pro rata portion of the Major Improvements allocable to Phase #1, and (ii) the Phase #1 Improvements.

“Phase #1 Improvements” mean the Authorized Improvements which only benefit Phase #1 Assessed Property, which are described in Section III.C.

“Phase #1 Reimbursement Agreement” means that certain Edgewood Creek Public Improvement District Phase #1 Reimbursement Agreement dated January 12, 2021, by and between the City and the Developer in which the Developer agrees to fund certain Actual Costs of Phase #1 Projects and the City agrees to reimburse the Developer for a portion of such Actual Costs funded by the Developer with interest as permitted by the PID Act.

“Phased PID Bonds” mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Phase or in Phases. In connection with the Phased PID Bonds, Assessments will be levied only on Parcels located within the Phase(s) in question.

“Phases #2-3 Major Improvement Area” mean the property within the PID excluding Phase #1 which is to be developed subsequent to Phase #1 and generally depicted as Phase 1B, Phase 2, Phase 3, and Phase 4 in Appendix A of this Service and Assessment Plan or any Annual Service Plan Update.

“Phases #2-3 Major Improvement Area Assessed Property” means, for any year, all Parcels within the PID other than (a) Non-Benefited Property, and (b) Parcels within Phase #1.

“Phases #2-3 Major Improvement Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments levied against Phases #2-3 Major Improvement Area Assessed Property, or the Annual Installments thereof, for the Phases #2-3 Major Improvements.

“Phases #2-3 Major Improvement Assessment Roll” means the document included in this Service and Assessment Plan as Appendix E-1, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phases #2-3 Major Improvement Bonds” mean those certain City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Edgewood Creek Public Improvement District Phases #2-3 Major Improvement Project) that are secured primarily by Phases #2-3 Major Improvement Assessment Revenues.

“Phases #2-3 Major Improvement Maximum Assessment Per Unit” means for the Phases #2-3 Major Improvement Area an Assessment per unit for Phases #2-3 Major Improvements not to exceed \$6,337.00.

“Phases #2-3 Major Improvements” means the pro rata portion of the Major Improvements allocable to the Phases #2-3 Major Improvement Area, which are described in Section III.

“PID” has the meaning set forth in Section I.A of this Service and Assessment Plan.

“PID Act” means Texas Local Government Code Chapter 372, Public Improvement District Assessment Act, Subchapter A, Public Improvement Districts, as amended.

“Prepayment Costs” mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment.

“Public Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Denton County, the City, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

“Service and Assessment Plan” means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

“TIRZ No. 12” means the Tax Increment Reinvestment Zone Number Twelve, City of Celina.

“TIRZ Annual Credit Amount” means, for each Parcel, the prorated amount of TIRZ Revenues calculated pursuant to Section VI of this Service and Assessment Plan.

“TIRZ Ordinance” means an ordinance adopted by the City Council authorizing the use of TIRZ Revenues for project costs under the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended, relating to the Authorized Improvements as provided for in the Tax Increment Reinvestment Zone No. 12 Project Plan and Financing Plan (including amendments or supplements thereto).

“TIRZ Revenues” mean, for each year, the amounts paid by the City from the TIRZ No. 12 tax increment fund pursuant to the TIRZ Ordinance to reduce an Annual Installment, as calculated each year by the Administrator in collaboration with the City, in accordance with Section VI of this Service and Assessment Plan.

“Trustee” means the fiscal agent or trustee as specified in the Trust Indenture, including a substitute fiscal agent or trustee.

“Trust Indenture” means an indenture of trust, ordinance or similar document setting forth the terms and other provisions relating to the Bonds, as modified, amended, and/or supplemented from time to time.

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II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is presently located within the City and contains approximately 246.54 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 852 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID.

The property within the PID was originally proposed to be developed as follows:

Table II-A.1
Proposed Development – PID - Original

Proposed Development	Quantity	Measurement
Single-Family - 50 Ft	847	Units
Total	847	Units

The property within the PID is proposed to be developed as follows:

Table II-A.2
Proposed Development – 2026 Revised

Proposed Development	Quantity	Measurement
Single-Family - 50 Ft	852	Units
Total	852	Units

B. PROPERTY INCLUDED IN PHASE #1

Phase #1 consists of approximately 63 acres and consists of 301 single family residential units. A map of the property within Phase #1 is shown in Appendix A.

Table II-B
Proposed Development – Phase #1

Proposed Development	Quantity	Measurement
Single-Family - 50 Ft	301	Units
Total	301	Units

C. PROPERTY INCLUDED IN PHASES #2-3 MAJOR IMPROVEMENT AREA

The Phases #2-3 Major Improvement Area consists of approximately 184 acres projected to contain approximately 551 residential units. A map of the property within the District which shows the Phases #2-3 Major Improvement Area (which includes Improvement Area #2, Improvement Area #3, and Future Improvement Areas and is shown as Phase 1B, Phase 2, Phase 3 and Phase 4) and depicting the boundaries of each proposed Phase within the Phases #2-3 Major Improvement Area is shown in Appendix A.

Table II-C
Proposed Development – Phases #2-3 Major Improvement Area

Proposed Development	Quantity	Measurement
Single-Family - 50 Ft	551	Units
Total	551	Units

D. PROPERTY INCLUDED IN IMPROVEMENT AREA #2

Improvement Area #2 consists of approximately 44.251 acres within the Phases #2-3 Major Improvement Area and consists of 158 single family residential units. A map of the property within Improvement Area #2 and depicting the boundaries of the proposed Improvement Area #2 (shown as Phase 1B) is shown in Appendix A.

Table II-D
Proposed Development – Improvement Area #2

Proposed Development	Quantity	Measurement
Single-Family - 50 Ft	158	Units
Total	158	Units

E. PROPERTY INCLUDED IN IMPROVEMENT AREA #3

Improvement Area #3 consists of approximately 72.217 acres within the Phases #2-3 Major Improvement Area and is projected to consist of 136 single family residential units. A map of the property within Improvement Area #3 and depicting the boundaries of the proposed Improvement Area #3 (shown as Phase 2) is shown in Appendix A.

Table II-E
Proposed Development – Improvement Area #3

Proposed Development	Quantity	Measurement
Single-Family - 50 Ft	136	Units
Total	136	Units

F. PROPERTY INCLUDED IN FUTURE PHASES

As Future Phases are developed within the Phases #2-3 Major Improvement Area, Phased PID Bonds may be issued for each new phase. In connection with the issuance of each new Phased PID Bonds, this Service and Assessment Plan will be updated to add additional details of each new Phase(s) as shown for Phase #1, Improvement Area #2, and Improvement Area #3 in Section II.B, Section II.D, and Section II.E, respectively. A map of the projected property within each Future Phase is shown in Appendix A. The Future Phases are shown for illustrative purposes only and are subject to adjustment. The current Parcels in the PID are shown on the Assessment Rolls included as Appendix E-1, Appendix F-1, Appendix G-1 and Appendix H-1.

The estimated number of units at the build-out of the PID is based on the land use approvals for the property, the anticipated subdivision of property in the PID, and the Developer's estimate of the highest and best use of the property within the PID.

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III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

372.003. Authorized Improvements

(a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.

(b) A public improvement may include:

- (i) landscaping;
- (ii) erection of fountains, distinctive lighting, and signs;
- (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
- (iv) construction or improvement of pedestrian malls;
- (v) acquisition and installation of pieces of art;
- (vi) acquisition, construction, or improvement of libraries;
- (vii) acquisition, construction, or improvement of off-street parking facilities;
- (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
- (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
- (x) the establishment or improvement of parks;
- (xi) projects similar to those listed in Subdivisions (i)-(x);
- (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
- (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;
- (xiv) payment of expenses incurred in the establishment, administration and operation of the district; and
- (xv) the development, rehabilitation, or expansion of affordable housing

After analyzing the public improvement projects authorized by the PID Act, the City has determined at this time to undertake only Authorized Improvements listed in Section III.B, Section III.C, Section III.D, and Section III.E, below and shown in the opinion of probable costs and on

the diagrams included as Appendix C for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the City and an update to this Service and Assessment Plan.

B. DESCRIPTIONS AND COSTS OF MAJOR IMPROVEMENTS

The Major Improvements benefit all of the Assessed Property within the PID. The Actual Costs of the Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of lots. Each of Phase #1 and the Phases #2-3 Major Improvement Area have been proportionally allocated the Actual Costs of the Major Improvements, as shown on Table III-A below.

The Major Improvements descriptions are presented below as provided by the project engineer. The Actual Costs of the Major Improvements are shown in Table III-A.

A description of the Major Improvements follows:

Road Improvements

The road improvement portion of the Major Improvements consists of the construction of entrance road improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, which benefit the Assessed Property. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements

The water improvement portion of the Major Improvements consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed according to MSUD and City standards and specifications and will be owned and operated by the MSUD.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Major Improvements consists of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and City standards and specifications and will be owned and operated by the MSUD.

Storm Drainage Improvements

The storm drainage improvement portion of the Major Improvements consists of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the

Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Landscaping and Hardscaping

The landscaping improvement portion of the Major Improvements consists of landscaping and hardscaping.

Other soft and miscellaneous costs

The soft and miscellaneous costs portion of the Major Improvements consists of engineering and surveying, project management fees, contingency, PID set up costs, and other soft and miscellaneous costs.

Table III-A
Actual Costs - Major Improvements

Authorized Improvements	Original Major Improvement Costs	Budget Revisions	Total Updated Major Improvement Costs	Phase #1 Allocated Amount	Phases #2-3 Major Improvement Area Allocated Amount
Road Improvements	\$610,000	\$592,569	\$1,202,569	\$424,851	\$777,718
Water Improvements	\$500,000	(\$218,278)	\$281,722	\$99,529	\$182,193
Sanitary Sewer Improvements	\$313,025	(\$18,457)	\$294,568	\$104,067	\$190,501
Storm Drainage Improvements	\$303,800	\$298,523	\$602,323	\$212,793	\$389,530
Landscaping & Hardscaping	\$1,111,788	(\$309,286)	\$802,502	\$283,513	\$518,989
Other Soft and Miscellaneous Costs	\$1,163,232	(\$294,578)	\$868,654	\$306,884	\$561,770
Total Authorized Improvements	\$4,001,846	\$50,492	\$4,052,338	\$1,431,636	\$2,620,702

Note: Costs provided by Barraza Consulting Group, LLC.

C. DESCRIPTIONS OF PHASE #1 IMPROVEMENTS AND COSTS OF PHASE #1 PROJECTS

The Phase #1 Improvements descriptions are presented below as provided by the project engineer. The Phase #1 Projects include Phase #1's proportionate share of the Actual Costs of the Major Improvements and the Actual Costs of the Phase #1 Improvements. The Actual Costs of the Phase #1 Projects are shown in Table III-B.

A description of the Phase #1 Improvements is as follows, and a description of the Major Improvements that are a portion of the Phase #1 Projects can be found in Section III-B above.

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Road Improvements

The road improvement portion of the Phase #1 Improvements consists of the construction of road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, which benefit the Phase #1 Assessed Property. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements

The water improvements portion of the Phase #1 Improvements consists of construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Phase #1 Assessed Property. The water improvements will be designed and constructed according to MSUD and City standards and will be owned and operated by the MSUD.

Storm Drainage Improvements

The storm drainage improvement portion of the Phase #1 Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the Phase #1 Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Phase #1 Improvements consists of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Phase #1 Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and City standards and specifications and will be owned and operated by the MSUD.

Landscaping and Hardscaping

The landscaping improvement of the Phase #1 Improvements consists of landscaping and hardscaping.

Other soft and miscellaneous costs

The soft and miscellaneous costs portion of the Phase #1 Improvements consists of engineering and surveying, project management fees, contingency, and other soft and miscellaneous costs.

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Table III-B
Actual Costs - Phase #1 Project

Authorized Improvements	Proportional Share of Major Improvements	Original Phase #1 Improvement Costs	Budget Revisions	Updated Phase #1 Improvement Costs	Total
Road Improvements	\$424,851	\$2,068,568	\$16,995	\$2,085,563	\$2,510,414
Water Improvements	\$99,529	\$549,505	\$2,719	\$552,224	\$651,753
Sanitary Sewer Improvements	\$104,067	\$799,169	\$1	\$799,170	\$903,237
Storm Drainage Improvements	\$212,793	\$779,297	\$109	\$779,406	\$992,199
Landscaping & Hardscaping	\$283,513	\$0	\$0	\$0	\$283,513
Other Soft and Miscellaneous Costs	\$306,884	\$2,334,275	(\$10,254)	\$2,324,021	\$2,630,905
Total Authorized Improvements	\$1,431,636	\$6,530,815	\$9,569	\$6,540,384	\$7,972,020

Note: Costs provided by Barraza Consulting Group, LLC.

D. DESCRIPTIONS AND COSTS OF IMPROVEMENT AREA #2 IMPROVEMENTS

The Improvement Area #2 Improvements descriptions are presented below as provided by the project engineer. The Actual Costs of the Improvement Area #2 Improvements are shown in Table III-C.

A description of the Improvement Area #2 Improvements are as follows.

Road Improvements

The road improvement portion of the Improvement Area #2 Improvements consists of the construction of road improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, which benefit the Improvement Area #2 Assessed Property. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements

The water improvements portion of the Improvement Area #2 Improvements consists of construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Improvement Area #2 Assessed Property. The water improvements will be designed and constructed according to MSUD and City standards and will be owned and operated by the MSUD.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Improvement Area #2 Improvements consists of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Improvement Area #2 Assessed Property. The

sanitary sewer improvements will be designed and constructed according to MSUD and City standards and specifications and will be owned and operated by the MSUD.

Storm Drainage Improvements

The storm drainage improvement portion of the Improvement Area #2 Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the Improvement Area #2 Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other soft and miscellaneous costs

The soft and miscellaneous costs portion of the Improvement Area #2 Improvements consists of engineering and surveying, project management fees, contingency, and other soft and miscellaneous costs.

Table III-C
Actual Improvement Area #2 Improvements Costs

Authorized Improvements	Total
Road Improvements	\$1,841,998
Water Improvements	\$670,592
Sanitary Sewer Improvements	\$257,196
Storm Drainage Improvements	\$1,027,797
Soft and miscellaneous costs	\$594,105
Total Authorized Improvements	\$4,391,687

Note: Costs provided by Barraza Consulting Group, LLC.

E. DESCRIPTIONS AND COSTS OF IMPROVEMENT AREA #3 IMPROVEMENTS

The Improvement Area #3 Improvements descriptions are presented below as provided by the project engineer. The costs of the Improvement Area #3 Improvements are shown in Table III-D. The costs shown in Table III-D are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Improvement Area #3 Improvements are as follows.

Road Improvements

The road improvement portion of the Improvement Area #3 Improvements consists of the construction of road improvements, including related subgrade stabilization, testing, paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, lighting, and traffic control devices, which benefit the Improvement Area #3 Assessed Property. All roadway projects will be designed

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

Water Improvements

The water improvements portion of the Improvement Area #3 Improvements consists of trench excavation and embedment, trench safety, construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Improvement Area #3 Assessed Property. The water improvements will be designed and constructed according to MSUD and City standards and will be owned and operated by the MSUD.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Improvement Area #3 Improvements consists of excavation and embedment, trench safety, construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Improvement Area #3 Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and City standards and specifications and will be owned and operated by the MSUD.

Storm Drainage Improvements

The storm drainage improvement portion of the Improvement Area #3 Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, headwalls, rock rip rap, and concrete outfalls which benefit the Improvement Area #3 Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other soft and miscellaneous costs

The soft and miscellaneous costs portion of the Improvement Area #3 Improvements consists of engineering and surveying, project management fees, contingency, and other soft and miscellaneous costs.

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Table III-D
Estimated Improvement Area #3 Improvements Costs

Authorized Improvements	Total
Road Improvements	\$3,404,083
Water Improvements	\$748,000
Sanitary Sewer Improvements	\$949,570
Storm Drainage Improvements	\$1,648,047
Soft and miscellaneous costs	\$1,737,395
Total Authorized Improvements	\$8,487,095

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-D may be revised in Annual Service Plan Updates.

F. FUTURE PHASES

As Future Phases are developed and Phased PID Bonds are issued, this Service and Assessment Plan will be amended to identify the specific Future Phase Improvements that confer a special benefit to the property inside each Future Phase (e.g. a Table III-E will be added to show the costs for the specific Authorized Improvements financed within the specific Future Phase being developed.)

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IV. SERVICE PLAN

A. SOURCES AND USES OF FUNDS

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five-year period. The Phases #2-3 Major Improvements financed with the Phases #2-3 Major Improvement Bonds have been constructed and accepted by the City or MSUD, as applicable. The Phase #1 Projects financed with the Phase #1 Bonds have been constructed and accepted by the City or MSUD, as applicable. The Improvement Area #2 Improvements have been completed and accepted by the City or MSUD, as applicable. It is anticipated that the Improvement Area #3 Improvements will be completed and accepted by the City or MSUD, as applicable, in the fourth quarter of 2026. After Improvement Area #3 is developed, it is anticipated that development will continue in the Future Phases within the Phases #2-3 Major Improvement Area, with the Service and Assessment Plan to be updated with that development.

The Actual Costs for Phases #2-3 Major Improvements plus costs related to the issuance of the Phases #2-3 Major Improvement Bonds and payment of expenses incurred in the establishment, administration and operation of the PID is \$3,501,000 as shown in Table IV-A. The Actual Costs for Phase #1 Projects plus costs related to the issuance of the Phase #1 Bonds and payment of expenses incurred in the establishment, administration and operation of the PID is \$8,978,818 as shown in Table IV-B.

The original Budgeted Costs for Improvement Area #2 Improvements and payment of expenses incurred in the establishment, administration and operation of the PID is \$6,320,698 as shown in Table IV-C. The Actual Costs for the Improvement Area #2 Improvements plus costs related to the Improvement Area #2 portion of the issuance of the Improvement Area #2-3 Bonds and payment of expenses incurred in the establishment, administration and operation of the PID is \$5,204,187 as shown in Table IV-D.

The Budgeted Costs for Improvement Area #3 Improvements plus costs related to the Improvement Area #3 portion of the issuance of the Improvement Area #2-3 Bonds and payment of expenses incurred in the establishment, administration and operation of the PID is \$9,332,595, as shown in Table IV-D. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

As Future Phases are developed in connection with the issuance of Phased PID Bonds or entering into a related reimbursement agreement, this Service and Assessment Plan will be amended (e.g. Table IV-E will be added for the next phase of development, etc.).

The Phases #2-3 Major Improvement Bonds shown in Table IV-A were issued in 2021 and financed a portion of the costs of Phases #2-3 Major Improvements.

Table IV-A
Sources and Uses – Phases #2-3 Major Improvement Area

Sources of Funds	Phases #2-3 Major Improvement Bonds
Par amount	\$3,460,000
Other funding sources ¹	\$41,000
Total Sources	\$3,501,000
Uses of Funds	
<i>Major Improvements</i>	
Road Improvements	\$777,718
Water Improvements	\$182,193
Sanitary Sewer Improvements	\$190,501
Storm Drainage Improvements	\$389,530
Landscaping & Hardscaping	\$518,989
Other Soft and Miscellaneous Costs	\$561,770
<i>Subtotal</i>	<i>\$2,620,702</i>
<i>Bond Issuance Costs</i>	
Cost of Issuance	\$206,440
Capitalized interest	\$287,708
Reserve Fund	\$247,350
Administrative Expense	\$35,000
Underwriter's Discount	\$103,800
<i>Subtotal</i>	<i>\$880,298</i>
Total Uses	\$3,501,000

¹The other funding sources represent Actual Costs of the Phases #2-3 Major Improvements paid for by the Developer without reimbursement from the City.

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The Phase #1 Bonds were issued in 2021 and were used to finance a portion of the costs of the Phase #1 Projects. The Phase #1 Reimbursement Agreement was entered into in 2021, and the Developer was reimbursed for a portion of the costs of the Phase #1 Projects pursuant thereto.

Table IV-B
Sources and Uses – Phase #1

Sources of Funds	Phase #1 Bonds	Phase #1 Reimbursement Agreement	Total
Par amount	\$4,465,000	\$4,494,757	\$8,959,757
Other funding sources ¹	\$11,930	\$7,132	\$19,062
Total Sources	\$4,476,930	\$4,501,888	\$8,978,818
Uses of Funds			
<i><u>Major Improvements</u></i>			
Road Improvements	\$184,933	\$239,918	\$424,851
Water Improvements	\$43,324	\$56,205	\$99,529
Wastewater Improvements	\$45,299	\$58,768	\$104,067
Storm Drainage Improvements	\$92,626	\$120,166	\$212,793
Landscaping & Hardscaping	\$123,410	\$160,103	\$283,513
Other Soft and Miscellaneous Costs	\$133,583	\$173,301	\$306,884
<i>Subtotal</i>	<i>\$623,175</i>	<i>\$808,461</i>	<i>\$1,431,636</i>
<i><u>Phase #1 Improvements</u></i>			
Roadway Improvements	\$907,822	\$1,177,741	\$2,085,563
Water Improvements	\$240,377	\$311,847	\$552,224
Sanitary Sewer Improvements	\$347,870	\$451,300	\$799,170
Storm Drainage Improvements	\$339,267	\$440,139	\$779,406
Other Soft and Miscellaneous Costs	\$1,011,621	\$1,312,400	\$2,324,021
<i>Subtotal</i>	<i>\$2,846,957</i>	<i>\$3,693,427</i>	<i>\$6,540,384</i>
<i><u>Bond Issuance Costs</u></i>			
Cost of Issuance	\$258,065	\$0	\$258,065
Capitalized interest	\$296,721	\$0	\$296,721
Reserve Fund	\$283,063	\$0	\$283,063
Administrative Expense	\$35,000	\$0	\$35,000
Underwriter's Discount	\$133,950	\$0	\$133,950
<i>Subtotal</i>	<i>\$1,006,798</i>	<i>\$0</i>	<i>\$1,006,798</i>
Total Uses	\$4,476,930	\$4,501,888	\$8,978,818

¹The other funding sources represent Actual Costs of the Phase #1 Projects paid for by the Developer without reimbursement from the City.

The obligations related to the Improvement Area #2 Improvements were secured under Improvement Area #2 Reimbursement Agreement which was created in 2025. Table IV-C below shows the original sources and uses for Improvement Area #2 Assessment Revenues.

Table IV-C
Estimated Sources and Uses – Improvement Area #2 - Original

Sources of Funds	Improvement Area #2 Total
Assessment amount	\$4,205,000
Other funding sources ¹	\$2,115,698
Total Sources	\$6,320,698
Uses of Funds	
Road Improvements	\$1,690,229
Water Improvements	\$864,230
Sanitary Sewer Improvements	\$864,090
Storm Drainage Improvements	\$790,000
Soft and miscellaneous costs	\$2,077,149
<i>Subtotal</i>	<i>\$6,285,698</i>
First Year Administrative Expense	\$35,000
Total Uses	\$6,320,698

¹The other funding sources, if any, represent projects costs of the Improvement Area #2 Improvements to be paid by the Developer, without reimbursement from the City.

The Improvement Area #2-3 Bonds secured by the Improvement Area #2 Assessment Revenues and the Improvement Area #3 Assessment Revenues will be used to finance a portion of the costs of the Improvement Area #2 Improvements and a portion of costs of the Improvement Area #3 Improvements.

Table IV-D shows the estimated sources and uses for Improvement Area #2 Assessment Revenues and Improvement Area #3 Assessment Revenues following the issuance of the Improvement Area #2-3 Bonds.

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Table IV-D
Estimated Sources and Uses – Improvement Area #2-3 Bonds

Sources of Funds	Improvement Area #2	Improvement Area #3	Total
Par amount	\$4,146,000	\$3,500,000	\$7,646,000
Other funding sources ¹	\$1,058,187	\$5,832,595	\$6,890,782
Total Sources	\$5,204,187	\$9,332,595	\$14,536,782
Uses of Funds			
<i>Improvement Area #2 Improvements</i>			
Road Improvements	\$1,841,998	\$0	\$1,841,998
Water Improvements	\$670,592	\$0	\$670,592
Sanitary Sewer Improvements	\$257,196	\$0	\$257,196
Storm Drainage Improvements	\$1,027,797	\$0	\$1,027,797
Soft and miscellaneous costs	\$594,105	\$0	\$594,105
<i>Subtotal</i>	<i>\$4,391,687</i>	<i>\$0</i>	<i>\$4,391,687</i>
<i>Improvement Area #3 Improvements</i>			
Road Improvements	\$0	\$3,404,083	\$3,404,083
Water Improvements	\$0	\$748,000	\$748,000
Sanitary Sewer Improvements	\$0	\$949,570	\$949,570
Storm Drainage Improvements	\$0	\$1,648,047	\$1,648,047
Soft and miscellaneous costs	\$0	\$1,737,395	\$1,737,395
<i>Subtotal</i>	<i>\$0</i>	<i>\$8,487,095</i>	<i>\$8,487,095</i>
<i>Bond Issuance Costs</i>			
Cost of Issuance	\$269,813	\$227,680	\$497,493
Reserve Fund	\$378,307	\$319,404	\$697,711
Capitalized Interest	\$0	\$153,417	\$153,417
Administrative Expense	\$40,000	\$40,000	\$80,000
Underwriters Discount	\$124,380	\$105,000	\$229,380
<i>Subtotal</i>	<i>\$812,500</i>	<i>\$845,500</i>	<i>\$1,658,000</i>
Total Uses	\$5,204,187	\$9,332,595	\$14,536,782

¹The other funding sources, if any, represent projects costs of the Improvement Area #2 Improvements or the Improvement Area #3 Improvements to be paid by the Developer, without reimbursement from the City. The other funding sources for Improvement Area #2 also include \$59,000 in principal amount of the Assessments collected and reimbursed to the Developer pursuant to the Improvement Area #2 Reimbursement Agreement.

As Future Phases are developed, additional Phased PID Bonds and/or reimbursement agreements entered in to and may be issued to finance the Authorized Improvements required for each new phase. Phased PID Bonds may also be issued in one or more series of Bonds.

B. PROJECTED FIVE-YEAR SERVICE PLAN

The annual projected costs and annual projected indebtedness is shown by Table IV-E, Table IV-F and Table IV-G on the following pages. The annual projected costs and indebtedness is subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table IV-E
Annual Projected Costs and Annual Projected Indebtedness – Phases #2-3 Major Improvement Area and Phase #1

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources	Projected Phases #2-3 Major Improvement Area Annual Installments	Projected Phase #1 Annual Installments
2021-26	\$12,479,818	\$12,419,757	\$60,061	\$1,303,149	\$3,116,841
2027	\$0	\$0	\$0	\$299,891	\$612,577
2028	\$0	\$0	\$0	\$301,741	\$616,699
2029	\$0	\$0	\$0	\$298,346	\$618,487
2030	\$0	\$0	\$0	\$299,966	\$614,849
2031	\$0	\$0	\$0	\$301,340	\$616,000
2032	\$0	\$0	\$0	\$297,468	\$617,726
Total	\$12,479,818	\$12,419,757	\$60,061	\$3,101,900	\$6,813,179

The annual projected costs shown in Table IV-E are the annual expenditures relating to the Major Improvements shown in Table III-A, the Phase #1 Improvements shown in Table III-B, and the costs associated with setting up the PID and bond issuance costs including reserves shown in Table IV-A and Table IV-B. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

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Table IV-F
Annual Projected Costs and Annual Projected Indebtedness – Improvement Area #2

Year	Annual Projected Cost	Annual Projected Indebtedness¹	Other Funding Sources	Projected Improvement Area #2 Annual Installments
2025 - 26	\$5,204,187	\$4,205,000	\$999,187	\$359,629
2027	\$0	\$0	\$0	\$362,463
2028	\$0	\$0	\$0	\$363,490
2029	\$0	\$0	\$0	\$364,341
2030	\$0	\$0	\$0	\$363,948
2031	\$0	\$0	\$0	\$363,377
2032	\$0	\$0	\$0	\$364,628
Total	\$5,204,187	\$4,205,000	\$999,187	\$2,541,877

¹Includes amounts to be paid from the Improvement Area #2 Assessment Revenues related to the Improvement Area #2-3 Bonds. Also includes \$59,000 in principal amount of the Assessments collected and reimbursed to the Developer pursuant to the Improvement Area #2 Reimbursement Agreement.

The annual projected costs shown in Table IV-F are the annual expenditures relating to the Improvement Area #2 Improvements shown in Table III-C and the costs associated with setting up the PID and bond issuance costs including reserves shown in Table IV-D. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

Table IV-G
Annual Projected Costs and Annual Projected Indebtedness – Improvement Area #3

Year	Annual Projected Cost	Annual Projected Indebtedness¹	Other Funding Sources	Projected Improvement Area #3 Annual Installments
2026	\$9,332,595	\$3,500,000	\$5,832,595	\$0
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$312,805
2029	\$0	\$0	\$0	\$313,631
2030	\$0	\$0	\$0	\$313,278
2031	\$0	\$0	\$0	\$312,812
2032	\$0	\$0	\$0	\$313,233
Total	\$9,332,595	\$3,500,000	\$5,832,595	\$1,565,760

¹Administrative Expenses in 2026 and 2027 are being funded with Improvement Area #2-3 Bond proceeds. Interest in 2027 will be funded with capitalized interest.

The annual projected costs shown in Table IV-G are the annual expenditures relating to the Improvement Area #3 Improvements shown in Table III-D and the costs associated with setting up the PID and bond issuance costs including reserves shown in Table IV-D. The difference

between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

As Future Phases are developed, in association with issuing Phased PID Bonds or entering into a related reimbursement agreement, for each Future Phase, this section will be updated to identify the Authorized Improvements to be financed by each new series of the Phased PID Bonds and the projected indebtedness resulting from each additional series of the Phased PID Bonds.

C. PID ASSESSMENT NOTICE

The PID Act requires that this Service and Assessment Plan and each Annual Service Plan Update include a copy of the notice form required by Section 5.014 of the Texas Property Code. The “PID Assessment Notice” is attached hereto as Appendix I and may be updated in an Annual Service Plan Update.

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V. ASSESSMENT PLAN

A. INTRODUCTION

The PID Act requires the City Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The proposed Authorized Improvements program anticipates a series of bond financings and/or reimbursement agreements that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Phase #1 Bonds and the Phases #2-3 Major Improvement Bonds issued in 2021, the obligation under the Phase #1 Reimbursement Agreement created in 2021, the obligation under the Improvement Area #2 Reimbursement Agreement created in 2025, and the Improvement Area #2-3 Bonds to be issued in 2026, subsequent financings may be issued in the future as the subsequent phases of the development are gradually constructed.

The purpose of this gradual issuance of Bonds or reimbursement obligations in phases is to mirror the actual private development of the Authorized Improvements. The levy of Assessments and related execution of a reimbursement agreement and/or issuance of Bonds are most prudently and efficiently utilized when directly coinciding with construction of public infrastructure needed for private development that is to occur once the infrastructure is completed; it is most effective to issue the Bonds and/or execute the reimbursement agreement when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the Authorized Improvements.

For purposes of this Service and Assessment Plan, the City Council has determined that the costs of the Phases #2-3 Major Improvements, Phase #1 Projects, Improvement Area #2 Improvements, and the Improvement Area #3 Improvements are allocated as described on the following page:

1. The costs of the Major Improvements and portion of the Phase #1 Improvements shall be allocated on the basis of the relative value of Parcels once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.
2. The Major Improvement costs are proportionally allocated to the Phases #2-3 Major Improvement Area Assessed Property and the Phase #1 Assessed Property based on the

ratio of total estimated number of units for the Phases #2-3 Major Improvement Area Assessed Property and the Phase #1 Assessed Property.

3. The Phases #2-3 Major Improvement Area Assessed Property's proportional share of the costs for the Major Improvements is allocated to each Parcel within the Phases #2-3 Major Improvement Area Assessed Property based on the total estimated number of units for each Parcel.
4. The Phase #1 Projects costs are allocated to each Parcel within the Phase #1 Assessed Property based on the total estimated number of units for each Parcel.
5. The Improvement Area #2 Improvements costs are allocated to each Parcel within the Improvement Area #2 Assessed Property based on the total estimated number of units for each Parcel.
6. The Improvement Area #3 Improvements costs are allocated to each Parcel within the Improvement Area #3 Assessed Property based on the total estimated number of units for each Parcel.

Table V-A and Table V-B provides the estimated allocation of costs of the Authorized Improvements constituting Major Improvements.

At this time it is impossible to determine with absolute certainty the amount of special benefit each Parcel within Future Phases will receive from the direct Authorized Improvements that will benefit each individual phase and that are to be financed with Phased PID Bonds. Therefore, Parcels will only be assessed for the special benefits conferred upon the Parcel at this time because of the Major Improvements, Phase #1 Improvements, Improvement Area #2 Improvements, and Improvement Area #3 Improvements as applicable.

In connection with the issuance of Phased PID Bonds and/or execution of related reimbursement agreements, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Phase receives from the specific Authorized Improvements funded with those Phased PID Bonds issued with respect to that Future Phase. Prior to assessing Parcels located within Future Phases in connection with issuance of Phased PID Bonds, each owner of the Parcels is expected to acknowledge that the Authorized Improvements to be financed confer a special benefit on their Parcel and consent to the imposition of the Assessments to pay for the Actual Costs of such Authorized Improvements.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the PID as a result of the Major Improvements, Phase #1 Improvements, Improvement Area #2 Improvements, and Improvement Area #3 Improvements, as applicable, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments levied on the Phase #1 Assessed Property, Phases #2-3 Major Improvement Area Assessed Property, the Improvement Area #2 Assessed Property and the Improvement Area #3 Assessed Property for such improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Major

Improvements, Phase #1 Improvements, Improvement Area #2 Improvements, and Improvement Area #3 Improvements, as applicable, to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

As Future Phases are developed, in connection with the issuance of Phased PID Bonds or entering into a reimbursement agreement, this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for each Future Phase.

B. SPECIAL BENEFIT

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in line-item format in Appendix B to this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment of the PID shown in Table IV-A, Table IV-B, Table IV-C, and Table IV-D are authorized by the PID Act. These Authorized Improvements are provided specifically for the benefit of the Assessed Property.

Each owner of the Assessed Property has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and has consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Assessments because the special benefit conferred upon the Assessed Property by the applicable Authorized Improvements equals or exceeds the amount of the respective Assessments.

The Authorized Improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and the specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as “the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (*Dictionary of Real Estate Appraisal, Third Edition.*) The Authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Developer has evaluated the potential use of the property and has determined that the highest and best use of the property is the use intended and the legal use for the property as described in Section II of this Service and Assessment Plan. The use of the Assessed Property as described herein will require the construction of the Authorized Improvements.

The Assessments will repay financing that is on advantageous terms, as the Bonds issued to finance the Authorized Improvements will pay interest that is exempt from federal income tax. As a result, all other terms being equal (e.g., maturity, fixed vs. variable rate, credit quality), the tax-exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer's option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

Each owner of the Assessed Property will ratify, confirm, accept, agree to and approve: (i) the determinations and finding by the City Council as to the special benefits described in this Service and Assessment Plan and the applicable Assessment Ordinance; (ii) the Service and Assessment Plan and the applicable Assessment Ordinance; and (iii) the levying of Assessments on the Assessed Property. Use of the Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the City Council to be the most beneficial means of doing so. As a result, the Authorized Improvements result in a special benefit to the Assessed Property, and this special benefit equals or exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

In summary, the Authorized Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The Authorized Improvements are required for the highest and best use of the property;
4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
5. Financing of the costs of the Authorized Improvement through the PID is determined to be the most beneficial means of providing for the Authorized Improvements; and,

6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. ALLOCATION OF COSTS TO ASSESSED PROPERTY

The Major Improvements will provide a special benefit to all Assessed Property in the PID. Accordingly, the estimated Major Improvement costs must be allocated throughout all Assessed Property in the PID. Table V-A.2 summarizes the allocation of Actual Costs for each type of Major Improvement. The costs shown in Table V-A.1 are the original estimated costs and have been revised as shown in Table III-A, but the related Assessments have not and may not be increased.

At the time the Major Improvements costs were originally allocated, Phase #1 was projected to contain 301 residential units and the Phases #2-3 Major Improvement Area were projected to contain 546 residential units, resulting in a total projected number of units in the PID of 847. As a result, 35.54% of the estimated costs of the Major Improvements (i.e. $301 \div 847 = 35.54\%$) were allocated to the Phase #1 Assessed Property and 64.46% of the Actual Costs Major Improvements (i.e., $546 \div 847 = 64.46\%$) were allocated to the Phases #2-3 Major Improvement Area Assessed Property. Table V-A.1 below shows the original allocation of the estimated costs of the Major Improvements between Phase #1 and Phases #2-3 Major Improvement Area.

Table V-A.1
Allocation of Major Improvement Costs - Original

Authorized Improvement	Estimated Costs¹
Road Improvements	\$610,000
Water Improvements	\$500,000
Sanitary Sewer Improvements	\$313,025
Storm Drainage Improvements	\$303,800
Landscaping & Hardscaping	\$1,111,788
Other Soft and Miscellaneous Costs	\$1,163,232
Total Major Improvements	\$4,001,846
Phase #1	
Projected total number of units	301
% of total units	35.54%
Proportionate Share of Costs	\$1,422,144
Phases #2-3 Major Improvement Area	
Projected total number of units	546
% of total units	64.46%
Proportionate Share of Costs	\$2,579,702

¹These are the original costs at the time of the levy for Phase #1 and Phases #2-3 Major Improvement Area as shown on Table III-A.

As of the date of this Service and Assessment Plan, Phase #1 contains 301 residential units and Phases #2-3 Major Improvement Area are projected to contain 551 residential units, resulting in a total projected number of units in the PID of 852. Additionally, the Actual Costs of the Major Improvements have been revised as shown on Table III-A. As a result, 35.33% of the Actual Costs of the Major Improvements (i.e. $301 \div 852 = 35.33\%$) are allocated to the Phase #1 Assessed Property and 64.67% of the Actual Costs of the Major Improvements (i.e., $551 \div 852 = 64.67\%$) are allocated to the Phases #2-3 Major Improvement Area Assessed Property. Table V-A.2 below shows the revised allocation of the projected Major Improvement costs to Phase #1 and Phases #2-3 Major Improvement Area. The Phases #2-3 Major Improvement Bonds will fund the proportionate share of the Actual Costs of the Major Improvements allocated to Phases #2-3 Major Improvement Area and the Phase #1 Bonds and Phase #1 Reimbursement Agreement will fund Phase #1's proportionate share of the Actual Costs of the Major Improvements and the Phase #1 Improvements. One hundred percent (100%) of the Phase #1 Improvements are allocated to the Phase #1 Assessed Property. One hundred percent (100%) of the Improvement Area #2 Improvements are allocated to the Improvement Area #2 Assessed Property. One hundred percent (100%) of the Improvement Area #3 Improvements are allocated to the Improvement Area #3 Assessed Property.

Table V-A.2
Allocation of Major Improvement Costs - Revised

Authorized Improvement	Actual Costs¹
Road Improvements	\$1,202,569
Water Improvements	\$281,722
Sanitary Sewer Improvements	\$294,568
Storm Drainage Improvements	\$602,323
Landscaping & Hardscaping	\$802,502
Other Soft and Miscellaneous Costs	\$868,654
Total Major Improvements	\$4,052,338
Phase #1	
Projected total number of units	301
% of total units	35.33%
Proportionate Share of Costs	\$1,431,636
Phases #2-3 Major Improvement Area	
Projected total number of units	551
% of total units	64.67%
Proportionate Share of Costs	\$2,620,702

¹These are the Actual Costs for Phase #1 and Phases #2-3 Major Improvement Area's allocable share of the costs of the Major Improvements as shown on Table III-A.

Improvement Area #2 is projected to contain 158 residential units. Improvement Area #3 is projected to contain 136 residential units. Future Phases are projected to contain 257 residential units, resulting in a total projected number of units in the Phases #2-3 Major Improvement Area of 551. As a result, 28.68% of the Actual Costs of Major Improvements allocable to the Phases #2-3 Major Improvement Area (i.e. $158 \div 551 = 28.68\%$) are allocated to Improvement Area #2 Assessed Property, 24.68% of the Actual Costs of Major Improvements allocable to the Phases #2-3 Major Improvement Area (i.e. $136 \div 551 = 24.68\%$) are allocated to Improvement Area #3 Assessed Property and 46.64% of the Actual Costs of Major Improvements allocable to the Phases #2-3 Major Improvement Area (i.e., $257 \div 551 = 46.64\%$) are allocated to the Future Phases (which consists of the Phases #2-3 Major Improvement Area Assessed Property, excluding Improvement Area #2 Assessed Property and Improvement Area #3 Assessed Property), as shown on Table V-B. The Phases #2-3 Major Improvement Bonds will fund the proportionate share of the Actual Costs of the Major Improvements allocated to Phases #2-3 Major Improvement Area, including the portion in Improvement Area #2 and the portion in Improvement Area #3.

Table V-B
Allocation of Phases #2-3 Major Improvements – Updated

Authorized Improvement	Actual Costs
Road Improvements	\$777,718
Water Improvements	\$182,193
Sanitary Sewer Improvements	\$190,501
Storm Drainage Improvements	\$389,530
Landscaping & Hardscaping	\$518,989
Other Soft and Miscellaneous Costs	\$561,770
Total Phases #2-3 Major Improvements	\$2,620,702
Improvement Area #2	
Projected total number of units	158
% of total units	28.68%
Proportionate Share of Costs	\$751,490
Improvement Area #3	
Projected total number of units	136
% of total units	24.68%
Proportionate Share of Costs	\$646,852
Future Phases	
Projected total number of units	257
% of total units	46.64%
Proportionate Share of Costs	\$1,222,360

D. ASSESSMENT METHODOLOGY

The costs of the Authorized Improvements may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

1. Assessment Methodology for the Phases #2-3 Major Improvement Area

For purpose of this Service and Assessment Plan, the City Council has determined that the costs of the Phases #2-3 Major Improvements, expenses incurred for the Phases #2-3 Major Improvement Area's portion of the establishment, administration and operation of the PID, and issuance related costs of the Phases #2-3 Major Improvement Bonds shall be allocated to the Phases #2-3 Major Improvement Area Assessed Property by spreading the entire Assessment for such improvements across the Parcels based on the estimated number of units anticipated to be developed on each Parcel.

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

The Assessment and Annual Installments for each Parcel or Lot located within the Phases #2-3 Major Improvement Area are shown on the Phases #2-3 Major Improvement Assessment Roll, attached as Appendix E-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

2. Assessment Methodology for Phase #1

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Projects, expenses incurred for Phase #1's portion of the establishment, administration and operation of the PID, and issuance related costs of the Phase #1 Bonds to be financed with the Phase #1 Bonds and Phase #1 Reimbursement Agreement, shall be allocated to the Phase #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated number of units anticipated to be developed on each Parcel within Phase #1.

Based on the Actual Costs of the Phase #1 Projects, expenses incurred for Phase #1's portion of the establishment, administration and operation of the PID, and issuance related costs of the Phase #1 Bonds, as set forth in Table IV-B, the City Council has determined that the benefit to Phase #1 Assessed Property of the Phase #1 Projects is at least equal to the Assessments levied on the Phase #1 Assessed Property.

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

The Assessment and Annual Installments for each Parcel or Lot located within Phase #1 is shown on the Phase #1 Assessment Roll, attached as Appendix F-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

3. Assessment Methodology for Improvement Area #2

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Improvement Area #2 Improvements, expenses incurred for Improvement Area #2's portion of the establishment, administration and operation of the PID, and issuance related costs of the Improvement Area #2-3 Bonds to be financed with the Improvement Area #2 portion of the Improvement Area #2-3 Bonds and the Improvement Area #2 Reimbursement Agreement, shall be allocated to the Improvement Area #2 Assessed Property by spreading the entire Assessment allocable to the Improvement Area #2 Assessed Property across the Parcels based on the estimated number of units anticipated to be developed on each Parcel within Improvement Area #2.

Based on the Actual Costs of the Improvement Area #2 Improvements, expenses incurred for Improvement Area #2's portion of the establishment, administration and operation of the PID, and issuance related costs of the Improvement Area #2-3 Bonds, as set forth in Table IV-D, the City Council has determined that the benefit to Improvement Area #2 Assessed Property of the Improvement Area #2 Improvements, expenses incurred for Improvement Area #2's portion of the establishment, administration and operation of the PID, and issuance related costs of the Improvement Area #2-3 Bonds, is at least equal to the Assessments levied on the Improvement Area #2 Assessed Property.

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

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #2 is shown on the Improvement Area #2 Assessment Roll, attached as Appendix G-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

4. Assessment Methodology for Improvement Area #3

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Improvement Area #3 Improvements, expenses incurred for Improvement Area #3's portion of the establishment, administration and operation of the PID, and issuance related costs of the Improvement Area #2-3 Bonds to be financed with the Improvement Area #3 portion of the Improvement Area #2-3 Bonds, shall be allocated to the Improvement Area #3 Assessed Property by spreading the entire Assessment allocable to the Improvement Area #3 Assessed Property across the Parcels based on the estimated number of units anticipated to be developed on each Parcel within Improvement Area #3.

Based on the estimates of the costs of the Improvement Area #3 Improvements, expenses incurred for Improvement Area #3's portion of the establishment, administration and operation of the PID, and issuance related costs of the Improvement Area #2-3 Bonds, as set forth in Table IV-D, the City Council has determined that the benefit to Improvement Area #3 Assessed Property of the Improvement Area #3 Improvements, expenses incurred for Improvement Area #3's portion of the establishment, administration and operation of the PID, and issuance related costs of the Improvement Area #2-3 Bonds is at least equal to the Assessments levied on the Improvement Area #3 Assessed Property.

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

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #3 is shown on the Improvement Area #3 Assessment Roll, attached as Appendix H-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

5. Assessment Methodology for Future Phases

When any given Future Phase is developed, and Phased PID Bonds for that Future Phase are to be issued, this Service and Assessment Plan will be amended to determine the assessment methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within that Phase.

E. ASSESSMENTS

The Assessments for the Phases #2-3 Major Improvement Bonds, the Phase #1 Bonds, the Phase #1 Reimbursement Agreement, the Improvement Area #2 Reimbursement Agreement, and the Improvement Area #2-3 Bonds are levied on each Parcel or Lot according to the Phases #2-3 Major Improvement Assessment Roll, the Phase #1 Assessment Roll, Improvement Area #2 Assessment

Roll, and the Improvement Area #3 Assessment Roll, as applicable. The Annual Installments for the Phases #2-3 Major Improvement Bonds, the Phase #1 Bonds, the Phase #1 Reimbursement Agreement, the Improvement Area #2 Reimbursement Agreement, and the Improvement Area #2-3 Bonds have been and will be collected on the dates and in the amounts shown on the Phases #2-3 Major Improvement Assessment Roll, the Phase #1 Assessment Roll, Improvement Area #2 Assessment Roll, and the Improvement Area #3 Assessment Roll, respectively, subject to revisions made during an Annual Service Plan Update. Non-Benefited Property will not be subject to any Assessments.

See Appendix D for Assessment per unit, leverage, and estimated tax rate equivalent calculation details.

F. ADMINISTRATIVE EXPENSES

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of Assessment levied against the Parcel. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on each Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

G. ADDITIONAL INTEREST RESERVE

Pursuant to the PID Act, the interest rate for Assessments securing a series of Bonds may exceed the actual interest rate per annum paid on the related Bonds by no more than the Additional Interest. The interest rate used to determine the Assessments is one half of one percent (0.50%) per annum higher than the actual rate paid on the Bonds, with the Additional Interest Component of the Annual Installments allocated to fund a reserve to be used for paying interest associated with a prepayment and to offset any possible delinquency related costs (the “Additional Interest Reserve”). The Additional Interest Reserve shall be funded until it reaches 5.50% of the outstanding Bonds unless otherwise stipulated in the applicable Trust Indenture. Once the Additional Interest Reserve is funded in full, the City may allocate the Additional Interest Component of the Annual Installments as provided in the applicable Trust Indenture. Additional Interest will not be collected as a part of any Annual Installment related to an Assessment which does not secure a series of Bonds.

H. TIRZ CREDIT

Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues representing 47% of the City’s ad valorem tax increment generated from each Parcel to offset a portion of such Parcel’s Assessments related to the Phase #1 Projects and the Phases #2-3 Major Improvements only (the “TIRZ Annual Credit Amount”). The applicable Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Annual Credit Amount applicable to the Parcel then on deposit in the TIRZ No. 12 tax increment fund. The TIRZ Annual Credit Amount applicable to each Parcel shall be calculated as described under Section VI of this Service and

Assessment Plan. No TIRZ revenues will be available to offset a portion of the Assessments related to the Improvement Area #2 Improvements or Improvement Area #3 Improvements.

VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE PHASES #2-3 MAJOR IMPROVEMENT AREA

The Assessment and Annual Installments for each Phases #2-3 Major Improvement Area Assessed Property are shown on the Phases #2-3 Major Improvement Assessment Roll, attached as Appendix E-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from Phases #2-3 Major Improvement Area Assessed Property in an amount sufficient (i) to pay principal and interest on the Phases #2-3 Major Improvement Bonds, (ii) to fund the Additional Interest Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis. As described in Section V.H., the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2026 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2027). TIRZ Annual Credit Amounts shall be calculated for those Parcels of Phase #2-3 Assessed Property that are subject to Assessments. The number of units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN PHASE #1

The Assessment and Annual Installments for each Phase #1 Assessed Property is shown on the Phase #1 Assessment Roll, attached as Appendix F-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from Phase #1 Assessed Property in an amount sufficient (i) to pay principal and interest on the Phase #1 Bonds and Phase #1 Reimbursement Agreement, (ii) to fund the Additional Interest Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis. As described in Section V.H., the TIRZ Revenues attributable to each Parcel of Assessed Property

collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2026 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2027). TIRZ Annual Credit Amounts shall be calculated for those Parcels or Phase #1 Assessed Property that are subject to Assessments. The number of units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

C. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #2

The Assessment and Annual Installments for each Improvement Area #2 Assessed Property is shown on the Improvement Area #2 Assessment Roll, attached as Appendix G-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from Improvement Area #2 Assessed Property in an amount sufficient (i) to pay principal and interest on the Improvement Area #2 portion of the Improvement Area #2-3 Bonds, (ii) to fund Improvement Area #2's allocable portion of the Additional Interest Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID.

D. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #3

The Assessment and Annual Installments for each Improvement Area #3 Assessed Property is shown on the Improvement Area #3 Assessment Roll, attached as Appendix H-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from Improvement Area #3 Assessed Property in an amount sufficient (i) to pay principal and interest on the Improvement Area #3 portion of the Improvement Area #2-3 Bonds, (ii) to fund Improvement Area #3's allocable portion of the Additional Interest Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel in Improvement Area #3 shall be calculated by taking into consideration any available capitalized interest applicable to the Parcel.

E. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN FUTURE PHASES

As Future Phases are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for phase #4, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

F. REALLOCATION OF ASSESSMENTS

1. Subdivision

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula

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

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel
- B = the Assessment for the Parcel prior to subdivision
- C = the estimated number of units to be built on each new subdivided Parcel
- D = the sum of the estimated number of units to be built on all of the new subdivided Parcels

The calculation of the estimated number of units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

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

G. MANDATORY PREPAYMENT OF ASSESSMENTS

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.

2. If at any time the Assessment per unit on a Parcel exceeds the applicable Phase #1 Maximum Assessment Per Unit, the Phases #2-3 Major Improvement Maximum Assessment Per Unit, the Improvement Area #2 Maximum Assessment Per Unit, or the Improvement Area #3 Maximum Assessment Per Unit, as calculated in this Service and Assessment Plan, as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per unit for the Parcel exceeds the applicable Phase #1 Maximum Assessment Per Unit, the Phases #2-3 Major Improvement Maximum Assessment Per Unit, Improvement Area #2 Maximum Assessment Per Unit, or Improvement Area #3 Maximum Assessment Per Unit, as calculated in this Service and Assessment Plan.
3. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

H. REDUCTION OF ASSESSMENTS

1. If after all Authorized Improvements to be funded with a series of Bonds and/or reimbursement obligation have been completed and Actual Costs for such Authorized Improvements are less than the Budgeted Costs of the Authorized Improvements used to calculate the Assessments securing such series of Bonds and/or reimbursement obligation, resulting in excess Bond proceeds or Assessments being available to redeem Bonds of such series and/or reduce the reimbursement obligation, then the Assessment securing such series of Bonds and/or reimbursement obligation for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied as set forth in the applicable Trust Indenture. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed and in accordance with the applicable Trust Indenture.
2. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds being available to redeem Bonds and/or a need to reduce the reimbursement obligation, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds and/or repay obligations under a reimbursement agreement, including interest on the Bonds (including Additional Interest) and/or interest due under a reimbursement agreement and Administrative Expenses, and such excess Bond proceeds shall be applied as set forth in the applicable Trust Indenture. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on number of units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting

reduced Assessments equals the amount required to repay the Bonds and/or repay the obligations under a reimbursement agreement, including interest on the Bonds and Administrative Expenses. The principal portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced principal portion of the Bonds and/or obligations under a reimbursement agreement is equal to the outstanding principal amount of the Bonds and/or reimbursement obligation.

I. PAYMENT OF ASSESSMENTS

1. Payment in Part or in Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the applicable Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

(d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part in an amount sufficient to allow for a convenient redemption of Bonds as determined by the Administrator. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made, and the term of the Assessment shall not be reduced.

2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the City to collect interest, administrative expenses and other authorized charges in installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Rolls, as updated as provided for herein, which include interest, Administrative Expenses, and payments required for the Additional Interest Reserve, if applicable. Payment of the Annual Installments shall commence with tax bills mailed on or about October 1 of the preceding year and due by February 1 of the year first shown on the applicable Assessment Roll.

Each Assessment shall be paid with interest of no more than the actual interest rate paid on the Bonds and/or related reimbursement agreement. The Phases #2-3 Major Improvement Assessment Roll sets forth for each year the Annual Installment for each Parcel within the Phases

#2-3 Major Improvement Area based on an interest rate of 4.750% for years 2021 through 2031, 5.250% for years 2032 through 2041, and 5.50% for years 2042 through 2050, and Additional Interest at the rate of 0.5% for the Additional Interest Reserve. The Phase #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel within Phase #1 based on (i) an interest rate of 3.250% for years 2021 through 2026, 3.750% for years 2027 through 2031, 4.250% for years 2032 through 2041, and 4.50% for years 2042 through 2050 and Additional Interest at the rate of 0.5% for the Additional Interest Reserve for the Phase #1 Bonds and (ii) an interest rate of 4.57% for years 2021-2050 for the Phase #1 Reimbursement Agreement based on the Bond Buyer index for December 24, 2020.

The Improvement Area #2 Assessment Roll sets forth for each year the Annual Installment for each Parcel within Improvement Area #2 based on (i) an interest rate of 6.39% for year 2026 for the Improvement Area #2 Reimbursement Agreement, and (ii) an estimated interest rate of 6.00% for years 2027 through 2054, and Additional Interest at the rate of 0.5% for the Additional Interest Reserve, for the Improvement Area #2 portion of the Improvement Area #2-3 Bonds. The Improvement Area #3 Assessment Roll sets forth for each year the Annual Installment for each Parcel within Improvement Area #3 based on an estimated interest rate of 6.00% for years 2027 through 2056, and Additional Interest at the rate of 0.5% for the Additional Interest Reserve, for the Improvement Area #3 portion of the Improvement Area #2-3 Bonds. Furthermore, the Annual Installments may not exceed the amounts shown on the Improvement Area #2 Assessment Roll and the Improvement Area #3 Assessment Roll, shown as Appendix G-1 and Appendix H-1, respectively.

The Annual Installments shall be reduced to equal the actual costs of repaying the Bonds and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

The City reserves and shall have the right and option to refund the Bonds in accordance with Section 372.027 of the PID Act. In the event of such refunding, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust, or decrease, the amount of the Annual Installments so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding bonds when due and payable as required by and established in the ordinance and/or the Trust Indenture authorizing and securing the refunding bonds, and such refunding bonds shall constitute Bonds for purposes of this Service and Assessment Plan.

J. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the City Council shall consider, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under the applicable Trust Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds

available to the Trustee for such purpose, including any existing deposits for a prepayment reserve and any applicable TIRZ Revenues. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

Any sale of property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such property as they become due and payable.

Phases #2-3 Major Improvement Area

The collection of the first Annual Installment for a Phase #2-3 Major Improvement Area Lot or Parcel has commenced.

Phase #1

The collection of the first Annual Installment for a Phase #1 Lot or Parcel has commenced.

Improvement Area #2

The collection of the first Annual Installment for an Improvement Area #2 Lot or Parcel has commenced.

Improvement Area #3

The collection of the first Annual Installment for an Improvement Area #3 Lot or Parcel shall commence on September 1, 2027.

K. SURPLUS FUNDS REMAINING IN THE IMPROVEMENT AREA #2-3 BOND ACCOUNT

If proceeds from the Improvement Area #2-3 Bonds remain after all of the Improvement Area #2 Improvements and the Improvement Area #3 Improvements are constructed and accepted by the City, the proceeds may be utilized in accordance with the applicable Trust Indenture.

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VII. THE ASSESSMENT ROLL

A. PHASES #2-3 MAJOR IMPROVEMENT ASSESSMENT ROLL

The City Council has evaluated each Parcel within the Phases #2-3 Major Improvement Area (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Phases #2-3 Major Improvement Area.

The Phases #2-3 Major Improvement Area Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Phases #2-3 Major Improvements. Table VII-A summarizes the \$3,501,000 in special benefit received by the Phases #2-3 Major Improvement Area Assessed Property from the Phases #2-3 Major Improvements, a portion of the costs of the PID formation, and the Phases #2-3 Major Improvement Bond issuance costs. The par amount of the Phases #2-3 Major Improvement Bonds is \$3,460,000, which is less than the benefit received by the Phases #2-3 Major Improvement Assessed Property. Accordingly, the total Assessment to be applied to all the Phases #2-3 Major Improvement Area Assessed Property is \$3,460,000. The Assessment for each Phases #2-3 Major Improvement Area Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Phases #2-3 Major Improvement Assessment Roll is attached hereto as Appendix E-1.

Table VII-A
Phases #2-3 Major Improvement Area
Special Benefit Summary

Special Benefit	Total Cost
Phases #2-3 Major Improvements ¹	\$2,620,702
PID Formation/Bond Costs of Issuance	
Cost of Issuance	\$206,440
Capitalized interest	\$287,708
Reserve Fund	\$247,350
Administrative Expense	\$35,000
Underwriter's Discount	\$103,800
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$880,298</i>
Total Special Benefit	\$3,501,000
<u>Special Benefit</u>	
Total Special Benefit	\$3,501,000
Special Assessment	\$3,460,000
Excess Benefit	\$41,000

¹See Table III-A for details.

B. PHASE #1 ASSESSMENT ROLL

The City Council has evaluated each Parcel in Phase #1 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Phase #1.

The Phase #1 Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Phase #1 Projects. Table VII-B summarizes the \$8,978,818 in special benefit received by the Phase #1 Assessed Property from the Phase #1 Projects, a portion of the costs of the PID formation, and the Phase #1 Bond issuance costs. The par amount of the Phase #1 Bonds and Phase #1 Reimbursement Agreement is \$8,959,757, which is less than the benefit received by the Phase #1 Assessed Property. Accordingly, the total Assessment to be applied to all the Phase #1 Assessed Property is \$8,959,757. The Assessment for each Phase #1 Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Phase #1 Assessment Roll is attached hereto as Appendix F-1.

Table VII-B

**Phase #1
Special Benefit Summary**

Special Benefit	Total Cost
Phase #1 Projects ¹	\$7,972,020
PID Formation/Bond Costs of Issuance	
Cost of Issuance	\$258,065
Capitalized Interest	\$296,721
Reserve Fund	\$283,063
Administrative Expense	\$35,000
Underwriter's Discount	\$133,950
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$1,006,798</i>
Total Special Benefit	\$8,978,818
Special Benefit	
Total Special Benefit	\$8,978,818
Special Assessment	\$8,959,757
Excess Benefit	\$19,062

¹See Table III-B for details.

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C. IMPROVEMENT AREA #2 ASSESSMENT ROLL

The City Council has evaluated each Parcel in Improvement Area #2 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Improvement Area #2.

The Improvement Area #2 Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Improvement Area #2 Improvements. Table VII-C summarizes the \$5,204,187 in special benefit received by the Improvement Area #2 Assessed Property from the Improvement Area #2 Improvements, a portion of the costs of the PID formation, and the portion of the Improvement Area #2-3 Bond issuance costs allocable to Improvement Area #2. The original principal amount of the Improvement Area #2 Reimbursement Agreement is \$4,205,000, which is less than the benefit received by the Improvement Area #2 Assessed Property. Accordingly, the total Assessment to be applied to all the Improvement Area #2 Assessed Property is \$4,205,000. The Assessment for each Improvement Area #2 Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Improvement Area #2 Assessment Roll is attached hereto as Appendix G-1.

Table VII-C
Improvement Area #2 Special Benefit Summary

Special Benefit	Total Cost
Improvement Area #2 Improvements ¹	\$4,391,687
<u>PID Formation/Bond Costs of Issuance</u>	
Cost of Issuance	\$269,813
Capitalized Interest	\$0
Reserve Fund	\$378,307
Administrative Expense	\$40,000
Underwriters Discount	\$124,380
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$812,500</i>
Total Special Benefit	\$5,204,187
<u>Special Benefit</u>	
Total Special Benefit	\$5,204,187
Special Assessment	\$4,205,000
Excess Benefit	\$999,187

¹See Table III-C for details.

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D. IMPROVEMENT AREA #3 ASSESSMENT ROLL

The City Council has evaluated each Parcel in Improvement Area #3 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Improvement Area #3.

The Improvement Area #3 Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Improvement Area #3 Improvements. Table VII-D summarizes the \$9,332,595 in special benefit received by the Improvement Area #3 Assessed Property from the Improvement Area #3 Improvements, a portion of the costs of the PID formation, and the portion of the Improvement Area #2-3 Bond issuance costs allocable to Improvement Area #3. The par amount of the Improvement Area #3 portion of the Improvement Area #2-3 Bonds is \$3,500,000, which is less than the benefit received by the Improvement Area #3 Assessed Property. Accordingly, the total Assessment to be applied to all the Improvement Area #3 Assessed Property is \$3,500,000. The Assessment for each Improvement Area #3 Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Improvement Area #3 Assessment Roll is attached hereto as Appendix H-1.

Table VII-D
Improvement Area #3 Special Benefit Summary

Special Benefit	Total Cost
Improvement Area #3 Improvements ¹	\$8,487,095
PID Formation/Bond Costs of Issuance	
Cost of Issuance	\$227,680
Capitalized Interest	\$153,417
Reserve Fund	\$319,404
Administrative Expense	\$40,000
Underwriters Discount	\$105,000
<i>PID Formation/Bond Cost of Issuance</i>	<i>\$845,500</i>
Total Special Benefit	\$9,332,595
<u>Special Benefit</u>	
Total Special Benefit	\$9,332,595
Projected Special Assessment	\$3,500,000
Excess Benefit	\$5,832,595

¹See Table III-D for details.

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E. FUTURE PHASE ASSESSMENT ROLL

As Future Phases are developed, this Service and Assessment Plan will be amended to determine the Assessment for each Parcel or Lot located within such Future Phase (e.g. an appendix will be added as the Assessment Roll for Future Phase).

F. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Phases #2-3 Major Improvement Assessment Roll, Phase #1 Assessment Roll, Improvement Area #2 Assessment Roll, and Improvement Area #3 Assessment Roll, in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel; (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in Annual Installments); and (iv) prepayments of the Assessment, if any, as provided by Section V of this Service and Assessment Plan.

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VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

The City may elect to designate a third party to serve as Administrator. The City shall notify Developer in writing at least thirty (30) days in advance before appointing a third party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Roll(s), including the calculation of the Annual Installment, shall send a written notice describing the error to the City not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Parcel owner, such change or modification shall be presented to the City Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Parcel owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council. Any amendments made to the Assessment Roll(s) pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the City Council, the decision of the City Council shall be conclusive as long as there is a reasonable basis for such determination. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B. TERMINATION OF ASSESSMENTS

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments, Prepayment Costs, and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments, Prepayment Costs, and Delinquent Collection Costs, the City shall provide the owner of the affected Parcel a recordable “Notice of the PID Assessment Termination”.

C. AMENDMENTS

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

The City Council reserves the right to the extent permitted by the PID Act to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels: (i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Delinquent Collection Costs, and other charges imposed by the Service and Assessment Plan.

D. FILING AND POSTING OF SERVICE AND ASSESSMENT PLAN

Within seven days of its approval by the City Council, the City shall (i) file and record this Service and Assessment Plan in the real property records of Denton County and (ii) post a copy of this Service and Assessment Plan on the City's internet website. In addition, the City shall similarly file and post each Annual Service Plan Update approved by the City Council, with each such filing and posting to occur within seven days of the date each respective Annual Service Plan Update is approved. All such documents shall be posted, filed, and recorded in the entirety.

E. ADMINISTRATION AND INTERPRETATION OF PROVISIONS

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act, and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust Indenture, such determination shall be conclusive. Tables in this Service and Assessment Plan may be rounded to the nearest whole number.

F. SEVERABILITY

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an Assessed Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

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APPENDIX A
PID MAP



Edgewood Creek Concept Plan 30						
DATA TABLE						
Gross Site Area:		247 +/-				
Residential Lots	165	Acres	165	Gross %	67%	
Proposed Floodplain	45		45		18%	
Open Space	24		24		10%	
Ponds	9		9		3%	
ROW Dedication	2		2		1%	
Amenity	2		2		1%	
Residential Product Type:						
	PHASE 1	PHASE 1B	PHASE 2	PHASE 3	PHASE 4	TOTAL
50's 115' Lot	301	158	136	130	127	852
Acres	63	44	72	44	25	248

APPENDIX B
ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

COMMUNITY NAME: <u>Edgewood Creek</u>			GROSS ACREAGE:	246.5
PHASES: <u>Full Development</u>			NET ACREAGE:	182.5
CITY OR TOWN: <u>Celina ETJ, Denton County</u>			TOTAL LOTS:	847
			TOTAL DENSITY:	4.64
			CREATED BY:	CH
			REVIEWED BY:	AB
			CREATED:	09/25/20
			REVISED:	11/13/20
Direct Phase Costs	TOTALS	PHASE 1	FUTURE	
1 Engineering	\$ 2,121,840	\$ 932,649	\$ 1,189,191	
2 Grading Site Preparation	\$ 535,089	\$ 105,349	\$ 429,740	
3 Water	\$ 1,918,798	\$ 549,505	\$ 1,369,293	
4 Sanitary Sewer	\$ 2,375,579	\$ 799,169	\$ 1,576,410	
5 Storm Drain	\$ 2,287,485	\$ 779,297	\$ 1,508,188	
6 Street Improvements	\$ 6,523,050	\$ 1,959,568	\$ 4,563,482	
7 Screening/Landscape/Ret Walls	\$ -	\$ -	\$ -	
8 Dry Utilities	\$ 109,000	\$ 109,000	\$ -	
9 MSUD Water & Sewer - Escrow	\$ -	\$ -	\$ -	
10 Contingency 5%	\$ 777,664	\$ 256,277	\$ 521,387	
11 District Formation Costs	\$ -	\$ -	\$ -	
12 FM 428 Improvements	\$ -	\$ -	\$ -	
13 ROW Acquisition	\$ 3,040,000	\$ 1,040,000	\$ 2,000,000	
	\$ 19,688,506	\$ 6,530,815	\$ 13,157,691	
Major Improvements Costs	TOTALS	PHASE 1	FUTURE	
1 Engineering	\$ 1,038,809	\$ 422,192	\$ 616,617	
2 Grading Site Preparation	\$ -	\$ -	\$ -	
3 Water	\$ 906,449	\$ 313,025	\$ 593,424	
4 Sanitary Sewer	\$ 818,135	\$ 303,800	\$ 514,335	
5 Storm Drain	\$ 500,000	\$ 500,000	\$ -	
6 Street Improvements	\$ 610,000	\$ 610,000	\$ -	
7 Screening/Landscape/Ret Walls/ Trail	\$ 2,119,188	\$ 1,111,788	\$ 1,007,400	
8 Dry Utilities	\$ -	\$ -	\$ -	
9 MSUD Water & Sewer - Escrow	\$ -	\$ -	\$ -	
10 Contingency 5%	\$ 375,229	\$ 163,040	\$ 212,189	
11 District Formation Costs	\$ 578,000	\$ 578,000	\$ -	
12 FM 428 Improvements	\$ 1,887,000		\$ 1,887,000	
13 ROW Acquisition				
	\$ 8,832,811	\$ 4,001,846	\$ 4,830,965	
Private Costs	TOTALS	PHASE 1	FUTURE	
1 Engineering	\$ 445,013	\$ 15,165	\$ 429,848	
2 Grading Site Preparation	\$ 4,085,714	\$ 1,257,553	\$ 2,828,161	
3 Water	\$ -	\$ -	\$ -	
4 Sanitary Sewer	\$ -	\$ -	\$ -	
5 Storm Drain	\$ -	\$ -	\$ -	
6 Street Improvements	\$ -	\$ -	\$ -	
7 Screening/Landscape/Ret Walls	\$ 2,820,814	\$ 1,001,800	\$ 1,819,014	
8 Dry Utilities	\$ 1,119,794	\$ 421,400	\$ 698,394	
9 MSUD Water & Sewer - Escrow	\$ 1,600,000	\$ 1,600,000	\$ -	
10 Contingency 5%	\$ 484,817	\$ 214,796	\$ 270,021	
11 District Formation Costs	\$ -	\$ -	\$ -	
12 FM 428 Improvements	\$ -	\$ -	\$ -	
13 City Assessment Fee	\$ 250,000	\$ 250,000	\$ -	
14 Amenity Center Improvements	\$ 1,500,000	\$ 1,500,000	\$ -	
15 Rollback Taxes	\$ 140,400	\$ 140,400	\$ -	
	\$ 12,446,551	\$ 6,401,113	\$ 6,045,438	
TOTALS	\$ 40,967,867	\$ 16,933,773	\$ 24,034,094	
per lot	\$ 48,368	\$ 56,258	\$ 44,018	
50' Lots	847	301	546	
Total Lots	847	301	546	

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT

OPINION OF PROBABLE COST

Community Name Edgewood Creek

City or Town Celina ETJ, Denton County

Phase Phase 1B

DIRECT PHASE COSTS

Cost Category	Total	Phase 1B
1 Site Preparation	-	-
2 Water	\$670,592	\$670,592
3 Sanitary Sewer	\$257,196	\$257,196
4 Storm Drain	\$1,027,797	\$1,027,797
5 Street Improvements	\$1,841,998	\$1,841,998
6 Soft Costs	\$419,105	\$419,105
7 Developer Consulting	\$175,000	\$175,000
8 Contingency 0%	-	-
Total	\$4,391,687	\$4,391,687

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES BEFORE FINANCIAL OBLIGATIONS ARE MADE.

NOTES

Development cost does not include City/District/County Fees, Bonds, & Permits

Development cost does not include: Rock Excavation

Professional Fees do not include: SWPPP Administration

Developer Assessment/Bond Issuance Consulting Fee

COMMUNITY NAME: <u>Edgewood Creek</u>			GROSS ACREAGE:	72.0
PHASES: <u>Phase 2</u>			NET ACREAGE:	28.0
CITY OR TOWN: <u>Celina ETJ, Denton County</u>			TOTAL LOTS:	136
			TOTAL DENSITY:	4.89
			LANDPLAN:	21
			CREATED BY:	RAV
			REVIEWED BY:	
			CREATED:	01/05/23
			REVISED:	05/27/26
Direct Phase Costs			TOTAL LOTS	136
1 Site Preparation	\$	728,294		
2 Water	\$	748,000		
3 Sanitary Sewer	\$	949,570		
4 Storm Drain	\$	1,648,047		
5 Street Improvements	\$	2,675,789		
6 Soft Costs	\$	1,482,395		
7 Developer Consulting ⁴	\$	255,000		
8 Contingency 0%	\$	-		
Total	\$	8,487,095		
Cost per Lot	\$	62,405		
Private Costs			TOTALS LOTS	136
	Lot Count			
1 Site Preparation	\$	762,004		
2 Ret Walls	\$	544,000		
3 Franchise Utilities & Street Lights	\$	440,500		
4 Amenity Center	\$	2,000,000		
5 Soft Costs	\$	209,996		
6 Contingency 0%	\$	-		
Total	\$	3,956,500		
Cost per Lot	\$	29,092		
TOTALS	\$	12,443,595		
per lot	\$	91,497		

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY.
BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

NOTES

¹ Development cost does not include: City/District/County Fees, Bonds, & Permits

² Development cost does not include: Rock Excavation

³ Professional Fees do not include: SWPPP Administration

⁴ Developer Assessment/Bond Issuance Consulting Fee

COMMUNITY NAME: Edgewood Creek PHASE: Phase 2 CITY OR TOWN: Celina ETJ, Denton County		LOT COUNT: TYP. LOT WIDTH: TYP. LOT DEPTH: TYP. PAD WIDTH: TYP. PAD DEPTH: FRONT YARD S/B: REAR YARD S/B: SIDE YARD S/B: CORNER SIDE YARD S/B:	LOT (1) 136 50 115 40 70 20 25 5 15	LOT (2) 	LOT (3) 	GROSS ACREAGE: 72.0 NET ACREAGE: 28.0 TOTAL LOTS: 136 TOTAL DENSITY: 4.86 LANDPLAN: 25.0 CREATED BY: RAV REVIEWED BY: CREATED: 08/02/23 REVISED: 05/27/26
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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
GRADING / SITE PREPARATION					
EROSION CONTROL / SWPPP					
CONSTRUCTION ENTRANCE	EA	1	\$ 3,000.00	\$ 3,000.00	
SEED DISTURBED AREAS	AC	18.1	\$ 400.00	\$ 7,233.70	
SILT FENCE (WIRE BACK)	LF	7,000	\$ 1.50	\$ 10,500.00	
CURLEX EROSION CONTROL MATTING (4 FOOT)	LF	54,400	\$ 1.40	\$ 76,160.00	
SWPPP INSPECTIONS	LS	1	\$ 15,000.00	\$ 15,000.00	
EROSION MAINTENANCE	LOT	136	\$ 150.00	\$ 20,400.00	
EROSION CONTROL SUB-TOTAL				\$ 132,293.70	
ROUGH GRADING					
CLEARING & GRUBBING, (1/4 AREA HEAVILY TREED)	AC	28	\$ 2,000.00	\$ 56,000.00	
MASS GRADING (EXCAVATION)	CY	200,000	\$ 2.70	\$ 540,000.00	
ROUGH GRADING SUB-TOTAL				\$ 596,000.00	
GRADING / SITE PREPARATION SUB-TOTAL				\$ 728,293.70	

COMMUNITY NAME: Edgewood Creek PHASE: Phase 2 CITY OR TOWN: Celina ETJ, Denton County		LOT COUNT: TYP. LOT WIDTH: TYP. LOT DEPTH: TYP. PAD WIDTH: TYP. PAD DEPTH: FRONT YARD S/B: REAR YARD S/B: SIDE YARD S/B: CORNER SIDE YARD S/B:	LOT (1) 136 50 115 40 70 20 25 5 15	LOT (2) 	LOT (3) 	GROSS ACREAGE: 72.0 NET ACREAGE: 28.0 TOTAL LOTS: 136 TOTAL DENSITY: 4.86 LANDPLAN: 25.0 CREATED BY: RAV REVIEWED BY: CREATED: 08/02/23 REVISED: 05/27/26
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ITEM DESCRIPTION		UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
WATER SYSTEMS						
	8" P.V.C. PIPE (DR 18 C900)	LF	4,191	\$ 47.80	\$ 200,329.80	
	12" P.V.C. PIPE (DR 18 C900)	LF	1,966	\$ 69.90	\$ 137,423.40	
	8" GATE VALVE & BOX	EA	17	\$ 2,783.00	\$ 47,311.00	
	12" GATE VALVE & BOX	EA	8	\$ 4,828.00	\$ 38,624.00	
	CONNECT TO EXIST. LINE 8"	EA	1	\$ 1,325.00	\$ 1,325.00	
	CONNECT TO EXIST. LINE 12"	EA	1	\$ 1,906.00	\$ 1,906.00	
	HOT TAP CONNECT TO EXIST. LINE 24"	EA	1	\$ 30,793.00	\$ 30,793.00	
	FIRE HYDRANT ASSEMBLY	EA	14	\$ 9,058.00	\$ 126,812.00	
	1" SINGLE WATER SERVICE	EA	22	\$ 837.00	\$ 18,414.00	
	1" BULLHEAD SERVICE	EA	58	\$ 1,285.00	\$ 74,530.00	
	8" PLUG	EA	3	\$ 569.00	\$ 1,707.00	
	12" AIR RELEASE VALVE	EA	1	\$ 29,189.00	\$ 29,189.00	
	1" IRRIGATION SERVICE	EA	5	\$ 829.00	\$ 4,145.00	
	1.5" IRRIGATION SERVICE	EA	1	\$ 2,176.00	\$ 2,176.00	
	CONC. ENCASEMENT	EA	52	\$ 67.00	\$ 3,484.00	
	24" STEEL ENCASEMENT	LF	20	\$ 218.60	\$ 4,372.00	
	TRENCH SAFETY	LF	6,157	\$ 0.10	\$ 615.70	
	TESTING (EXCLUDING GEOTECH)	LF	6,157	\$ 2.30	\$ 14,161.10	
	MAINTENANCE BOND	LS	1	\$ 10,682.00	\$ 10,682.00	MSUD
WATER SUB-TOTAL					\$ 748,000.00	

COMMUNITY NAME: Edgewood Creek PHASE: Phase 2 CITY OR TOWN: Celina ETJ, Denton County		LOT COUNT: TYP. LOT WIDTH: TYP. LOT DEPTH: TYP. PAD WIDTH: TYP. PAD DEPTH: FRONT YARD S/B: REAR YARD S/B: SIDE YARD S/B: CORNER SIDE YARD S/B:	LOT (1) 136 50 115 40 70 20 25 5 15	LOT (2) 	LOT (3) 	GROSS ACREAGE: 72.0 NET ACREAGE: 28.0 TOTAL LOTS: 136 TOTAL DENSITY: 4.86 LANDPLAN: 25.0 CREATED BY: RAV REVIEWED BY: CREATED: 08/02/23 REVISED: 05/27/26
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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
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SANITARY SEWER SYSTEM					
8" P.V.C. PIPE SDR 26	LF	5,979	\$ 48.00	\$ 286,992.00	
4" SERVICE LINES	EA	138	\$ 1,538.00	\$ 212,244.00	
4" DIAMETER M.H. w/ RAVEN COATING	EA	11	\$ 8,587.00	\$ 94,457.00	
5' DIAMETER M.H. w/ RAVEN COATING	EA	12	\$ 14,953.00	\$ 179,436.00	
5' DIAMETER M.H. ON EX LINE	EA	1	18,291	\$ 18,291.00	
5' DIAMETER DROP M.H. w/ RAVEN COATING	EA	1	\$ 19,639.00	\$ 19,639.00	
5' DIAMETER M.H. TYPE "S"	EA	1	\$ 14,229.00	\$ 14,229.00	
PLUG	EA	3	\$ 95.00	\$ 285.00	
CONNECT TO EXIST. LINE	EA	3	\$ 2,463.00	\$ 7,389.00	
CONC. ENCASEMENT	LF	54	\$ 67.00	\$ 3,618.00	
PUMP & HAUL	EA	1	1,325	\$ 1,325.00	
REMOVE AND REPLACE CONCRETE PANELS	SY	251	145	\$ 36,395.00	
TYPE III BARRICADES	EA	3	1,952	\$ 5,856.00	
WATER CROSSING PER TCEQ REQUIREMENTS	EA	10	\$ 2,109.00	\$ 21,090.00	
TRENCH SAFETY	LF	5,979	\$ 0.60	\$ 3,587.40	
TESTING (EXCLUDING GEOTECH)	LF	5,979	\$ 3.50	\$ 20,926.50	
ADDITIONAL TESTING AFTER DRY UTILITY INSTALL	LF	5,979	\$ 1.70	\$ 10,164.30	
MAINTENANCE BOND	LS	1	\$ 13,646.00	\$ 13,646.00	MSUD
SEWER SUB-TOTAL				\$ 949,570.20	

COMMUNITY NAME: Edgewood Creek

PHASE: Phase 2

CITY OR TOWN: Celina ETJ, Denton County



	LOT (1)	LOT (2)	LOT (3)
LOT COUNT:	136		
TYP. LOT WIDTH:	50		
TYP. LOT DEPTH:	115		
TYP. PAD WIDTH:	40		
TYP. PAD DEPTH:	70		
FRONT YARD S/B:	20		
REAR YARD S/B:	25		
SIDE YARD S/B:	5		
CORNER SIDE YARD S/B:	15		

GROSS ACREAGE:	72.0
NET ACREAGE:	28.0
TOTAL LOTS:	136
TOTAL DENSITY:	4.86
LANDPLAN:	25.0
CREATED BY:	RAV
REVIEWED BY:	
CREATED:	08/02/23
REVISED:	05/27/26

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
DRAINAGE SYSTEM					
STORM DRAIN SYSTEM					
18" R.C.P.	LF	915	\$ 54.70	\$ 50,050.50	
24" R.C.P.	LF	1,013	\$ 69.50	\$ 70,403.50	
24" R.C.P. (CLASS IV)	LF	159	\$ 78.20	\$ 12,433.80	
30" R.C.P.	LF	608	\$ 91.60	\$ 55,692.80	
36" R.C.P.	LF	123	\$ 123.00	\$ 15,129.00	
60" R.C.P.	LF	970	\$ 316.10	\$ 306,617.00	
10' INLET	EA	13	\$ 6,833.00	\$ 88,829.00	
10' INLET DEBRIS SEPARATOR	EA	6	\$ 8,035.00	\$ 48,210.00	
4' x 4' "Y" INLET	EA	2	\$ 6,984.00	\$ 13,968.00	
INLET PROTECTION	EA	21	\$ 325.00	\$ 6,825.00	
STORM SEWER M.H. (4 FOOT)	EA	3	\$ 6,600.00	\$ 19,800.00	
STORM SEWER M.H. (4 FOOT W STACKED MH EXTENSION)	EA	1	\$ 7,716.00	\$ 7,716.00	
LARGE DEBRIS SEPARATOR	EA	3	\$ 33,315.00	\$ 99,945.00	
END & PLUG 18" RCP	EA	1	\$ 209.00	\$ 209.00	
24" HEADWALL	EA	2	\$ 12,160.00	\$ 24,320.00	
24" HEADWALL (MI)	EA	2	\$ 10,260.00	\$ 20,520.00	
24" HEADWALL W DISSIPATORS	EA	2	\$ 12,247.00	\$ 24,494.00	
36" HEADWALL W DISSIPATORS	EA	1	\$ 21,015.00	\$ 21,015.00	
5-60" TXDOT CH-FW-0 HW STAMPED AND STAINED	EA	1	\$ 60,505.00	\$ 60,505.00	
5-60" TXDOT CH-FW-0 HW W DISSIPATORS	EA	1	\$ 70,987.00	\$ 70,987.00	
4-10X4 TXDOT PW-1 HW STAMPED AND STAINED	EA	1	\$ 159,392.00	\$ 159,392.00	
4-10X4 TXDOT PW-1 HW W DISSIPATORS	EA	1	\$ 101,907.00	\$ 101,907.00	
10X4 RCB	LF	268	\$ 737.10	\$ 197,542.80	
FLEXAMAT	SY	933	\$ 62.00	\$ 57,846.00	
FLEXAMAT (MI)	SY	107	\$ 79.00	\$ 8,453.00	
CORE INTO EXISTING RCB	EA	1	\$ 5,612.00	\$ 5,612.00	
6X6 RCB	LF	17	\$ 516.50	\$ 8,780.50	
6X6 TXDOT HEADWALL W/O CROSSBARS	EA	1	\$ 66,850.00	\$ 66,850.00	
TRENCH SAFETY	LF	3,096	\$ 0.20	\$ 619.20	
MAINTENANCE BOND	LS	1	\$ 23,375.00	\$ 23,375.00	Celina
STORM DRAIN SYSTEM SUB-TOTAL				\$ 1,648,047.10	
DRAINAGE SUB-TOTAL				\$ 1,648,047.10	

COMMUNITY NAME: Edgewood Creek PHASE: Phase 2 CITY OR TOWN: Celina ETJ, Denton County		LOT COUNT: TYP. LOT WIDTH: TYP. LOT DEPTH: TYP. PAD WIDTH: TYP. PAD DEPTH: FRONT YARD S/B: REAR YARD S/B: SIDE YARD S/B: CORNER SIDE YARD S/B:	LOT (1) 136 50 115 40 70 20 25 5 15	LOT (2) 	LOT (3) 	GROSS ACREAGE: 72.0 NET ACREAGE: 28.0 TOTAL LOTS: 136 TOTAL DENSITY: 4.86 LANDPLAN: 25.0 CREATED BY: RAV REVIEWED BY: CREATED: 08/02/23 REVISED: 05/27/26
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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
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STREET IMPROVEMENT						
STREET PAVING						
	7" REINF. CONC. PAVEMENT, 29' B-B	SY	19,928	\$ 58.23	\$ 1,160,407.44	
	6" SUBGRADE	SY	22,544	\$ 4.60	\$ 103,702.40	
	HYDRATED LIME MATERIAL (54#SY) DOUBLE APPLICATION	TON	609	\$ 325.00	\$ 197,925.00	
	PAVEMENT HEADER	EA	3	\$ 435.00	\$ 1,305.00	
	ROCK RIP-RAP @ PAVEMENT HEADER	SY	45	\$ 68.00	\$ 3,060.00	
	STREET BARRICADE	EA	3	\$ 1,585.00	\$ 4,755.00	
	CONNECT TO EXISTING PAVEMENT HEADER	EA	2	\$ 500.00	\$ 1,000.00	
	REMOVE AND DISPOSE OF EXISTING BARRICADE	EA	1	\$ 500.00	\$ 500.00	
	REMOVE AND INSTALL EXISTING BARRICADE	EA	1	\$ 1,865.00	\$ 1,865.00	
	BOLLARD MK 1B1	EA	135	\$ 719.00	\$ 97,065.00	
	WELCOME MATS PER CITY DETAIL	SY	249	\$ 248.00	\$ 61,752.00	
	BRICK PAVERS IN MEDIAN	EA	2	\$ 2,750.00	\$ 5,500.00	
	SEAL COAT (FULL WIDTH ROAD)	SY	5,539	\$ 12.10	\$ 67,021.90	
	2" HMAC OVERLAY	SY	2,098	\$ 27.75	\$ 58,219.50	
	3" HMAC OVERLAY	SY	2,098	\$ 42.35	\$ 88,850.30	
	10" HMAC BASE	SY	2,922	\$ 84.90	\$ 248,077.80	
	SUBGRADE WIDENING PER TXDOT SPEC	SY	3,330	\$ 39.40	\$ 131,202.00	
	SAWCUT	LF	1,860	\$ 10.00	\$ 18,600.00	
	TRAFFIC CONTROL	LS	1	\$ 28,445.00	\$ 28,445.00	
	MAINTENANCE BOND	LS	1	\$ 30,590.00	\$ 30,590.00	
			STREET PAVING SUB-TOTAL		\$ 2,309,843.34	
SIDEWALK						
	5' CONCRETE SIDEWALK	SF	3,657	\$ 7.55	\$ 27,610.35	
	8' CONCRETE SIDEWALK	SF	752	\$ 8.20	\$ 6,166.40	
	CONCRETE SIDEWALK (WIDTH VARIES)	SF	1,758	\$ 8.20	\$ 14,415.60	
	10' CONCRETE SIDEWALK	SF	25,051	\$ 8.20	\$ 205,418.20	meandering trail through floodplain
	BARRIER FREE RAMPS	EA	20	\$ 2,900.00	\$ 58,000.00	
			SIDEWALK SUB-TOTAL		\$ 311,610.55	

COMMUNITY NAME: Edgewood Creek PHASE: Phase 2 CITY OR TOWN: Celina ETJ, Denton County		LOT COUNT: TYP. LOT WIDTH: TYP. LOT DEPTH: TYP. PAD WIDTH: TYP. PAD DEPTH: FRONT YARD S/B: REAR YARD S/B: SIDE YARD S/B: CORNER SIDE YARD S/B:	LOT (1) 136 50 115 40 70 20 25 5 15	LOT (2) 	LOT (3) 	GROSS ACREAGE: 72.0 NET ACREAGE: 28.0 TOTAL LOTS: 136 TOTAL DENSITY: 4.86 LANDPLAN: 25.0 CREATED BY: RAV REVIEWED BY: CREATED: 08/02/23 REVISED: 05/27/26
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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
SIGNAGE & STRIPING					
STREET SIGNS, COMBO W/STOP (W/ POSTS)	EA	10	\$ 2,950.00	\$ 29,500.00	
STREET SIGNS (NAME BLADE & POST)	EA	3	\$ 2,540.00	7,620	
PAVEMENT MARKINGS	LS	1	\$ 17,215.00	17,215	
			SIGNAGE & STRIPING SUB-TOTAL		\$ 54,335.00
			STREET IMPROVEMENT SUB-TOTAL		\$ 2,675,788.89

SOFT COSTS & FEES					
ENGINEERING & SURVEYING	LOT	136	\$ 2,400.00	\$ 326,400.00	
CONSTRUCTION ADMINISTRATION	%	0.8%	\$ 6,749,699.89	\$ 53,997.60	
CONSTRUCTION INSPECTION	%	2.4%	\$ 2,597,617.30	\$ 62,342.82	
CONSTRUCTION MANAGEMENT	LOT	136	\$ 960.00	\$ 130,560.00	
MATERIAL TESTING	%	1.6%	\$ 6,749,699.89	\$ 107,995.20	
CITY FEES - FINAL PLATTING	LOT	136	\$ 500 + \$12 PER LOT	\$ 2,132.00	City of Celina Fees
CITY FEES - PLAN REVIEW	LOT	136	\$ 180.00	\$ 24,480.00	City of Celina Fees
CITY FEES - PLAT FILING FEE	LS	1	\$ 150.00	\$ 150.00	City of Celina Fees
CITY FEES - CIVIL PERMIT FEE - PUBLIC	%	7%	\$ 5,052,129.69	\$ 353,649.08	7% of Paving and Utilities
CITY FEES - GRADING PERMIT	LOT	136	\$ 1,000 + \$20 PER AC	\$ 1,000.00	City of Celina Fees
TREE MITIGATION	LS	1	\$ 370,000.00	\$ 370,000.00	
GEOTECHNICAL INVESTIGATION FEES	LOT	136	\$ 108.00	\$ 14,688.00	
DOWNSTREAM ASSESSMENT	LS	1	\$ 25,000.00	\$ 25,000.00	
LANDSCAPE ARCHITECT FEES	LS	1	\$ 10,000.00	\$ 10,000.00	
DEVELOPER ASSESSMENT/BOND ISSUANCE CONSULTING FEE	LS	1	\$ 255,000.00	\$ 255,000.00	SEPARATE FROM SOFT COST SUM
			SOFT COST SUB-TOTAL		\$ 1,482,394.69

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

- NOTES**
- ¹ Development cost does not include: City/District/County Fees, Bonds, & Permits
 - ² Development cost does not include: Rock Excavation, Landscaping, Irrigation, Monumentation, or Common Area Amenities
 - ³ Professional Fees do not include: Land Entitlements, Feasibility, Boundary Survey, Topographic Survey, Tree Survey, Flood Studies, Geotechnical, Environmental, Wetlands SWPPP Administration, or Traffic Studies.

COMMUNITY NAME: Edgewood Creek PHASE: Phase 2 - Private CITY OR TOWN: Celina ETJ, Denton County		LOT COUNT: TYP. LOT WIDTH: TYP. LOT DEPTH: TYP. PAD WIDTH: TYP. PAD DEPTH: FRONT YARD S/B: REAR YARD S/B: SIDE YARD S/B: CORNER SIDE YARD S/B:	LOT (1) 136 50 115 40 70 20 25 5 15	LOT (2) 	LOT (3) 	GROSS ACREAGE: 72.0 NET ACREAGE: 28.0 TOTAL LOTS: 136 TOTAL DENSITY: 4.86 LANDPLAN: 25.0 CREATED BY: RAV REVIEWED BY: CREATED: 08/02/23 REVISED: 05/27/26
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BARRAZA
 CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
GRADING / SITE PREPARATION					
ROUGH GRADING					
ROUGH LOT GRADING	LOT	136	\$ 260.00	\$ 35,360.00	
10' MOISTURE CONDITIONING	LOT	136	\$ 3,200.00	\$ 435,200.00	
MOISTURE CONDITIONING OF STREETS - 5'	CY	37,889	\$ 5.00	\$ 189,444.44	2' behind back of curb
POLY	LOT	136	\$ 550.00	\$ 74,800.00	
ROUGH GRADING SUB-TOTAL				\$ 734,804.44	
FINISH GRADING					
LOT FINISH GRADE	LOT	136	\$ 200.00	\$ 27,200.00	
FINISH GRADING SUB-TOTAL				\$ 27,200.00	
GRADING / SITE PREPARATION SUB-TOTAL				\$ 762,004.44	

COMMUNITY NAME: Edgewood Creek PHASE: Phase 2 - Private CITY OR TOWN: Celina ETJ, Denton County		LOT COUNT: TYP. LOT WIDTH: TYP. LOT DEPTH: TYP. PAD WIDTH: TYP. PAD DEPTH: FRONT YARD S/B: REAR YARD S/B: SIDE YARD S/B: CORNER SIDE YARD S/B:	LOT (1) 136 50 115 40 70 20 25 5 15	LOT (2) 	LOT (3) 	GROSS ACREAGE: 72.0 NET ACREAGE: 28.0 TOTAL LOTS: 136 TOTAL DENSITY: 4.86 LANDPLAN: 25.0 CREATED BY: RAV REVIEWED BY: CREATED: 08/02/23 REVISED: 05/27/26
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BARRAZA
CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
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SITE FENCING/RETAINING WALL IMPROVEMENTS					
RETAINING WALLS					
		RETAINING WALLS SUB-TOTAL		\$ 544,000.00	\$4,000 cost per lot
		SITE FENCING / RETAINING SUB-TOTAL		\$ 544,000.00	

DRY UTILITIES					
ELECTRIC and GAS SERVICES	LOT	136	\$ 3,000.00	\$ 408,000.00	
STREET LIGHTS	EA	13	\$ 2,500.00	\$ 32,500.00	
		DRY UTILITIES SUB-TOTAL		\$ 440,500.00	

COMMON AREA AMENITIES					
AMENITIES					
AMENITY CENTER	LS	1	\$ 2,000,000.00	\$ 2,000,000	
		TRAILS / PATHWAYS (FLATWORK) SUB-TOTAL		\$ 2,000,000	

COMMUNITY NAME: Edgewood Creek PHASE: Phase 2 - Private CITY OR TOWN: Celina ETJ, Denton County		LOT COUNT: TYP. LOT WIDTH: TYP. LOT DEPTH: TYP. PAD WIDTH: TYP. PAD DEPTH: FRONT YARD S/B: REAR YARD S/B: SIDE YARD S/B: CORNER SIDE YARD S/B:	LOT (1) 136 50 115 40 70 20 25 5 15	LOT (2) 	LOT (3) 	GROSS ACREAGE: 72.0 NET ACREAGE: 28.0 TOTAL LOTS: 136 TOTAL DENSITY: 4.86 LANDPLAN: 25.0 CREATED BY: RAV REVIEWED BY: CREATED: 08/02/23 REVISED: 05/27/26
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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
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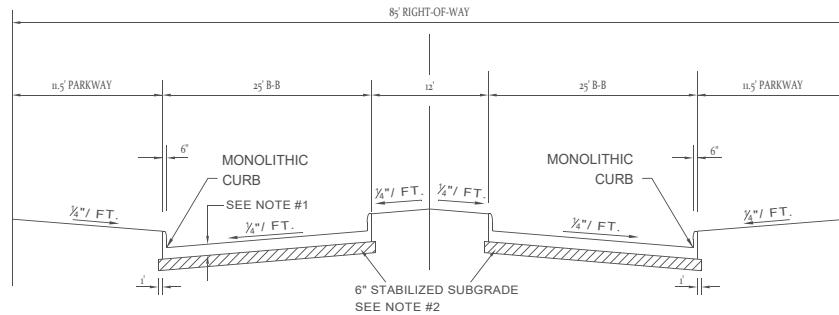
SOFT COSTS & FEES					
ENGINEERING & SURVEYING	LOT	136	\$ 600.00	\$ 81,600.00	
CONSTRUCTION ADMINISTRATION	%	0.2%	\$ 6,749,699.89	\$ 13,499.40	
CONSTRUCTION INSPECTION	%	0.6%	\$ 2,597,617.30	\$ 15,585.70	
CONSTRUCTION MANAGEMENT	LOT	136	\$ 240.00	\$ 32,640.00	
MATERIAL TESTING	%	0.4%	\$ 6,749,699.89	\$ 26,998.80	
CLUSTER MAILBOX UNIT	EA	13	\$ 2,000.00	\$ 26,000.00	
GEOTECHNICAL INVESTIGATION FEES	LOT	136	\$ 27.00	\$ 3,672.00	
LANDSCAPE ARCHITECT FEES	LS	1	\$ 10,000.00	\$ 10,000.00	
SOFT COST SUB-TOTAL				\$ 209,995.90	

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

NOTES

- ¹ Development cost does not include: City/District/County Fees, Bonds, & Permits
- ² Development cost does not include: Rock Excavation, Landscaping, Irrigation, Monumentation, or Common Area Amenities

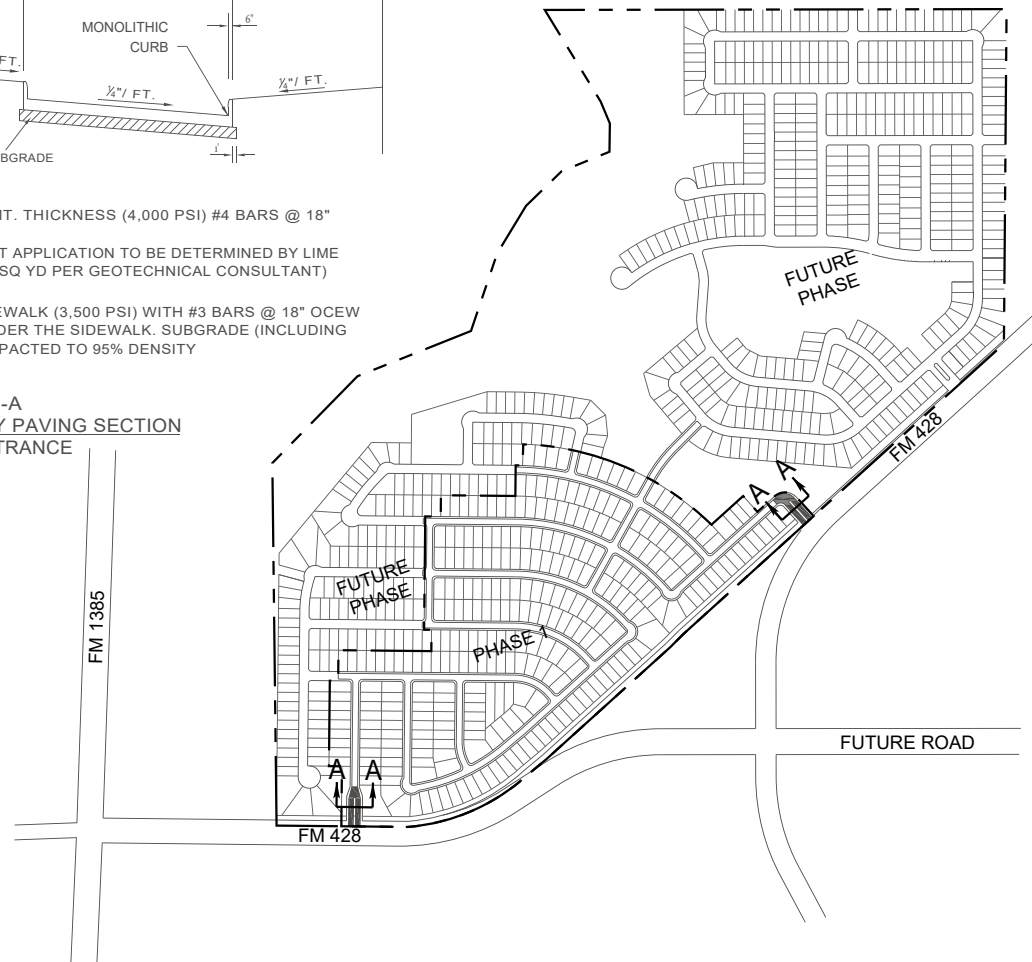
APPENDIX C
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS



NOTES:

1. 8" REINF. CONC. PVMT. THICKNESS (4,000 PSI) #4 BARS @ 18" OCEW
2. RATE OF LIME/CEMENT APPLICATION TO BE DETERMINED BY LIME SERIES TEST (37 LBS/SQ YD PER GEOTECHNICAL CONSULTANT)
3. 4" REINF. CONC. SIDEWALK (3,500 PSI) WITH #3 BARS @ 18" OCEW
1 1/2" SAND (MIN.) UNDER THE SIDEWALK. SUBGRADE (INCLUDING SAND) SHALL BE COMPACTED TO 95% DENSITY

SECTION A-A
TYPICAL DIVIDED ROADWAY PAVING SECTION
SUBDIVISION ENTRANCE
SCALE: NTS



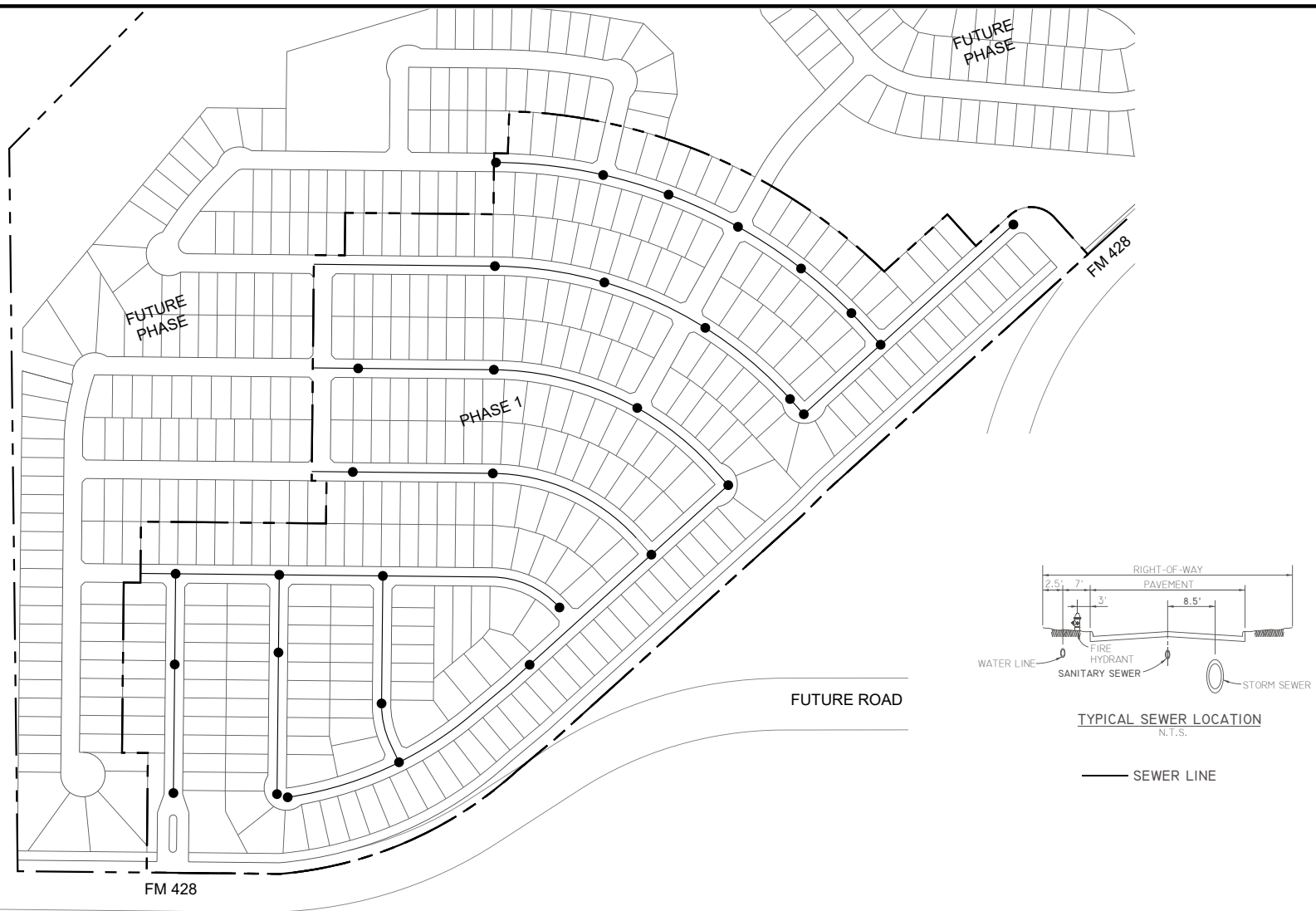
MAJOR ROAD IMPROVEMENTS
EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
CELINA ETJ, DENTON COUNTY, TEXAS

C:\Users\jbarraza\OneDrive\Documents\EdgeWood Creek\PHASE 1 Master Plan\PHASE 1 Master Plan.dwg Oct 14, 2020 4:22 PM - 4:22 PM - 4/22/20



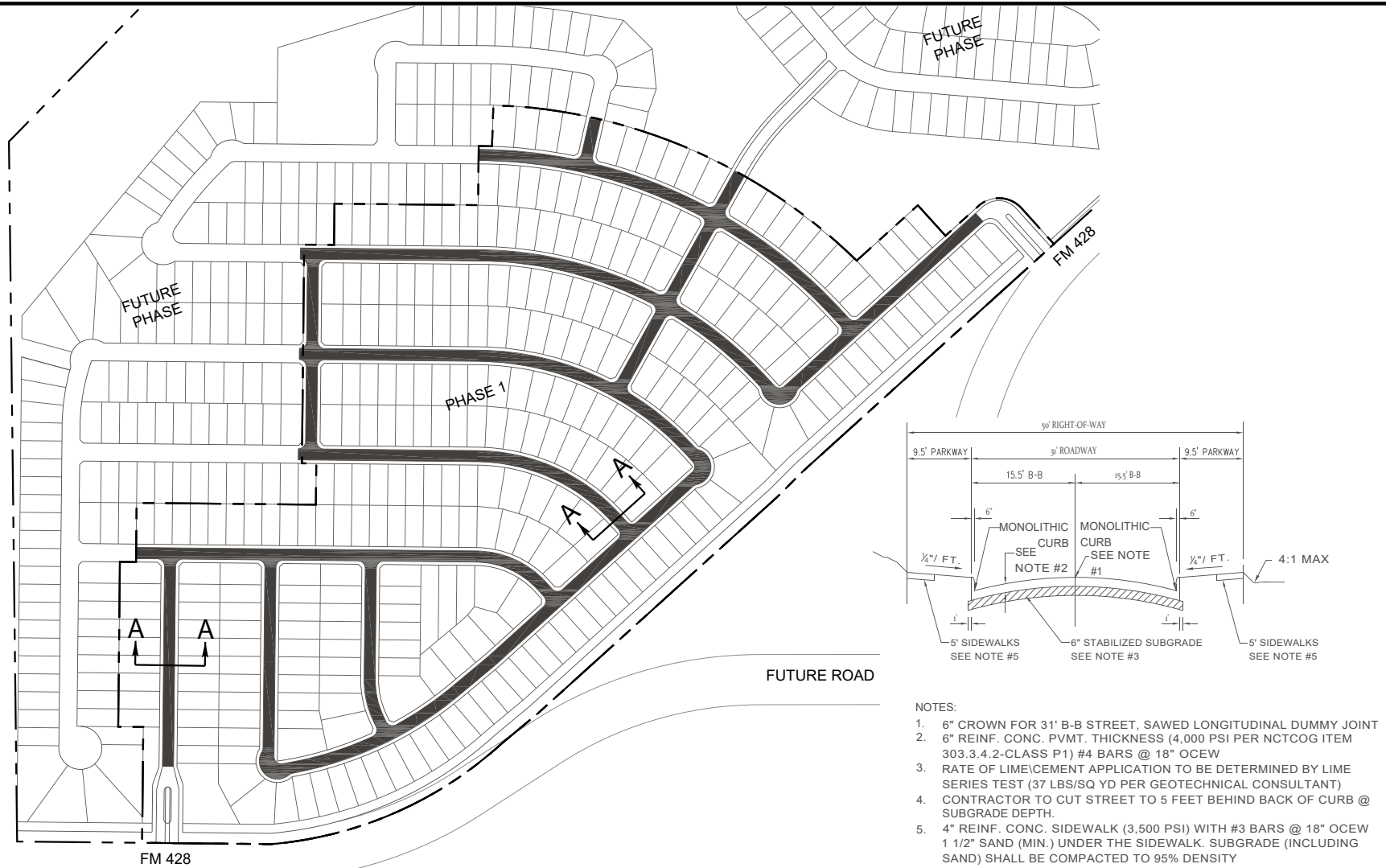
PHASE 1 MASTER PLAN
EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
CELINA ETJ, DENTON COUNTY, TEXAS

C:\Users\BARRAZA\OneDrive\Documents\Projects\EdgeWood Creek\Phase 1\Phase 1 Sewer Improvements.dwg, 14.07.2020, 4:24 pm, c:\users\BARRAZA\OneDrive\Documents\Projects\EdgeWood Creek\Phase 1\Phase 1 Sewer Improvements.dwg

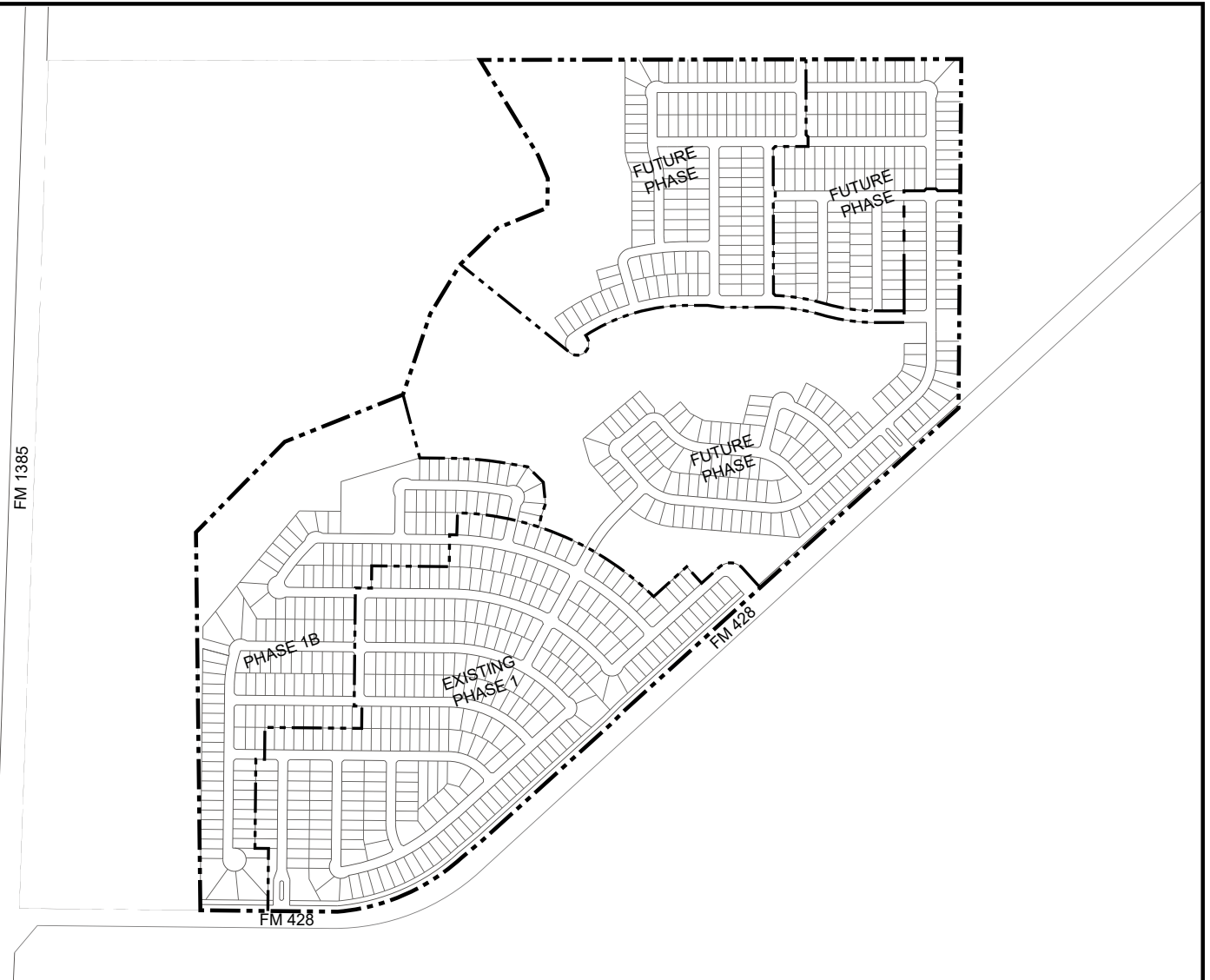


PHASE 1 SEWER IMPROVEMENTS
EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
CELINA ETJ, DENTON COUNTY, TEXAS

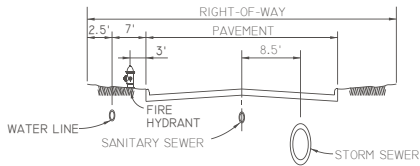
DATE: AUGUST 15, 2020
 PROJECT: EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
 DRAWING: PHASE 1 ROAD IMPROVEMENTS
 SHEET: 1 OF 1
 SCALE: 1"=250'
 DESIGNED BY: BARRAZA CONSULTING GROUP, LLC
 CHECKED BY: BARRAZA CONSULTING GROUP, LLC
 APPROVED BY: BARRAZA CONSULTING GROUP, LLC
 DATE: 8/15/2020



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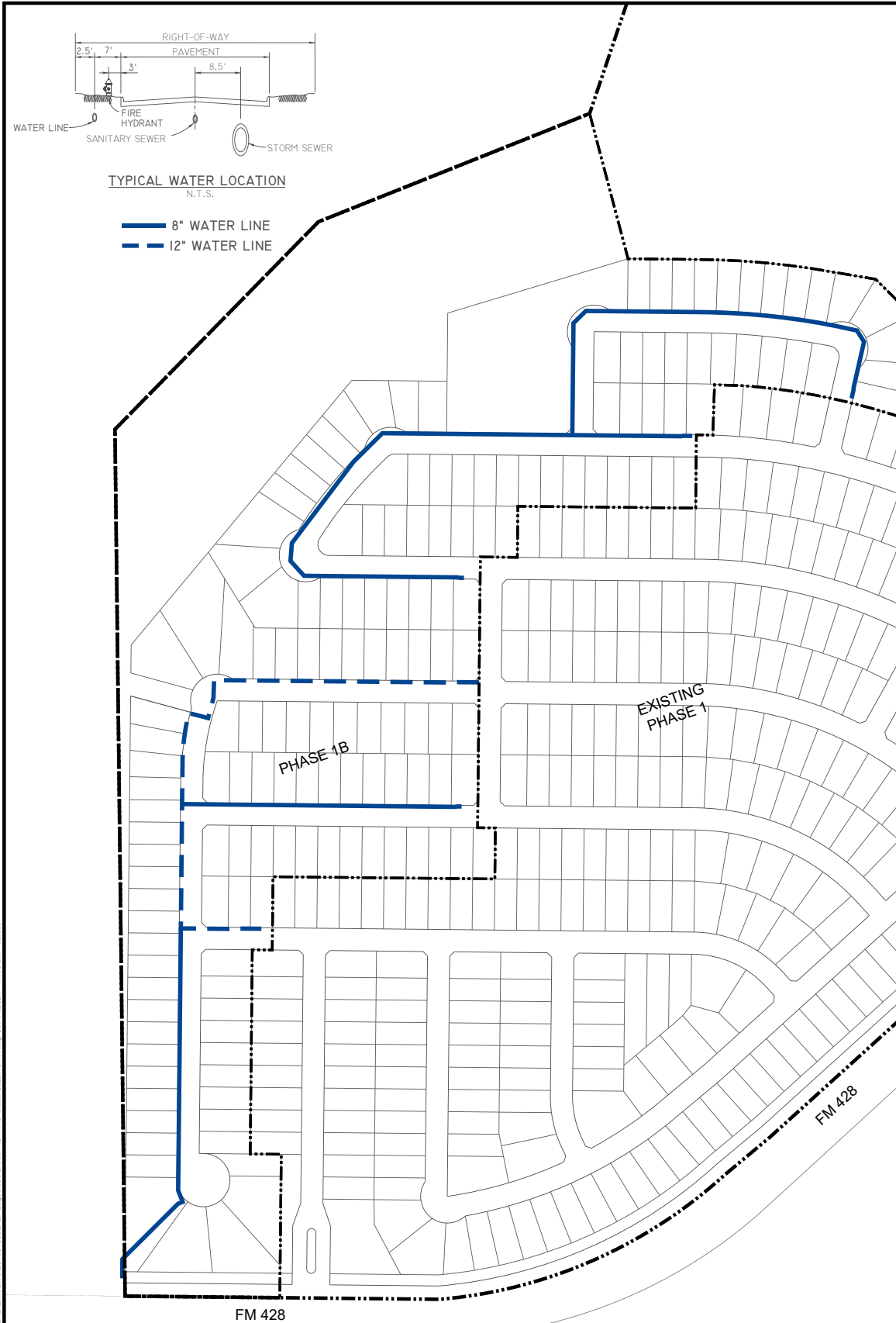


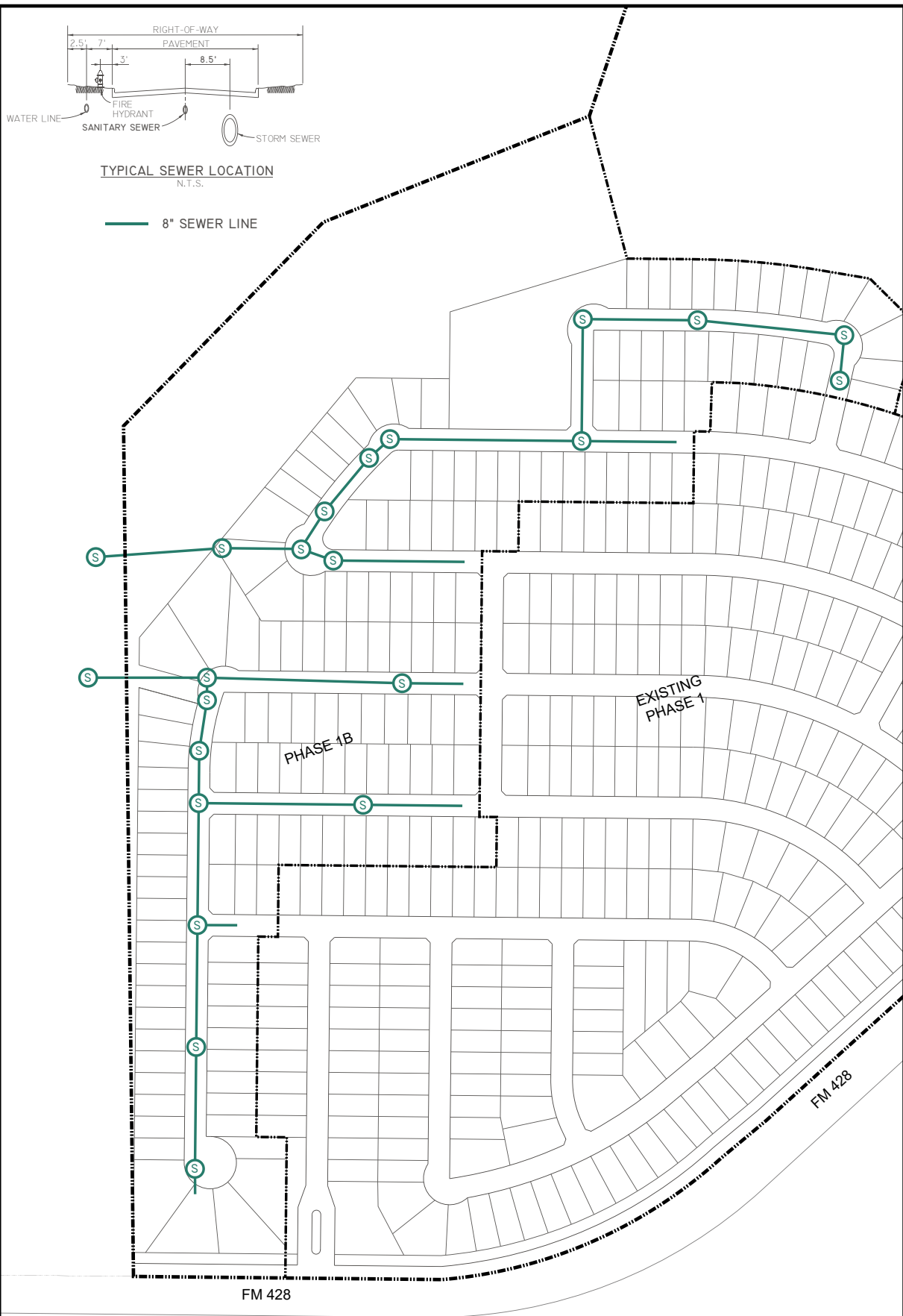
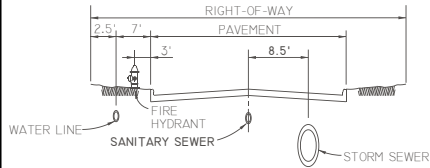
PHASE 1B MASTER PLAN
EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
CELINA ETJ, DENTON COUNTY, TEXAS



TYPICAL WATER LOCATION
N.T.S.

- 8" WATER LINE
- - - 12" WATER LINE

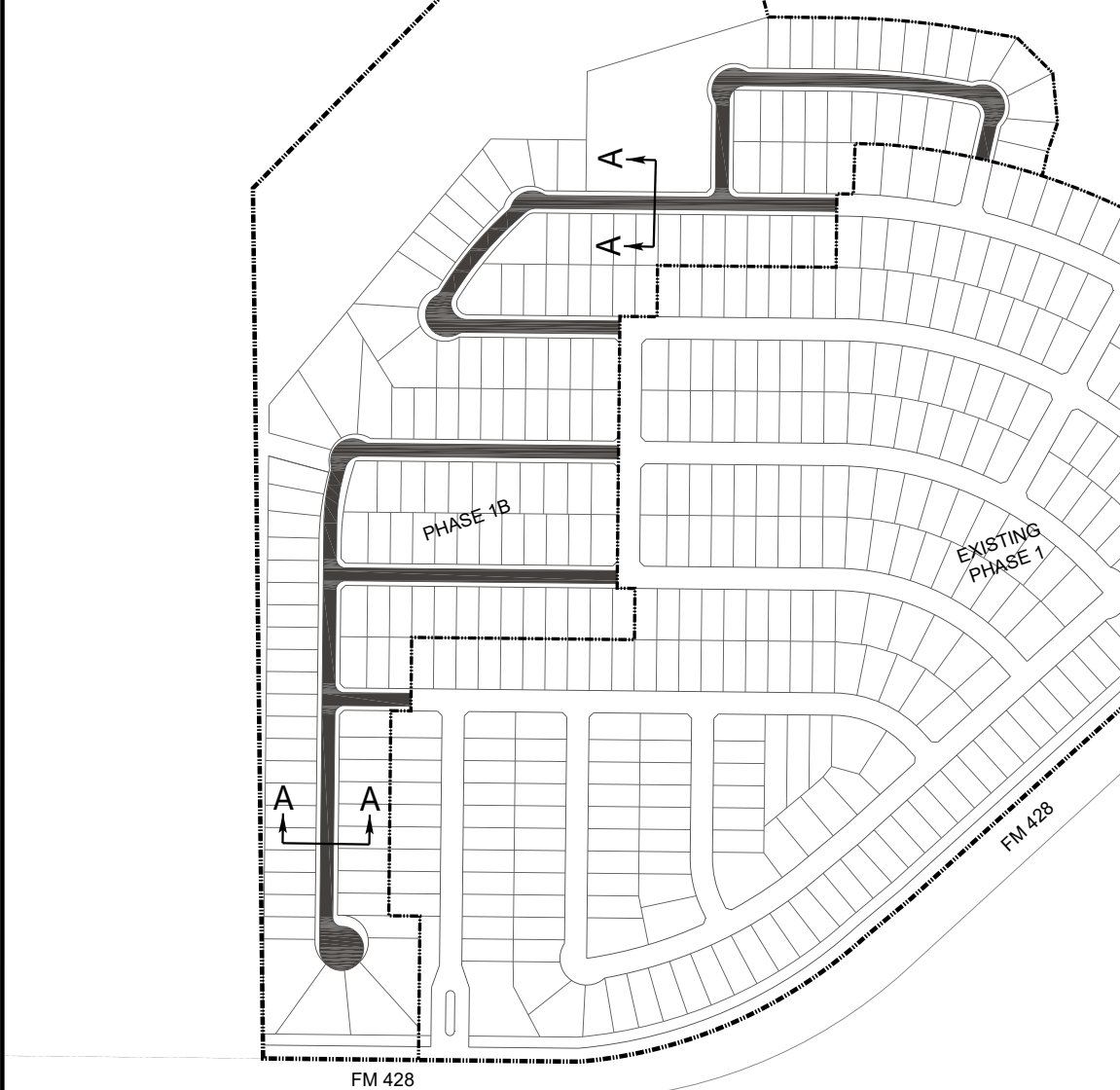




TYPICAL SEWER LOCATION
N.T.S.

— 8" SEWER LINE

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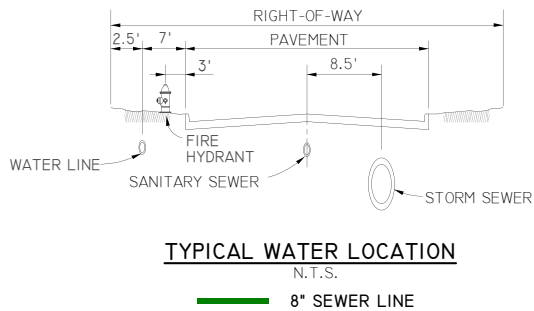


FM 1385

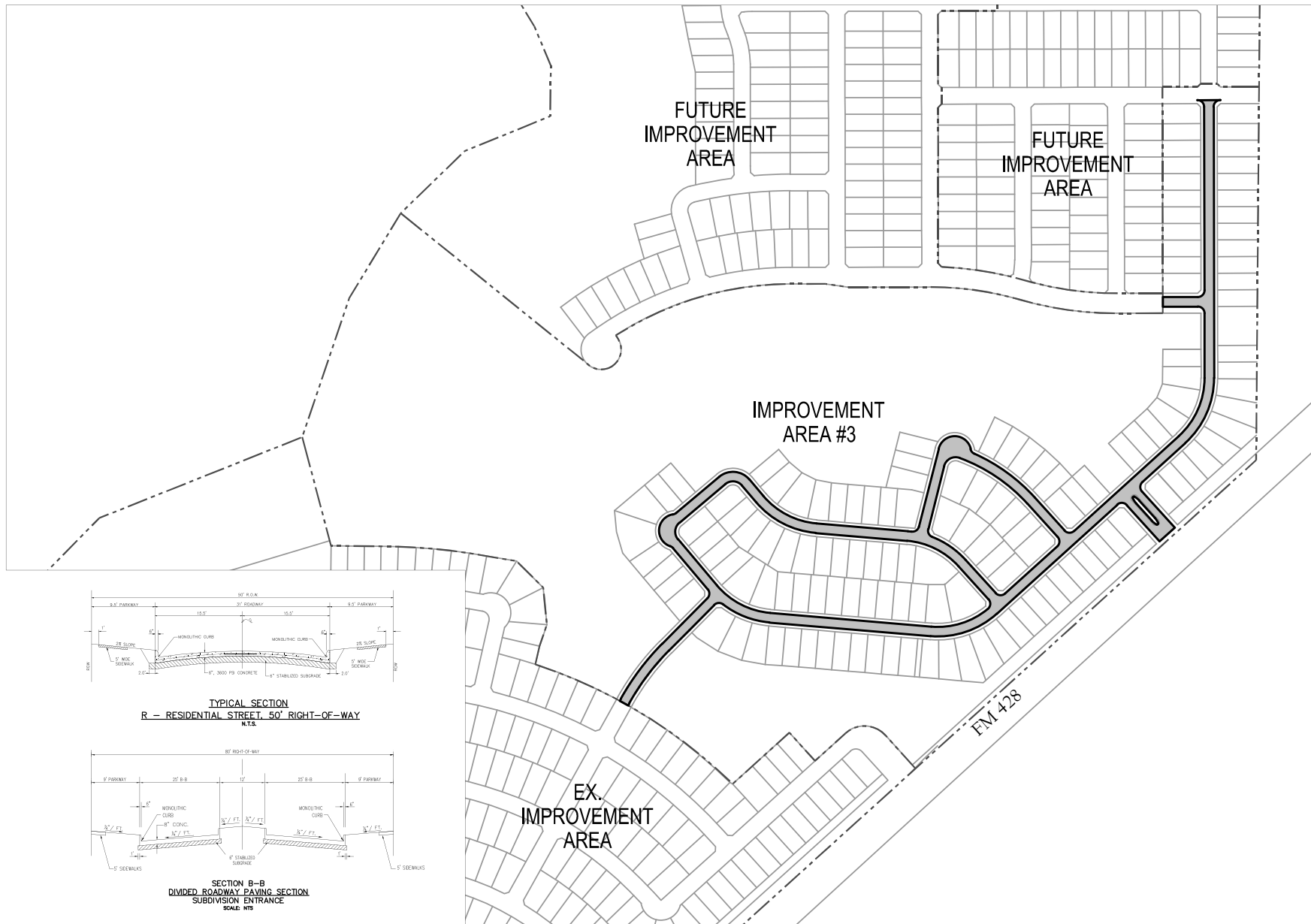


FM 428









APPENDIX D
ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE
EQUIVALENTS

A) Proposed Development

The following table shows the proposed residential units to be developed within the PID.

Table D-1
Proposed Development within the PID

Description	Proposed Development	
50 Ft Lots	852	units
	852	units

Table D-2 below shows the proposed residential units within Phase #1.

Table D-2
Proposed Development – Phase #1

Description	Proposed Development	
50 Ft Lots	301	units
	301	units

Table D-3 below shows the proposed residential Lot Types within the Phases #2-3 Major Improvement Area.

Table D-3
Proposed Development – Phases #2-3 Major Improvement Area

Description	Proposed Development	
50 Ft Lots	551	units
	551	units

Table D-4 below shows the proposed residential Lot Types within Improvement Area #2.

Table D-4
Proposed Development – Improvement Area #2

Description	Proposed Development	
50 Ft Lots	158	units
	158	units

Table D-5 on the following page shows the proposed residential Lot Types within Improvement Area #3.

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Table D-5
Proposed Development – Improvement Area #3

Description	Proposed Development	
50 Ft Lots	136	units
	136	units

B) Allocation of Assessments to Lots within Phase #1

The total amount of the Phase #1 Bonds and Phase #1 Reimbursement Agreement, which represents the total Assessment to be allocated on all Parcels within Phase #1, is \$8,959,757. As shown above, there are a total of 301 residential units in Phase #1, resulting in an Assessment per unit of \$29,766.63 (i.e. $\$8,959,757 \div 301 = \$29,766.63$).

Table D-6 below sets forth the original Assessment per dwelling unit within Phase #1.

Table D-6
Assessment Per Unit – Phase #1

Description	Planned No. of Units	Assessment per Unit	Total Assessments
50 Ft Lots	301	\$29,766.63 per dwelling unit	\$8,959,757
Total	301		\$8,959,757

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table D-7 below.

Table D-7
Projected Leverage – Phase #1

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
50 Ft Lots	301	\$45,500	\$300,000	\$29,766.63	1.53	10.08

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit is shown in Table D-8 on the following page.

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Table D-8
Estimated Tax Rate Equivalent per unit – Phase #1

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
50 Ft Lots	301	\$45,500	\$300,000	\$2,061	\$4.53	\$0.69

The Assessment and Annual Installments for each Parcel or Lot located within Phase #1 is shown on the Phase #1 Assessment Roll, attached as Appendix F-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

C) Allocation of Phases #2-3 Major Improvement Assessments to Lots in Phases #2-3 Major Improvement Area

The total amount of the Phases #2-3 Major Improvement Bonds, which represents the total Assessment to be allocated on all Parcels within the Phases #2-3 Major Improvement Area, is \$3,460,000. As described herein, there were originally expected to be 546 units in the Phases #2-3 Major Improvement Area, which resulted in an Assessment per unit of \$6,337.00. As shown below, there are now a total of 551 residential units in the Phases #2-3 Major Improvement Area, resulting in an Assessment per unit of \$6,279.49 (i.e. $\$3,460,000 \div 551 = \$6,279.49$).

Table D-9 below set forth the revised Assessment per dwelling unit for within the Phases #2-3 Major Improvement Area based on the 551 residential units currently expected to be included in the Phases #2-3 Major Improvement Area.

Table D-9
Assessment Per Unit – Phases #2-3 Major Improvements - Revised

Description	Planned No. of Units	Assessment per Unit	Total Assessments
50 Ft Lots	551	\$6,279.49 per dwelling unit	\$3,460,000
Total	551		\$3,460,000

The revised projected leverage calculated based on the estimated land values, finished lot values and home values for each unit within the Phases #2-3 Major Improvement Area is shown in Table D-10 on the following page.

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Table D-10
Projected Leverage – Phases #2-3 Major Improvements - Revised

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
50 Ft Lots	551	\$45,500	\$300,000	\$6,279.49	7.25	47.77

The revised projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit within the Phases #2-3 Major Improvement Area is shown in Table D-11 below.

Table D-11
Estimated Tax Rate Equivalent per unit – Phases #2-3 Major Improvements - Revised

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
50 Ft Lots	551	\$45,500	\$300,000	\$525.15	\$1.15	\$0.18

The Assessment and Annual Installments for each Parcel or Lot located within the Phases #2-3 Major Improvement Area are shown on the Phases #2-3 Major Improvement Assessment Roll, attached as Appendix E-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

D) Allocation of Improvement Area #2 Assessments to Lots in Improvement Area #2

The total amount of the Improvement Area #2 Reimbursement Agreement, which represents the total original Assessment to be allocated on all Parcels within Improvement Area #2, is \$4,205,000. As shown above, there are a total of 158 residential units in Improvement Area #2, resulting in an original Assessment per unit of \$26,613.92 (i.e. $\$4,205,000 \div 158 = \$26,613.92$).

The total amount of the Improvement Area #2 portion of the Improvement Area #2-3 Bonds, which represents the total outstanding Assessment to be allocated on all Parcels within Improvement Area #2, is \$4,146,000. As shown above, there are a total of 158 residential units in Improvement Area #2, resulting in an outstanding Assessment per unit relating to the Improvement Area #2-3 Bonds of \$26,240.51 (i.e. $\$4,146,000 \div 158 = \$26,240.51$).

Table D-12 on the following page sets forth the outstanding Assessment per dwelling unit within Improvement Area #2 following the issuance of the Improvement Area #2-3 Bonds, as well as Improvement Area #2's portion of the outstanding Assessments levied within the Phases #2-3 Major Improvement Area for the Phases #2-3 Major Improvements.

Table D-12
Assessment Per Unit – Improvement Area #2 Improvements and Phases #2-3 Major Improvements – Outstanding

Description	Planned No. of Units	Assessment per Unit - IA#2	Total Assessment for IA#2	Outstanding Assessment per Unit - Phases #2-3 Major Improvement Area	Combined Outstanding Assessment Per Unit	Combined Outstanding Assessment
50 Ft Lots	158	\$26,240.51	\$4,146,000	\$5,789.47	\$32,029.98	\$5,060,737
Total	158		\$4,146,000			\$5,060,737

The updated projected leverage calculated based on the estimated land values, finished lot values and home values for each unit within Improvement Area #2 with respect to the aggregate outstanding Assessments levied within Improvement Area #2 is shown in Table D-13 below.

Table D-13
Projected Leverage – Improvement Area #2 and Phases #2-3 Major Improvement Area - Outstanding

Description	Planned No. of Units	Estimated Finished Lot Value per unit¹	Projected Home Value per unit	Assessment per Unit - Improvement Area #2	Outstanding Assessment Per Unit - Phases #2-3 Major Improvement Area	Combined Outstanding Assessment Per Unit	Combined Leverage (Lot Value)	Combined Leverage (Home Value)
50 Ft Lots	158	\$112,250	\$575,000	\$26,240.51	\$5,789.47	\$32,029.98	3.50	17.95

¹ Estimated lot value derived from the appraisal for Improvement Area #2-3 with respect to the Improvement Area #2-3 Bonds.

The updated projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit within Improvement Area #2 with respect to the outstanding Assessments levied for the Improvement Area #2 Improvements only is shown in Table D-14.

Table D-14
Estimated Tax Rate Equivalent per unit – Improvement Area #2 only - Outstanding

Description	Planned No. of Units	Estimated Finished Lot Value per unit¹	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
50 Ft Lots	158	\$112,250	\$575,000	\$2,383.73	\$2.12	\$0.41

¹ Estimated lot value derived from the appraisal for Improvement Area #2-3 with respect to the Improvement Area #2-3 Bonds.

The updated projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit within Improvement Area #2 with respect to the aggregate outstanding Assessments levied within Improvement Area #2 is shown in Table D-15 below.

Table D-15
Estimated Tax Rate Equivalent per unit – Improvement Area #2 and Phases #2-3 Major
Improvement Area - Outstanding

Description	Planned No. of Units	Estimated Finished Lot Value per unit ¹	Projected Home Value per unit	Projected Average Annual Installment per unit - Improvement Area #2	Projected Average Annual Installment per unit - Phases #2-3 Major Improvement Area	Projected Total Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
50 Ft Lots	158	\$112,250	\$575,000	\$2,383.73	\$525.15	\$2,908.88	\$2.59	\$0.51

¹ Estimated lot value derived from the appraisal for Improvement Area #2-3 with respect to the Improvement Area #2-3 Bonds.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #2 is shown on the Improvement Area #2 Assessment Roll, attached as Appendix G-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

E) Allocation of Improvement Area #3 Assessments to Lots in Improvement Area #3

The total amount of the Improvement Area #2-3 Bonds allocable to Improvement Area #3, which represents the total Assessment to be allocated on all Parcels within Improvement Area #3, is \$3,500,000. As shown below, there are a total of 136 residential units, resulting in an Assessment per Unit of \$25,735.29 (i.e. $\$3,500,000 \div 136 = \$25,735.29$).

Table D-16 on the following page sets forth the Assessment per dwelling unit within Improvement Area #3 following the issuance of the Improvement Area #2-3 Bonds, as well as the outstanding portion of the Assessments levied within the Phases #2-3 Major Improvement Area for the Phases #2-3 Major Improvements have been allocated to the land within Improvement Area #3.

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Table D-16
Assessment Per Unit – Improvement Area #3 Improvements and Phases #2-3 Major Improvements

Description	Planned No. of Units	Assessment per Unit - IA#3	Total Assessment for IA#3	Outstanding Assessment per Unit - Phases #2-3 Major Improvement Area	Combined Assessment Per Unit	Combined Outstanding Assessment
50 Ft Lots	136	\$25,735.29	\$3,500,000	\$5,789.47	\$31,524.77	\$4,287,368
Total	136		\$3,500,000			\$4,287,368

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit within Improvement Area #3 with respect to the aggregate outstanding Assessments levied within Improvement Area #3 is shown in Table D-17.

Table D-17
Projected Leverage – Improvement Area #3 and Phases #2-3 Major Improvement Area

Description	Planned No. of Units	Estimated Finished Lot Value per unit¹	Projected Home Value per unit¹	Assessment per Unit - Improvement Area #3	Outstanding Assessment Per Unit - Phases #2-3 Major Improvement Area	Combined Assessment Per Unit	Combined Leverage (Lot Value)	Combined Leverage (Home Value)
50 Ft Lots	136	\$112,750	\$575,000	\$25,735.29	\$5,789.47	\$31,524.77	3.58	18.24

¹ Estimated lot value derived from the appraisal for Improvement Area #2 with respect to the Improvement Area #2-3 Bonds.

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit within Improvement Area #3 with respect to the outstanding Assessments levied for the Improvement Area #3 Improvements only is shown in Table D-18 below.

Table D-18
Estimated Tax Rate Equivalent per unit – Improvement Area #3 only

Description	Planned No. of Units	Estimated Finished Lot Value per unit¹	Projected Home Value per unit¹	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
50 Ft Lots	136	\$112,750	\$575,000	\$2,417.71	\$2.14	\$0.42

¹ Estimated lot value derived from the appraisal for Improvement Area #2-3 with respect to the Improvement Area #2-3 Bonds.

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit within Improvement Area #3 with respect to the aggregate outstanding Assessments levied within Improvement Area #3 is shown in Table D-19.

Table D-19
Estimated Tax Rate Equivalent per unit – Improvement Area #3 and Phases #2-3 Major Improvement Area

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit - Improvement Area #3	Projected Average Annual Installment per unit - Phases #2-3 Major Improvement Area	Projected Total Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
50 Ft Lots	136	\$112,750	\$575,000	\$2,417.71	\$525.15	\$2,942.86	\$2.61	\$0.51

¹ Estimated lot value derived from the appraisal for Improvement Area #2-3 with respect to the Improvement Area #2-3 Bonds.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #3 is shown on the Improvement Area #3 Assessment Roll, attached as Appendix H-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

APPENDIX E-1
PHASES #2-3 MAJOR IMPROVEMENT ASSESSMENT ROLL

Appendix E-1
Phases #2-3 Major Improvement Assessment Roll

**Parcel
Units
Assessment**

**All Parcels
551
\$3,460,000**

Year ¹	Principal	Interest	Administrative Expenses²	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment³
9/30/2021	\$0	\$105,358	\$35,000	\$17,300	\$0	(\$105,358)	\$52,300
9/30/2022	\$0	\$182,350	\$35,700	\$17,300	\$0	(\$182,350)	\$53,000
9/30/2023	\$65,000	\$182,350	\$36,414	\$17,300	\$0	\$0	\$301,064
9/30/2024	\$65,000	\$179,263	\$37,142	\$16,975	\$0	\$0	\$298,380
9/30/2025	\$70,000	\$176,175	\$37,885	\$16,650	\$0	\$0	\$300,710
9/30/2026	\$70,000	\$172,850	\$38,545	\$16,300	\$0	\$0	\$297,695
9/30/2027	\$75,000	\$160,525	\$39,416	\$15,950	\$0	\$0	\$290,891
9/30/2028	\$80,000	\$165,963	\$40,204	\$15,575	\$0	\$0	\$301,741
9/30/2029	\$80,000	\$162,163	\$41,008	\$15,175	\$0	\$0	\$298,346
9/30/2030	\$85,000	\$158,363	\$41,828	\$14,775	\$0	\$0	\$299,966
9/30/2031	\$90,000	\$154,325	\$42,665	\$14,350	\$0	\$0	\$301,340
9/30/2032	\$90,000	\$150,050	\$43,518	\$13,900	\$0	\$0	\$297,468
9/30/2033	\$95,000	\$145,325	\$44,388	\$13,450	\$0	\$0	\$298,163
9/30/2034	\$100,000	\$140,338	\$45,276	\$12,975	\$0	\$0	\$298,589
9/30/2035	\$105,000	\$135,088	\$46,182	\$12,475	\$0	\$0	\$298,744
9/30/2036	\$110,000	\$129,575	\$47,105	\$11,950	\$0	\$0	\$298,630
9/30/2037	\$115,000	\$123,800	\$48,047	\$11,400	\$0	\$0	\$298,247
9/30/2038	\$120,000	\$117,763	\$49,008	\$10,825	\$0	\$0	\$297,596
9/30/2039	\$130,000	\$111,463	\$49,989	\$10,225	\$0	\$0	\$301,676
9/30/2040	\$135,000	\$104,638	\$50,988	\$9,575	\$0	\$0	\$300,201
9/30/2041	\$140,000	\$97,550	\$52,008	\$8,900	\$0	\$0	\$298,458
9/30/2042	\$145,000	\$90,200	\$53,048	\$8,200	\$0	\$0	\$296,448
9/30/2043	\$155,000	\$82,225	\$54,109	\$7,475	\$0	\$0	\$298,809
9/30/2044	\$165,000	\$73,700	\$55,191	\$6,700	\$0	\$0	\$300,591
9/30/2045	\$170,000	\$64,625	\$56,295	\$5,875	\$0	\$0	\$296,795
9/30/2046	\$180,000	\$55,275	\$57,421	\$5,025	\$0	\$0	\$297,721
9/30/2047	\$190,000	\$45,375	\$58,570	\$4,125	\$0	\$0	\$298,070
9/30/2048	\$200,000	\$34,925	\$59,741	\$3,175	\$0	\$0	\$297,841
9/30/2049	\$210,000	\$23,925	\$60,936	\$2,175	\$0	\$0	\$297,036
9/30/2050	\$225,000	\$12,375	\$62,155	\$1,125	(\$247,350)	\$0	\$53,305
Total	\$3,460,000	\$3,537,895	\$1,419,785	\$337,200	(\$247,350)	(\$287,708)	\$8,228,822

1 – The 9/30/XX dates represent the fiscal year end for the Bonds.

2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

3- Annual Installments are calculated assuming an interest rate of 4.750% for years 2021 through 2031, 5.250% for years 2032 through 2041, and 5.50% for years 2042 through 2050 on the Bonds plus the Additional Interest and Administrative Expenses.

APPENDIX E-2

PHASES #2-3 MAJOR IMPROVEMENT ASSESSMENT ROLL SUMMARY

Appendix E-2
Assessment Roll Summary - Phases #2-3
2026-27

Parcel	Estimated No. of units	Lot Size	Lot Type	Outstanding Assessment	Principal	Interest	Excess Interest for Reserves	Administrative Expense	TIRZ Credit	Annual Installment
52672	113	50	1	\$654,211	\$15,381.13	\$32,920.74	\$3,271.05	\$8,083.43	(\$17,609.09)	\$42,047.26
960214	280	50	1	\$1,621,053	\$38,112.52	\$81,573.50	\$8,105.26	\$20,029.75	(\$19,099.18)	\$128,721.86
960118	0	0	Non-Assessed	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1069805	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069806	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069807	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069808	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069809	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069810	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069811	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069812	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069813	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069814	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069803	0	0	Non-Assessed	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1069815	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069816	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069817	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069818	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069819	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069820	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069821	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069822	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069823	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069824	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069804	0	0	Non-Assessed	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1069825	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069826	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069827	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069828	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069829	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069830	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069831	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069832	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069833	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069834	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069835	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069836	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069837	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069838	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069839	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069840	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069841	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069842	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069843	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069844	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069845	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069846	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069847	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069848	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069849	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069850	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069851	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069852	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069853	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069854	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069855	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069856	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069857	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069858	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069859	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069860	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069861	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069862	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069863	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069864	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069865	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069866	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069867	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069868	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069869	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069870	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069871	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069872	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069961	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069962	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069963	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069948	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069949	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069950	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069951	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069952	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069953	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069954	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069955	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069956	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069957	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069958	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069959	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069960	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069936	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069937	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69

Parcel	Estimated No. of units	Lot Size	Lot Type	Outstanding Assessment	Principal	Interest	Excess Interest for Reserves	Administrative Expense	TIRZ Credit	Annual Installment
1069938	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069939	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069940	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069941	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069942	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069943	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069944	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069945	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069946	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069947	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069925	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069926	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069927	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069928	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069929	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069930	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069931	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069932	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069933	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069934	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069935	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069917	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069918	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069919	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069920	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069921	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069922	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069923	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069924	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069903	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069904	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069905	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069906	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069907	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069908	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069909	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069910	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069911	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069912	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069913	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069914	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069915	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069916	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069898	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069899	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069900	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069901	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069902	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069888	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069889	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069890	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069891	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069892	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069893	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069894	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069895	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069896	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069897	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069874	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069875	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069876	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069877	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069878	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069879	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069880	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069881	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069882	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069883	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069884	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069885	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069886	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069887	1	50	1	\$5,789	\$136.12	\$291.33	\$28.95	\$71.53	(\$76.24)	\$451.69
1069873	0	0	Non-Assessed	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
551				\$3,190,000	\$75,000.00	\$160,525.00	\$15,950.00	\$39,415.68	(\$48,753.90)	\$242,136.78

APPENDIX F-1
PHASE #1 ASSESSMENT ROLL

Appendix F-1
Phase #1 Assessment Roll

**Parcel
Units
Assessment**

**All Parcels
301
\$8,959,757**

Year ¹	Principal & Interest²	Principal & Interest³	Administrative Expenses⁴	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment
9/30/2021	\$108,658	\$274,167	\$35,000	\$22,325	\$0	(\$108,658)	\$331,492
9/30/2022	\$188,063	\$273,268	\$35,700	\$22,325	\$0	(\$188,063)	\$331,293
9/30/2023	\$283,063	\$274,023	\$36,414	\$22,325	\$0	\$0	\$615,825
9/30/2024	\$279,975	\$273,596	\$37,142	\$21,850	\$0	\$0	\$612,563
9/30/2025	\$281,888	\$274,031	\$37,885	\$21,375	\$0	\$0	\$615,179
9/30/2026	\$278,638	\$272,333	\$38,643	\$20,875	\$0	\$0	\$610,488
9/30/2027	\$280,388	\$272,399	\$39,416	\$20,375	\$0	\$0	\$612,577
9/30/2028	\$281,450	\$275,195	\$40,204	\$19,850	\$0	\$0	\$616,699
9/30/2029	\$282,325	\$275,854	\$41,008	\$19,300	\$0	\$0	\$618,487
9/30/2030	\$278,013	\$276,284	\$41,828	\$18,725	\$0	\$0	\$614,849
9/30/2031	\$278,700	\$276,485	\$42,665	\$18,150	\$0	\$0	\$616,000
9/30/2032	\$279,200	\$277,458	\$43,518	\$17,550	\$0	\$0	\$617,726
9/30/2033	\$278,888	\$277,157	\$44,388	\$16,925	\$0	\$0	\$617,358
9/30/2034	\$278,363	\$278,627	\$45,276	\$16,275	\$0	\$0	\$618,541
9/30/2035	\$277,625	\$278,778	\$46,182	\$15,600	\$0	\$0	\$618,184
9/30/2036	\$276,675	\$279,654	\$47,105	\$14,900	\$0	\$0	\$618,334
9/30/2037	\$275,513	\$280,210	\$48,047	\$14,175	\$0	\$0	\$617,945
9/30/2038	\$279,138	\$280,446	\$49,008	\$13,425	\$0	\$0	\$622,017
9/30/2039	\$277,338	\$281,363	\$49,989	\$12,625	\$0	\$0	\$621,314
9/30/2040	\$275,325	\$281,914	\$50,988	\$11,800	\$0	\$0	\$620,027
9/30/2041	\$278,100	\$283,099	\$52,008	\$10,950	\$0	\$0	\$624,157
9/30/2042	\$275,450	\$282,873	\$53,048	\$10,050	\$0	\$0	\$621,421
9/30/2043	\$277,125	\$284,282	\$54,109	\$9,125	\$0	\$0	\$624,641
9/30/2044	\$278,350	\$285,233	\$55,191	\$8,150	\$0	\$0	\$626,924
9/30/2045	\$279,125	\$285,727	\$56,295	\$7,125	\$0	\$0	\$628,273
9/30/2046	\$274,450	\$286,765	\$57,421	\$6,050	\$0	\$0	\$624,686
9/30/2047	\$274,550	\$288,299	\$58,570	\$4,950	\$0	\$0	\$626,369
9/30/2048	\$274,200	\$289,286	\$59,741	\$3,800	\$0	\$0	\$627,027
9/30/2049	\$278,400	\$289,724	\$60,936	\$2,600	\$0	\$0	\$631,660
9/30/2050	\$276,925	\$288,613	\$62,155	\$1,325	(\$283,063)	\$0	\$345,955
Total	\$8,085,896	\$8,397,143	\$1,419,883	\$424,875	(\$283,063)	(\$296,721)	\$17,748,014

1 – The 9/30/XX dates represent the fiscal year end for the Bonds.

2- Annual Installments are calculated assuming an interest rate of 3.250% for years 2021 through 2026, 3.750% for years 2027 through 2031, 4.250% for years 2032 through 2041, and 4.50% for years 2042 through 2050 on the Phase #1 Bonds.

3- Annual Installments are calculated assuming an interest rate of 4.57% on the Phase #1 Reimbursement Agreement.

4- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

APPENDIX F-2
PHASE #1 ASSESSMENT ROLL SUMMARY

Appendix F-2
Assessment Roll Summary - Phase #1
2026-27

Parcel	No. of units	Lot Size	Lot Type	Phase #1 Bond Outstanding Assessment	Phase #1 RA Outstanding Assessment	Total Outstanding Assessment	Principal	Interest	Excess Interest for Reserves	Administrative Expense	TIRZ Credit	Annual Installment
1020232	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$279.03)	\$1,722.88
1020233	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,289.52)	\$712.39
1020234	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,431.46)	\$570.46
1020235	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,687.76)	\$314.16
1020236	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,292.23)	\$709.69
1020237	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,437.94)	\$563.98
1020238	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,336.28)	\$665.64
1020239	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,297.65)	\$704.27
1020240	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,418.22)	\$583.70
1020241	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,359.96)	\$641.96
1020242	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,362.67)	\$639.25
1020243	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,401.49)	\$600.43
1020244	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,630.87)	\$371.05
1020245	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,387.26)	\$614.66
1020246	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,275.98)	\$725.94
1020247	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,733.82)	\$268.10
1020248	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,246.18)	\$755.74
1020249	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,387.05)	\$614.87
1020250	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,354.54)	\$647.37
1020251	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,265.14)	\$736.78
1020252	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,173.84)	\$828.88
1020253	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,447.80)	\$554.12
1020254	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,299.85)	\$702.07
1020255	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,580.83)	\$581.89
1020256	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,834.68)	\$167.24
1020257	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,340.99)	\$664.92
1020258	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,579.40)	\$422.52
1020259	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,322.03)	\$679.88
1020260	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,194.71)	\$807.21
1020261	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,276.59)	\$725.33
1020262	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,189.73)	\$812.18
1020263	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$265.49)	\$1,736.43
1020264	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,173.84)	\$828.88
1020265	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,424.45)	\$577.47
1020266	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,155.24)	\$866.68
1020267	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$887.15)	\$1,114.77
1020268	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,311.20)	\$690.72
1020269	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,767.64)	\$234.28
1020270	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,156.78)	\$845.14
1020271	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,394.99)	\$606.93
1020272	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,516.52)	\$485.40
1020273	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,389.68)	\$612.24
1020274	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,259.72)	\$742.20
1020275	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,232.63)	\$769.29
1020276	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,563.14)	\$438.78
1020277	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,384.96)	\$616.96
1020278	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,259.72)	\$742.20
1020279	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,299.85)	\$702.07
1020280	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,384.63)	\$617.29
1020281	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,563.14)	\$438.78
1020282	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,259.72)	\$742.20
1020283	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,311.20)	\$690.72
1020284	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,474.19)	\$527.73
1020285	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,332.87)	\$669.05
1020286	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,332.87)	\$669.05
1020287	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,423.25)	\$578.66
1020288	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,980.47)	\$21.45
1020289	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,785.29)	\$216.63
1020290	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,714.85)	\$287.07
1020291	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,349.13)	\$652.79
1020292	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,575.75)	\$426.16
1020293	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,777.16)	\$224.76
1020294	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,714.85)	\$287.07
1020295	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,468.32)	\$533.60
1020296	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,827.12)	\$174.80
1020297	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,766.32)	\$235.60
1020298	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,251.60)	\$750.32
1020299	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,265.14)	\$736.78
1020300	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,522.50)	\$479.41
1020301	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,778.32)	\$223.60
1020302	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,767.92)	\$233.99
1020303	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,311.20)	\$690.72
1020304	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,648.82)	\$353.10
1020305	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,866.56)	\$135.36
1020306	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,801.14)	\$200.77
1020307	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,311.20)	\$690.72
1020308	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,414.07)	\$587.85
1020309	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,427.37)	\$574.55
1020310	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,397.17)	\$604.75
1020311	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,744.50)	\$257.41
1020312	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,259.72)	\$742.20
1020313	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,665.31)	\$336.61
1020314	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	\$0.00	\$2,801.92
1020315	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,781.86)	\$220.05
1020316	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,900.19)	\$101.73
1020317	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,065.86)	\$936.06
1020318	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,086.49)	\$915.42
1020319	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84</					

Appendix E-2
Assessment Roll Summary - Phase #1
2026-27

Parcel	No. of units	Lot Size	Lot Type	Phase #1 Bond Outstanding Assessment	Phase #1 RA Outstanding Assessment	Total Outstanding Assessment	Principal	Interest	Excess Interest for Reserves	Administrative Expense	TIRZ Credit	Annual Installment
1020331	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,736.90)	\$265.01
1020332	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,251.60)	\$750.32
1020333	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,593.63)	\$408.29
1020334	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,474.66)	\$527.26
1020335	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,342.37)	\$659.55
1020336	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,434.00)	\$567.32
1020337	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,412.81)	\$589.11
1020338	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,562.28)	\$439.64
1020339	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,538.71)	\$463.20
1020340	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	\$0.00	\$2,001.92
1020341	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,468.00)	\$533.92
1020342	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,578.65)	\$423.26
1020343	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,410.12)	\$561.80
1020344	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,614.61)	\$387.30
1020345	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,681.00)	\$320.92
1020346	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,901.78)	\$100.14
1020347	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,568.56)	\$433.36
1020348	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,657.96)	\$343.96
1020349	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,368.69)	\$633.23
1020350	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,991.18)	\$10.74
1020351	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,639.00)	\$362.92
1020352	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,443.94)	\$557.97
1020353	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,210.76)	\$761.16
1020354	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,449.36)	\$552.56
1020355	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,395.18)	\$606.74
1020356	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,698.59)	\$303.32
1020357	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,511.67)	\$490.25
1020358	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,387.27)	\$614.65
1020359	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,720.27)	\$281.65
1020360	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,324.74)	\$677.18
1020361	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,257.02)	\$744.90
1020362	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,388.92)	\$613.00
1020363	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,251.60)	\$750.32
1020364	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,289.52)	\$712.39
1020365	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,475.79)	\$526.13
1020366	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,379.02)	\$622.90
1020367	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,830.47)	\$171.45
1020368	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,611.91)	\$390.01
1020369	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,324.74)	\$677.18
1020370	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,294.94)	\$706.97
1020371	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,422.17)	\$579.75
1020372	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,596.18)	\$405.74
1020373	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,308.49)	\$693.43
1020374	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,300.36)	\$701.56
1020375	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,279.42)	\$722.50
1020376	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,893.65)	\$108.27
1020377	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,869.90)	\$132.01
1020378	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,511.67)	\$490.25
1020379	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,397.53)	\$604.39
1020380	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,216.38)	\$785.54
1020381	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,673.65)	\$328.27
1020382	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,205.54)	\$796.38
1020383	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,311.20)	\$690.72
1020384	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,202.83)	\$799.08
1020385	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$896.71)	\$1,105.21
1020386	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020387	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$222.15)	\$1,779.77
1020388	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020389	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020390	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020391	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$214.02)	\$1,787.90
1020392	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020393	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020394	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020395	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020396	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020397	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020398	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020399	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020400	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$214.02)	\$1,787.90
1020401	0	0	Non-Assessed	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1020402	0	0	Non-Assessed	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1020403	0	0	Non-Assessed	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1020404	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$214.02)	\$1,787.90
1020405	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020406	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020407	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020408	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020409	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020410	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020411	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020412	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020413	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020414	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020415	1	50	I	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$238.40)	\$1,763.52

Appendix F-2:
Assessment Roll Summary - Phase #1
2026-27

Parcel	No. of units	Lot Size	Lot Type	Phase #1 Bond Outstanding Assessment	Phase #1 RA Outstanding Assessment	Total Outstanding Assessment	Principal	Interest	Excess Interest for Reserves	Administrative Expense	TIRZ Credit	Annual Installment
1020416	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020417	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,115.70)	\$886.22
1020418	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$890.03)	\$1,111.89
1020419	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020420	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020421	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020422	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020423	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020424	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020425	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020426	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$214.02)	\$1,787.90
1020427	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,614.61)	\$387.30
1020428	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,907.19)	\$94.72
1020429	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,850.31)	\$151.61
1020430	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,991.18)	\$10.74
1020431	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,653.11)	\$348.81
1020432	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,633.00)	\$368.92
1020433	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,612.79)	\$389.13
1020434	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,387.27)	\$614.65
1020435	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,623.07)	\$378.85
1020436	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,855.72)	\$146.19
1020437	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,603.78)	\$398.14
1020438	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,687.76)	\$314.16
1020439	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,359.51)	\$642.41
1020440	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,387.27)	\$614.65
1020441	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,491.27)	\$510.65
1020442	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,571.27)	\$430.65
1020443	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,712.14)	\$289.78
1020444	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,771.74)	\$230.18
1020445	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,820.14)	\$181.78
1020446	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,376.22)	\$625.70
1020447	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,859.15)	\$142.77
1020448	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,545.75)	\$456.17
1020449	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,549.59)	\$452.32
1020450	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,491.08)	\$510.84
1020451	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,706.73)	\$295.19
1020452	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,426.38)	\$575.53
1020453	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	\$0.00	\$2,001.92
1020454	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,275.98)	\$725.94
1020455	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,216.38)	\$785.54
1020456	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,2,88.89)	\$753.03
1020457	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,259.72)	\$742.20
1020458	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,614.61)	\$387.30
1020459	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,262.43)	\$739.48
1020460	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,379.02)	\$622.90
1020461	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,235.34)	\$766.57
1020462	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,452.10)	\$534.82
1020463	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,870.40)	\$131.52
1020464	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,380.84)	\$621.08
1020465	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,674.22)	\$327.70
1020466	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,387.27)	\$614.65
1020467	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,842.18)	\$159.74
1020468	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,487.29)	\$514.63
1020469	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,727.97)	\$273.94
1020470	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,438.52)	\$563.39
1020471	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,682.34)	\$119.58
1020472	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$216.73)	\$1,785.19
1020473	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$214.02)	\$1,787.90
1020474	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$214.02)	\$1,787.90
1020475	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$214.02)	\$1,787.90
1020476	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$214.02)	\$1,787.90
1020477	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$214.02)	\$1,787.90
1020478	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,289.52)	\$712.39
1020479	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$6,178.1)	\$1,384.11
1020480	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,447.65)	\$554.27
1020481	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,340.99)	\$660.92
1020482	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,750.07)	\$251.85
1020483	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,747.36)	\$254.56
1020484	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,404.30)	\$597.62
1020485	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,452.07)	\$549.85
1020486	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,855.72)	\$146.19
1020487	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,397.89)	\$604.03
1020488	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$2,001.92)	\$0.00
1020489	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,706.73)	\$295.19
1020490	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,969.51)	\$32.41
1020491	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,760.91)	\$240.01
1020492	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,820.50)	\$181.42
1020493	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,468.42)	\$533.60
1020494	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,912.61)	\$89.30
1020495	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,371.27)	\$430.65
1020496	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,313.90)	\$688.01
1020497	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,558.52)	\$443.39
1020498	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,966.32)	\$56.59
1020499	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,259.72)	\$742.20
1020500	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$2,001.92)	\$0.00
1020501	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,311.20)	\$690.72
1020502	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,273.27)	\$728.65
1020503	1	50	1	\$13,538	\$13,260	\$26,798	\$6,478.4	\$1,155.44	\$67.69	\$130.95	(\$1,388.28)	\$613.64
1020504	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,402.47)	\$599.45

Appendix E-2
Assessment Roll Summary - Phase #1
2026-27

Parcel	No. of units	Lot Size	Lot Type	Phase #1 Bond Outstanding Assessment	Phase #1 RA Outstanding Assessment	Total Outstanding Assessment	Principal	Interest	Excess Interest for Reserves	Administrative Expense	TIRZ Credit	Annual Installment
1020517	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,969.52)	\$32.40
1020518	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,424.98)	\$576.94
1020519	0	0	Non-Assessed	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1020520	0	0	Non-Assessed	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1020521	0	0	Non-Assessed	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1020522	0	0	Non-Assessed	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1020523	0	0	Non-Assessed	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1020524	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,920.74)	\$81.18
1020525	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$2,001.92)	\$0.00
1020526	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,790.12)	\$211.80
1020527	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,632.10)	\$369.81
1020528	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,831.34)	\$170.58
1020529	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,388.70)	\$613.21
1020530	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,551.17)	\$450.75
1020531	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,771.53)	\$230.38
1020532	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,457.86)	\$544.06
1020533	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,833.42)	\$168.50
1020534	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,335.58)	\$666.34
1020535	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,343.71)	\$658.21
1020536	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,703.65)	\$298.27
1020537	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$230.27)	\$1,771.65
1020538	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$1,332.87)	\$669.05
1020539	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$186.93)	\$1,814.99
1020540	1	50	1	\$13,538	\$13,260	\$26,798	\$647.84	\$1,155.44	\$67.69	\$130.95	(\$205.89)	\$1,796.03
301				\$4,075,000	\$3,991,230	\$8,066,230	\$195,000.00	\$347,786.69	\$20,375.00	\$39,415.68	(\$385,200.47)	\$217,376.91

APPENDIX G-1
IMPROVEMENT AREA #2 ASSESSMENT ROLL

Appendix G-1.1
Improvement Area #2 Assessment Roll

**Parcel
Units
Assessment**

**All Parcels
158
\$4,205,000**

Year ¹	Principal	Interest²	Administrative Expenses³	Additional Interest Reserve	Total Annual Installment⁴
9/30/25	\$0	\$0	\$0	\$0	\$0
9/30/26	\$59,000	\$264,929	\$35,700	\$0	\$359,629
9/30/27	\$120,000	\$181,733	\$40,000	\$20,730	\$362,463
9/30/28	\$61,000	\$241,560	\$40,800	\$20,130	\$363,490
9/30/29	\$65,000	\$237,900	\$41,616	\$19,825	\$364,341
9/30/30	\$68,000	\$234,000	\$42,448	\$19,500	\$363,948
9/30/31	\$71,000	\$229,920	\$43,297	\$19,160	\$363,377
9/30/32	\$76,000	\$225,660	\$44,163	\$18,805	\$364,628
9/30/33	\$80,000	\$221,100	\$45,046	\$18,425	\$364,571
9/30/34	\$84,000	\$216,300	\$45,947	\$18,025	\$364,272
9/30/35	\$89,000	\$211,260	\$46,866	\$17,605	\$364,731
9/30/36	\$93,000	\$205,920	\$47,804	\$17,160	\$363,884
9/30/37	\$99,000	\$200,340	\$48,760	\$16,695	\$364,795
9/30/38	\$104,000	\$194,400	\$49,735	\$16,200	\$364,335
9/30/39	\$109,000	\$188,160	\$50,730	\$15,680	\$363,570
9/30/40	\$115,000	\$181,620	\$51,744	\$15,135	\$363,499
9/30/41	\$122,000	\$174,720	\$52,779	\$14,560	\$364,059
9/30/42	\$130,000	\$167,400	\$53,835	\$13,950	\$365,185
9/30/43	\$137,000	\$159,600	\$54,911	\$13,300	\$364,811
9/30/44	\$144,000	\$151,380	\$56,010	\$12,615	\$364,005
9/30/45	\$153,000	\$142,740	\$57,130	\$11,895	\$364,765
9/30/46	\$162,000	\$133,560	\$58,272	\$11,130	\$364,962
9/30/47	\$171,000	\$123,840	\$59,438	\$10,320	\$364,598
9/30/48	\$181,000	\$113,580	\$60,627	\$9,465	\$364,672
9/30/49	\$192,000	\$102,720	\$61,839	\$8,560	\$365,119
9/30/50	\$202,000	\$91,200	\$63,076	\$7,600	\$363,876
9/30/51	\$301,000	\$79,080	\$64,337	\$6,590	\$451,007
9/30/52	\$319,000	\$61,020	\$65,624	\$5,085	\$450,729
9/30/53	\$339,000	\$41,880	\$66,937	\$3,490	\$451,307
9/30/54	\$359,000	\$21,540	\$68,275	\$1,795	\$450,610
Total	\$4,205,000	\$4,799,062	\$1,517,748	\$383,430	\$10,905,241

1 – The 9/30/XX dates represent the fiscal year end for the Improvement Area #2-3 Bonds.

2 - Annual Installments are calculated assuming (i) an interest rate of 6.39% for year 2026 for the Improvement Area #2 Reimbursement Agreement and (ii) an estimated interest rate of 6.00% for years 2027 through 2054 for the Improvement Area #2 portion of the Improvement Area #2-3 Bonds.

3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

4 - The 2027 Annual Installments have previously been billed in accordance with the Assessment Roll Summary attached hereto as Appendix G-2. The information in this table represents the estimated debt service on the Improvement Area #2-3 Bonds due in fiscal year 2027. Any differences between the principal, interest and total amounts billed and the final debt service payments will be credited towards future annual installment payments, as applicable.

Appendix G-1.2
Improvement Area #2 Assessment Roll by Lot Type

Lot Type
Assessment

50 Ft Lots
\$26,614

Year ¹	Principal	Interest²	Administrative Expenses³	Additional Interest Reserve	Total Annual Installment⁴
9/30/25	\$0	\$0	\$0	\$0	\$0
9/30/26	\$373	\$1,677	\$226	\$0	\$2,276
9/30/27	\$759	\$1,150	\$253	\$131	\$2,294
9/30/28	\$386	\$1,529	\$258	\$127	\$2,301
9/30/29	\$411	\$1,506	\$263	\$125	\$2,306
9/30/30	\$430	\$1,481	\$269	\$123	\$2,303
9/30/31	\$449	\$1,455	\$274	\$121	\$2,300
9/30/32	\$481	\$1,428	\$280	\$119	\$2,308
9/30/33	\$506	\$1,399	\$285	\$117	\$2,307
9/30/34	\$532	\$1,369	\$291	\$114	\$2,306
9/30/35	\$563	\$1,337	\$297	\$111	\$2,308
9/30/36	\$589	\$1,303	\$303	\$109	\$2,303
9/30/37	\$627	\$1,268	\$309	\$106	\$2,309
9/30/38	\$658	\$1,230	\$315	\$103	\$2,306
9/30/39	\$690	\$1,191	\$321	\$99	\$2,301
9/30/40	\$728	\$1,149	\$327	\$96	\$2,301
9/30/41	\$772	\$1,106	\$334	\$92	\$2,304
9/30/42	\$823	\$1,059	\$341	\$88	\$2,311
9/30/43	\$867	\$1,010	\$348	\$84	\$2,309
9/30/44	\$911	\$958	\$354	\$80	\$2,304
9/30/45	\$968	\$903	\$362	\$75	\$2,309
9/30/46	\$1,025	\$845	\$369	\$70	\$2,310
9/30/47	\$1,082	\$784	\$376	\$65	\$2,308
9/30/48	\$1,146	\$719	\$384	\$60	\$2,308
9/30/49	\$1,215	\$650	\$391	\$54	\$2,311
9/30/50	\$1,278	\$577	\$399	\$48	\$2,303
9/30/51	\$1,905	\$501	\$407	\$42	\$2,854
9/30/52	\$2,019	\$386	\$415	\$32	\$2,853
9/30/53	\$2,146	\$265	\$424	\$22	\$2,856
9/30/54	\$2,272	\$136	\$432	\$11	\$2,852
Total	\$26,614	\$30,374	\$9,606	\$2,427	\$69,021

1 – The 9/30/XX dates represent the fiscal year end for the Improvement Area #2-3 Bonds.

2 - Annual Installments are calculated assuming (i) an interest rate of 6.39% for year 2026 for the Improvement Area #2 Reimbursement Agreement and (ii) an estimated interest rate of 6.00% for years 2027 through 2054 for the Improvement Area #2 portion of the Improvement Area #2-3 Bonds.

3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

4 -The 2027 Annual Installments have previously been billed in accordance with the Assessment Roll Summary attached hereto as Appendix G-2. The information in this table represents the estimated debt service on the Improvement Area #2-3 Bonds due in fiscal year 2027. Any differences between the principal, interest and total amounts billed and the final debt service payments will be credited towards future annual installment payments, as applicable.

APPENDIX G-2
IMPROVEMENT AREA #2 ASSESSMENT ROLL SUMMARY

Parcel	Estimated No. of units	Lot Size	Lot Type	Total Outstanding Assessment	Principal	Interest	Administrative Expense	Annual Installment
1069805	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069806	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069807	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069808	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069809	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069810	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069811	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069812	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069813	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069814	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069803	0	0	Non-Assessed	\$0	\$0.00	\$0.00	\$0.00	\$0.00
1069815	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069816	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069817	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069818	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069819	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069820	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069821	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069822	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069823	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069824	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069804	0	0	Non-Assessed	\$0	\$0.00	\$0.00	\$0.00	\$0.00
1069825	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069826	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069827	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069828	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069829	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069830	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069831	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069832	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069833	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069834	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069835	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069836	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069837	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069838	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069839	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069840	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069841	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069842	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069843	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069844	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069845	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12

Parcel	Estimated No. of units	Lot Size	Lot Type	Total Outstanding Assessment	Principal	Interest	Administrative Expense	Annual Installment
1069942	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069943	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069944	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069945	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069946	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069947	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069925	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069926	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069927	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069928	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069929	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069930	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069931	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069932	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069933	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069934	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069935	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069917	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069918	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069919	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069920	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069921	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069922	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069923	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069924	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069903	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069904	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069905	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069906	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069907	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069908	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069909	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069910	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069911	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069912	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069913	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069914	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069915	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069916	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069898	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069899	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069900	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069901	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069902	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069888	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069889	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069890	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069891	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069892	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069893	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069894	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069895	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069896	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069897	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069874	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069875	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069876	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069877	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069878	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069879	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069880	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069881	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069882	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069883	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069884	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069885	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069886	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069887	1	50	1	\$26,241	\$392.41	\$1,676.77	\$225.95	\$2,295.12
1069873	0	0	Non-Assessed	\$0	\$0.00	\$0.00	\$0.00	\$0.00
158				\$4,146,000	\$62,000.00	\$264,929.40	\$35,700.00	\$362,629.40

APPENDIX H-1
PROPOSED IMPROVEMENT AREA #3 ASSESSMENT ROLL

Appendix H-1.1 **Proposed Improvement Area #3 Assessment Roll**

**Parcel
Units
Assessment**

**All Parcels
136
\$3,500,000**

Year ¹	Principal	Interest²	Administrative Expenses³	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/27	\$0	\$153,417	\$0	\$0	(\$153,417)	\$0
9/30/28	\$46,000	\$210,000	\$40,800	\$16,005	\$0	\$312,805
9/30/29	\$49,000	\$207,240	\$41,616	\$15,775	\$0	\$313,631
9/30/30	\$51,000	\$204,300	\$42,448	\$15,530	\$0	\$313,278
9/30/31	\$53,000	\$201,240	\$43,297	\$15,275	\$0	\$312,812
9/30/32	\$56,000	\$198,060	\$44,163	\$15,010	\$0	\$313,233
9/30/33	\$59,000	\$194,700	\$45,046	\$14,730	\$0	\$313,476
9/30/34	\$62,000	\$191,160	\$45,947	\$14,435	\$0	\$313,542
9/30/35	\$65,000	\$187,440	\$46,866	\$14,125	\$0	\$313,431
9/30/36	\$68,000	\$183,540	\$47,804	\$13,800	\$0	\$313,144
9/30/37	\$72,000	\$179,460	\$48,760	\$13,460	\$0	\$313,680
9/30/38	\$75,000	\$175,140	\$49,735	\$13,100	\$0	\$312,975
9/30/39	\$78,000	\$170,640	\$50,730	\$12,725	\$0	\$312,095
9/30/40	\$83,000	\$165,960	\$51,744	\$12,335	\$0	\$313,039
9/30/41	\$88,000	\$160,980	\$52,779	\$11,920	\$0	\$313,679
9/30/42	\$93,000	\$155,700	\$53,835	\$11,480	\$0	\$314,015
9/30/43	\$97,000	\$150,120	\$54,911	\$11,015	\$0	\$313,046
9/30/44	\$102,000	\$144,300	\$56,010	\$10,530	\$0	\$312,840
9/30/45	\$108,000	\$138,180	\$57,130	\$10,020	\$0	\$313,330
9/30/46	\$114,000	\$131,700	\$58,272	\$9,480	\$0	\$313,452
9/30/47	\$120,000	\$124,860	\$59,438	\$8,910	\$0	\$313,208
9/30/48	\$127,000	\$117,660	\$60,627	\$8,310	\$0	\$313,597
9/30/49	\$134,000	\$110,040	\$61,839	\$7,675	\$0	\$313,554
9/30/50	\$141,000	\$102,000	\$63,076	\$7,005	\$0	\$313,081
9/30/51	\$224,000	\$93,540	\$64,337	\$6,300	\$0	\$388,177
9/30/52	\$237,000	\$80,100	\$65,624	\$5,180	\$0	\$387,904
9/30/53	\$251,000	\$65,880	\$66,937	\$3,995	\$0	\$387,812
9/30/54	\$266,000	\$50,820	\$68,275	\$2,740	\$0	\$387,835
9/30/55	\$282,000	\$34,860	\$69,641	\$1,410	\$0	\$387,911
9/30/56	\$299,000	\$17,940	\$71,034	\$2,905	\$0	\$390,879
Total	\$3,500,000	\$4,300,977	\$1,582,723	\$305,180	(\$153,417)	\$9,535,463

1 – The 9/30/XX dates represent the fiscal year end for the Improvement Area #2-3 Bonds.

2 - Annual Installments for the Improvement Area #3 portion of the Improvement Area #2-3 Bonds are calculated assuming an estimated interest rate of 6.00%.

3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Appendix H-1.2
Proposed Improvement Area #3 Assessment Roll by Lot Type

**Lot Type
Assessment**

**50 Ft Lots
\$25,735**

Year ¹	Principal	Interest²	Administrative Expenses³	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/27	\$0	\$1,128	\$0	\$0	(\$1,128)	\$0
9/30/28	\$338	\$1,544	\$300	\$118	\$0	\$2,300
9/30/29	\$360	\$1,524	\$306	\$116	\$0	\$2,306
9/30/30	\$375	\$1,502	\$312	\$114	\$0	\$2,304
9/30/31	\$390	\$1,480	\$318	\$112	\$0	\$2,300
9/30/32	\$412	\$1,456	\$325	\$110	\$0	\$2,303
9/30/33	\$434	\$1,432	\$331	\$108	\$0	\$2,305
9/30/34	\$456	\$1,406	\$338	\$106	\$0	\$2,305
9/30/35	\$478	\$1,378	\$345	\$104	\$0	\$2,305
9/30/36	\$500	\$1,350	\$351	\$101	\$0	\$2,303
9/30/37	\$529	\$1,320	\$359	\$99	\$0	\$2,306
9/30/38	\$551	\$1,288	\$366	\$96	\$0	\$2,301
9/30/39	\$574	\$1,255	\$373	\$94	\$0	\$2,295
9/30/40	\$610	\$1,220	\$380	\$91	\$0	\$2,302
9/30/41	\$647	\$1,184	\$388	\$88	\$0	\$2,306
9/30/42	\$684	\$1,145	\$396	\$84	\$0	\$2,309
9/30/43	\$713	\$1,104	\$404	\$81	\$0	\$2,302
9/30/44	\$750	\$1,061	\$412	\$77	\$0	\$2,300
9/30/45	\$794	\$1,016	\$420	\$74	\$0	\$2,304
9/30/46	\$838	\$968	\$428	\$70	\$0	\$2,305
9/30/47	\$882	\$918	\$437	\$66	\$0	\$2,303
9/30/48	\$934	\$865	\$446	\$61	\$0	\$2,306
9/30/49	\$985	\$809	\$455	\$56	\$0	\$2,306
9/30/50	\$1,037	\$750	\$464	\$52	\$0	\$2,302
9/30/51	\$1,647	\$688	\$473	\$46	\$0	\$2,854
9/30/52	\$1,743	\$589	\$483	\$38	\$0	\$2,852
9/30/53	\$1,846	\$484	\$492	\$29	\$0	\$2,852
9/30/54	\$1,956	\$374	\$502	\$20	\$0	\$2,852
9/30/55	\$2,074	\$256	\$512	\$10	\$0	\$2,852
9/30/56	\$2,199	\$132	\$522	\$21	\$0	\$2,874
Total	\$25,735	\$31,625	\$11,638	\$2,244	(\$1,128)	\$70,114

1 – The 9/30/XX dates represent the fiscal year end for the Improvement Area #2-3 Bonds.

2 - Annual Installments for the Improvement Area #3 portion of the Improvement Area #2-3 Bonds are calculated assuming an estimated interest rate of 6.00%.

3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

APPENDIX H-2
PROPOSED IMPROVEMENT AREA #3 ASSESSMENT ROLL SUMMARY

Appendix H-2
Proposed Improvement Area #3 Assessment Roll Summary

Parcel ID	Estimated No. of units	Lot Size	Lot Type	Outstanding Assessment
52672	136	50	1	\$3,500,000
Total	136			\$3,500,000

APPENDIX I
PID ASSESSMENT NOTICE

AFTER RECORDING RETURN TO:

_____]

¹

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CELINA, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE _____ PRINCIPAL ASSESSMENT: \$ _____

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Celina, Texas (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Edgewood Creek Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. The exact amount of each annual installment will be approved each year by the City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF DENTON

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

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APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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_____, 2026

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

IN REGARD to the authorization and issuance of the “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek Public Improvement District Improvement Areas #2-3 Project)” (the “Bonds”), dated December 10, 2026, in the principal amount of \$[____], we have examined the legality and validity of the issuance thereof by the City of Celina, Texas (the “City”) solely to express legal opinions as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, or the history or prospects of the collection of the Pledged Revenues, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds, and have not assumed any responsibility with respect thereto. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Indenture.

THE BONDS are issued in fully registered form only and mature on September 1 in each of the years specified in an Indenture of Trust, dated as of December 1, 2026 (the “Indenture”), with U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), approved by the City Council of the City pursuant to an ordinance (the “Ordinance”) adopted by the City Council of the City authorizing the issuance of the Bonds, unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Indenture.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings had in connection with the issuance of the Bonds, including the Indenture, the Ordinance and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City; and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATION, we are of the opinion that, under applicable law of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been authorized, issued and delivered in accordance with law; that the Bonds are valid, legally binding and enforceable limited obligations of the City in accordance with their terms payable solely from the Trust Estate, except to the extent the

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Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright North Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com.

Page 2 of Legal Opinion of Norton Rose Fulbright US LLP

Re: "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek Public Improvement District Improvement Areas #2-3 Project)"

enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally.

2. Assuming continuing compliance after the date hereof by the City with the provisions of the Indenture and in reliance upon representations and certifications of the City made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds for federal income tax purposes (i) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date hereof, of the owners thereof pursuant to Section 103 of such Code, existing regulations, published rulings, and court decisions thereunder, and (ii) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

We express no opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX D-1

FORM OF CITY DISCLOSURE AGREEMENT

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**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREAS #2-3 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of December 1, 2026 (this “Disclosure Agreement”), is executed and delivered by and among the City of Celina, Texas (the “Issuer”), MuniCap, Inc. (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek Public Improvement District Improvement Areas #2-3 Project)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of December 1, 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:

“Annual Collections Report” shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

“Annual Collections Report Filing Date” shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

“Annual Financial Statements” shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

“Annual Financials Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is twelve (12) months after the end of the Issuer’s Fiscal Year. The Annual Financials Filing Date is currently September 30.

“Annual Information Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer’s Fiscal Year. The Annual Information Filing Date is currently March 31.

“Collections Reporting Date” shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

“Delinquency Date” shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of December 1, 2026, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

“Disclosure Representative” shall mean the Director of Finance or City Manager of the Issuer or his or her designee or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access service currently available on the internet at <http://emma.msrb.org>.

“Filing Date” means any one or all of the Annual Financials Filing Date, Annual Information Filing Date, and Annual Collections Report Filing Date.

“Final Assessment Payment Date” shall mean the calendar day preceding the Delinquency Date.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the twelve-month period from October 1 through September 30.

“Listed Events” shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Tax Year” means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

SECTION 3. Provision of Annual Financial Information and Annual Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2027, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, the Annual Financial Information and the Annual Financial Statements, as follows:

(i) The Issuer shall provide or 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 days prior to the applicable Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as the case may be, to the Dissemination Agent together with written direction to file such with the MSRB. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten days from receipt of such from the Issuer, but in no event later than the applicable Filing Date for such Fiscal Year.

If by the fifth (5th) day before the applicable Filing Date, the Dissemination Agent has not received a copy of the Annual Financial Information or Annual Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Financial Information or Annual Financial Statements pursuant to subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Financial Information or Annual Financial Statements, as applicable, no later than two Business Days prior to the applicable Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Financial Information by the Annual Information Filing Date or the Annual

Financial Statements by the Annual Financials Filing Date, as applicable, state the date by which the Annual Financial Information or Annual Financial Statements for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Financial Information, Annual Financial Statements, or the notice of failure to file, as applicable, to the MSRB, no later than the applicable Filing Date; provided further, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the applicable Filing Date.

(c) The Dissemination Agent, pursuant to written direction, shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information and the Annual Financial Statements on the dates required in subsection (a);

(ii) on behalf of the Issuer, file the Annual Financial Information and the Annual Financial Statements containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and the Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or Annual Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Financial Information and Annual Financial Statements.

(a) *Annual Financial Information.* The Annual Financial Information for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Information Filing Date, the following Annual Financial Information (any or all of which may be unaudited):

(i) Information regarding the Bonds and the Trust Estate in substantially similar form to that shown in the tables provided under Section 4(a)(i) of Exhibit B attached hereto. Such information shall be provided as of the end of the Fiscal Year to which the information being reported relates.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Section 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the Fiscal Year to which the information being reported relates.

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update.

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) *Annual Financial Statements.* The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited Annual Financial Statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If the audited Annual Financial Statements of the Issuer are not available by the Annual Financials Filing Date, the Issuer shall provide unaudited Annual Financial Statements of the Issuer no later than the Annual Financials Filing Date and audited Annual Financial Statements when and if available.

(c) The Issuer has designated MuniCap, Inc. as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference. The Dissemination Agent has no duty or obligation to determine whether or not the information contained in any completed forms containing financial information and operating data as shown in Exhibit B provided to it has been accurately completed and shall only be required to file the forms as completed and provided to it by either the Administrator or the Issuer.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Financial Information, if such Annual Collections Report is available when the Annual Financial Information is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy

of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the applicable Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1st) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the Issuer shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or

determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the 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. For the avoidance of doubt, the incurrence of Refunding Bonds without the filing of a corresponding official statement with the MSRB will constitute the

incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than one Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than one (1) Business Day following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to Bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days' written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type

(or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the Fiscal Year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information, Annual Financial Statements, Annual Collections Report, or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information, Annual Financial Statements, Annual Collections Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Annual Financial Statements, Annual Collections Report, or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Dissemination Agent (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Administrative Expenses collected from the owners of Assessed Property in Improvement Areas #2-3, against any losses, expenses, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding (i) liabilities due to the Dissemination Agent's negligence or willful misconduct, and (ii) liabilities resulting from claims

made by the Issuer against the Dissemination Agent; provided, however, that nothing herein shall be construed to require the Issuer to indemnify and hold harmless the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an “obligated person” under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Financial Information or Annual Financial Statements in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit Annual Financial Information, Annual Financial Statements, or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The Issuer, the Administrator, and the Dissemination Agent agree that the legal expenses of the Dissemination Agent which it is expressly entitled to be paid pursuant to this subsection 12(a) constitute Administrative Expenses.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Administrator, its officers, directors, employees and agents, but only from Administrative Expenses collected from the owners of Assessed Property in Improvement Areas #2-3, against any losses, expenses, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys’ fees) of defending against any claim of liability, but excluding (i) liabilities due to the Administrator’s negligence or willful misconduct, and (ii) liabilities resulting from claims made by the Issuer against the Administrator; provided, however, that nothing herein shall be construed to require the Issuer to indemnify and hold harmless the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an “obligated person” under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The Issuer, the Administrator, and the Dissemination Agent agree that the legal expenses of the Administrator which it is expressly entitled to be paid pursuant to this subsection 12(b) constitute Administrative Expenses.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. EXCEPT AS DESCRIBED IN SECTION 11 WITH RESPECT TO THE DISSEMINATION AGENT, NEITHER THE DISSEMINATION AGENT NOR THE ADMINISTRATOR ARE UNDER ANY OBLIGATION TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Administrative Expenses component of the Annual Installments collected from the property owners in Improvement Areas #2-3, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each individually, make the following representation and verifications pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator, as the case may be, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) Not a Sanctioned Company. The Dissemination Agent and the Administrator, each individually, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-

owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

CITY OF CELINA, TEXAS

By: _____
City Manager

HTS CONTINUING DISCLOSURE SERVICES,
a division of Hilltop Securities Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

MUNICAP, INC.
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION][ANNUAL FINANCIAL
STATEMENTS][ANNUAL COLLECTIONS REPORT]**

Name of Issuer: City of Celina, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2026
(Edgewood Creek Public Improvement District Improvement Areas
#2-3 Project) (the “Bonds”)
CUSIP Nos. [insert CUSIP Nos.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Celina, Texas (the “Issuer”), has not provided the [Annual Financial Information][Annual Financial Statements][Annual Collections Report] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of December 1, 2026, by and among the Issuer, MuniCap, Inc., as “Administrator,” and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as “Dissemination Agent.” The Issuer anticipates that the [Annual Financial Information][Annual Financial Statements][Annual Collections Report] will be filed by _____.

Dated: _____

HTS CONTINUING DISCLOSURE SERVICES, a
division of Hilltop Securities Inc., on behalf of the
City of Celina, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Celina, Texas

EXHIBIT B

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREAS #2-3 PROJECT)**

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____] ☐
City: [] ☐
Telephone: () ____-____
Contact Person: Attn: _____

Section 4(a)(i)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				—
				—
Total				

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value ⁽¹⁾	Book Value ⁽¹⁾	Market Value ⁽¹⁾

(1) As such information is provided by the Trustee.

*Excluding audited financial statements of the Issuer

ASSETS AND LIABILITIES OF TRUST ESTATE

Cash Position of Trust Estate for statements dated September 30, 20[]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[] Trust Statements: ☐ Audited ☐ Unaudited

Accounting Type: ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
---	------------------	-----------------	--------------

IMPROVEMENT AREA #2 OF THE DISTRICT

Top [Five] Assessment Payers in Improvement Area #2⁽¹⁾

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Assessments</u>
-----------------------	--------------------------------------	---	--	--

⁽¹⁾ Does not include those owing less than one percent (1%) of total Improvement Area #2 Assessments.

Assessed Value of Improvement Area #2 of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #2 of the District is approximately \$[AMOUNT] according to the Denton Central Appraisal District.

Foreclosure History Related to the Improvement Area #2 Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent Assessment Amount not in Foreclosure Proceedings</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Assessment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
20__	\$		\$		\$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Improvement Area #2 Annual Installments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Total Annual Installment Billed</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent % as of 3/1</u>	<u>Delinquent Amount as of [9/1]</u>	<u>Delinquent % as of [9/1]</u>	<u>Total Annual Installments Collected⁽²⁾</u>
20__	\$		\$	%	\$	%	\$
20__							
20__							
20__							
20__							

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of the Improvement Area #2 Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of the Improvement Area #2 Annual Installments due, a list of parcel numbers for which the Improvement Area #2 Annual Installments are delinquent.

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent % as of 9/1</u>	<u>Parcel Numbers</u>
20__	%	
20__		

History of Prepayment of the Improvement Area #2 Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u>	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u>
20__		\$		\$
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

IMPROVEMENT AREA #3 OF THE DISTRICT

Top [Five] Assessment Payers in Improvement Area #3⁽¹⁾

<u>Property Owner</u>	<u>No. of Parcels/Lots</u>	<u>Percentage of Parcels/Lots</u>	<u>Outstanding Assessments</u>	<u>Percentage of Total Assessments</u>
-----------------------	--------------------------------	---------------------------------------	------------------------------------	--

⁽¹⁾ Does not include those owing less than one percent (1%) of total Improvement Area #3 Assessments.

Assessed Value of Improvement Area #3 of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #3 of the District is approximately \$[AMOUNT] according to the Denton Central Appraisal District.

Foreclosure History Related to the Improvement Area #3 Assessments for the Past Five Fiscal

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent Assessment Amount not in Foreclosure Proceedings</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Years</u>		<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
			<u>Delinquent Assessment Amount in Foreclosure Proceedings</u>	<u>Delinquent Assessment Amount in Foreclosure Proceedings</u>		
20__	\$		\$			\$
20__						
20__						
20__						
20__						

[insert any necessary footnotes]

Collection and Delinquency History of Improvement Area #3 Annual Installments for the Past

<u>Fiscal Year Ended (9/30)</u>	<u>Total Annual Installment Billed</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Five Fiscal Years</u>				<u>Total Annual Installments Collected⁽²⁾</u>
			<u>Delinquent Amount as of 3/1</u>	<u>Delinquent % as of 3/1</u>	<u>Delinquent Amount as of [9/1]</u>	<u>Delinquent % as of [9/1]</u>	
20__	\$		\$	%	\$	%	\$
20__							
20__							
20__							
20__							

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of the Improvement Area #3 Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of the Improvement Area #3 Annual Installments due, a list of parcel numbers for which the Improvement Area #3 Annual Installments are delinquent.

Fiscal Year
Ended (9/30)
 20__
 20__

Delinquent % as of 9/1
 %

Parcel Numbers

History of Prepayment of the Improvement Area #3 Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u> \$
20__				
20__				
20__				
20__				
20__				
<hr/>				
[insert any necessary footnotes]				

ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)
 [Insert a line item for each applicable listing]

EXHIBIT C

CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026 (EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREAS #2-3 PROJECT)

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_____, Texas ____]
Telephone: (____) ____ - ____
Contact Person: Attn: _____

SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE AGREEMENT

IMPROVEMENT AREA #2 OF THE DISTRICT

Foreclosure History Related to the Improvement Area #2 Annual Installments⁽¹⁾

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings	<u>Foreclosure Sales</u>	Foreclosure Proceeds <u>Received</u>
20__	\$ _____		\$ _____		\$ _____

(i) Period covered includes October 1, 20__ through March 1, 20__.

Collection and Delinquency of the Improvement Area #2 Annual Installments⁽¹⁾

Succeeding Fiscal Year	Total Annual Installments Levied	Parcels Levied ⁽²⁾	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Total Annual Installments Collected ⁽³⁾
20__	\$ _____		\$ _____	% _____	\$ _____

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

⁽²⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽³⁾ [Does/does not] include interest and penalties.

Prepayment of the Improvement Area #2 Assessments⁽¹⁾

<u>Succeeding Fiscal Year</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u> \$
-----------------------------------	----------------------------------	--	-----------------------	---

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

IMPROVEMENT AREA #3 OF THE DISTRICT

Foreclosure History Related to the Improvement Area #3 Annual Installments⁽¹⁾

<u>Succeeding Fiscal Year</u> 20__	<u>Delinquent Annual Installment Amount not in Foreclosure Proceedings</u> \$	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Annual Installment Amount in Foreclosure Proceedings</u> \$	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u> \$
---	--	---	--	------------------------------	--

(i) Period covered includes October 1, 20__ through March 1, 20__.

Collection and Delinquency of the Improvement Area #3 Annual Installments⁽¹⁾

<u>Succeeding Fiscal Year</u> 20__	<u>Total Annual Installments Levied</u> \$	<u>Parcels Levied⁽²⁾</u>	<u>Delinquent Amount as of 3/1</u> \$	<u>Delinquent % as of 3/1</u> %	<u>Total Annual Installments Collected⁽³⁾</u> \$
---	---	---	--	--	--

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

⁽²⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽³⁾ [Does/does not] include interest and penalties.

Prepayment of the Improvement Area #3 Assessments⁽¹⁾

<u>Succeeding Fiscal Year</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u> \$
-----------------------------------	----------------------------------	--	-----------------------	---

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments are delinquent if not received.
February 15	15	<p>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.</p> <p>Issuer and/or Administrator should be aware of actual and specific delinquencies.</p> <p>Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year.</p> <p>Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.</p>
March 1	29/30	<p>Trustee pays bond interest payments to Owners.</p> <p>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 on the Reserve Fund.</p>
April 1	59/60	At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency.

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

July 1 **152/153** **Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicably appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the County Tax Assessor/Collector procedures.**

Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15 **197/198** **The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).**

Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

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APPENDIX D-2

FORM OF DEVELOPER DISCLOSURE AGREEMENT

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**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREAS #2-3 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of December 1, 2026 (this “Disclosure Agreement”), is executed and delivered by and among First Texas Homes, Inc., a Texas corporation (the “Developer”), MuniCap, Inc. (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent (the “Dissemination Agent”) with respect to the 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 December 1, 2026, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The Issuer has selected MuniCap, Inc., as the initial Administrator.

“Affiliate” shall mean an entity that owns property within Improvement Areas #2-3 of the District and is controlled by, controls, or is under common control with the Developer, including any Homebuilder.

“Administrative Expenses” shall have the meaning assigned to such term in the Indenture.

“Amenities” shall mean hike and bike trails, open space improvements and an amenity center.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Certification Letter” shall mean a certification letter provided by the Developer or Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean First Texas Homes, Inc., a Texas corporation, its successors and assigns, including any Affiliate of the Developer.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds dated as of even date herewith executed and delivered by the Issuer, the Administrator, and the Dissemination Agent.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean the Edgewood Creek Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into a Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

“Improvement Area #2” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Improvement Area #2 Improvements” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Improvement Area #3” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Improvement Area #3 Improvements” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Improvement Areas #2-3” shall mean, collectively, Improvement Area #2 and Improvement Area #3.

“Improvement Areas #2-3 Improvements” shall mean, collectively, Improvement Area #2 Improvements and Improvements Area #3 Improvements.

“Issuer” shall mean the City of Celina, 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 agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Person” shall have the meaning assigned to such term in the Indenture.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning March 31, 2027.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, and November 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“Reporting Party” shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall mean a Homebuilder that then owns 29 or more 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.

“Trustee” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect

to each Reporting Party, the “Quarterly Information”). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party’s obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until a Significant Homebuilder Acknowledgement (as defined herein) with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any recommended changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any recommended changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly Information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and direct the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, with a copy to each Reporting Party, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent’s receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable

Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereto.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Areas #2-3 on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Areas #2-3 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Areas #2-3, including the Improvement Areas #2-3 Improvements, and the Amenities;

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of Improvement Areas #2-3 undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within Improvement Areas #2-3 owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of \$1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of

development of Improvement Areas #2-3, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Developer;

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof; and

(x) Early termination of or material default by a Homebuilder under a Lot Purchase Agreement.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Areas #2-3 on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Areas #2-3 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall provide written direction to the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of

the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if a Reporting Party is providing Quarterly Information on behalf of any other Reporting Party. Additionally, if a Significant Homebuilder does not execute the Significant Homebuilder Acknowledgement pursuant to Section 6 hereof, and, therefore, the Developer is reporting on behalf of the Significant Homebuilder, the Developer shall not be required to conduct an independent investigation of the occurrence of a Significant Homebuilder Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been instructed in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Areas #2-3 Improvements or the Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Improvement Areas #2-3 Improvements or Amenities in substantially the form attached as Exhibit E (the “Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent in writing to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person’s delivery of written acknowledgement of assumption of Developer’s obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in Improvement Areas #2-3 resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer’s disclosure obligations under Section 3 and Section 4(b) hereof, with respect to such acquired real property, until such party’s disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer’s disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer’s disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F, acknowledging and assuming the Developer’s obligations under this Disclosure Agreement with respect to the real property transferred (the “Significant Homebuilder Acknowledgment”). Pursuant to Section 4(a)(ix) above, the Developer shall provide written direction to the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(c) above. Upon any such transfer to a Significant Homebuilder and such Significant Homebuilder’s delivery of the Significant Homebuilder Acknowledgment, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until the Significant Homebuilder Acknowledgment with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership of real property, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of a Reporting Party under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Reporting Party, including their respective affiliates and/or successors and assigns, no longer owns 29 or more single family residential lots within Improvement Areas #2-3, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or parcel owned by the Reporting Party, including their respective Affiliates and/or successors and assigns, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own 29 or more single family residential lots within Improvement Areas #2-3, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or parcel owned by the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer and any other Reporting Party in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' notice to the Issuer, the Developer,

and the Administrator; provided, however, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of a Reporting Party, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Issuer may be made without the Issuer's prior written consent.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent a Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, such Reporting Party shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided on their behalf by a Reporting Party provided hereunder.

SECTION 12. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction against all costs, fees, expenses and liabilities for such actions, the Dissemination Agent shall, take such actions as may be necessary and appropriate to cause the Reporting Party and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Reporting Party or the Administrator to comply with this Disclosure Agreement shall be an action in mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Issuer, and a default under the Disclosure Agreement of Issuer shall not be deemed a default under this Disclosure Agreement. Additionally, a default by the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Developer, Significant Homebuilder, and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding (i) liabilities due to the Dissemination Agent's negligence or willful misconduct, and (ii) liabilities resulting from claims made by the Developer against the Dissemination Agent. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to indemnify and hold harmless the

Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding (i) liabilities due to the Administrator's breach, negligence, or willful misconduct, and (ii) liabilities resulting from claims made by the Developer against the Administrator. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The Developer, the Administrator, and the Dissemination Agent agree that the legal expenses of the Dissemination Agent or the Administrator to which it is expressly entitled to be paid pursuant to this paragraph 13(c) are Administrative Expenses.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of any Reporting Party, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Reporting Party, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof

or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Administrative Expenses component of the Annual Installments collected from the property owners in Improvement Areas #2-3, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Areas #2-3, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Reporting Parties, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer: First Texas Homes, Inc.
Attn: Tony Shaw
500 Crescent Court, Suite 350
Dallas, Texas 75201
E-mail: tshaw@firsttexashomes.com

With a copy to: Boghetich Law, PLLC
Attn: Caitlin Simmons
1800 Valley View Lane, Ste. 360
Farmers Branch, Texas 75234
E-mail: caitlin@txreallaw.com

If to the Trustee: U.S. Bank Trust Company, National Association
Attn: Bonds Operations
111 Fillmore Avenue East
St. Paul, Minnesota 55107-1402
E-mail: misty.gutierrez@usbank.com

If to the Dissemination Agent: HTS Continuing Disclosure Services
Attn: Tanya Calvit
717 North Harwood Street, Suite 3400
Dallas, Texas 75201
E-mail: Tanya.calvit@hilltopsecurities.com

If to Administrator: MuniCap, Inc.
600 E. John Carpenter Freeway, Suite 150
Irving, Texas 75062
E-mail: TXPID@municap.com

With a copy to: Attn: Keenan Rice
PO Box #119
Simpsonville, Maryland 21150
E-mail: Keenan.rice@municap.com

If to the Issuer: City of Celina
Attn: Robert Ranc
142 N. Ohio Street
Celina, Texas 75009
E-mail: rranc@celina-tx.gov

If to Participating Underwriter: FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
E-mail: Tdavenport@fmsbonds.com

SECTION 21. Term of Disclosure Agreement. Except for surviving indemnities of the parties to this Disclosure Agreement, this Disclosure Agreement terminates on the earlier of (i) the first

date on which none of the Bonds remain Outstanding and (ii) the first date on which the reporting obligations of all Reporting Parties have terminated in accordance with the terms of this Disclosure Agreement.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

HTS CONTINUING DISCLOSURE SERVICES,
a division of Hilltop Securities Inc.,
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

FIRST TEXAS HOMES, INC.,
a Texas corporation

By: _____
Name: _____
Title: _____

MUNICAP, INC.,
Administrator

By: _____
Name: _____
Title: _____

EXHIBIT A

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREAS #2-3 PROJECT)**

**DEVELOPER QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]**

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: 717 North Harwood Street, Suite 3400
City: Dallas, Texas 75201
Telephone:
Contact Person: Attn: Tanya Calvit

I. Expenditures Paid from Accounts under Indenture

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREAS #2-3 IMPROVEMENTS: \$ _____
2. Of the budgeted costs for Improvement Areas #2-3 Improvements shown in the Service and Assessment Plan:
 - a. Actual costs drawn from the Improvement Area #2 Improvements Account:
\$ _____
 - b. Actual costs drawn from the Improvement Area #3 Improvements Account:
\$ _____

II. Status of Improvement Area #2 Improvements

Projected/actual completion date of the Improvement Area #2 Improvements

1. [Actual/Expected] date of completion of the Improvement Area #2 Improvements:
[_____]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [_____]

III. Unit Mix in Improvement Area #2

<u>Product Type</u>	<u>Number of Units</u>
Single Family __',	
Single Family __',	

IV. Lot Status in Improvement Area #2

Of the 158 lots in Improvement Area #2, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 158
2. Planned lots as of the date of this Quarterly Report: _____
3. Lots developed: _____
4. Lots platted: _____
5. Expected completion date of all lots in Improvement Area #2 (if incomplete):

V. Ownership of Lots/Units in Improvement Area #2

PLANNED LOTS IN IMPROVEMENT AREA #2: 158

Of the 158 lots in Improvement Area #2:

1. Number of lots owned by the Developer: _____
2. Number of lots under contract but not closed to Homebuilder(s): _____
3. Number of lots owned by all Homebuilder(s): _____¹
 - a. a. Number of lots owned by [*insert name of Homebuilder*]: _____²
 - b. b. Number of lots owned by [*insert name of Homebuilder*]: _____²
4. Number of units owned by homeowners: _____

VI. Home Sales Information in Improvement Area #2

PLANNED HOMES IN IMPROVEMENT AREA #2: 158

Of the 158 homes planned for Improvement Area #2:

1. How many total building permits were issued **during the current quarter?** _____
 - a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____²
 - b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____²
2. How many total homes have closed with homebuyers **during the current quarter?** _____
 - a. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____²
 - b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____²
3. How many total homes have closed with homebuyers **cumulatively?** _____

¹ If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

² Include a line item for each individual Homebuilder.

- a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____²
- b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____²

II. Status of Improvement Area #3 Improvements

Projected/actual completion date of the Improvement Area #3 Improvements

1. [Actual/Expected] date of completion of the Improvement Area #3 Improvements: _____
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: _____

III. Unit Mix in Improvement Area #3

<u>Product Type</u>	<u>Number of Units</u>
Single Family _____	
Single Family _____	

IV. Lot Status in Improvement Area #3

Of the 136 lots in Improvement Area #3, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 136
2. Planned lots as of the date of this Quarterly Report: _____
3. Lots developed: _____
4. Lots platted: _____
5. Expected completion date of all lots in Improvement Area #3 (if incomplete): _____

V. Ownership of Lots/Units in Improvement Area #3

PLANNED LOTS IN IMPROVEMENT AREA #3: 136

Of the 136 lots in Improvement Area #3:

1. Number of lots owned by the Developer: _____
2. Number of lots under contract but not closed to Homebuilder(s): _____
3. Number of lots owned by all Homebuilder(s): _____³
 - a. a. Number of lots owned by [*insert name of Homebuilder*]: _____⁴
 - b. b. Number of lots owned by [*insert name of Homebuilder*]: _____⁴
4. Number of units owned by homeowners: _____

³ If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

⁴ Include a line item for each individual Homebuilder.

VI. Home Sales Information in Improvement Area #3

PLANNED HOMES IN IMPROVEMENT AREA #3: 136

Of the 136 homes planned for Improvement Area #3:

1. How many total building permits were issued **during the current quarter?** _____
 - a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____⁴
 - b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____⁴
2. How many total homes have closed with homebuyers **during the current quarter?** _____
 - a. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____⁴
 - b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____⁴
3. How many total homes have closed with homebuyers **cumulatively?** _____
 - a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____⁴
 - b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____⁴

VII. Amenities⁵

TOTAL [EXPECTED/ACTUAL] COSTS OF AMENITIES: \$[_____]

Of the \$[_____] [expected/actual] costs of the Amenities:

1. Amount spent as of Quarterly Ending Date: \$[_____]
2. [Actual/Expected] completion date of Amenities: [_____]

VIII. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

⁵ Amenities means hike and bike trails, open space improvements and an amenity center.

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement.
5. **Reserved.**
6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.
7. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: City of Celina, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek
Public Improvement District Improvement Areas #2-3 Project) (the
“Bonds”)
CUSIP Numbers: [insert CUSIP Numbers]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Developer”] [“Significant Homebuilder”]) has not provided the
[Quarterly Information][Quarterly Report] [the [Quarterly Information][Quarterly Report] was not
filed in a timely manner due to [_____] for the period ending on [Insert
Quarterly Ending Date] with respect to the Bonds as required by the Continuing Disclosure
Agreement of Developer related to such Bonds, by and among First Texas Homes, Inc., a Texas
corporation (the “Developer”), MuniCap, Inc., as Administrator, and HTS Continuing Disclosure
Services, a division of Hilltop Securities Inc., as Dissemination Agent. The
[Developer][Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be
[provided][filed] by _____.

Dated: _____

HTS CONTINUING DISCLOSURE SERVICES, a
division of Hilltop Securities Inc.,
on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Celina, Texas

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Celina, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek Public Improvement District Improvement Areas #2-3 Project) (the “Bonds”)
CUSIP Numbers. [insert CUSIP Numbers]
Date of Delivery: _____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

HTS Continuing Disclosure Services, a
division of Hilltop Securities Inc.
717 North Harwood Street, Suite 3400
Dallas, Texas 75201

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 75009

First Texas Homes, Inc.
500 Crescent Court, Suite 350
Dallas, Texas 75201

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Developer”] [“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 First Texas Homes, Inc., a Texas
corporation (the “Developer”), MuniCap, Inc., as Administrator, and HTS Continuing Disclosure
Services, a division of Hilltop Securities Inc., as Dissemination Agent.

Dated: _____

MUNICAP, INC.
on behalf of the [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 Celina, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek
Public Improvement District Improvement Areas #2-3 Project)
CUSIP Numbers: [insert CUSIP Numbers]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Edgewood Creek Public Improvement District – Improvement Areas #2-3

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among First Texas Homes, Inc., a Texas corporation¹ (the “Developer”), MuniCap, Inc., as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [Insert Quarterly Ending Date], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

FIRST TEXAS HOMES, INC.,
a Texas corporation

By: _____

[OR
SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)]

By: _____
Name: _____
Title: _____

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Edgewood Creek Public Improvement District – 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 Improvements or Amenities (as those terms are defined in the Disclosure Agreement of Developer (as defined herein)) within Improvement Areas #2-3 of the Edgewood Creek Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the “Disclosure Agreement of Developer”) by and among First Texas Homes, Inc., a Texas corporation (the “Developer”), MuniCap, Inc. (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”), with respect to the “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek Public Improvement District Improvement Areas #2-3 Project),” any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Areas #2-3 Improvements or Amenities is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

FIRST TEXAS HOMES, INC.,
a Texas corporation

By: _____
Name: _____
Title: _____

Acknowledged by:
[INSERT ASSIGNEE NAME]

By: _____
Title: _____

EXHIBIT F

FORM OF SIGNIFICANT HOMEBUILDER ACKNOWLEDGEMENT

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Edgewood Creek Public Improvement District – Improvement Areas #2-3 – Continuing Disclosure Obligation

Dear _____,

As of _____, 20____, you own _____ lots within Improvement Areas #2-3 of Edgewood Creek Public Improvement District (the “District”). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer related to the hereinafter defined Bonds (the “Disclosure Agreement of Developer”) by and among First Texas Homes, Inc., a Texas corporation (the “Developer”), MuniCap, Inc. (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”), with respect to the “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek Public Improvement District Improvement Areas #2-3 Project)” (the “Bonds”) any entity that owns 29 or more of the single family residential lots within 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,

FIRST TEXAS HOMES, INC.,
a Texas corporation

By: _____
Name: _____
Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

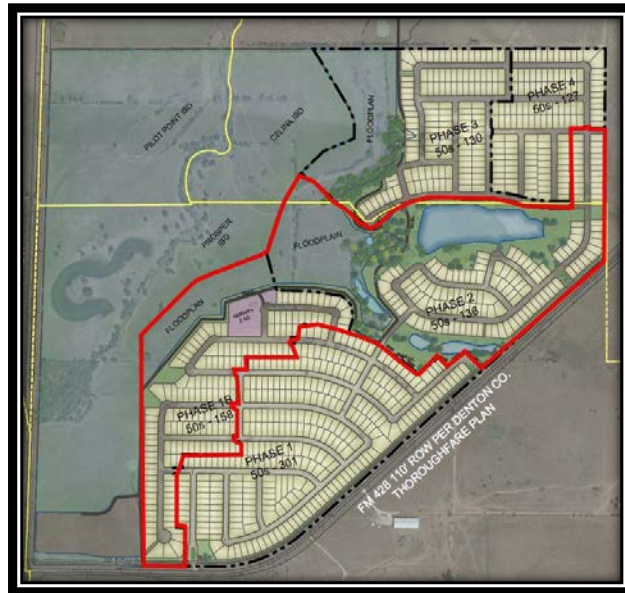
By: _____
Title” _____

APPENDIX E
APPRAISAL

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APPRAISAL REPORT

PROJECT # A26-0618-09



**EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 AND #3
44.251 ACRES CONTAINING 139 RETROSPECTIVE RESIDENTIAL LOTS ALONG WITH
19 SINGLE-FAMILY RESIDENTIAL HOMES IN IMPROVEMENT AREA #2
AND 72.217 ACRES CONTAINING 136 PROSPECTIVE RESIDENTIAL LOTS
IN IMPROVEMENT AREA #3
CELINA**

**FOR:
FMSBONDS, INC.
5 COWBOYS WAY, SUITE 300-25
FRISCO, TEXAS 75034**

**EFFECTIVE DATES OF APPRAISAL:
JULY 1, 2026 (RETROSPECTIVE EFFECTIVE DATE) FOR 139
RESIDENTIAL LOTS ALONG WITH 19 SINGLE FAMILY-RESIDENTIAL HOMES IN PHASE 2
AND OCTOBER 1, 2026 (PROSPECTIVE DATE OF SUBSTANTIAL COMPLETION) FOR 136
RESIDENTIAL LOTS IN PHASE 3**

**PREPARED BY:
JAMES L. MAIBACH, CPM, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER,
LESLIE TOLLIVER, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER,
JORDAN TYLER, STATE LICENSED RESIDENTIAL REAL ESTATE APPRAISER, AND
BRANDON LAWSON, APPRAISER TRAINEE OF:**

**PEYCO SOUTHWEST REALTY, INC.
1703 NORTH PEYCO DRIVE
ARLINGTON, TEXAS 76001**

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

October 20, 2026

Mr. R.R “Tripp” Davenport, III

Director

FMSbonds, Inc.

5 Cowboys Way, Suite 300-25

Frisco, Texas 75034

tdavenport@fmsbonds.com

SUBJECT: Retrospective and Prospective Market Value “Upon Completion” Appraisal
Edgewood Creek Public Improvement District Improvement Area #2 and #3,
Celina, Denton County, Texas

Mr. Davenport,

At your request, we have inspected and appraised the above-referenced property. The purpose of the appraisal is to develop an opinion of market value of the Fee Simple interest of the 275 residential lots and the 19 single-family residential homes located in the City of Celina within the Edgewood Creek Public Improvement District Improvement Area #2 and #3 (referred to as Edgewood Creek PID IA #2 and #3 or Edgewood PID IA #2 and #3). Edgewood Creek PID IA #2 and #3 has a total of 116.468-acres consisting of the following:

- Retrospective Market Value “Upon Completion” as of **July 1, 2026 for 139 detached residential lots on approximately 44.251 acres in IA# 2, which contains the following:**
 - **139 lots with 50-foot frontages (FF)**
 - **19 Residential Single-Family Homes**
- Prospective Market Value “Upon Completion” as of **October 1, 2026 for 136 detached residential lots on approximately 72.217 acres in IA# 3. The lots are as follows:**
 - **136 lots with 50-foot frontages (FF)**

The client for the assignment is FMSbonds, Inc. The intended users are FMSbonds, Inc. and the City of Celina, Texas (the “City”). The intended use is underwriting of a proposed Public Improvement District bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City of Celina, Texas, nor is it the basis of a determination of the benefit of any constructed or installed public improvements will have on properties within Edgewood Creek PID IA #2 and #3.

Development of the subject property is governed by a Zoning Ordinance, Ordinance No. 2021-16, adopted by the City of Celina on February 9, 2021, which the Zoning Ordinance will allow single-family development at the subject property. The majority of the lots are located in Prosper Independent School District (ISD) with a small portion of lots in the top right corner of IA #3 being within Celina ISD.

Per discussions with the client, Edgewood Creek PID IA #2 and #3 is comprised of approximately 116.468 acres of land with an estimated build-out of 275 detached single-family residential 50-foot frontage lots and 19 residential single-family homes, located in the City of Celina. The subject property of this assignment - Edgewood Creek PID IA #2 and #3 - will be developed in multiple phases, and the PID will be spread across various phases.

Each of the 50-FF lot types will have a minimum of 6,000-SF. The minimum lot depths for the 50-FF lots will be 120’ in depth. We have considered any difference in market value based on lot depth is marginal, and other attributes, such as overall situs of the PID, are more important to the market value consideration of a single lot.

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

The smallest model home was utilized in the residential single-family sales comparison analysis. This model was developed by First Texas Homes Inc. and consists of a 2,122-square-foot residence featuring four bedrooms, three full bathrooms, and a two-car garage. This model is identified as the Inwood F Floor Plan. We have utilized the criteria in the floor plan stated herein to obtain a “not less than value” which is defined as follows:

The appraiser's opinion of the minimum value that the subject property would be expected to achieve as of the effective date of the appraisal, assuming the stated assumptions, conditions, and intended use of the report are met. This value represents a conservative value conclusion indicating that the property's actual market value is estimated to be no lower than the amount stated. The "Not Less Than Value" conclusion is not intended to represent a precise market value estimate, but rather a supported minimum value benchmark indicating that the property's value is estimated to be equal to or greater than the stated amount.

The focus of our appraisal of the Edgewood Creek PID IA #2 and #3 are as follows:

Edgewood Creek PID IA #2 & #3			
Area Type	Size (Acres)	50' Lot Type	Total Lots Appraised
IA #2	44.00-AC	139	139
IA #3	72.217-AC	136	136

Edgewood Creek PID Improvement Area #2							
Phase	Lot Type	Bedroom	Bathroom	Stories	Living Area/SF	Smallest Plan	Total Completed Homes
1B	50'	4	3	1	2,122	Inwood F	19

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **Extraordinary Assumptions** that may affect the assignment results. An Extraordinary Assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Dates of the appraisal, we reserve the right to modify our value conclusions. Extraordinary Assumptions are used in this assignment because the improved residential lots to be delivered by the dates utilized in this report are currently incomplete as of the report date.

- Our opinions of retrospective and prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications by Barraza Consulting Group, LLC, the Professional Engineers, for 275 improved residential lots in Edgewood Creek PID IA #2 and #3 as well as 19 residential single-family homes in IA #2.
- All information relative to the property located within Edgewood Creek PID IA #2 and #3 including land areas, lot totals, lot sizes, and other pertinent data that was provided by First Texas Homes Inc. (Owners/Developers), Barraza Consulting Group, LLC (Professional Engineers/Surveyors), and the Denton Central Appraisal District is assumed to be correct.
- The subject is residential lots construction with a retrospective completion date of July 1, 2026 and a prospective completion date of October 1, 2026; therefore, this report contains retrospective and prospective opinions of value. Considering this, we have assumed that the market conditions discussed and considered within this report will be similar on the retrospective and prospective valuation dates.
- The interior of the single-family homes valued in this report was not inspected. Consequently, it is assumed that the residences are in relatively new condition and have been constructed as represented by the plans and specifications provided.

The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

No Hypothetical Conditions are used in this report.

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

This appraisal report is intended to conform with the 2026-2027 Uniform Standards of Professional Appraisal Practice (USPAP) and applicable state appraisal regulations. To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our final value conclusions as of the Substantial Completion Dates are as follows:

EDGEWOOD CREEK PID IA #2, CELINA, DENTON COUNTY					
Total Lots	Feet Frontage (FF)	Retail Price/Lot	Retrospective Effective Date	Price/FF (\$/FF)	Total Retail Value (\$)
139	50 FF	\$112,250	July 1, 2026	\$2245/FF	\$15,602,750
139					\$15,603,000

EDGEWOOD CREEK PID IA #2 CELINA, DENTON COUNTY				
Home Type	Total Homes	Retrospective Effective Date	Minimum Concluded Retail Value Per Home	Concluded Retail Value
Inwood F	19	July 1, 2026	\$465,000	\$8,835,000
Minimum Concluded Retail Value				\$8,835,000

EDGEWOOD CREEK PID IA# 3, CELINA, DENTON COUNTY					
Total Lots	Feet Frontage (FF)	Retail Price/Lot	Prospective Effective Date	Price/FF (\$/FF)	Total Retail Value (\$)
136	50 FF	\$112,750	October 1, 2026	\$2255/FF	\$15,334,000
136					\$15,334,000
Amenity Fee Reimbursement				\$1,500/per lot	\$204,000
Marketing Fee Reimbursement				\$500/per lot	\$68,000
MUD Fee Reimbursement				\$3,000/per lot	\$408,000
Total Retail Lot Value					\$16,014,000

The sum of the individual lot values presented herein should not be interpreted as the market discounted bulk value of the lots under a single bulk sale scenario.

The value opinions developed for the 19 single-family homes are reported as "Not Less Than Values," representing the minimum value conclusions supported by the analyses contained herein.

Attached is our Appraisal Report which summarizes the investigation and analyses undertaken in arriving at our value conclusions. Should you have any questions, please contact our office.

Respectfully submitted,

Peyco Southwest Realty

Appraisers' signatures and license numbers are on the following page:

Edgewood Creek Public Improvement District; Improvement Area #2 & #3



James L. Maibach, C.P.M
TX-1323658-CG
State Certified General Real Estate Appraiser



Leslie Tolliver
TX-1381494-CG
State Certified General Real Estate Appraiser
Candidate for Designation, Appraisal Institute

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EXECUTIVE SUMMARY

Property Name	Edgewood Creek PID; Improvement Area #2 & #3
Property Type	Master-Planned Community
Location	Northeast Corner of Farm to Market Road 428 W and Farm to Market Road 1385
City, County, State, Zip	Celina, Denton County, Texas, 75009
Legal Descriptions (Denton CAD)	Multiple Legal Descriptions
Owner of Record	First Texas Homes Inc
Census Tract	0201.29
Tax IDs – Denton CAD	Multiple Tax ID's
Total Land Area	116.468 Acres
Total Lots	275 Single-Family Improved Lots
Total Lots Breakdown	139 50-FF Width Lots within IA# 2 136 50-FF Width Lots within IA# 3
Total Single-Family Homes	19 Single-Family Residential Homes
Topography	Gently Sloping
FEMA Flood Zones	Unshaded Zone X and Shaded Zone AE
FEMA Panel	48121C0270G
FEMA Map Date	4/18/2011
Utilities	
Water	Mustang Special Utility District
Sewer	Mustang Special Utility District
Electric	Oncor
Natural Gas	Atmos
Zoning (City of Celina)	Planned Development (PD)
Future Land Use	Single-Family Residential Subdivision
Highest & Best Use	Single-Family Residential Subdivision
Final Value Conclusion	\$15,603,000 (\$112,250/Lot Rounded) Effective Date of July 1, 2026, for 139 Improved Residential Lots on 44.251 Acres in IA# 2
	\$8,835,000 (\$465,000/Home Rounded) Effective Date of July 1, 2026, for 19 Improved Residential Homes in IA# 2
	\$16,014,000 (\$112,750/Lot Rounded) Effective Date of October 1, 2026, for 136 Improved Residential Lots on 72.217 Acres in IA# 3
Exposure Period	6-12 Months
Marketing Period	6-12 Months
Date of Inspection	July 10, 2026
Dates of Valuation	July 1, 2026 for IA# 2 - Retrospective
	October 1, 2026 for IA# 3 - Prospective
Report Date	October 20, 2026

CERTIFICATION

We certify that, to the best of our knowledge and belief that:

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- (3) We have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.
- (4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (5) Our compensation for completing this assignment is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
- (6) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice.
- (7) Brandon Lawson has inspected the subject property. James L. Maibach, Leslie Tolliver, and Jordan Tyler have not physically viewed the subject property. The values herein were developed and reported by James L. Maibach, Leslie Tolliver, Jordan Tyler, and Brandon Lawson.
- (8) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.
- (9) None of the signatories have previously performed services as an appraiser or any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.
- (10) James L. Maibach and Jordan Tyler are not members of the Appraisal Institute. Leslie Tolliver is a Candidate for Designation and Brandon Lawson is an Associate Member of the Appraisal Institute. As of the date of this report, Leslie Tolliver has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute, and Brandon Lawson has completed the Standards and Ethics Education Requirements for Associate Members. The use of this report is subject to the requirements of the Appraisal Institute relating to review by their duly authorized representatives.
- (11) James L. Maibach and Leslie Tolliver served as the primary authors and developers of this appraisal report, including the development of the Conclusion of Value and the application and analysis of all three approaches to value (if applicable). Jordan Tyler and Brandon Lawson provided substantial assistance in the preparation of the report, including conducting market research, assisting with the identification and analysis of comparable sales, preparing maps, sales history information, and participating in the property site visit. Their contributions supported the overall research, data collection, and report development process.



James L. Maibach, C.P.M.
TX-1323658-CG
State Certified General Real Estate Appraiser



Leslie Tolliver
TX-1381494-CG
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Candidate for Designation, Appraisal Institute

SCOPE OF WORK

Scope of Work is defined by the Uniform Standards of Professional Appraisal Practice as “the type and extent of research and analyses in an assignment.” Under the Scope of Work Rule, the appraiser must:

- Identify the problem to be solved;
- Determine and perform the scope of work necessary to develop credible assignment results; and
- Disclose the scope of work in the report.

The problems to be solved are:

- Determine the *Retrospective Market Value* with an Effective Date of July 1, 2026 for the Fee Simple interest of 139 improved single-family residential lots and the 19 residential single-family homes in IA #2 of Edgewood Creek PID.
 - 139 lots with 50-FF
 - 19 residential single-family homes
- Determine the *Prospective Market Value* with a Substantial Completion Date of October 1, 2026 for the Fee Simple interest of 136 improved single-family residential lots in IA #3 of Edgewood Creek PID.
 - 136 lots with 50-FF

The definition of market value¹ utilized herein is as follows:

Market Value is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite for a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice, in a manner necessary to produce a credible result.

This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The value set forth herein was determined after consideration and appropriate application and analysis by three approaches to value i.e., the Cost Approach, the Income (Subdivision Development) Approach, and the Sales Comparison Approach.

¹ The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, Washington, D.C.: Appraisal Standards Board (2020-2021), DEFINITIONS

As part of this appraisal, we completed a thorough investigation and analysis of the data considered pertinent to valuing the subject property.

Property Identification

The property has been identified using the following sources:

- Public records – Denton Central Appraisal District (DCAD)
- Legal descriptions
- Deed Records – Denton County
- Edgewood Creek PID IA #2 and #3 Plat Map Exhibit by Barraza Consulting Group, LLC, Professional Surveyor

Type and Extent of Data Researched

The following information was reviewed in preparing this report:

- Public record data
 - City of Celina, and Denton County Maps and Land Use Plans
 - Flood plain maps
 - Topographic maps
 - Demographics – CoStar, ESRI, and US Census Bureau
 - Market Conditions Data – S&P Case Schiller, CoreLogic, NTREIS, JLL, CBRE, Integra, CoStar, and Zonda.
- Edgewood Creek PID IA #2 and #3 Plat Map Exhibit by Barraza Consulting Group, LLC, Professional Surveyor
- Estimated development costs provided by Barraza Consulting Group, LLC, the Professional Engineers
- Preliminary Service and Assessment Plan (PSAP) by P3 Works, Dated June 23, 2026
- Conversations with developers and homebuilders in DFW market
- Information provided by the client
- Homebuilders Brochure (First Texas Homes Inc.) – Inwood F Floor Plan

VALUATION METHODOLOGY

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. A summary of each portion of the subject property that requires valuation is shown below:

- 139 Improved Single-Family Residential Lots in IA #2 (50-FF).
- 19 residential single-family homes.
- 136 Improved Single-Family Residential Lots in IA #3 (50-FF).

Improved Detached Single-Family Residential Lots and Single-Family Residential Homes

Cost Approach

The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Cost figures are obtained from the developer and engineer then compared to cost figures on competing developments. A developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project. The subject property is being developed in two phases, however, the totality of Edgewood Creek PID will be spread across multiple phases, therefore, *the Cost Approach is not appropriate for the vacant developed lots and thus was not utilized* for the 139 improved residential lots in IA #2 and the 136 improved residential lots in IA #3.

The Cost Approach was developed for the 19 residential single-family homes using the Inwood F Floor Plan provided by First Texas Homes Inc. and is presented as supportive evidence of value. However, given the availability of relevant market data and the actions of typical buyers and sellers in this market, primary reliance was placed on the Sales Comparison Approach. Accordingly, the Sales Comparison Approach was given the greatest weight in the final reconciliation of value, while the Cost Approach was afforded secondary consideration. The Cost Approach for the Inwood F Floor Plan can be found in the addenda of this report.

Income (Subdivision Development) Approach

In the Income Capitalization Approach, the retail value of the residential lots is estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. Since sales of individual lots to an end-user homeowner are exceedingly rare in tract home subdivisions in this market, the value of an individual retail lot is effectively the same value of a portion of lots to a homebuilder because homebuilders tend to be the exclusive buyers of vacant developed lots from land developers. In addition, discussions with developers and homebuilders as well as review of contracts indicate that lots are typically received by the builders on a takedown schedule with annual price escalations of approximately 6% so the lots are not released in bulk to the home builders. The value indicated by the Income (Subdivision) Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value

of a group of lots or units, which is different from the sum of the retail lot prices. *Per conversations with the client, the Income Approach is not considered necessary therefore is outside the scope of work for this report and not developed.*

The subject property's Residential Single-Family Homes are primarily owner occupied and are not income producing. Therefore, the Income Approach was not considered applicable for the single-family homes.

Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, the sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed for the vacant developed lots by the appraisers.*

The Sales Comparison Approach was utilized and is given most weight in estimating the value for the 19 residential single-family homes using the smallest floor plan, the Inwood F Floor Plan, provided by First Texas Homes Inc. The Sales Comparison Approach was considered the most reliable indicator of the minimum value, or the "not less than" value as it reflects the actions of typical buyers and sellers in the marketplace. By analyzing recent sales of comparable properties and making appropriate adjustments for differences, this approach provides a direct measure of market value based on actual market behavior. Given the availability of sufficient comparable sales data and the market-oriented nature of the subject property, the Sales Comparison Approach was given the greatest weight in the final "not less than" value conclusion for the subject property's 19 residential single-family homes.

Use of the approaches for the valuation of the improved lots in Edgewood Creek PID IA #2 & #3 and the Residential Single-Family Homes are summarized as follows:

<i>Approach</i>	<i>Applicability to Subject</i>	<i>Use in Assignment</i>
Cost Approach	<i>Not Appropriate for the VDLs Since the Subject Property is Developed in Multiple Phases. However, is Utilized for the Residential Single-Family Homes but Only Given Secondary Consideration.</i>	<i>Partially Utilized</i>
Income (Subdivision Development) Approach	<i>Not Appropriate in Determining Residential Subdivision Value or Residential Single-Family Home Value as it is Outside the Scope of this Report.</i>	<i>Not Utilized</i>
Sales Comparison Approach	<i>Fully Utilized for the Market Value of the Vacant Developed Lots and for the Residential Single-Family Homes</i>	<i>Utilized</i>

COMPETENCY OF THE APPRAISER

James L. Maibach, C.P.M. is a State Certified General Real Estate Appraiser according to the Texas Appraiser Licensing and Certification Board and has appraised numerous properties similar to the subject since 1993. The appraiser also manages, through his commercial real estate management company, approximately 2.25 million SF of which 60% is industrial warehouse, 20% is Class B and C office and 20% in retail product in Tarrant, Dallas, and Johnson counties. Mr. Maibach has been personally involved in over 65 residential development projects as a broker, developer, bank director, and zoning consultant in the past 35 years. Leslie Tolliver is a State Certified General Real Estate Appraiser who has analyzed and appraised numerous properties similar to the subject. Jordan Tyler is a State Licensed Residential Appraiser and Brandon Lawson is an Appraiser Trainee and have assisted in numerous properties similar to the subject property. Attention is paid to the qualifications of each individual which are presented in the Addenda of this report.

Peyco Southwest Realty is a full-service professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele. In the past 12 months, our firm has completed numerous valuation assignments involving similar properties. Mr. Maibach currently owns, represents, and manages multiple properties throughout the DFW Metroplex, mostly in Tarrant, Dallas, Johnson, and Ellis Counties. The subject is located in the City of Celina, Denton County, Texas.

INTENDED USE AND USERS

The intended use of the appraisal is to estimate the market value upon completion of the underwriting of a proposed Public Improvement District bond transaction as of the Effective Dates of Substantial Completion. The client and intended user is FMSbonds, Inc. The City of Celina is also an intended user. The appraisal is not intended for any other use or user. No party or parties other than the City of Celina and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in this report; provided, however, it is acknowledged that this Appraisal will be used in a preliminary and final limited offering memorandum for the Public Improvement District bonds. The Client may, without Appraiser's prior authorization or notice to Appraiser, provide the Appraisal to other parties for their use in analysis-related activities, however, it does not make the recipient an intended user of this engagement.

DATE OF THE APPRAISAL REPORT

The preparation of this Appraisal Report was completed on **October 20, 2026**. The initial draft of this appraisal report was completed on **August 12, 2026**.

EFFECTIVE DATES OF THE APPRAISAL

The descriptions, analyses, and conclusions of this report for the designated Market Values of the subject property are applicable as of **July 1, 2026** for IA #2, which is the retrospective effective date, and **October 1, 2026** for IA #3, which is the prospective date of Substantial Completion. Brandon Lawson inspected the property on **July 10, 2026**. Jim Maibach, Leslie Tolliver, and Jordan Tyler have not inspected the subject property.

ASSIGNMENT CONDITIONS

Assignment conditions include assumptions that affect the scope of work, other than those previously discussed in the "Assumptions and Limiting Conditions." There are no other material and specific hypothetical conditions or extraordinary assumptions other than those referenced in this report.

PROPERTY RIGHTS APPRAISED

The property rights appraised in this assignment are the Fee Simple Estate in the subject property. A commitment for Title Insurance was not submitted to the appraisers and reservations, if any, are unknown. If property rights differ from the above definitions, the value may be affected.

ASSETS APPRAISED

The assets appraised in this appraisal assignment include land, any primary and ancillary site improvements. No furniture, fixtures, equipment (FF&E), personal property, mineral rights, or business value were included in the valuation process.

ENVIRONMENTAL CONDITIONS

No environmental report was available to us, and no recent environmental tests were performed. Because we have no evidence to the contrary, we have assumed that the property is free of any material defects, other than those noted, which would adversely affect the value, including, but not limited to, asbestos and toxic waste. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain environmental studies which may be required to ascertain the status of the property regarding asbestos and other hazardous materials.

HISTORY OF SUBJECT PROPERTY - VACANT DEVELOPED LOTS

Denton County deed records indicate that IA #2 and IA #3 of the subject property are owned by First Texas Homes Inc. IA #2 of the subject property consists of multiple parcels as it has been replatted for development. The purchase price of the property was not disclosed to the appraisers. The subject property was deeded as follows:

- Per Denton Central Appraisal District, IA #2 and #3 of the subject property was deeded to First Texas Homes Inc. on May 18, 2023, from MM Edgewood Creek, LLC via Deed Instrument 2023-51337. This transaction appears to be arms-length.

We are unaware of any other attempts to sell or divest the subject property, as of the report date. This historical ownership data was researched and reported in order to comply with USPAP which requires a 3-year history of the subject property. It should not be used in lieu of a title search and is not intended as a guarantee to the chain of title.

HISTORY OF SUBJECT PROPERTY - RESIDENTIAL SINGLE-FAMILY HOMES

Denton County deed records indicate that the single-family homes within IA #2 of the subject property are owned by various owner occupants. The sales price for the subject property single-family homes was not disclosed publicly and were deeded as follows:

- Per Denton Central Appraisal District, 3025 Ruby Trail within IA #2 was deeded to Moussawi, Hadi & Hussein, Duha on June 24, 2026, from First Texas Homes Inc. via Deed Instrument 2026-73939. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 3105 Heather Lake Place within IA #2 was deeded to Bashyam, Kishore Kumar & Rao, Vinutha Pathapati Dharma on March 27, 2026, from First Texas Homes Inc. via Deed Instrument 2026-34468. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 3109 Heather Lake Place within IA #2 was deeded to Tangeti, Ravi Kanth & Tulasi on December 9, 2025, from First Texas Homes Inc. via Deed Instrument 2025-138599. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 3301 Heather Lake Court within IA #2 was deeded to Milkuri, Ravindar & Swapna on February 27, 2026, from First Texas Homes Inc. via Deed Instrument 2026-22124. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 3304 Heather Lake Court within IA #2 was deeded to Vanteru, Rammohan Reddy & Yempalla, Bharghavi on October 24, 2025, from First Texas Homes Inc. via Deed Instrument 2025-120021. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6221 Swift Creek Street within IA #2 was deeded to Emeka, Oluwafunmilayo O & Chukwuma Ifeanyichukwu on December 12, 2025, from First Texas Homes Inc.

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

via Deed Instrument 2025-139758. This transaction appears to be arms-length.

- Per Denton Central Appraisal District, 6234 Swift Creek Street within IA #2 was deeded to Lingannagari, Abhilash Reddy & Muthyala, Pralaya on November 26, 2025, from First Texas Homes Inc. via Deed Instrument 2025-133857. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6238 Swift Creek Street within IA #2 was deeded to Nicholas Alonso Teran on January 9, 2026, from First Texas Homes Inc. via Deed Instrument 2026-3033. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6246 Swift Street within IA #2 was deeded to Konda, Sandeep Reddy & Puli, Monica on January 22, 2026, from First Texas Homes Inc. via Deed Instrument 2026-7585. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6255 Lake Brook Drive within IA #2 was deeded to Osinlaru, Adegboyega Oluwanisola on November 21, 2025, from First Texas Homes Inc. via Deed Instrument 2025-131962. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6304 Muller Creek Drive within IA #2 was deeded to Halappa, Manjunatha Malahal & Gowraplar, Rekha Govinakovi on November 28, 2025, from First Texas Homes Inc. via Deed Instrument 2025-133987. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6304 Shasta Creek Road within IA #2 was deeded to Shanmugam, Mahesh Kumar & Balakrishnan, Sathyapriya on October 29, 2025, from First Texas Homes Inc. via Deed Instrument 2025-121995. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6305 Shasta Creek Road within IA #2 was deeded to Michael and Darcie Hudson on April 23, 2026, from First Texas Homes Inc. via Deed Instrument 2026-46874. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6305 White Creek Drive within IA #2 was deeded to the Mathew Family Trust on December 19, 2025, from First Texas Homes Inc. via Deed Instrument 2025-143000. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6313 Muller Creek Drive within IA #2 was deeded to Futurex Group LLC on January 2, 2026, from Mahesh & Chilakala via Deed Instrument 2026-1236. This transaction appears to be arms-length. This property was also transferred on November 28, 2025, from First Texas Homes Inc. to Mahesh & Chilakala via Deed Instrument 2025-134082. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6404 White Creek Drive within IA #2 was deeded to Petchimuthu, Ezhilmalar & Malabanty, Surendra on February 12, 2026, from First Texas Homes Inc. via Deed Instrument 2026-16045. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6413 Muller Creek Drive within IA #2 was deeded to Maciel, Gustavo A & Nathani, Zahra on November 06, 2025, from First Texas Homes Inc. via Deed Instrument 2025-126414. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6417 White Creek Drive within IA #2 was deeded to Daniel Bertschi on March 24, 2026, from First Texas Homes Inc. via Deed Instrument 2026-32464. This transaction appears to be arms-length.
- Per Denton Central Appraisal District, 6421 White Creek Drive within IA #2 was deeded to Garcia, Juana & Lozano, Jose on April 9, 2026, from First Texas Homes Inc. via Deed Instrument 2026-41190. This transaction appears to be arms-length.

We are unaware of any other attempts to sell or divest the subject property, as of the report date. This historical ownership data was researched and reported in order to comply with USPAP which requires a 3-year history of the subject property. It should not be used in lieu of a title search and is not intended as a guarantee to the chain of title.

LEGAL DESCRIPTION

The subject property includes multiple tracts consisting of various legal descriptions within the Edgewood Creek PID IA #2 and #3. IA #2 has been replatted for development. The legal descriptions for the completed residential single-family homes within IA #2 as well as the legal descriptions for IA #3 are shown below:

The legal descriptions for the Residential Single-Family Homes within IA #2 are as follows:

- 3025 Ruby Trail - EDGEWOOD CREEK PHASE 1B BLK A LOT 68
- 3105 Heather Lake Place - EDGEWOOD CREEK PHASE 1B BLK A LOT 45
- 3109 Heather Lake Place - EDGEWOOD CREEK PHASE 1B BLK A LOT 44
- 3301 Heather Lake Court - EDGEWOOD CREEK PHASE 1B BLK A LOT 34
- 3304 Heather Lake Court - EDGEWOOD CREEK PHASE 1B BLK A LOT 11
- 6221 Swift Creek Street - EDGEWOOD CREEK PHASE 1B BLK L LOT 11
- 6234 Swift Creek Street - EDGEWOOD CREEK PHASE 1B BLK K LOT 11
- 6238 Swift Creek Street - EDGEWOOD CREEK PHASE 1B BLK K LOT 12
- 6246 Swift Creek Street - EDGEWOOD CREEK PHASE 1B BLK K LOT 14
- 6255 Lake Brook Drive - EDGEWOOD CREEK PHASE 1B BLK K LOT 2
- 6304 Muller Creek Drive - EDGEWOOD CREEK PHASE 1B BLK E LOT 44
- 6304 Shasta Creek Road - EDGEWOOD CREEK PHASE 1B BLK A LOT 59
- 6305 Shasta Creek Road - EDGEWOOD CREEK PHASE 1B BLK J LOT 6
- 6305 White Creek Drive - EDGEWOOD CREEK PHASE 1B BLK A LOT 57
- 6313 Muller Creek Drive - EDGEWOOD CREEK PHASE 1B BLK F LOT 10
- 6404 White Creek Drive - EDGEWOOD CREEK PHASE 1B BLK F LOT 20
- 6413 Muller Creek Drive - EDGEWOOD CREEK PHASE 1B BLK F LOT 2
- 6417 White Creek Drive - EDGEWOOD CREEK PHASE 1B BLK A LOT 47
- 6421 White Creek Drive - EDGEWOOD CREEK PHASE 1B BLK A LOT 46

The legal descriptions for IA #3 are as follows:

- A1105A W.S. RAY, TR 1, 64.6890
- A1107A D. RAY, TR 1A, 4.0790

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

**Real Estate Taxes – IA #2 and IA #3
Denton Central Appraisal District**

Real estate tax assessments are administered by the Denton Central Appraisal District (DCAD) and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the estimate by the composite rate. Real estate taxes and assessments for the projected 2026 tax year are shown in the following table which include taxes to City of Celina, Denton County, and Prosper ISD*. The projected combined tax rate for those entities is **1.976441 per \$100 assessed** as shown in the table below:

**Note: The majority of the lots are located in Prosper Independent School District (ISD) with a small portion of lots in the top right corner of IA #3 being within Celina ISD. We have utilized the Prosper ISD tax rate since the majority of lots are within Prosper ISD.*

Projected Property Taxes - 2026	
Entity	Rate
City of Celina	0.576401
Denton County	0.185940
Prosper ISD	1.214100
Total	1.976441

Edgewood Creek PID IA #2 is comprised of numerous contiguous tracts of land consisting of single-family and HOA parcels. Thus, if we were to add up every parcel that is currently within the Whole Property, the total would not give an accurate reflection of the land value for the 44.251-AC. A more accurate predictor of the assessed land value as a single parcel is to review unimproved land within IA #3 and apply those assessed values to IA #2.

Edgewood Creek PID IA #3 is considered as two parcels of land. The (2026) tax burden for the subject property was **\$141,241.99**. A table of the assessed values and property taxes for Edgewood Creek PID IA #3 is shown below:

TAXES (DENTON CAD - 2026)							
ID	Owner	Size (AC)	Improvement Market Value	Land Market Value	Ag Exemption	Assessed Value	Estimated Taxes
52672	First Texas Homes Inc	64.689	\$ -	\$ 6,759,279	\$ -	\$ 6,759,279	\$ 133,593.16
960118	First Texas Homes Inc	4.079	\$ -	\$ 387,000	\$ -	\$ 387,000	\$ 7,648.83
Total Combined:		68.768	\$0.00	\$7,146,279	\$ -	\$7,146,279	\$141,241.99

The Land market value represented by DCAD are not necessarily accurate. The land market value that DCAD has determined - **\$7,146,279 (\$103,919/AC, \$2.39/SF)** –leads to a tax burden of **\$141,241.99**. Applying the same rates to IA #2 (**\$103,919/AC, \$2.39/SF**) would lead to a land market value of \$5,350,983 which would lead to a tax burden of \$107,009.49. When the property is redeveloped into residential use, there may be rollback taxes due to the municipal entities. We have not considered the effect of rollback taxes herein and that is beyond the scope of work of this report.

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

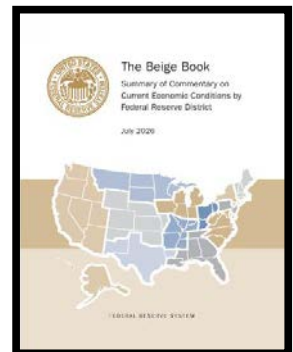
Upon substantial completion of the improved lots, the appraised value is expected to increase significantly; however, based on our company's experience as licensed property tax consultants working with tax districts and homebuilders, we believe the finished lots will be assessed by the appraisal district at below retail lot value. Finished lots are often assessed by tax districts at approximately 70% of the retail value because the tax district does not have reliable information on updated costs and because developers are eligible for an inventory reduction on their lots.

MARKET OVERVIEW

ECONOMIC INDICATORS: BEIGE BOOK

FEDERAL RESERVE BANK (July 15, 2026)

Due to the subject's location in North Texas, coupled with integrated business economies, it is relevant to consider the national and regional economic indicators presented by the Federal Reserve Bank of Dallas in the Beige Book. Excerpts from the most recent Beige Book are presented below:



Overall Economic Activity

Economic activity increased at a slight to moderate pace in eleven of twelve Federal Reserve Districts in late May and June, while one District reported no change. The pace of growth was quite close to that of last period, when activity expanded in ten Districts, was flat in one, and down in one. Consumer spending edged up as higher prices, particularly for fuel, dampened sales in other categories. Several Districts noted declines in spending on discretionary items or trading down to more affordable varieties. Tourism was up, with some Districts receiving a boost from World Cup visitors. Auto dealers reported little change in sales, but spending on repairs grew as consumers held onto vehicles for longer. Agricultural conditions deteriorated due to lower commodity prices, higher input costs, and tighter credit. In the energy sector, oil and gas drilling increased. Manufacturing production grew modestly to moderately in most Districts, led by stronger orders from the data center, machinery, and defense sectors. Manufacturers in several Districts said supply chain issues were more common. Construction and real estate activity increased slightly overall, with several Districts noting growth in data center building. Financial conditions were stable on net, and commercial and consumer loan volumes were both up modestly. Commercial loan quality was stable, but consumer loan quality ticked down. Transportation activity increased modestly amidst ongoing supply chain changes related to higher tariffs and the conflict in the Middle East. Overall, activity in other service industries also was up modestly, with Districts highlighting growth in health care and professional services. Social service providers were adjusting to funding declines while demand for basic supports—housing, food, health care—remained high. Contacts generally expected the economy to continue to expand in the coming months, but several Districts noted elevated uncertainty in the outlook for fuel costs.

Labor Markets

Employment rose on balance, with five Districts showing modest, moderate, or solid gains in employment, and with seven Districts experiencing little to no change. In the previous report, only one District had modest, moderate, or solid employment gains. Employment rose in a variety of industries, including manufacturing, construction, and retail. Skilled workers were difficult to find in a range of fields, notably technicians and tradespeople. Though there were reports of lower employment in a couple of Districts, the declines were small. Wage growth was modest to moderate in most Districts, though two saw only slight wage increases. Some wage increases were attributed to increased competition for skilled workers. A few Districts noted that firms had increased their usage of AI, either in the hiring and screening of potential employees or to boost worker productivity.

Prices

Prices increased moderately overall, with nine Districts reporting moderate growth, two robust growth, and one slight growth; compared with the last reporting period, price growth was the same or slower in all Districts. Non-labor input costs increased for a variety of industries—including services, construction, and manufacturing—and reflected in part higher costs for energy, transportation, and raw materials. Some contacts tied these cost increases to the conflict in the Middle East; others mentioned tariffs. Consumer prices continued to rise, and a few Districts said contacts saw greater price sensitivity among their customers. A couple of Districts reported

that selling prices grew less than input costs over the period, crimping margins. Expectations for price growth over the coming months varied across Districts, with contacts in some expecting inflation to continue at its current pace, while contacts in others expected inflation to slow, in part due to falling fuel prices.

ELEVENTH DISTRICT

FEDERAL RESERVE BANK OF DALLAS – JULY 15, 2026

Summary of Economic Activity

Economic activity in the Eleventh District expanded moderately over the reporting period. Growth picked up in the nonfinancial services, banking, and energy sectors, but moderated in manufacturing. Retail sales and agricultural conditions improved. The real estate sector was mixed, with sluggish home sales but rising commercial activity. Employment and wage growth strengthened, and price pressures rose. Outlooks were stable to positive, dampened by concern over inflation, the level of demand, and geopolitical and domestic policy uncertainty.

Labor Markets

Employment growth was solid. Staffing firms cited a broad-based increase in demand across sectors and skill levels, with one contact noting that June was their best month since before the pandemic. Finding the right talent remained challenging, partly driven by an aging workforce and reluctance among qualified candidates to switch jobs in an uncertain environment. Oilfield services firms noted increased competition for skilled labor from the power generation and AI industries, and data center developers also said it was challenging to find skilled workers such as electricians and technicians.

Wage growth picked up, particularly in the service sector. A staffing firm making direct hire placements noted raising their fees to the maximum level. There were reports of upward wage pressures stemming from inflation and a shortage of experienced workers. Firms expect wage growth to be 3.5% over the next 12 months, up from 3.1% in March.

Prices

Price pressures increased over the reporting period, largely driven by higher fuel and freight costs. Some contacts noted that supply-chain issues related to trade policy and to the Middle East conflict prompted raw material price increases, and a restaurant owner noted higher food costs. Data center developers said skilled labor shortages and supply-chain issues were driving up costs for new projects. Input and selling price expectations among Texas businesses surveyed were flat to slightly down in June compared with March, with input prices expected to increase 3.7% and selling prices expected to rise 2.8% over the next 12 months. Some firms expected falling fuel prices to ease cost pressures, while one noted that a few retailers may use tariff refunds to reduce prices.

Manufacturing

Manufacturing activity growth slowed to a modest pace in June. Output held steady for nondurable goods but grew broadly in durables, buoyed by strength in machinery, transportation equipment, and computer manufacturing. Some contacts noted that trade policy was hindering their ability to conduct business with international partners. Petrochemical producers saw output retreat slightly due to lower prices and rising Chinese polymer exports. Gulf Coast refiners maintained high output levels amid disrupted global supply chains. Manufacturing outlooks were stable despite uncertainty stemming from inflation, geopolitical tensions, demand concerns, and supply-chain disruptions.

Retail Sales

Retail sales rose over the reporting period, an improvement contacts attributed to consumer resilience that supported purchases despite elevated gasoline prices. Retailers continued to observe divergence in spending patterns, with lower-income households increasingly prioritizing value in their purchases. Auto sales fell in June, which dealerships ascribed to elevated financing costs, high gasoline prices, and low consumer confidence. Outlooks were positive, buoyed by the agreement to reopen the Strait of Hormuz, which has caused gasoline prices to fall and reduced some of the uncertainty about future business conditions.

Nonfinancial Services

Activity in nonfinancial services accelerated in June. Growth was led by health care, and revenues rose in the information, professional and business services, and transportation and warehousing sectors. Transportation services firms reported increased volumes, and airlines said demand rose broadly, despite fare increases. Staffing firms noted an increase in demand for both temporary and direct hire placements. Outlooks improved although concerns regarding inflation, weak demand, and domestic and geopolitical uncertainty continued to dampen sentiment.

Construction and Real Estate

Activity in the housing market remained subdued, with slow and choppy sales and traffic, particularly in outlying areas and those reliant on recent immigrant buyers. The first-time buyer segment remained soft while the move up segment performed better. Home prices were stable, but builders continued to offer discounts and rate buydowns to attract buyers amid weak demand. New deals are not moving forward due to high lot prices and weak demand, and there were reports of builders walking away from transactions, sometimes forfeiting earnest money. Outlooks remained cautious as builders navigated sluggish demand, elevated input costs, and weak pricing power.

Commercial real estate activity rose further. Apartment absorption remained solid though rent concessions were widespread due to elevated supply. The office market was stable, with consistent demand, and the industrial market saw solid activity. Building activity was mixed. Office, apartment, and retail construction remained subdued, while data center and industrial construction were robust. Data center capacity demand has increased, but new projects are being hindered by limited access to energy, supply chain disruptions, and public pushback.

Financial Services

Loan volume and demand grew notably in June. Volume rose across all loan types except for consumer loan volume which was stable. Credit standards and terms tightened, but loan pricing held steady. Overall loan performance remained the same. Bankers reported expanding general business activity and were more optimistic about the future. Survey respondents expect strong growth in loan demand and business activity with a very slight deterioration in loan performance six months from now.

Energy

Eleventh District drilling activity increased during the reporting period. Contacts noted that producers are reacting to higher expected oil prices and timing increases to deliver higher output starting in the fall, when new pipeline capacity for natural gas comes online and alleviates transportation constraints. Oilfield services firms reported mixed pricing for drilling and fracturing services, reflecting improved demand and the passthrough of higher costs for diesel, labor, and other inputs. While near-term sentiment and expectations were broadly more optimistic, multiple contacts noted mounting challenges beyond the 2026 budget cycle regarding electric power supply and water disposal management.

Agriculture

Widespread rainfall improved soil moisture conditions across much of the District, though some areas of drought remain, particularly in the Texas Panhandle. Crop production prospects generally improved thanks to the rain, though elevated input costs continue to create financial stress for farmers. On the livestock side, the New World screwworm remains a key concern, particularly since the first U.S. case was identified in South Texas in early June. More cases have since been identified in Texas and New Mexico, prompting cattle producers in the region to dedicate resources to inspecting their herds.

Community Perspectives

Nonprofits and organizations serving lower-income individuals reported continued high, broad-based demand for assistance, with a notable pickup in service requests from seniors. Housing affordability was a growing concern in areas experiencing new economic development, including data centers. Contacts attributed the issue partly to an influx of workers, as well as to employers willing to subsidize housing costs for their workforce. Cuts in federal and state assistance programs as well as food and fuel cost inflation have prompted low- and moderate-income families to seek additional help. One nonprofit reported that demand for food assistance has surpassed levels experienced during the financial crisis and the pandemic. Some nonprofits reported struggling to fund services, with rising food and fuel costs posing challenges particularly for organizations engaged in food distribution or delivery services.

Texas A&M University
Texas Real Estate Research Center
Outlook for the Texas Economy (Excerpts)
Jorge Barro (Updated July 10, 2026)

U.S. Economic Overview

U.S. macroeconomic conditions continued showing signs of improvement in June. Job growth remains strong, and capital markets show no signs of aggregate distress. Deescalating conflict between the U.S. and Iran reduced the corresponding macroeconomic risk and uncertainty. However, sustained inflation following the rise in oil prices shifted sentiment in the Federal Reserve's Federal Open Market Committee (FOMC) toward hawkish, meaning interest rates could stay elevated for longer, creating headwinds for the U.S. economy.

Labor markets continue to indicate reacceleration throughout 2026. The U.S. economy added 57,000 jobs in June, showing persistent job gains in four consecutive months. April and May jobs were revised downward by 31,000 and 43,000, respectively. Although hiring and separation rates remain low, job openings climbed in recent months, indicating labor market optimism. Finally, business outlook survey data indicates sustained job growth in the months to come.

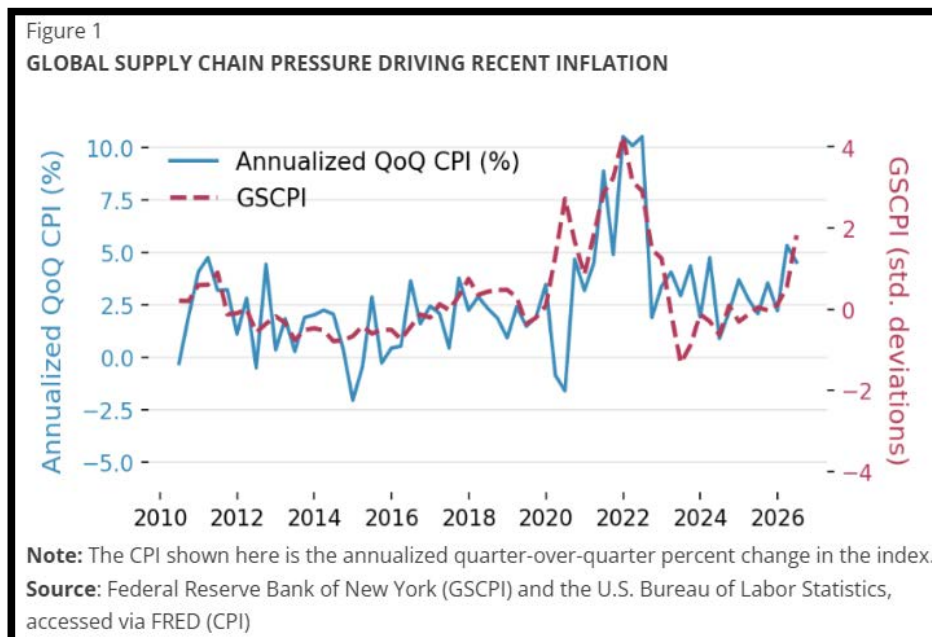
In its first FOMC meeting since Kevin Warsh's term as Fed Chair began, members voted to keep interest rates fixed at 3.5% to 3.75%. While FOMC members generally agreed that inflation remained excessively above the Fed's 2% target, the sentiment remains divided on the outlook for policy. Because of this uncertainty, the outlook for short-term interest rates will likely rely on how quickly inflation could return to the Fed's target following the decline in oil prices.

The 10-year Treasury yield—a critical benchmark for mortgage rates—held steady in June, falling only 1 basis point from 4.45% at the end of May down to 4.44% at the end of June. Mortgage rates also held mostly steady, falling 4 basis points in June from 6.53% to 6.49%. This could begin to fall if declining oil prices improve the inflation outlook.

Stories We're Following

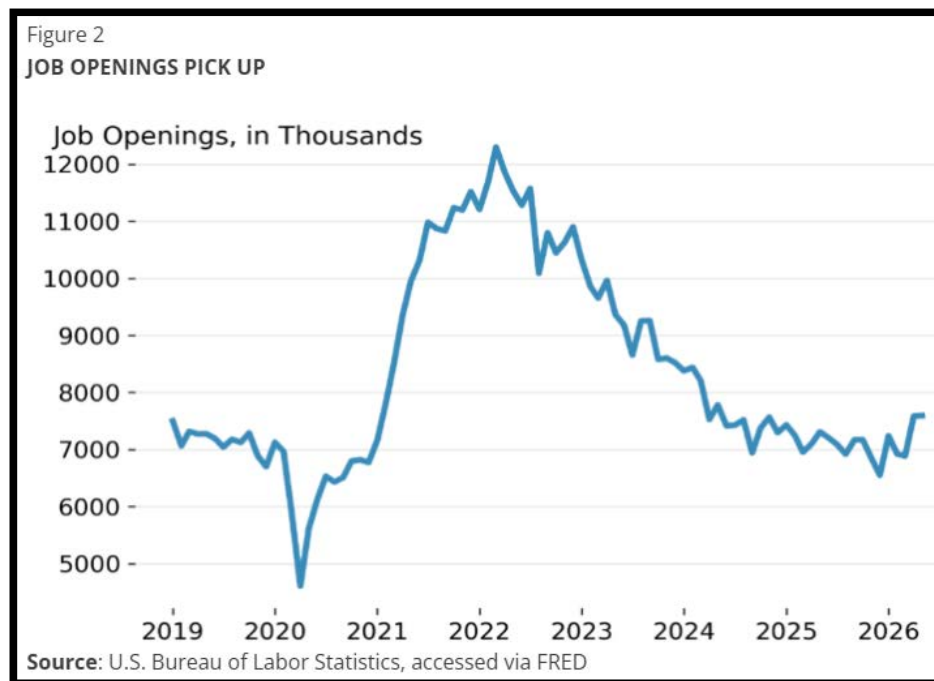
Global Supply Chains and Inflation

- *The issue: The Global Supply Chain Pressure Index (GSCPI) published by the Federal Reserve Bank of New York helps explain the impact of certain factors and policies on the inflation outlook (see Figure 1). For example, the supply chain pressure during the pandemic contributed significantly to inflation, whereas fallout from the global trade war in 2025 contributed little.*
- *Updates: The surge in the GSCPI corresponding to the U.S.-Iran conflict coincided with the sharp increase in the Consumer Price Index (CPI) throughout the first half of 2026. As a result, easing global supply chain pressures could cause inflation to fall back down to levels preceding the conflict. The GSCPI serves as a key indicator to track the outlook for inflation as the prospect of deescalating tensions between U.S. and Iran and corresponding shipping passage through the Strait of Hormuz materialize.*



Job Openings

- *The issue: Job openings data provide a gauge of current macroeconomic and labor market conditions. The series also offers a leading indication of future hiring. In recent years, critics raised concerns that many job openings have been posted for jobs that were never intended to be filled as a form of advertising and signals of positive economic outlook for individual companies. Regardless, historically, job openings coincide with fluctuations in the labor market.*
- *Updates: After stabilizing in recent months, job openings have picked back up, pointing to continued optimism in labor markets (see Figure 2). From a broader perspective, the combination of recent employment growth, elevated expected hiring in business outlook surveys, and now, the rebound in job openings, together indicate a positive labor market outlook.*

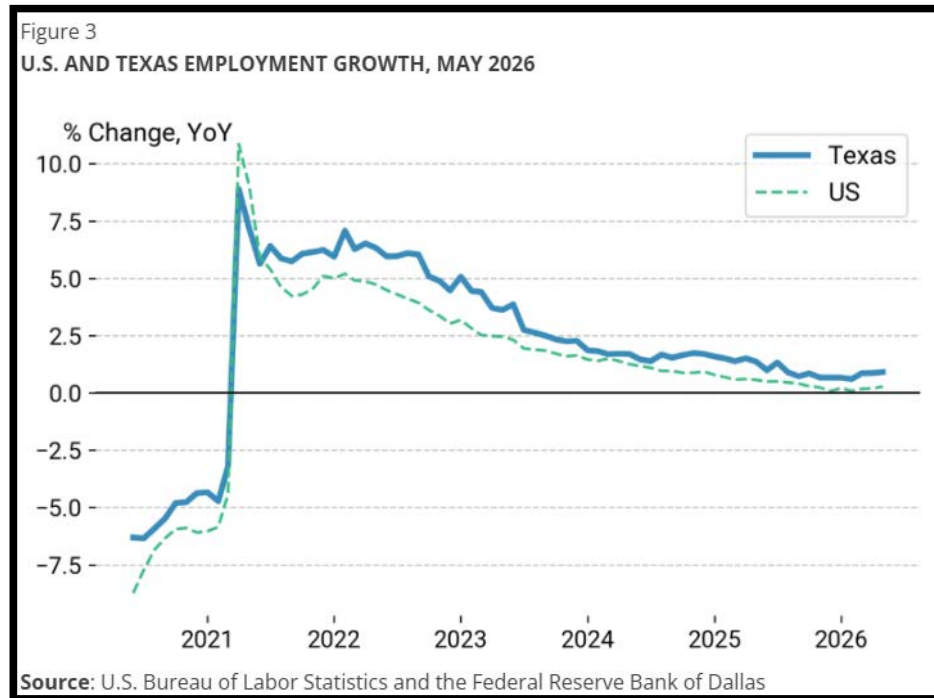


Federal Reserve Policy

- *The issue: The Fed is tasked with achieving a dual mandate of price stability and full employment. As labor markets recently stabilized, attention shifted to resolving persistent inflation. As part of its broader balance sheet operations, the Fed also buys and sells long-term private and government debt. Its divestment in mortgage-backed securities (MBS) has placed upward pressure on mortgage rates, which could continue for as long as the Fed maintains this policy.*
- *Updates: New Fed Chair Kevin Warsh is reshaping the Fed by reevaluating several dimensions of Fed policy and operations. Specifically, he assigned task forces to evaluate Fed communications, balance sheet policy, economic data usage, productivity and jobs, and inflation frameworks. He also expressed a strong interest in pivoting away from forward guidance, which could give the Fed the flexibility to respond more quickly to rising concerns.*

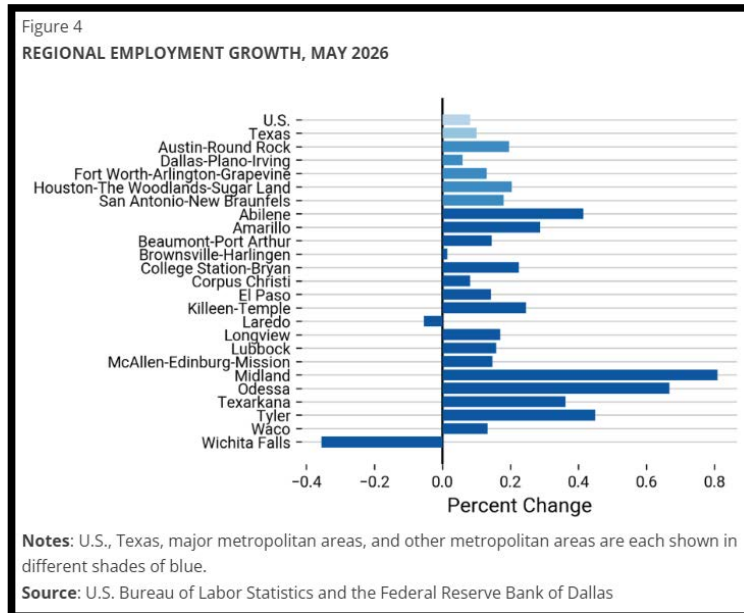
Texas Economic Indicators

The Texas labor market continues to show signs of a rebound in 2026. Both current and projected state-level employment remains strong at the aggregate level, although granular data shows signs of divergence between goods-producing and service-providing sectors of the labor market.

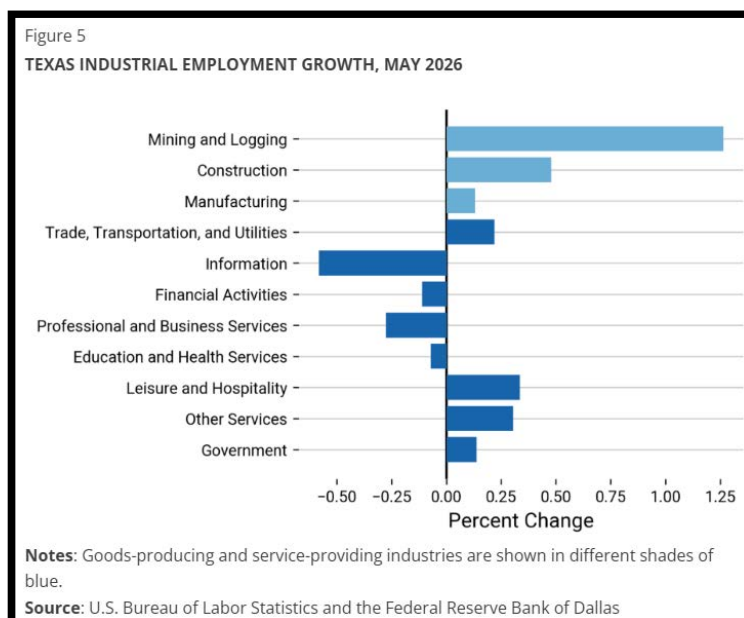


Employment

The May jobs report showed Texas job growth remaining steadily elevated and above the broader U.S. rate (see Figure 3).¹ According to estimates from the Federal Reserve Bank of Dallas, each of the major metropolitan areas experienced job growth (see Figure 4). Among the smaller metros, only Laredo and Wichita Falls experienced losses, while the remaining metros experienced job growth.

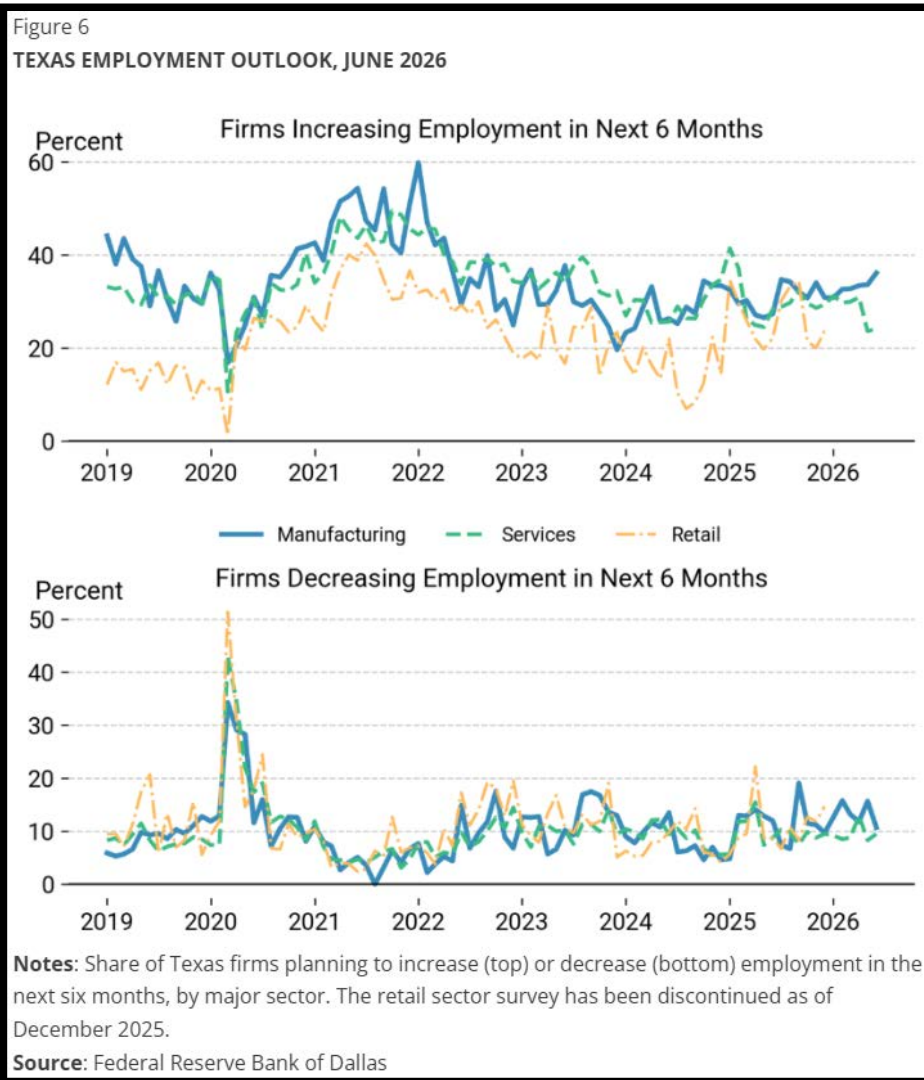


The industrial composition of job growth in Texas showed sizeable gains in the goods-producing industries, likely due in part to the heightened oil prices (see Figure 5). Service-providing industries remained mixed, though the tech industry (Information) experienced disproportionately large job losses.



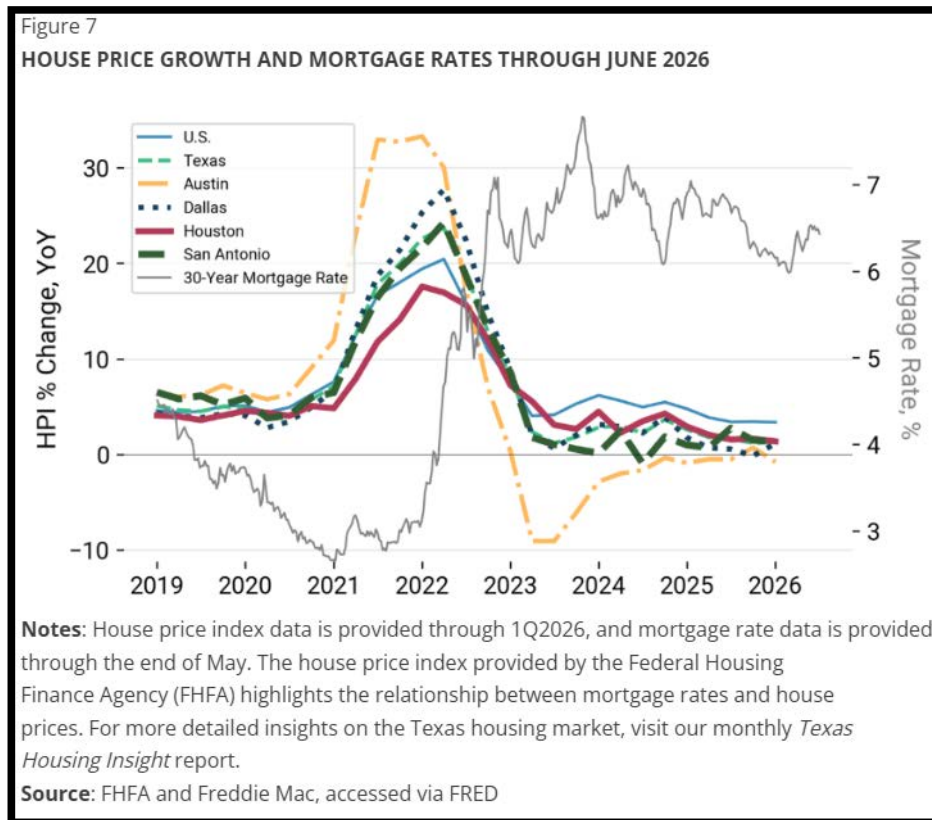
Employment Outlook

The share of Texas firms planning to hire in the next six months ticked higher in manufacturing, while mostly remaining lower in services (see Figure 6), indicating a mixed outlook in the state labor market and the broader economic outlook. The share of firms planning to decrease employment rose higher in services while ticking downward in manufacturing. The hiring outlook survey remains a critical early indicator of the Texas labor market outlook.

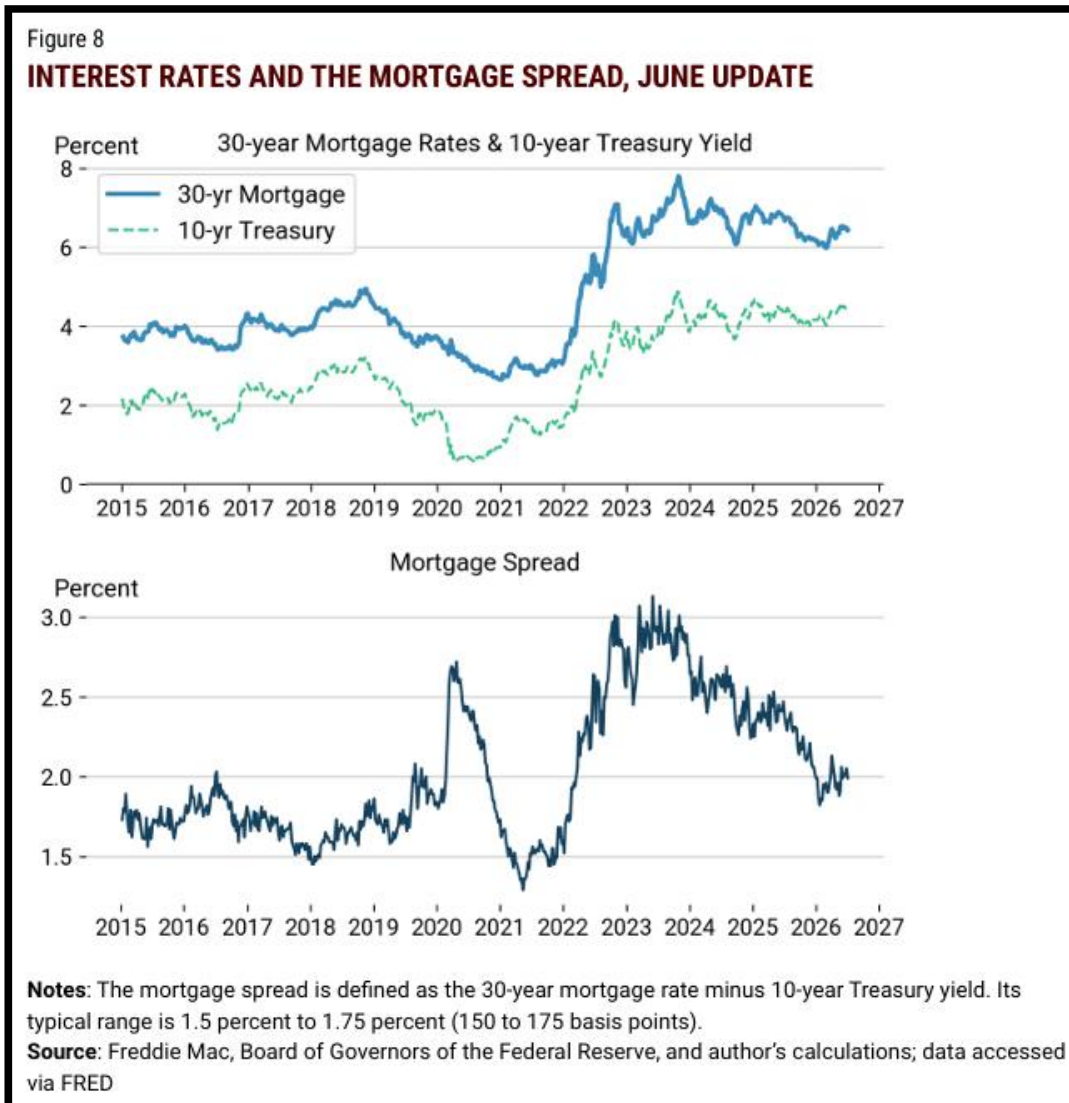


Housing and Mortgage Rates

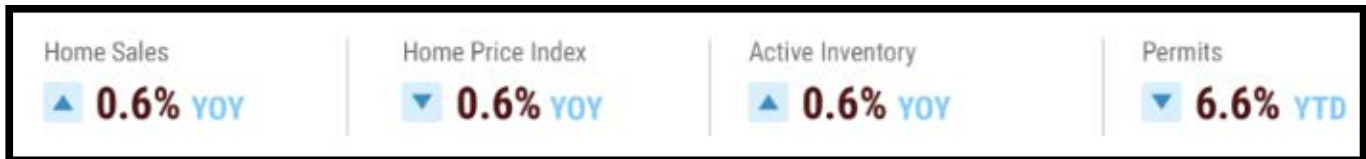
Average 30-year mortgage rates fell 4 basis points in June, declining from 6.53 at the end of May to 6.49 at the end of June (see Figure 7). Mortgage rates still remain roughly 50 basis points higher than they were before the rise of geopolitical tensions in the Middle East. Overall, mortgage rates remain elevated, well above pre-pandemic lows, creating continued headwinds in the residential real estate market.



The mortgage spread, defined as the premium of mortgage rates over the 10-year Treasury yield, fell slightly in June, dipping 4 basis points from 208 to 205 basis points (see Figure 8). The mortgage spread, which provides useful context of mortgage rates in broader capital markets, surged recently, following the rise of geopolitical tensions in the Middle East. Mortgage rates currently exceed the typical spread over the 10-year Treasury yield by around 50-75 basis points, indicating that mortgage finance conditions remain tight, relative to broader capital markets.



TEXAS HOUSING INSIGHT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
Yanling Mayer (Jul 23, 2026)



Summary

The Texas housing market showed early signs that the recent market downturn may be beginning to stabilize. While demand remains restrained by affordability challenges, elevated mortgage rates, and broader economic uncertainty, several key market indicators suggest the pace of rebalancing is no longer intensifying. Inventory turnover is holding relatively steady, months of supply is no longer rising for the first time in the current cycle, and statewide home price declines are beginning to moderate, even rising in a major North Texas market.

Statewide housing inventory continued to increase in May, but the broader inventory picture showed signs of leveling off. Active listings remained elevated by historical standards, but the pace of inventory accumulation has slowed considerably. Will this mark the beginning of an important market shift? It is still too soon to tell. For much of the past 12 months, rising inventory signaled a market where supply outweighed limited buyer affordability, and the latest data suggest the market is no longer softening at the same pace seen earlier in the cycle and may be approaching a more balanced footing.

Market conditions remain uneven across major metropolitan areas. Austin and DFW have seen moderate year-over-year (YoY) declines in both active inventory and months of supply, suggesting the inventory overhang in those markets may be easing. While Austin continues to see a more pronounced price correction from the pandemic run-up, the pace is moderating. Meanwhile, Houston and San Antonio continued to experience inventory gains and pricing pressures.

An unexpected pullback in new seller activity in May points to continued market uncertainty and suggests that both buyers and sellers remain cautious. This pullback likely reflects a combination of market uncertainty, affordability constraints affecting buyer demand, and seller hesitation given weak pricing conditions leading to the summer months.

Home prices also show early signs of stabilization. Statewide prices continued to soften through May, marking 12 consecutive months of YoY declines. However, the magnitude of the decline remained modest and is showing signs of moderating.

Overall, the Texas housing market is showing tentative signs of stabilization with the most recent data suggesting the imbalance between supply and demand is no longer worsening. Still, inventory remains elevated, affordability remains challenging, and market uncertainty continues to weigh on both buyers and sellers.

May Sales Activity Mixed

Table 1: May 2026 State & National Sales

	Closed Sales	YoY Change	YTD Change	Median Price	Pending Sales YoY
Texas	33,661	0.6%	1.9%	\$340,000	5.9%
U.S.	391,000	0.3%	0.8%	\$436,400	4.8%

Notes: The sales numbers reflect actual sales, not the seasonally adjusted rate.

Source: Texas REALTORS® and National Association of REALTORS® data (accessed at Haver Analytics)

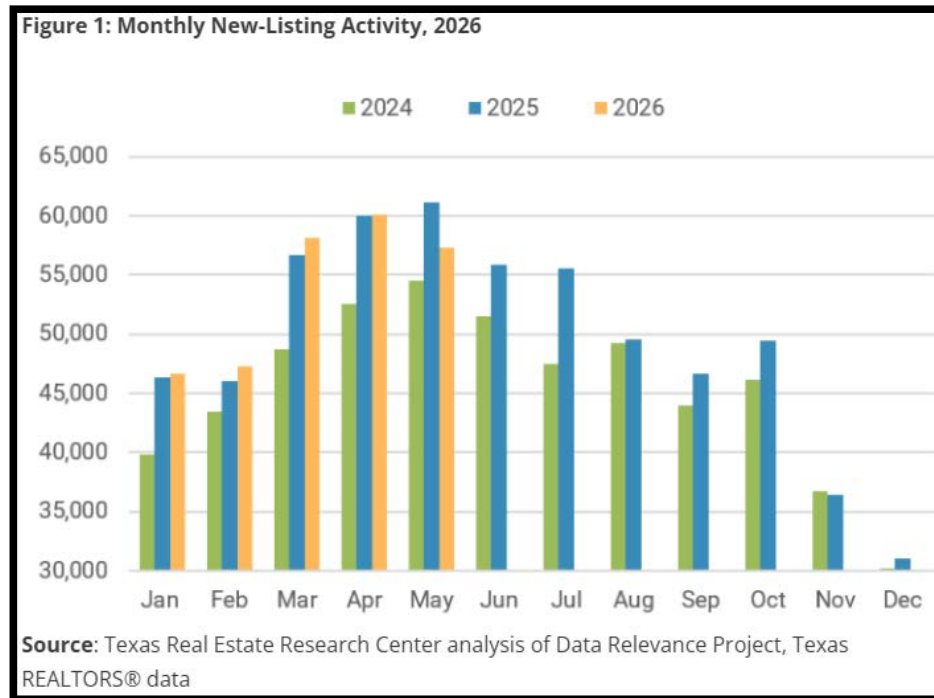
- *Statewide, Texas recorded 33,661 closed sales in May, up slightly from last year. Performance across the major metros was mixed, with gains in some markets offset by softer activity in others (see Table 3).*
- *Through May, year-to-date (YTD) home sales were 1.9% compared with the same period last year. Among the major metros, Austin continued to lead sales growth, while Dallas posted only modest gains and both Houston and San Antonio experienced slight declines (see Table 3).*
- *The statewide median sales price reached \$340,000, rising modestly from \$335,000 in April and remaining largely unchanged from a year ago.*
- *Nationally, non-seasonally adjusted existing home sales in May increased 0.3% YoY. On a YTD basis, sales were 0.8% above last year's pace. Meanwhile, the median price of existing single-family homes climbed to \$436,400, a 1.8% increase from \$428,800 a year earlier.*

Monthly Market Snapshot: May Sales and Inventory Trends

Table 2: Texas Housing Market Indicators			
Sales Activity	May-2024	May-2025	May-2026
Average Days on Market	53	60	64
Turnover Rate	27.1%	22.0%	22.8%
Median Seller Price Cuts	\$9,900	\$11,600	\$12,000
Median Sale-to-List Price Ratio	97.4%	96.6%	96.6%
7			
Active Inventory	May-2024	May-2025	May-2026
Months' Supply	4.2	5.4	5.3
Average Days on Market	79	83	90
Notes: The turnover rate is calculated as pending sales divided by inventory, where inventory is the average of month-beginning and month-end inventory.			
Source: Texas Real Estate Research Center analysis of Data Relevance Project and Texas REALTORS® data			

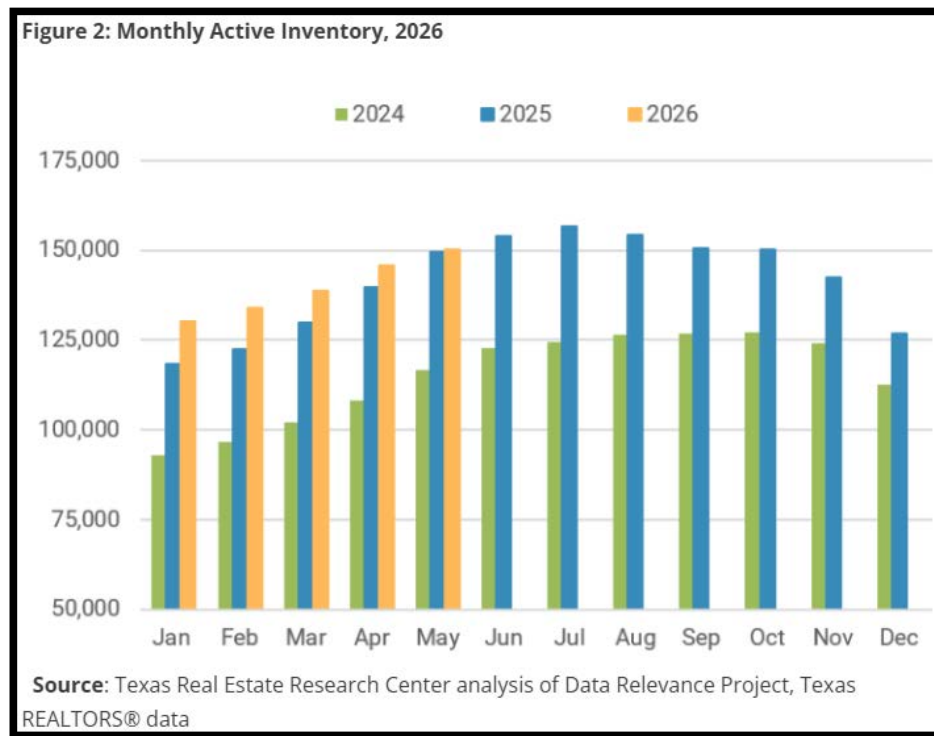
- In May, homes spent an average of 64 days on the market (DoM) before selling. Although marketing times remained longer than a year ago, the YoY gap continued to narrow.
- The inventory turnover ratio showed signs of stabilization. For the second consecutive month, the turnover ratio is no longer trailing year-ago levels, suggesting sales activity is keeping pace with the growth in available inventory.
- The median seller price cuts were \$12,000, equivalent to 3.4% of the initial listing price, in line with levels observed a year earlier.
- Active inventory is at 5.3-month supply. Despite remaining elevated by historical measures, inventory fell slightly below year-ago levels for the first time in the current cycle. The DoM among month-end unsold inventory is 90 days.

Seller Activity Weaker Than Expected



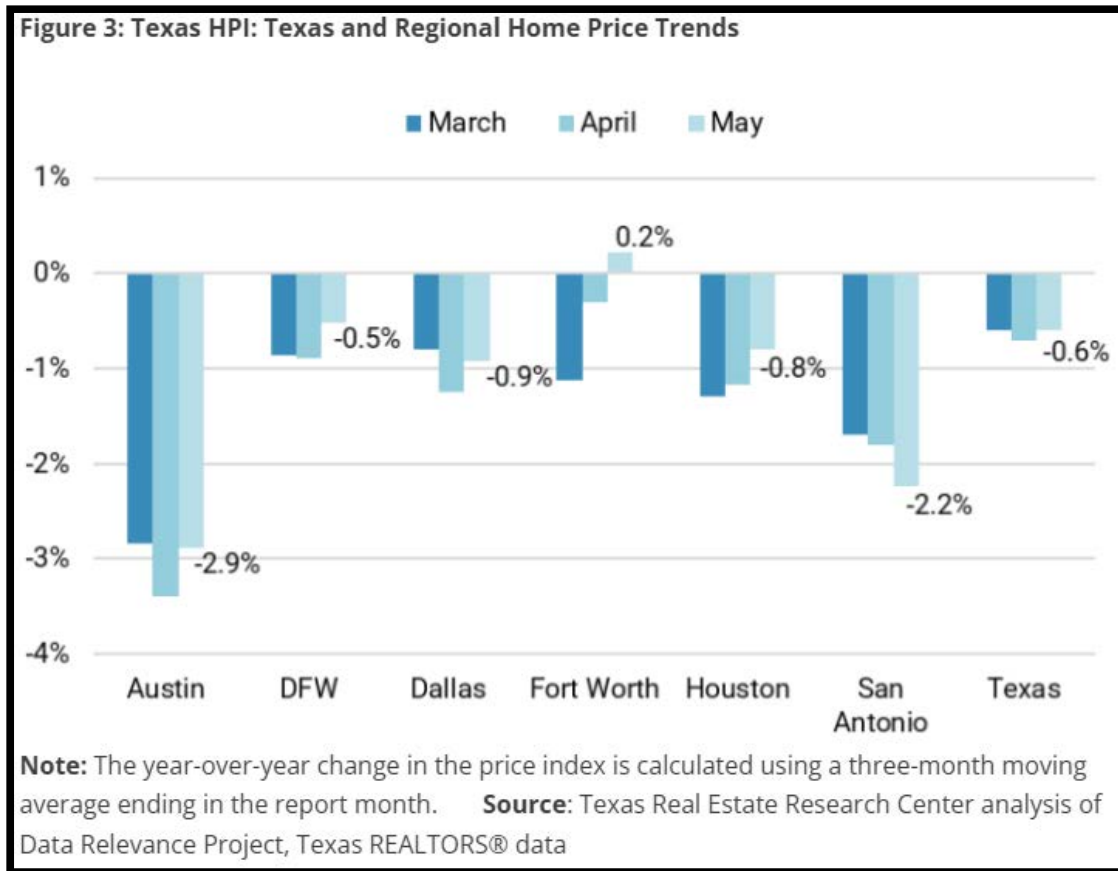
- *Statewide, new listings declined 4.7% from April to May. This MoM decrease contrasts with typical seasonal patterns, as May historically represents the peak period for new listing activity.*
- *Reflecting this unexpected seasonal softness, new listings were down 6.3% YoY. YTD (January through May), new-listing activity is 0.3% below the level recorded during the same period last year.*
- *New-listing activities weakened across major metros (see Table 4), with Austin and San Antonio exhibiting the most pronounced seasonal slowdown and posting the largest deviations from their typical spring listing patterns (see Table 4).*

Inventory Remains at Record High While Growth Momentum Fades



- *Statewide, inventory rose moderately, ending in April with approximately 150,300 active listings, up 3% from the previous month and 0.6% from a year earlier.*
- *Active inventory supply reached 5.3 months in May, down from 5.4 months a year ago. Although inventory remains elevated by historical standards, months of supply fell below year-ago levels for the first time in the current cycle.*
- *As of May, inventory conditions varied across the major metropolitan areas (see Table 4). Austin and Dallas-Fort Worth recorded moderate YoY declines in both active listings and months of supply, while Houston and San Antonio experienced increases in both measures.*

Texas Home Price Declines Show Signs of Stabilization



- Home prices continued to soften through May, extending the decline to 12 consecutive months, a trend that began a year ago in June 2025.
- Statewide, home prices were 0.6% below year-ago levels. However, there are growing signs that the pace of price softening is moderating across much of the state. Preliminary June data suggests this trend is continuing.
- Price weakness is still most pronounced in Austin, where home prices declined 2.9% in May. Even so, price corrections appear to be nearing a bottom in most major markets, with the notable exception of San Antonio.
- In San Antonio, the inventory pressure continues to build up moderately through May, contributing to ongoing downward pressure on prices.
- The Fort Worth-Arlington market showed early signs of recovery, with home prices posting a small YoY gain in May.

Local Housing Market Indicators

Table 3

METRO-LEVEL HOME SALES, MAY 2026

Texas Metros	Monthly Sales	Sales YOY%	Sales YTD%	Median Price
Dallas-Fort Worth-Arlington	9,151	(0.4%)	0.4%	\$400,000
Texas	33,661	0.6%	1.9%	\$340,000

Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS® data

Table 4

METRO-LEVEL MONTH-END INVENTORY, MAY 2026

Texas Metros	Active Listings	Active Listings YoY%	New Listings YoY%	Months' Supply
Dallas-Fort Worth-Arlington	34,144	(3.5%)	(7.0%)	4.4
Texas	150,303	0.6%	(6.3%)	5.3

Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS® data

Table 5

SINGLE-FAMILY HOUSING PERMITS, MAY 2026

Texas Metros	Year-to-Date Units	YoY%, YTD	Permit Unit Value	Unit Value YoY%
Dallas-Fort Worth-Arlington	17,006	(10.0%)	\$308,000	3.9%
Texas	61,396	(6.6%)	\$305,300	5.3%

Note: Permit value is builder estimated construction cost of the residential structure, not including land acquisition cost.

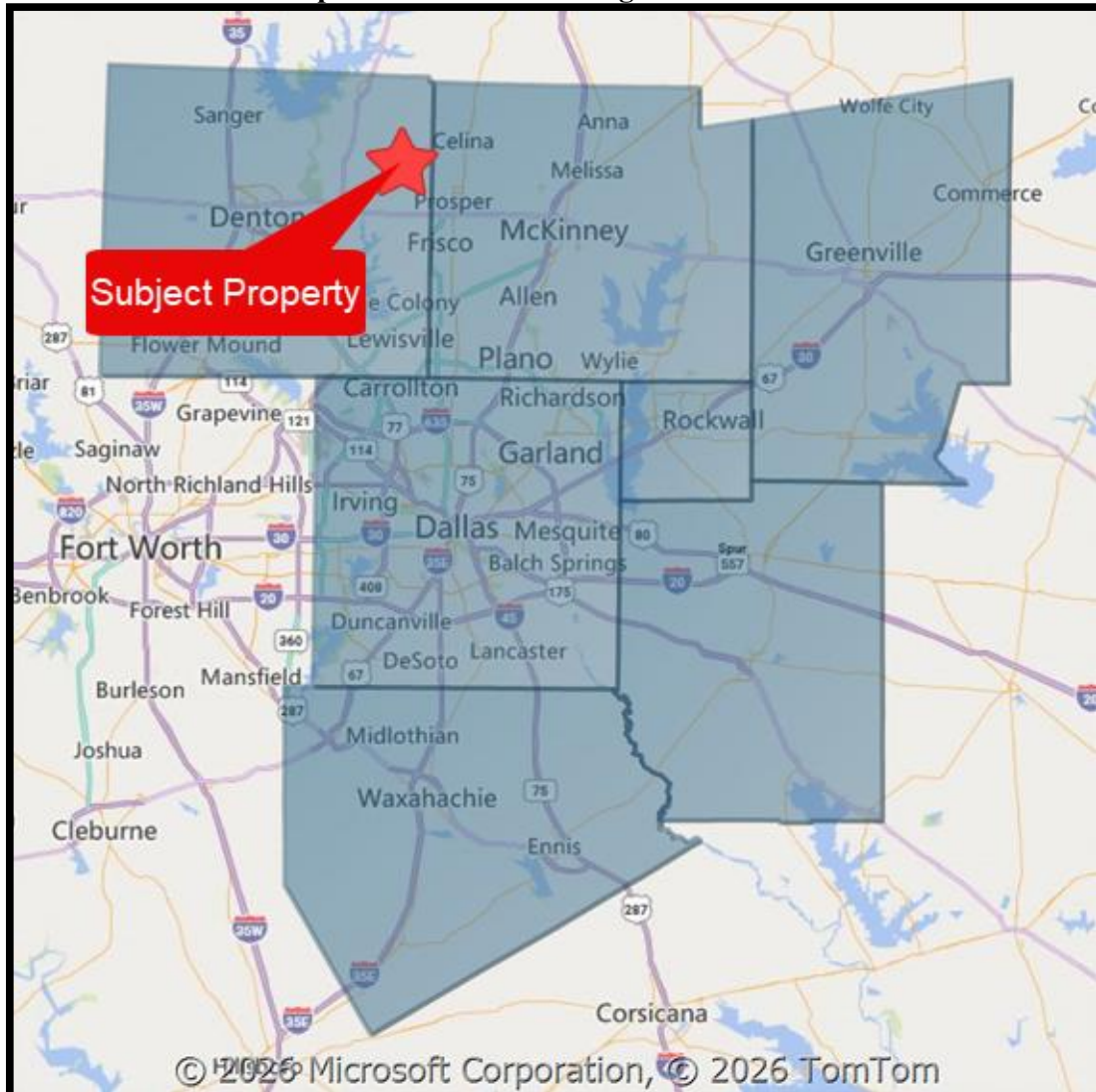
Source: Survey of New Construction of U.S. Census Bureau

DALLAS-PLANO-IRVING METRO DIVISION QUARTERLY HOUSING REPORT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
(Second Quarter, 2026)

Executive Summary

- *Metro area sales volume increased 3.1% to 18,542 transactions. Median price decreased 1.2% year-over-year to \$415,000.*
- *2026 Q2 months inventory for all residential properties fell 3.5% year-over-year to 4.8 months.*
- *Metro area residential property listings decreased 2.5% year-over year to 25,209 active listings.*

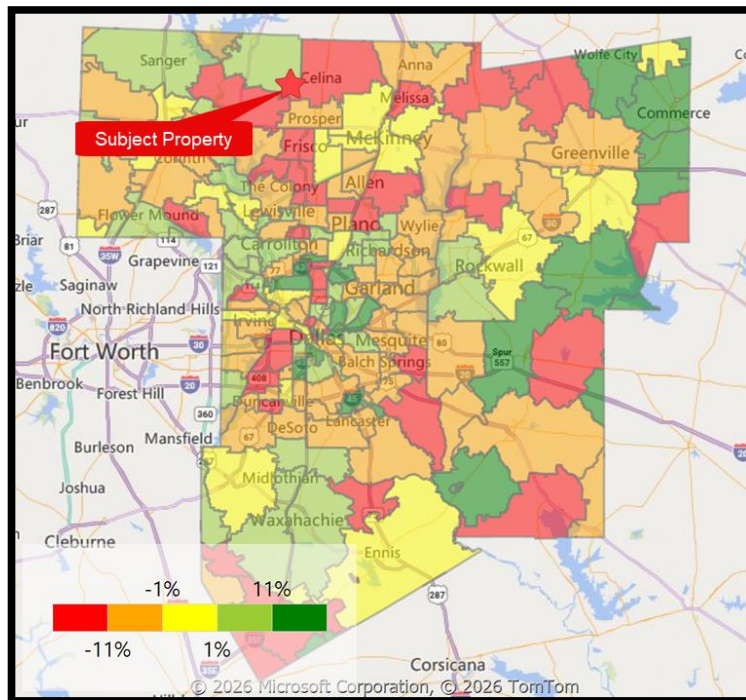
Map of Dallas-Plano-Irving Metro Division



Edgewood Creek Public Improvement District; Improvement Area #2 & #3

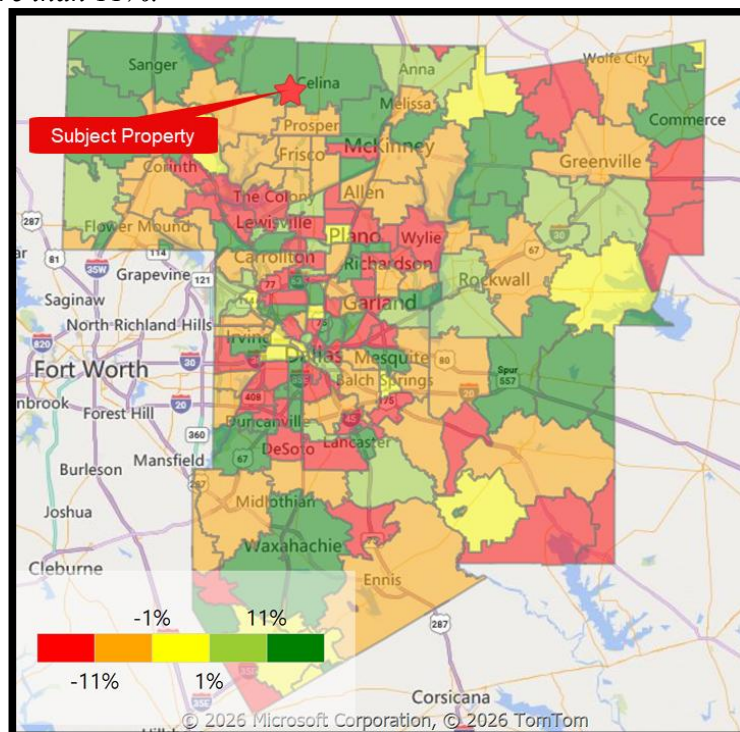
Median Price Change (YoY)

According to TREC, median sale price change year-over-year (YoY) in the subject's area near Edgewood Creek PID IA #2 & #3 decreased more than 11%.



Sales Volume Change (YoY)

According to TREC, sales volume change year-over-year (YoY) in the subject's area near Edgewood Creek PID IA #2 & #3 increased more than 11%.



Edgewood Creek Public Improvement District; Improvement Area #2 & #3

The following chart shows the housing metrics for Denton County:

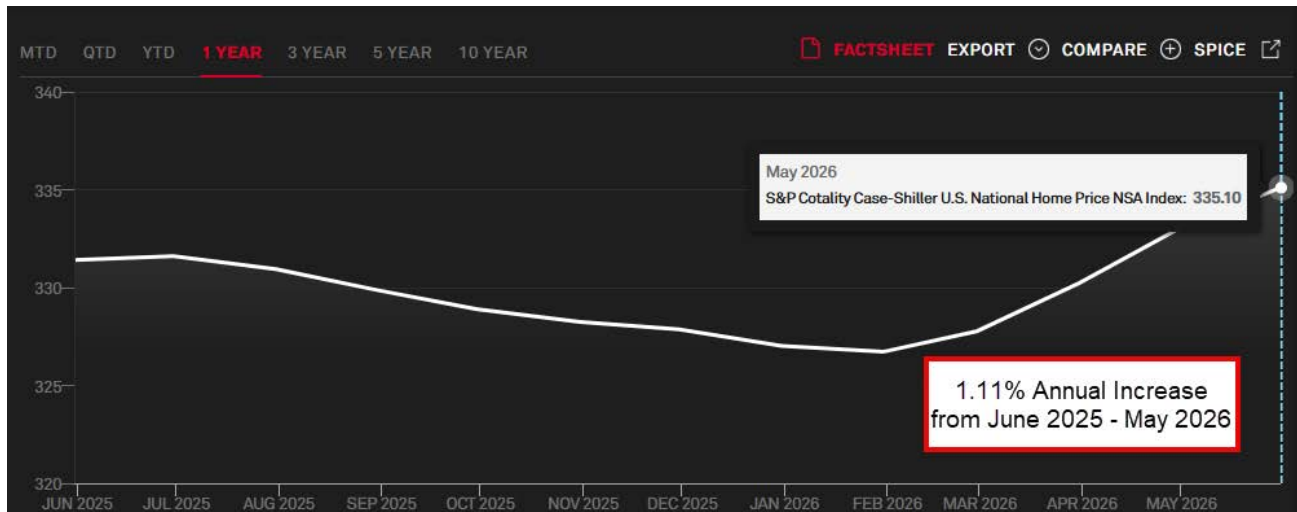
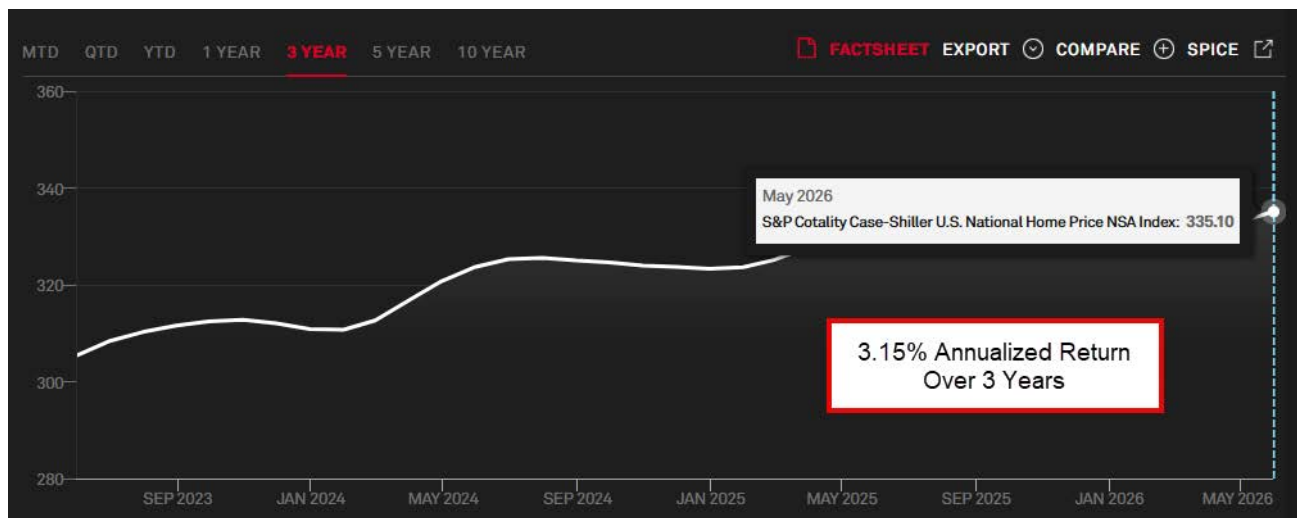
Denton County											
Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
\$0 < \$70k	0	0%	0%	-	-	-	-	0	0.0	-	-
\$70k < \$100k	3	0%	0%	***	***	***	***	1	1.7	***	***
\$100k < \$150k	8	0%	0%	\$127,750	0%	\$139.93	0%	3	1.5	973	1965
\$150k < \$200k	27	0%	1%	\$180,000	0%	\$155.13	0%	22	3.4	1,191	1976
\$200k < \$250k	121	0%	3%	\$235,000	0%	\$167.31	0%	79	2.1	1,392	2008
\$250k < \$300k	403	0%	9%	\$280,000	0%	\$184.12	0%	303	2.8	1,525	2018
\$300k < \$400k	1,241	0%	28%	\$350,000	0%	\$184.14	0%	1,341	3.9	1,887	2014
\$400k < \$500k	850	0%	19%	\$440,000	0%	\$193.29	0%	1,152	4.8	2,298	2015
\$500k < \$750k	1,046	0%	23%	\$596,000	0%	\$207.54	0%	1,589	5.6	2,927	2012
\$750k < \$1M	393	0%	9%	\$830,000	0%	\$238.96	0%	637	6.5	3,524	2014
\$1M+	371	0%	8%	\$1,275,000	0%	\$307.25	0%	597	6.9	4,371	2014

*** Not displayed when fewer than five sales

S&P CORELOGIC CASE-SHILLER INDEX

April 2026

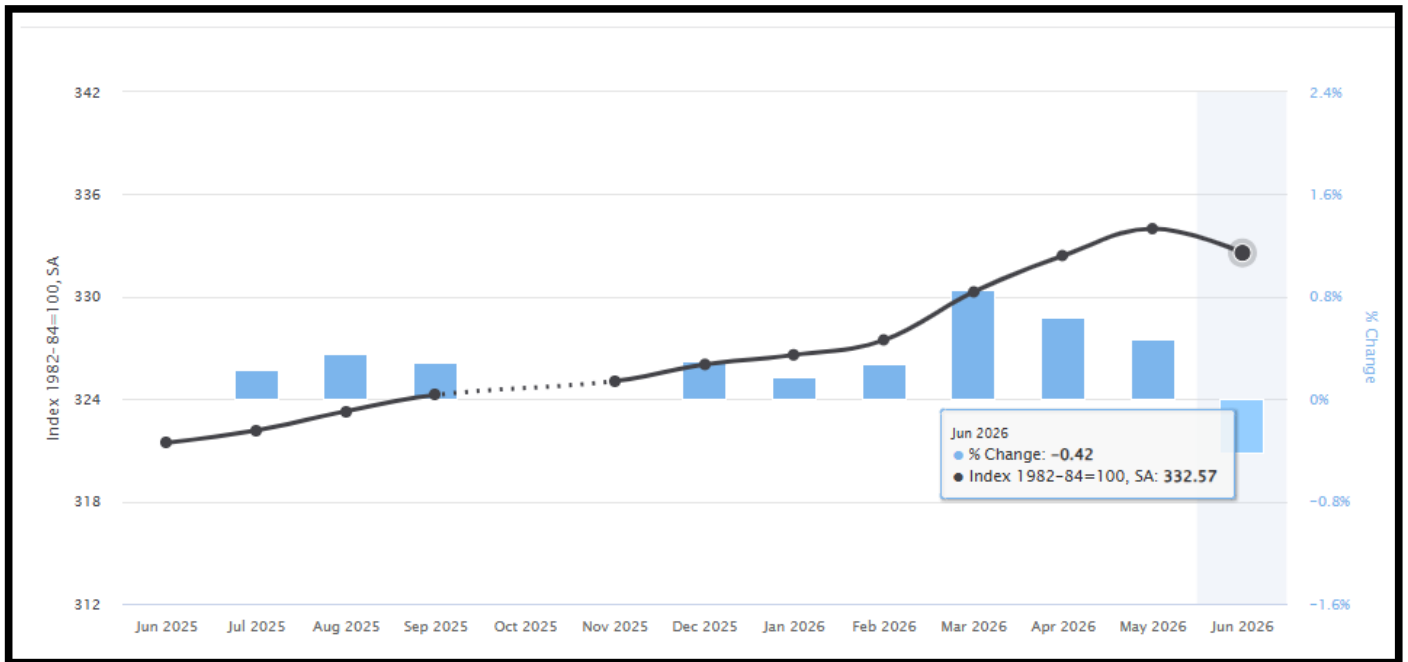
Data reported from the Standard & Poor Dow Jones Indices (1-year and 3-year graphs shown below) at the end of May 2026 showed that home prices nationally were up 1.11% YoY while the Dallas Metropolitan area also decreased by -0.92%.



Metropolitan Area	May 2026 Level	May / April Change (%)	April / March Change (%)	1-Year Change (%)
Dallas	296.24	1.00%	0.91%	-0.92%
Composite-10	371.52	0.94%	1.04%	2.38%
Composite-20	348.62	0.88%	1.02%	1.63%
U.S. National	335.10	0.64%	0.83%	1.11%
Sources: S&P Dow Jones Indices and Cotality Data through May 2026				

CONSUMER PRICE INDEX (CPI)
MOODY'S ANALYTICS CONSUMER PRICE INDEX (CPI) CHART

The US Bureau of Labor Statistics (BLS) tracks the Consumer Price Index (CPI) and a chart prepared by Moody's Analytics is shown below. The CPI measures the change in prices paid by consumers for goods and services which is an indicator of how costs for goods and services are trending throughout the country. The CPI is based on prices of food, clothing, shelter, fuels, transportation, healthcare services, drugs, and other goods and services that people buy for day-to-day living.



Moody's Analytics (Excerpts)

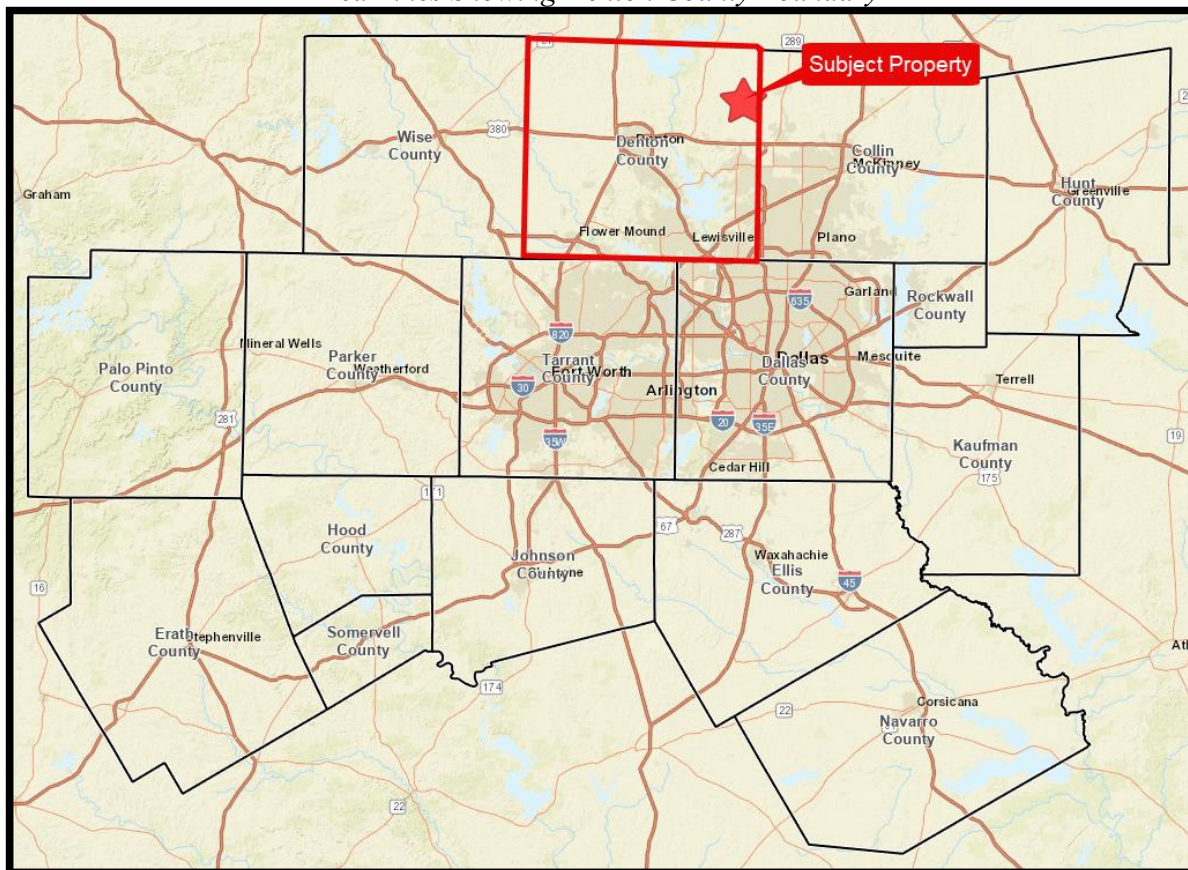
Falling energy prices caused the U.S. consumer price index to fall 0.4% from May to June. The decline was much sharper than our below-consensus forecast of a 0.2% drop. Relative to a year ago, the headline CPI was 3.5% in June, down from 4.2% in May. Food inflation was mild, rising 0.2% from the month before. The biggest surprise was core CPI. Excluding food and energy, core CPI was unchanged from May to June, well below ours and consensus call for a 0.2% gain. Relative to a year earlier, core CPI was up 2.6% in June, down from 2.9% in May. Inflation's surprising weakness in June will quiet discussion of a near-term rate hike.

REGIONAL ANALYSIS

The subject is located in Denton County within the Dallas-Plano-Irving Metropolitan Statistical Area (MSA), often combined from the Fort Worth-Arlington-Grapevine MSA, and more commonly referred to as the Metroplex (DFW), which encompasses parts of 16 counties and contains 23 cities with populations over 50,000 in North Central Texas. As reported by the North Central Texas Council of Governments (NCTCOG), as of January 1, 2025, the regional population grew by 234,125 last year. Collin County added almost 76,000 new residents, while Dallas County grew by more than 45,000 new residents, followed by Tarrant County (35,746) and Denton County (31,635). The region now has a population of 8,718,500, a growth of more than 886,000 since the 2020 Census. Fort Worth added 32,191 new residents, followed by Dallas (29,510), Celina (15,980), McKinney (11,310), and Princeton (9,838). DFW is home to many business and professional services from major financial institutions to international law firms. It is also home to one of the top ranked container ports in the US and an extensive infrastructure network that serves multiple hotbeds for e-commerce fulfillment.

The region is anchored by two major passenger airports: Dallas-Fort Worth International Airport (DFW), which is the second busiest airport in the world in terms of aircraft movements and the largest hub for American Airlines, and Dallas Love Field Airport (DAL), which is a city-owned airport and the largest hub for Southwest Airlines – the largest carrier in the nation in terms of passengers carried.

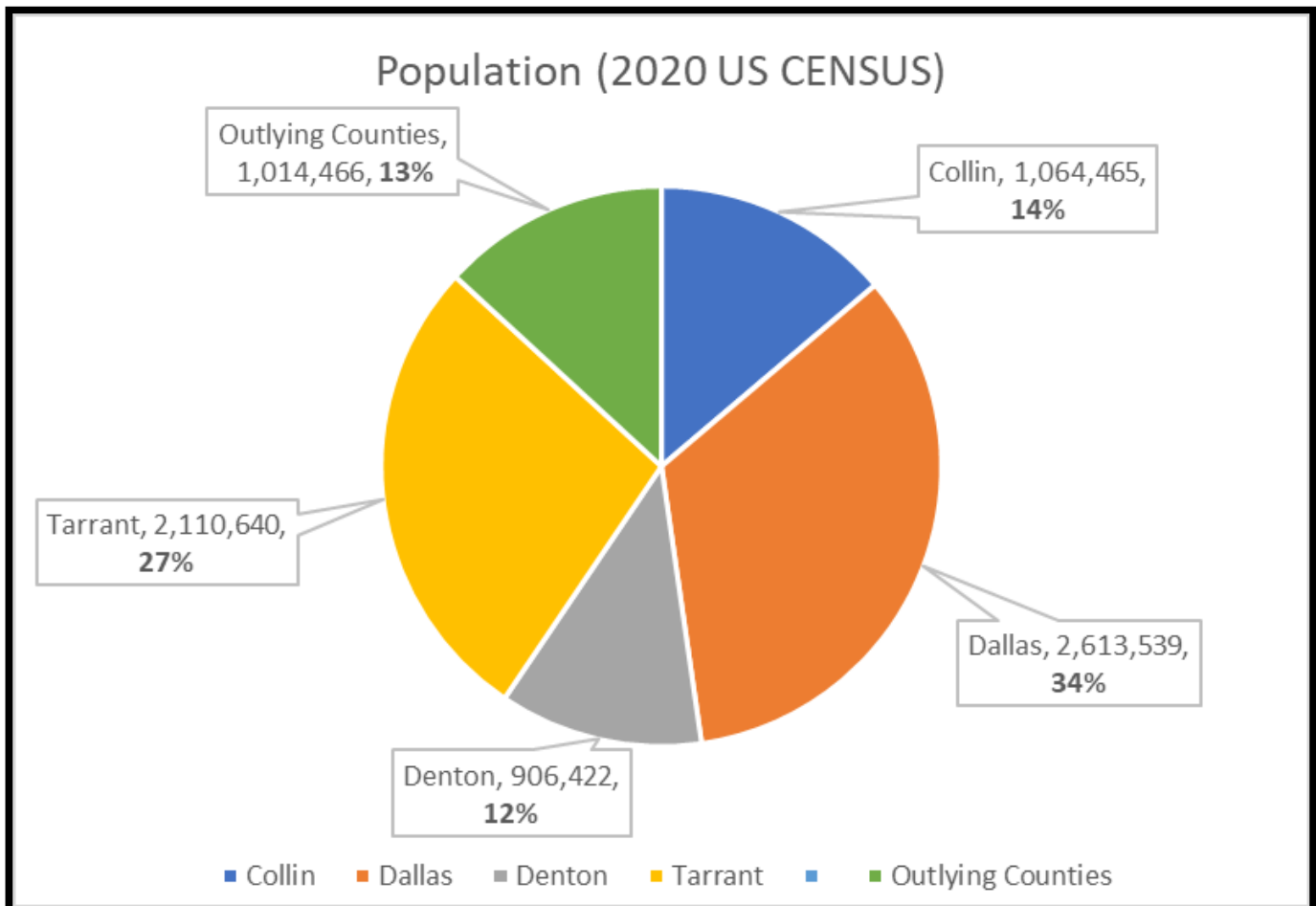
MAP OF DALLAS-FORT WORTH METROPLEX
Red Lines Showing Denton County Boundary



When compared to the national economy, the DFW Metroplex is expected to experience expansion arising from growth in a variety of sectors including construction, transportation, manufacturing, finance, healthcare, business services, science and technology, education, and real estate. The expansion is fueled by the region's strategic location in the center of the country and is located at the nexus of major roadways such as Interstates 35, 30, 20, and 45. It is predicted by most analysts that economic activity in the area will exceed the state and national growth averages across most indicators. The region is set for long-term development due in part to its transportation infrastructure, low cost-of-living, business friendly regulatory environment, mild weather, young population, and large work force.

A chart of the four counties in the Metroplex, with the highest populations is shown below. Dallas County is the most populated county in the region with 2,613,539 residents, followed closely by Tarrant County with 2,110,640, Collin County with 1,064,465, and Denton County with 906,422. Other outlying counties such as Ellis, Johnson, Parker, Kaufman, Rockwall, Wise etc. add up to another 1,014,476 residents. The subject property is in northeast Denton County.

PIE CHART OF POPULATION PERCENTAGES IN DFW METROPLEX



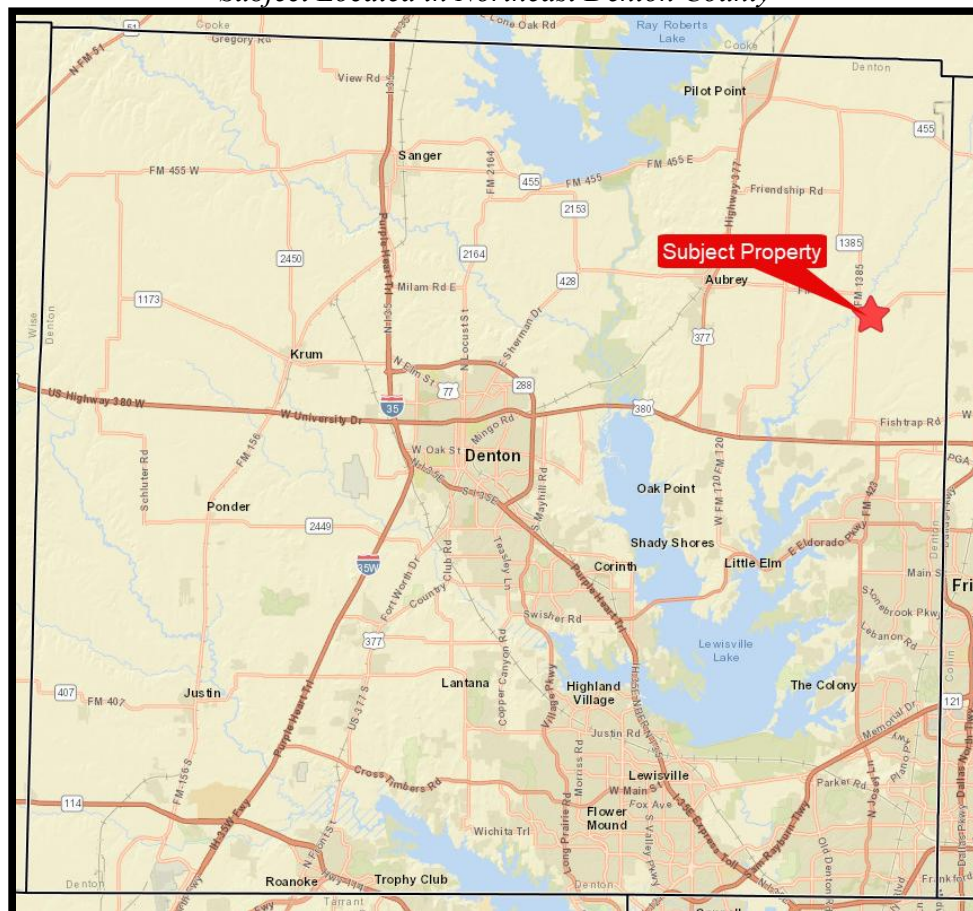
DENTON COUNTY OVERVIEW

Denton County's physical and locational characteristics position it as one of North Texas's most development-ready environments. The county spans approximately 911 square miles with gently rolling topography, stable soils, and extensive lake and creek systems that shape drainage and utility planning. Major transportation corridors—including I-35E, I-35W, US-380, and the Dallas North Tollway extension—create strong regional connectivity and open large areas of previously rural land to urbanizing uses. The presence of Lewisville Lake, Grapevine Lake, and the Elm Fork of the Trinity River provides both natural constraints and long-term amenity value, influencing where residential and commercial development clusters. These structural features, combined with the county's proximity to the Dallas–Fort Worth metroplex, establish a foundation that supports continued subdivision activity, master-planned communities, and commercial expansion.

Prospective development in Denton County is further shaped by the ongoing extension of infrastructure, municipal annexation patterns, and the availability of large tracts suitable for phased growth. Utility districts, transportation improvements, and coordinated planning efforts have enabled steady outward expansion from established cities such as Denton, Lewisville, and Flower Mound toward emerging corridors near Aubrey, Cross Roads, Little Elm, and along US-380. The county's mix of open land, expanding roadway networks, and access to employment centers supports a broad range of future uses, from single-family residential subdivisions to commercial, industrial, and mixed-use projects. As these areas continue to urbanize, Denton County's physical framework and infrastructure capacity remain key drivers of long-term development feasibility.

MAP OF DENTON COUNTY

Subject Located in Northeast Denton County



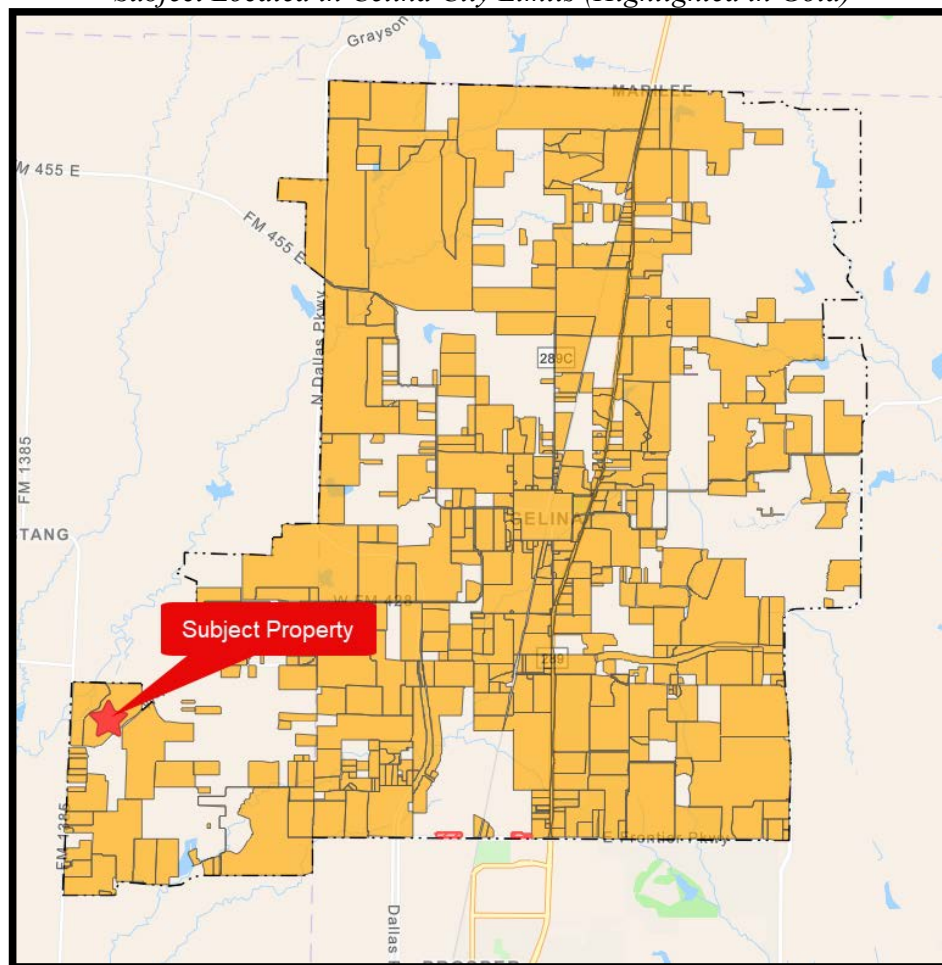
CITY OF CELINA OVERVIEW

Celina, Texas is one of the fastest-growing suburban communities in North Texas, defined by rapid residential expansion, large-scale master-planned developments, and increasing commercial activity. Located in Collin and Denton Counties approximately 40 miles north of Dallas, the city benefits from its position along the Dallas North Tollway expansion and the broader northward growth pattern of the Dallas-Fort Worth metroplex. As of 2024–2025, Celina’s population is estimated between 51,000 and 64,000—up from just over 17,000 in 2020—reflecting growth exceeding 200% in only a few years, with continued double-digit gains projected through the end of the decade.

The city exhibits strong socioeconomic fundamentals, with a median household income of approximately \$170,000 and median home values around \$500,000+, supported by a high rate of owner-occupied housing. Development is anchored by major master-planned communities and mixed-use projects such as Legacy Hills and other large residential initiatives, which are driving demand for retail, healthcare, and service-sector expansion. Guided by long-range planning efforts like the Celina 2040 Comprehensive Plan, the city is transitioning into a fully integrated suburban economic hub with strong long-term growth and appreciation potential.

MAP OF THE CITY OF CELINA

Subject Located in Celina City Limits (Highlighted in Gold)



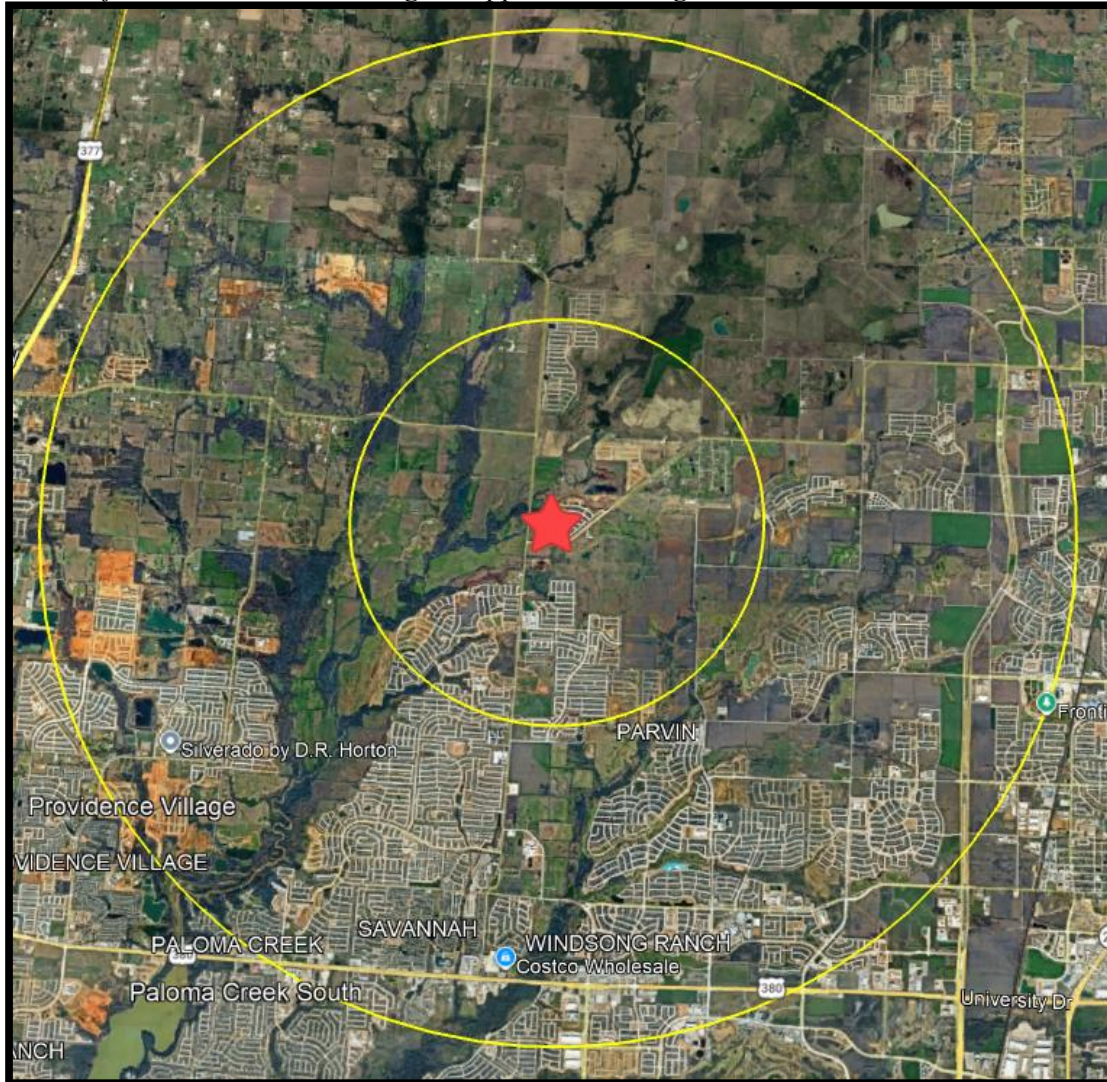
Edgewood Creek Public Improvement District; Improvement Area #2 & #3

NEIGHBORHOOD ANALYSIS

A neighborhood may be defined as a section of a community or an entire community. It refers to relatively unified areas with definite boundaries which exhibit a fairly high degree of heterogeneous uses – basically a group of complimentary land uses that exhibit a greater degree of commonality than the larger area. The boundaries of a neighborhood define the geographical area which exerts influence on the value of the subject property. Edgewood Creek PID IA #2 and #3 is located within the City limits of Celina in northeast Denton County, Texas and is within the Dallas-Plano-Irving MSA.

NEIGHBORHOOD MAP

Geographic radii of 2 and 5 miles indicating the approximate neighborhood boundaries around the Subject

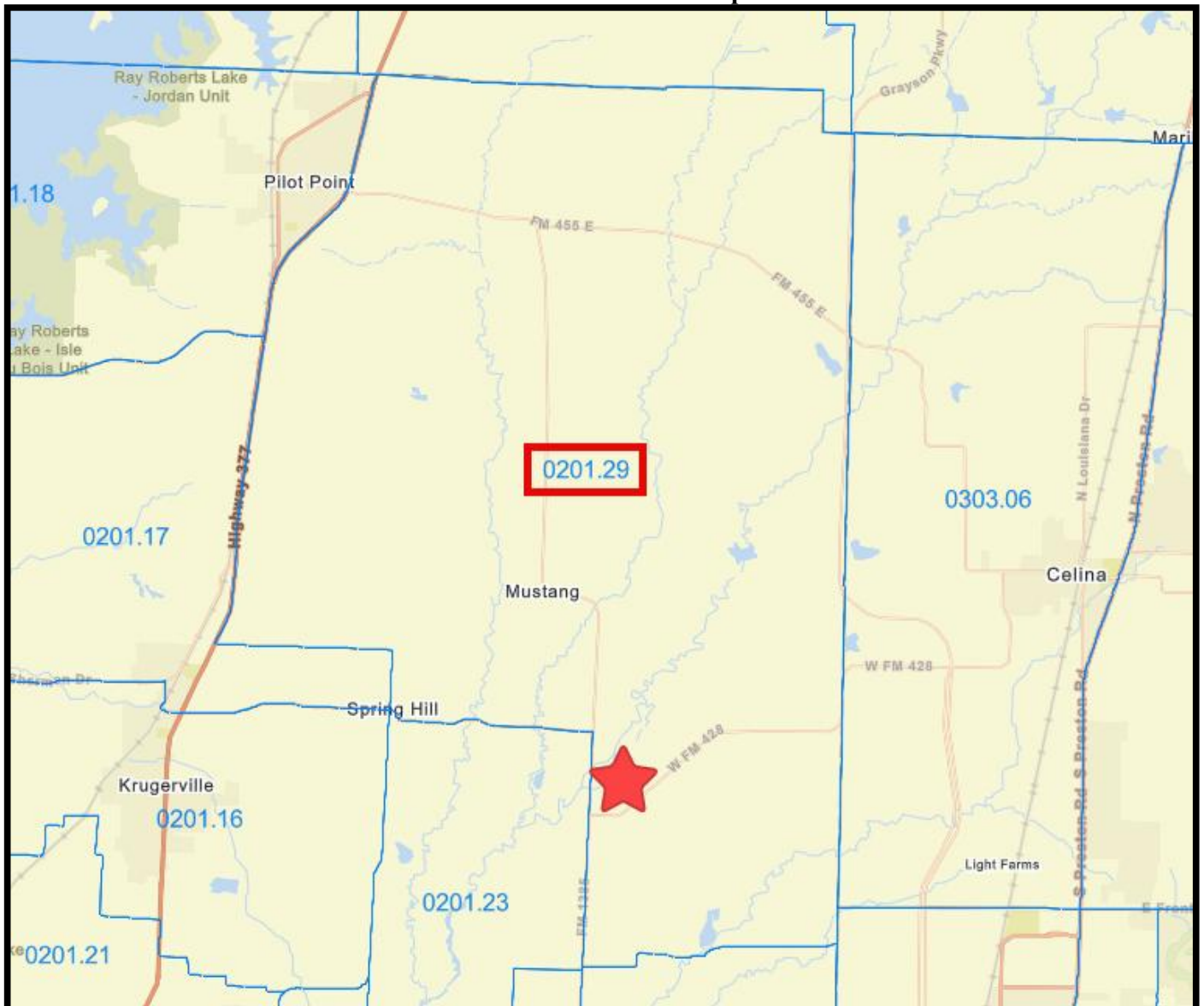


	2 Miles	5 Miles
North	Mobberly Farms Blvd	Lights Ranch Road
East	McNabb Drive	Light Farms Way
South	Wales Street	Rockhill Pkwy
West	BCoffey Rd & C.R. 2931	Blue Spruce Drive

NEIGHBORHOOD DEMOGRAPHICS

The subject is located in census tract 0201.29 with the FFIEC Geocode Census Report shown on the following page. The census tract report for 0201.29 indicates that 4,232 people reside in the tract and family median income levels are in the middle tier with estimated median family incomes of \$121,100. Within census tract 0201.29, approximately 74% of housing units are owner-occupied with 12% being renter-occupied and 14% being vacant. These housing and demographics statistics indicate middle class residents who tend to live in single-family homes.

Census Tract 0201.29 Map



Tract 0201.29 Census Report

2026 FFIEC Geocode Census Report

Address:

MSA:19124-DALLAS-PLANO-IRVING, TX

State:48-TEXAS

County:121-DENTON COUNTY

Tract Code:0201.29

Summary Census Demographic Information

Tract Income Level	Middle
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$121,100
2020 Tract Median Family Income	\$89,375
Tract Median Family Income %	101.20
Tract Population	4232
Owner-Occupied Units	676
1- to 4- Family Units	915

Census Income Information

Tract Income Level	Middle
2020 MSA/MD/statewide non-MSA/MD Median Family Income	\$88,315
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$121,100
% below Poverty Line	11.16
Tract Median Family Income %	101.20
2020 Tract Median Family Income	\$89,375
2020 Tract Median Household Income	\$89,219

Census Population Information

Tract Population	4232
Number of Families	520
Number of Households	787

Census Housing Information

Total Housing Units	915
1- to 4- Family Units	915
Median House Age (Years)	20
Owner-Occupied Units	676
Renter Occupied Units	111
Owner Occupied 1- to 4- Family Units	676
Inside Principal City?	NO
Vacant Units	128

DEMOGRAPHIC SUMMARY

Analytics from CoStar of the area are provided below. Within a 10-mile radius of the subject there are 381,716 people which represents a 6.90% annual increase in population since 2020 and highlights steady growth that has occurred in this portion of Denton County. The population growth is expected to increase in the coming years and grow another 3.0% annually over the next five years. Median household incomes in the 10-mile radius is \$142,953.

Population			
	2 miles	5 miles	10 miles
2020 Population	2,431	41,961	284,171
2025 Population	8,487	78,574	381,716
2030 Population Projection	10,500	93,568	439,858
Annual Growth 2020-2025	0.5%	17.5%	6.9%
Annual Growth 2025-2030	4.7%	3.8%	3.0%
Median Age	36.9	36.6	37.5
Bachelor's Degree or Higher	41%	50%	50%
U.S. Armed Forces	4	218	341

Income			
	2 miles	5 miles	10 miles
Avg Household Income	\$138,030	\$166,496	\$168,144
Median Household Income	\$124,721	\$146,275	\$142,953
< \$25,000	232	1,195	5,194
\$25,000 - 50,000	410	1,605	8,800
\$50,000 - 75,000	236	2,290	12,292
\$75,000 - 100,000	184	2,271	13,046
\$100,000 - 125,000	360	3,479	14,555
\$125,000 - 150,000	287	2,168	11,266
\$150,000 - 200,000	651	5,323	21,531
\$200,000+	476	7,039	37,271

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

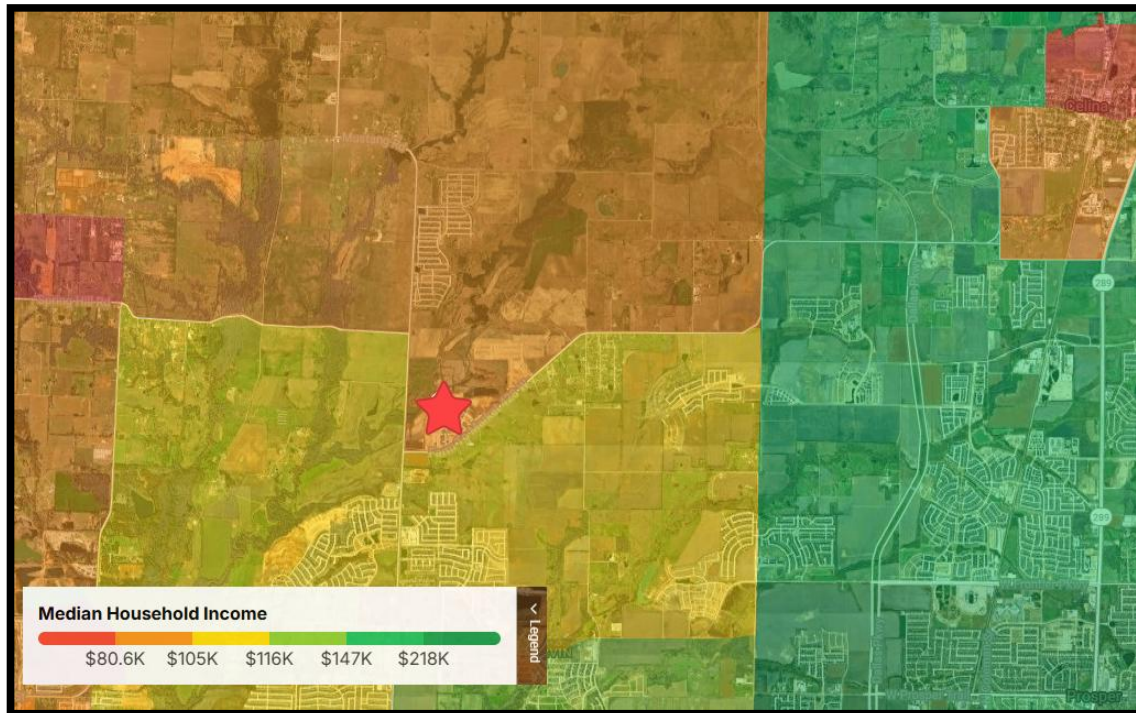
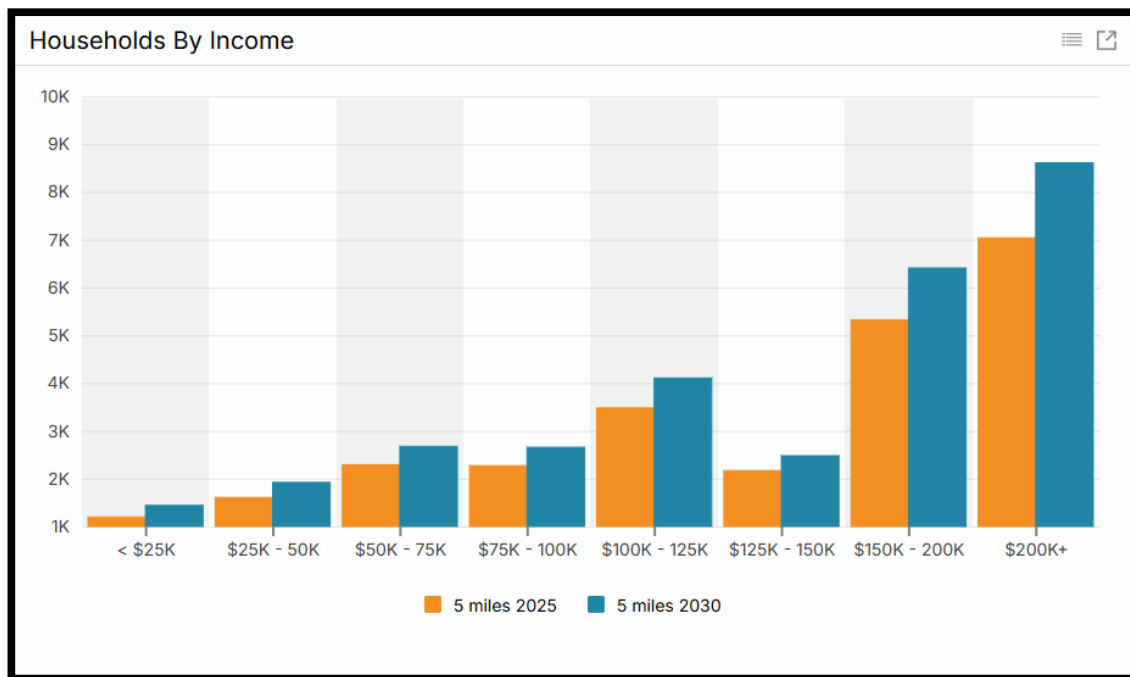
EMPLOYMENT DATA

A table of the 2, 5, and 10-mile radius employment figures are shown below. The numbers highlight the area's economy with most employees in the area surrounding the subject in service-producing industries.

Daytime Employment						
Radius	2 miles		5 miles		10 miles	
	Employees	Businesses	Employees	Businesses	Employees	Businesses
Service-Producing Industri...	116	35	4,505	791	53,685	8,471
Trade Transportation & Uti...	4	1	397	77	7,313	1,086
Information	10	1	38	6	1,051	125
Financial Activities	4	1	302	86	4,516	1,003
Professional & Business S...	29	9	373	93	5,488	1,192
Education & Health Services	44	20	2,176	369	17,368	3,039
Leisure & Hospitality	0	0	772	75	10,744	907
Other Services	8	2	363	79	4,190	1,031
Public Administration	17	1	84	6	3,015	88
Goods-Producing Industries	48	17	441	119	6,371	1,152
Natural Resources & Mining	0	0	39	11	242	66
Construction	48	17	286	93	4,440	888
Manufacturing	0	0	116	15	1,689	198
Total Daytime Employment	164	52	4,946	910	60,056	9,623

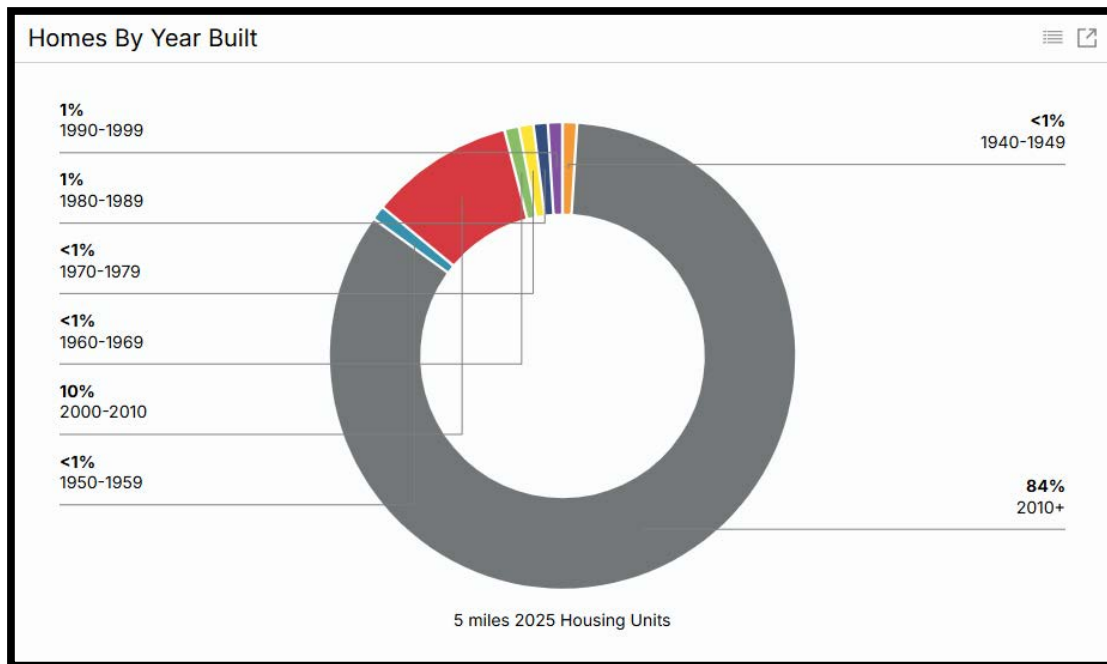
CoStar Analytics – Map of Median Household Income

As indicated by the map below, median incomes in the vicinity of the subject property are between \$80.6K to \$105K. Median incomes north of the DFW metroplex tend to be lower in rural areas outside the population centers in Dallas and Fort Worth. This is especially true in areas north of Dallas where established communities have concentrated for the past few decades.



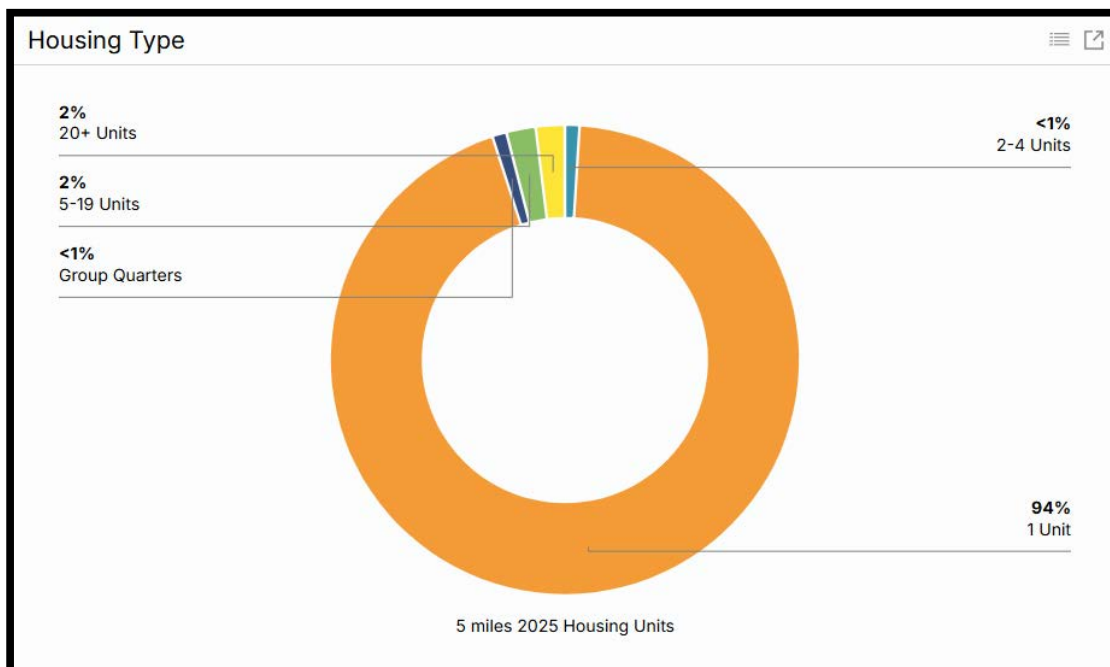
CoStar Analytics – Housing Statistics

Most housing in the area (94%) are homes that were built after 2010. This is consistent with the growth stage of the surrounding area, which has experienced numerous residential developments in recent years.



CoStar Analytics – Housing Statistics

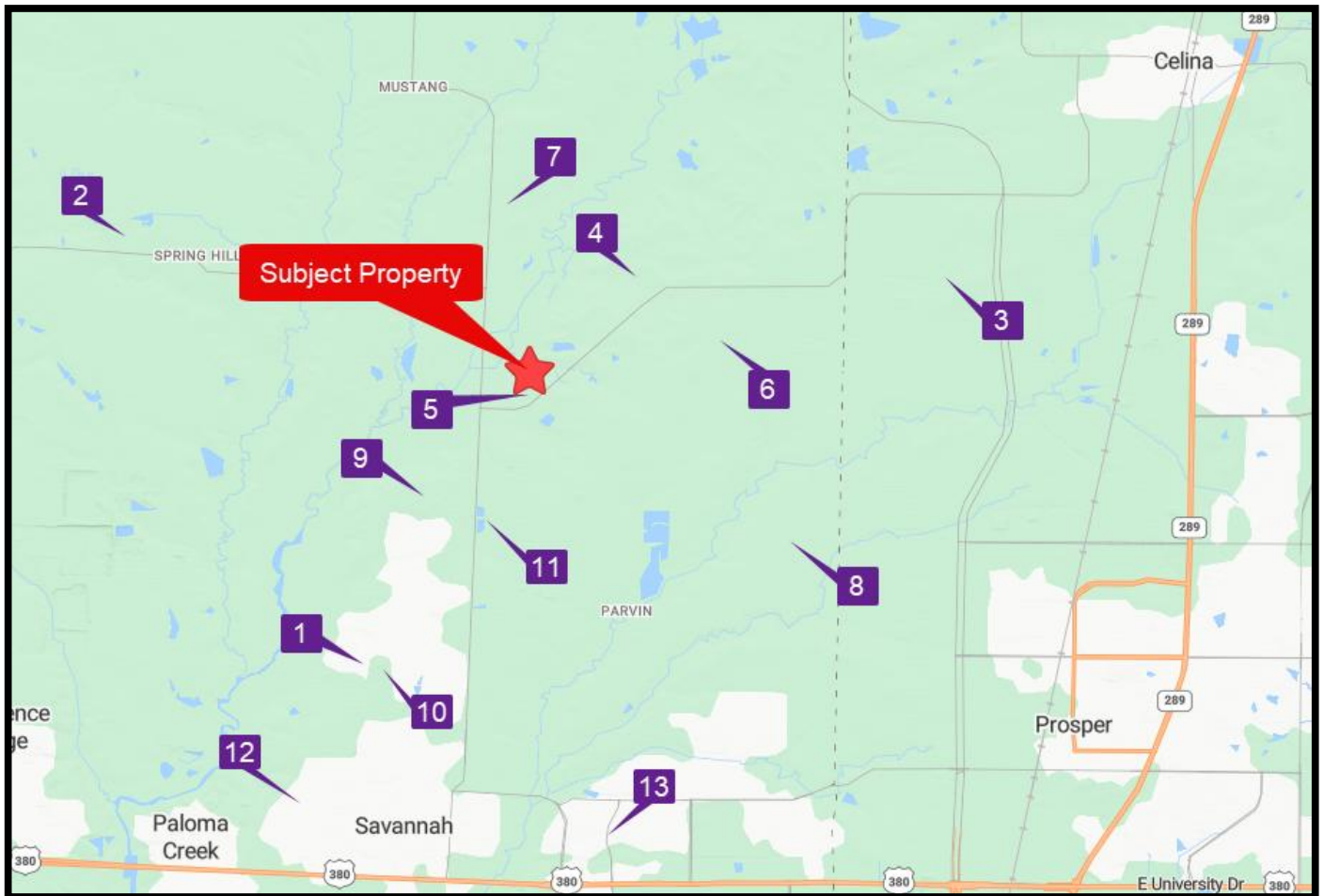
In addition, the vast majority (94%) of housing in the 5-mile radius consists of single unit housing stock. The subject property is being developed with detached single-family housing that is consistent with the surrounding area.



Edgewood Creek Public Improvement District; Improvement Area #2 & #3

Map of Notable Nearby Developing Residential Subdivisions

A map of notable built out, developing, and planning single-family residential subdivisions are shown below which highlights the similar and conforming uses around the subject property.



MAP KEY					
1	ArrowBrooke	6	Green Meadows (Celina)	11	Sutton Fields (Celina)
2	Belmont	7	Mobberly Farms	12	Union Park
3	Cambridge Crossing (Celina)/SF	8	Mosaic	13	Windsong Ranch
4	Creekview Meadows/East	9	Sandbrock Ranch	-	-
5	Edgewood Creek	10	Saratoga (Aubrey)	-	-

ABSORPTION ANALYSIS

RESIDENTIAL ANALYSIS – VACANT DEVELOPED LOTS

The subject property is Edgewood Creek PID IA #2 and #3 which consists of approximately 116.468 acres in the City of Celina, Denton County being developed into detached single-family lots for residential use. IA #2 and #3 are owned by First Texas Homes Inc.

When analyzing the financially feasible and maximally productive use of the site, uses that are both physically possible and legally permissible must be considered. An important factor affecting the development of the subject is the surrounding land usage. For the subject property, the primary potential use is single-family residential development as that conforms to recent land development in Celina. The neighborhood is best described as the northeast corner of Farm-to-Market Road 428 W and Farm-to-Market Road 1385. The neighborhood is a residential development to the north, east, south, and west. Approximately 5 miles east of the subject property, Highway 289 runs north/south, and has several community commercial uses that are located on this arterial traffic carrier.

Since the recession in 2008, the residential real estate market in this area of North Texas has continuously improved, and Celina has experienced this consistent population growth. Low interest rates persisted nationally in 2020 and 2021, and the markets rose significantly, but 2022-2025 are years of the higher interest rates as the Fed seeks to combat inflation. Although rates remain relatively elevated, they have declined in 2025 and 2026 compared with peak rates observed during the 2022–2024 period. Still, with large numbers of immigration from outside DFW from higher cost-of-living states and an abundance of steady jobs, demand for residential real estate in growing communities in Denton County is expected to remain strong. Those end-user homebuyers in Edgewood Creek PID IA #2 and #3 are expected to be middle income earners as the average home price for finished single-family homes in the community is expected to average out to \$575,000 for the 50-FF Lots.

Demand for vacant developed lots (VDLs) for home builders is currently very high. Developable residential land in DFW with good access to Fort Worth and Dallas is in high demand with developments moving ever further away from the Dallas CBD and highly developed areas north of Dallas where vacant land is scarce after decades of growth. The subject property –Edgewood Creek PID IA #2 and #3– is removed from the large Central Business Districts in the Metroplex but relatively near areas of Denton County where many young families have migrated when searching for safe neighborhoods, good schools, relatively affordable new homes, and desirable residential amenities.

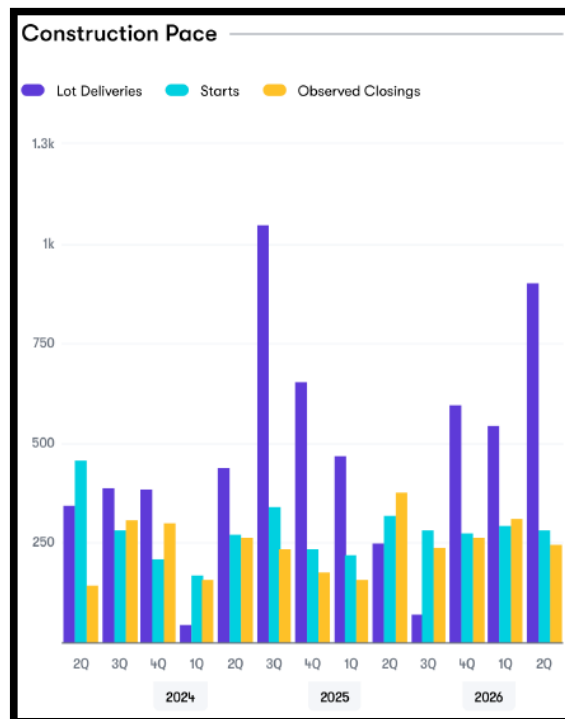
Based on the preceding, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Zonda as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends and current available data. Since the first residential lots were scheduled to be complete July 1, 2026 for IA #2, and the first residential lots are scheduled to be complete October 1, 2026 for IA #3, we will analyze the historical trends and attempt to forecast the absorption rates based off data, analytics, and our conversations with developers in the market.

We determined a 5-mile radius around the subject property is suitable for our absorption analysis as the competitive supply of lots is within this area. Further, we examined residential communities with lot widths at 50'.

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

The Construction Pace and Construction & Supply data indicate a market that remains active but is shifting toward a higher inventory environment. Annual housing starts totaled 1,142 homes in 2Q 2026, essentially flat compared with 1,123 starts in 2Q 2025 (+1.69%), although quarterly starts declined 11.25% year over year, suggesting builders have become more measured in launching new homes. At the same time, annual observed closings increased 11.83% to 1,068 homes, reflecting continued buyer demand despite a decline in quarterly closings. The most significant change occurred in lot development activity, with quarterly vacant developed lot (VDL) deliveries surging 259.36% year over year to 902 lots, contributing to a 31.4% increase in vacant developed lot inventory, which reached 4,089 lots and pushed lot supply from 33.3 months to 43.0 months. Housing inventory also increased 10.6% to 774 homes, while finished vacant inventory rose 78.1% to 244 homes and homes under construction declined 8.9% to 463 units, indicating builders are working through existing inventory rather than significantly accelerating construction. Overall, the data suggests that developers have substantially expanded the supply of finished lots and available homes, positioning the market for future growth while creating a more competitive environment as inventory levels rise relative to the pace of new home absorption.

Construction & Supply						
	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026	2Q 2025 VS 2Q 2026
Pace						
Quarterly VDL Deliveries	251	74	598	545	902	259.36%
Annual VDL Deliveries	2,428	1,452	1,393	1,468	2,119	-12.73%
Quarterly Starts	320	285	277	296	284	-11.25%
Annual Starts	1,123	1,065	1,104	1,178	1,142	1.69%
Quarterly Observed Closings	379	242	266	312	248	-34.56%
Annual Observed Closings	955	960	1,049	1,199	1,068	11.83%

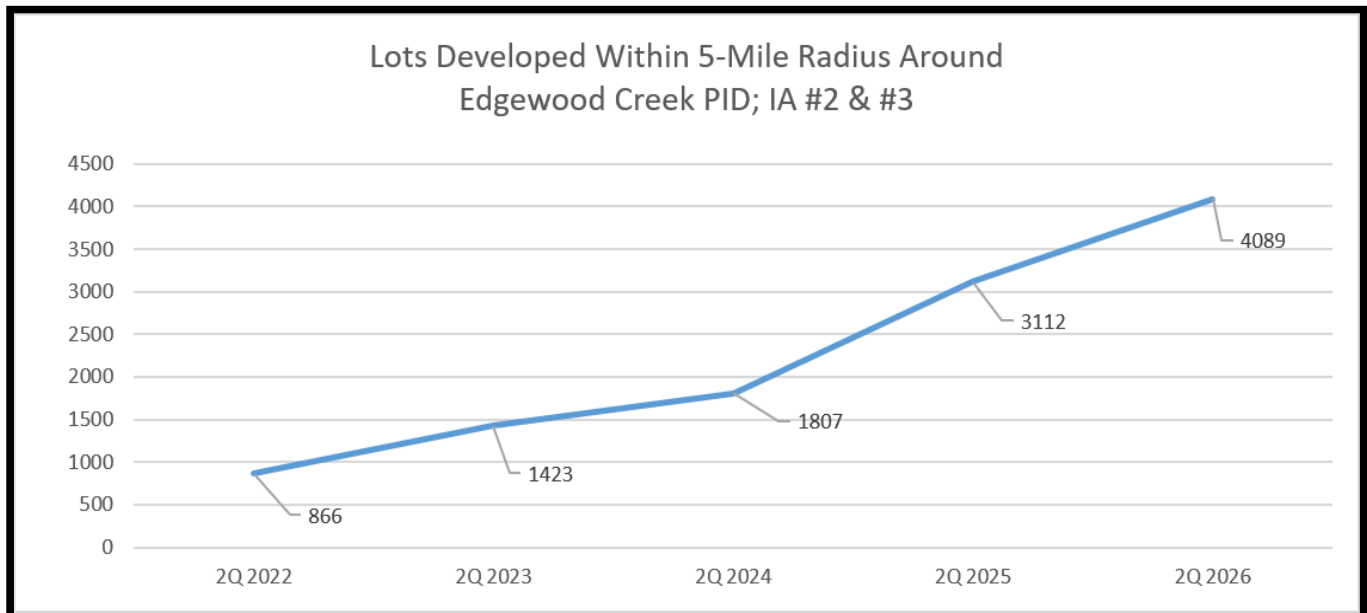


DEFINED SUBMARKET AREA

According to Zonda, the selected area absorbed the following number of 50' FF lots year-over-year from 2Q 2022 to 2Q 2026:

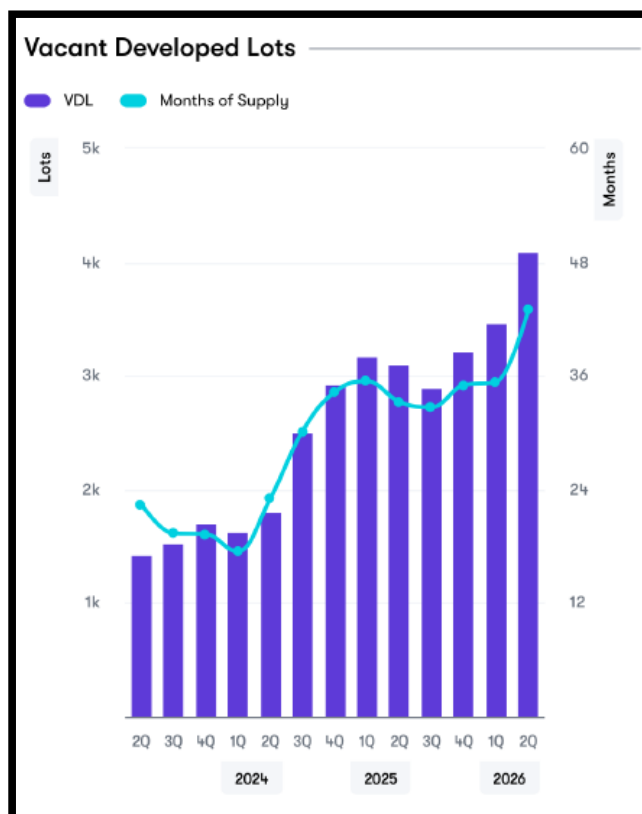
- 866 – lots absorbed in 2Q 2022
- 1423 – lots absorbed in 2Q 2023
- 1807 – lots absorbed in 2Q 2024
- 3112 – lots absorbed in 2Q 2025
- 4089 – lots absorbed in 2Q 2026

From 2022-2026, the *annual average* of lots absorbed was 2259 ($11,297 \div 5$). Utilizing the more recent 24-month absorption of lots (2Q2024 to 2Q2026), the annual average of lots absorbed increases to 3003 ($9,008 \div 3$) lots in the area.



COMPETITIVE SUPPLY (LOT INVENTORY)

The Vacant Developed Lots (VDL) chart indicates that the supply of finished, ready-to-build lots has increased significantly over the past year and is beginning to outpace current absorption levels. VDL inventory rose from 3,112 lots in 2Q2025 to 4,089 lots in 2Q2026, an increase of 31.4%, reflecting substantial lot delivery activity and a growing inventory of developed lots. At the same time, VDL months of supply increased from 33.25 to 42.97 months (+29.2%), suggesting that lot availability is expanding faster than builders are consuming inventory. The chart visually illustrates a steady upward trend in VDL counts through 2025 and into 2026, while the months-of-supply line also trends higher, reaching its highest level in the most recent quarter. Although annual starts remain relatively stable at 1,142 homes, elevated lot inventory and rising supply levels indicate a less balanced lot market than a year ago. Overall, the combination of increasing developed lot inventory and higher months of supply points to a market that remains well supplied, with builders facing ample finished lot availability despite continued construction activity.



Thus, the total lot supply is considered to be considerably **above** the ideal supply levels for a significantly developing market. Also, taking into consideration that new developments require a typical 12-to-18-month construction period, *despite steady demand and an increasing supply of developed lots, it appears that additional lot product in the submarket is feasible and needed at the current time.* Discussions with DFW homebuilders indicate that while the inventory of vacant developed lots on the market continues to grow, builders and developers remain optimistic about future demand, suggesting that additional lot development within the submarket may still be feasible at this time.

Having considered the supply of lots in the market, it is now prudent to examine the absorption history of specific competing subdivisions in the subject's market area with similar lot features and amenities relative to the subject to determine the projected absorption of the subject's proposed lots.

ABSORPTION ANALYSIS – 50’ FF LOTS

The similarities considered to be most important are location and lot size, home price range, and amenity features. The tables that follow detail the active subdivisions that are considered to compete with the subject’s lots. All data is per Zonda as of 2Q2026.

50’ Lots

We included data for lots that were 50’ lots within a 5-mile radius. Since data on 50’ lots is plentiful, we selected thirteen comparable absorption schedules we concluded are similar to the subject and considered some of these communities are smaller and some larger than Edgewood Creek PID IA #2 and #3.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
ArrowBrooke	50'	68	32	12	25.5	2.7
Belmont	50'	21	16	12	15.8	1.3
Cambridge Crossing (Celina)/SF	50'	568	40	12	170.4	3.3
Creekview Meadows/East	50'	363	143	12	30.5	11.9
Edgewood Creek	50'	157	47	12	40.1	3.9
Green Meadows (Celina)	50'	225	35	12	77.1	2.9
Mobberly Farms	50'	116	85	12	16.4	7.1
Mosaic	50'	71	43	12	19.8	3.6
Sandbrock Ranch	50'	64	59	12	13.0	4.9
Saratoga (Aubrey)	50'	85	7	12	145.7	0.6
Sutton Fields (Celina)	50'	452	82	12	66.1	6.8
Union Park	50'	86	19	12	54.3	1.6
Windsong Ranch	50'	0	13	12	0.0	1.1
AVERAGE		175.1	47.8	12.0	51.9	4.0

Our analysis indicates Starts/Month is between 0.6 and 11.9 with an average of 4.0 starts/month and a median of 3.3 starts/month. We weighed the previous phases of Edgewood Creek more heavily than the other subdivisions and considered **the subject property’s 50’ lots would likely absorb 4 lots/month, or approximately 12 lots per quarter.**

Absorption Summary Projection: 50' FF Lots

Based on the preceding, we estimate that lots in the subject property's development will sell 12 lots/quarter for 50' lots with absorption beginning July 2026 for IA# 2 and October 2026 for IA# 3. An Absorption Summary Projection for the 50' lot sizes is shown in the tables below for the 139 lots in IA# 2 and the 136 lots for IA# 3 in the Edgewood Creek PID IA #2 and #3.

Projected Quarterly Absorption Summary - Edgewood Creek PID IA #2							
Lot Type	Jul-2026	Oct-2026	Jan-2027	Apr-2027	July-2027	Oct-2027	Jan-2028
50-FF	12	12	12	12	12	12	12
Total	12	12	12	12	12	12	12



Projected Quarterly Absorption Summary - Edgewood Creek PID IA #2						
Lot Type	Apr-2028	July-2028	Oct-2028	Jan-2029	Apr-2029	TOTAL
50-FF	12	12	12	12	7	139
Total	12	12	12	12	7	139

The total absorption period for the 50' lots in IA# 2 is expected to be ~35 months ($139 \div 4$ lots/month) and expected to sell out in May 2029.

Projected Quarterly Absorption Summary - Edgewood Creek PID IA #3							
Lot Type	Oct-2026	Jan-2027	Apr-2027	July-2027	Oct-2027	Jan-2028	Apr-2028
50-FF	12	12	12	12	12	12	12
Total	12	12	12	12	12	12	12



Projected Quarterly Absorption Summary - Edgewood Creek PID IA #3						
Lot Type	July-2028	Oct-2028	Jan-2029	Apr-2029	Jul-2029	TOTAL
50-FF	12	12	12	12	4	136
Total	12	12	12	12	4	136

The total absorption period for the 50' lots in IA# 3 is expected to be ~34 months ($136 \div 4$ lots/month) and expected to sell out in July 2029.

SUBJECT PROPERTY ANALYSIS – VACANT DEVELOPED LOTS

The development of Edgewood Creek PID IA #2 and #3 represents approximately 116.468 acres (5,073,346-SF) and is developed into two distinct areas as follows:

- Edgewood Creek PID IA #2 & #3 consists of 139 50-FF improved residential lots in IA #2 and 136 50-FF improved residential lots in IA #3 on combined total of approximately 116.468 acres.

The following chart shows the lot breakdown of Edgewood Creek PID IA #2 and #3:

Edgewood Creek PID IA #2 & #3			
Area Type	Size (Acres)	50' Lot Type	Total Lots Appraised
IA #2	44.00-AC	139	139
IA #3	72.217-AC	136	136

Edgewood Creek PID IA#2 and #3 is owned by First Texas Homes Inc. Edgewood Creek PID IA #2 and #3 is located in the City of Celina. This location is in the northeast area of Denton County. The neighborhood is surrounded by residential communities which are common in cities that are generally suitable for middle income households.

Access to the subject property is considered average as it is located along Farm-to-Market 428 W with the main retail and commercial options near the subject found on Highway 289.

The subject property will have a mandatory homeowner's association (HOA) over residential portions of the subject property in order to maintain open spaces, common areas, detention areas, and other related improvements or appurtenances that are not dedicated or maintained by the City.

Based on research and discussion with the development team, the price point of homes in the subject's community will be averaging in the mid \$400,000 and higher for the 50-FF lots, which should be a desirable price point for young families and first- and second-time homebuyers looking for a community within the Dallas-Fort Worth Metroplex with the amenities of a planned residential community.

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

The chart below shows an Opinion of Probable Construction Costs (OPC) by Barraza Consulting Group (Professional Engineers) with the breakdown of the costs associated with Edgewood Creek IA #2. Where applicable, the construction costs included in the OPC are based on contractor proposals received to date.

COMMUNITY NAME: Edgewood Creek		GROSS ACREAGE:	246.0
PHASES: Phase 1B		NET ACREAGE:	45.0
CITY OR TOWN: Celina ETJ, Denton County		TOTAL LOTS:	158
		TOTAL DENSITY:	3.51
		LANDPLAN:	21
		CREATED BY:	
		REVIEWED BY:	RAV
		CREATED:	01/05/23
		REVISED:	10/03/24

Direct Phase Costs		TOTAL LOTS	158
1 Site Preparation			
2 Water	\$	864,230	
3 Sanitary Sewer	\$	864,090	
4 Storm Drain	\$	790,000	
5 Street Improvements	\$	1,690,229	
6 Soft Costs	\$	1,777,830	
7 Contingency 5%	\$	299,319	
Total	\$	6,285,697	
Cost per Lot	\$	39,783	

Private Costs		TOTALS LOTS	158
	Lot Count		
1 Site Preparation	\$	2,097,330	
2 Water	\$	-	
3 Sanitary Sewer	\$	-	
4 Storm Drain	\$	-	
5 Street Improvements	\$	-	
6 Screening/Landscape Walls	\$	-	
7 Ret Walls	\$	316,000	
8 Franchise Utilities & Street Lights	\$	346,000	
9 Amenity Center	\$	2,000,000	
10 Contingency 5%	\$	237,966	
Total	\$	4,997,296	
Cost per Lot	\$	31,628	

TOTALS	\$	11,282,993	
per lot	\$	71,411	

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY.
 BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

NOTES

¹ Development cost does not include: City/District/County Fees, Bonds, & Permits

² Development cost does not include: Rock Excavation

³ Professional Fees do not include: SWPPP Administration

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

The chart below shows an Opinion of Probable Construction Costs (OPC) by Barraza Consulting Group (Professional Engineers) with the breakdown of the costs associated with Edgewood Creek PID IA #3. Where applicable, the construction costs included in the OPC are based on contractor proposals received to date.

COMMUNITY NAME: Edgewood Creek PHASES: Phase 2 CITY OR TOWN: Celina ETJ, Denton County		GROSS ACREAGE: 72.0 NET ACREAGE: 28.0 TOTAL LOTS: 136 TOTAL DENSITY: 4.89 LANDPLAN: 21 CREATED BY: RAV REVIEWED BY: CREATED: 01/05/23 RFVISFN: 05/27/26
		
Direct Phase Costs		TOTAL LOTS 136
1 Site Preparation	\$	728,294
2 Water	\$	748,000
3 Sanitary Sewer	\$	949,570
4 Storm Drain	\$	1,648,047
5 Street Improvements	\$	2,675,789
6 Soft Costs	\$	1,482,395
7 Developer Consulting ⁴	\$	255,000
8 Contingency 0%	\$	-
Total	\$	8,487,095
Cost per Lot	\$	62,405
Private Costs		TOTALS LOTS 136
	Lot Count	
1 Site Preparation	\$	762,004
2 Ret Walls	\$	544,000
3 Franchise Utilities & Street Lights	\$	440,500
4 Amenity Center	\$	2,000,000
5 Soft Costs	\$	209,996
6 Contingency 0%	\$	-
Total	\$	3,956,500
Cost per Lot	\$	29,092
TOTALS	\$	12,443,595
per lot	\$	91,497
<p>THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.</p>		
<p>NOTES ¹ Development cost does not include: City/District/County Fees, Bonds, & Permits ² Development cost does not include: Rock Excavation ³ Professional Fees do not include: SWPPP Administration ⁴ Developer Assessment/Bond Issuance Consulting Fee</p>		

The preceding general descriptions of the subject's characteristics are based on review of available maps and data sources, as well as our physical on-site observations. Please refer to copies of the maps, photographs, and renderings for a visual perspective of the subject's physical characteristics.

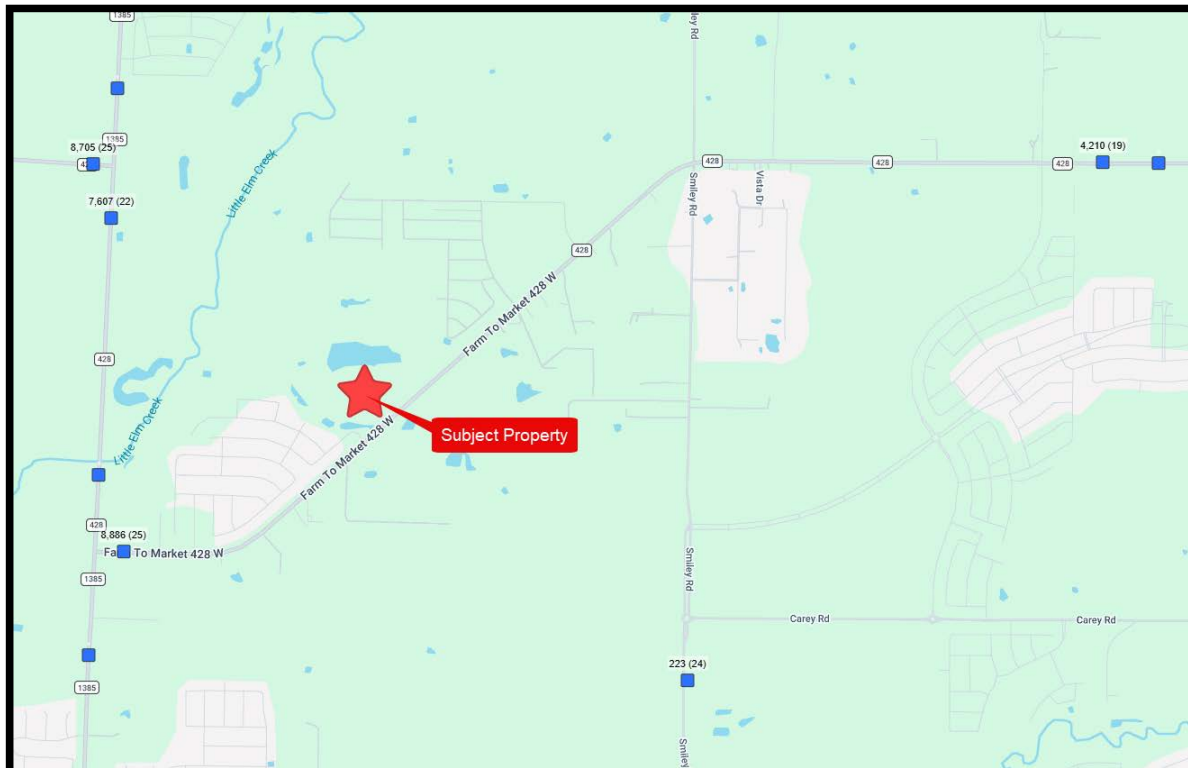
Edgewood Creek Public Improvement District; Improvement Area #2 & #3

ACCESSIBILITY, FRONTAGE, AND STREETS

The subject property is primarily accessed by Farm-to-Market 428 W. The subject site is East of Farm-to-Market Road 1385 and North of Farm-to-Market 428 W.

A map from TXDOT is shown below which highlights traffic counts in the vicinity. Notably, Farm-to-Market 428 W runs east to west and is south of the subject property. FM 428 W has over 8,800 average daily vehicles, Farm-to-Market Road 1385 runs west of the subject property and has over 7,600 average daily vehicles.

TXDOT Traffic Web Viewer



Traffic			
Collection Street	Cross Street	Traffic Volume	Count Year
W FM 428	FM 428 E	3,142	2024
Farm-to-Market Road 428	FM 428 E	2,419	2025
FM 428	FM 1385 N	2,672	2025
Farm-to-Market Road 428	FM 1385 E	2,750	2025
FM 428	FM 1385 E	3,459	2024
Crutchfield Dr	FM 1385 W	34	2018
Coutryview Dr	FM 1385 W	618	2018
Smiley Rd	Carey Rd N	64	2025
Bonar Rd	P R 2713 E	834	2018
Coffey Rd	FM 428 N	93	2025

The Planned Development zoning in the City of Celina is intended to provide unique overall zoning district comprised of several separate zoning classifications within the boundary of the PD and describes specifically the regulations pertaining to Edgewood Creek Development only. The subject must adhere to the City of Celina ordinance for PD zoning.

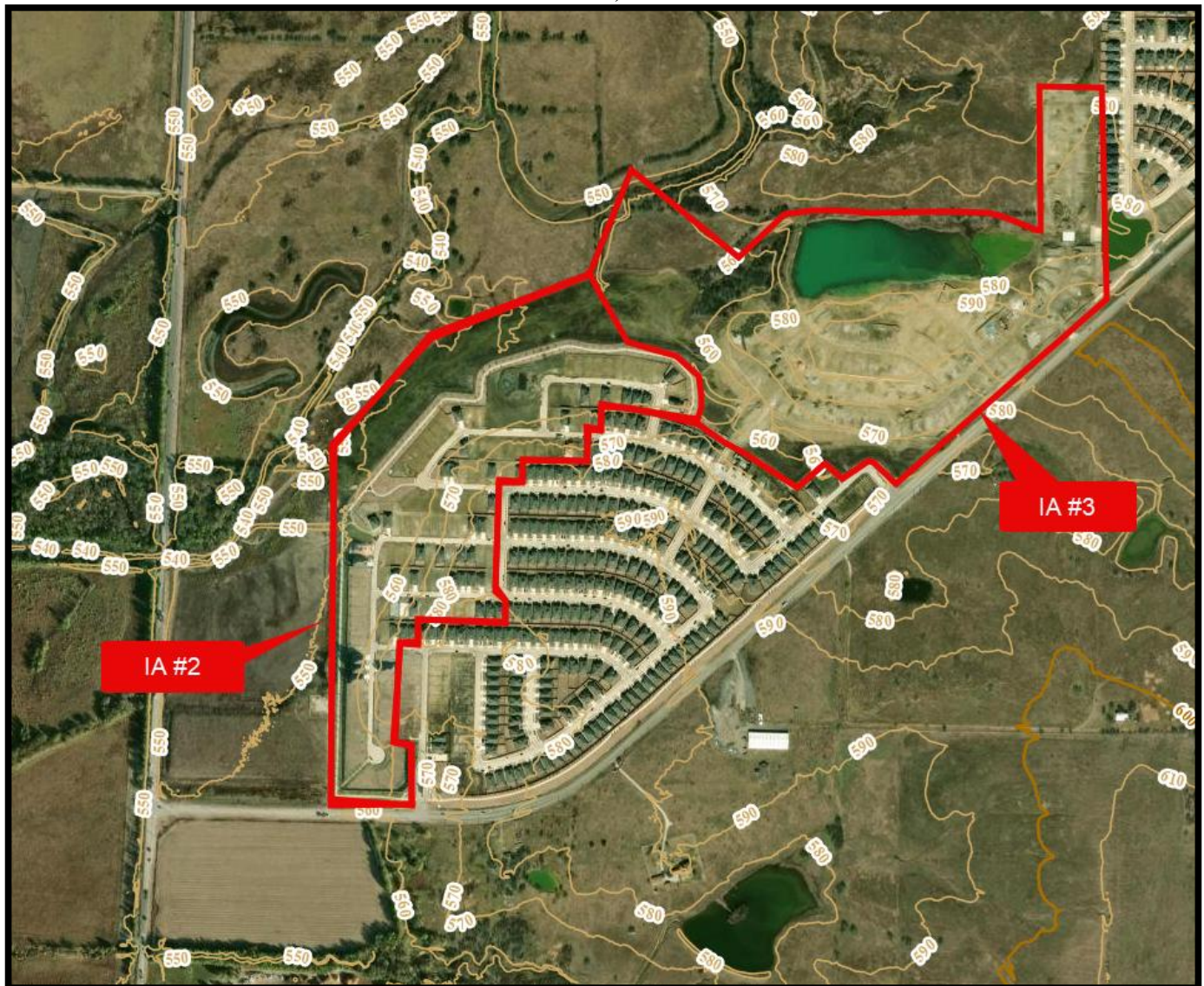
CITY OF CELINA ZONING MAP



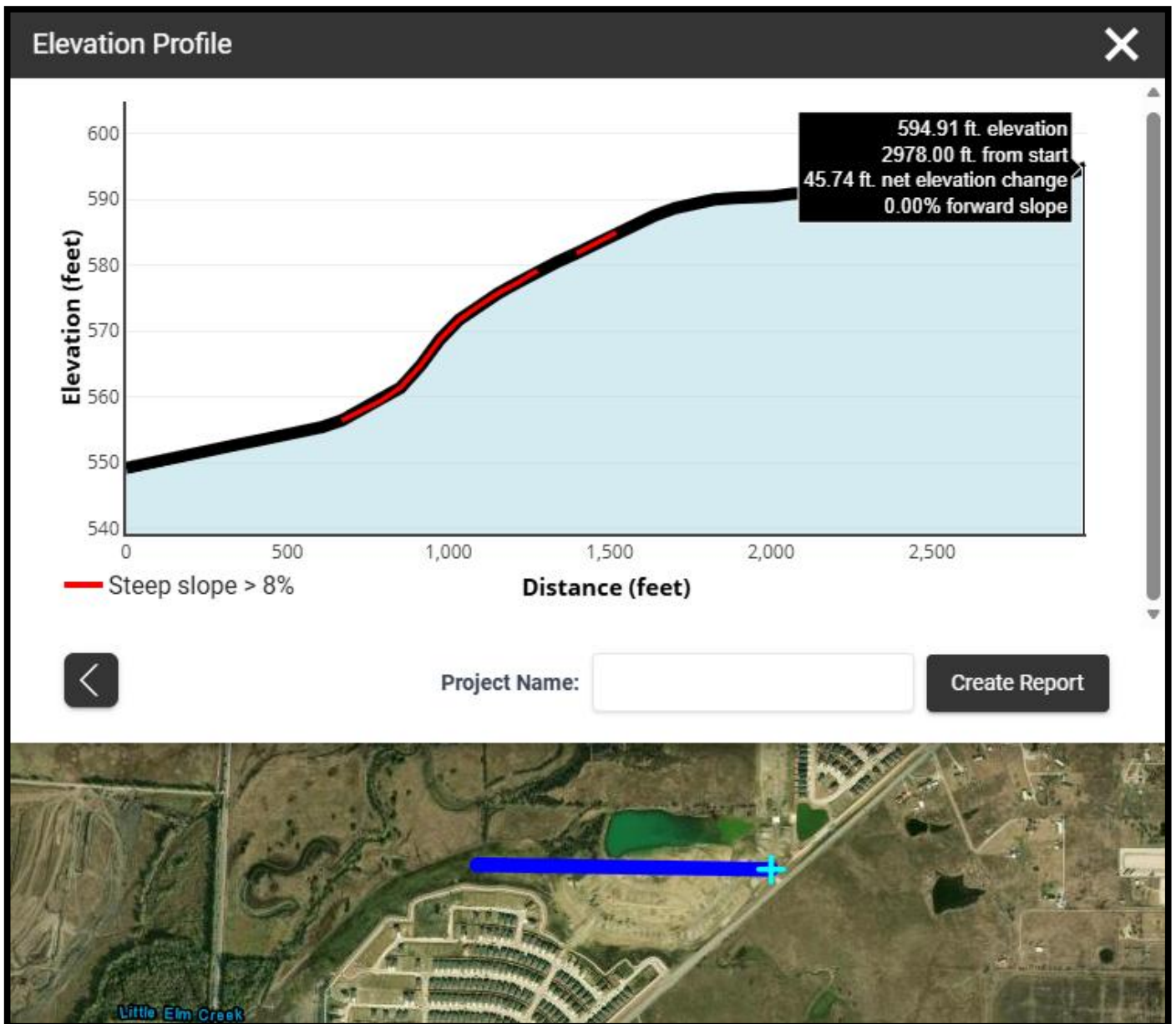
TOPOGRAPHY

The topography of the subject property is described as gently sloping and is under construction as of the date of inspection. As of the inspection date, July 10, 2026, these topographic maps showing the contours are slightly out-of-date as the site is in the process of being improved for single-family lots with streets, storm sewer, and utilities in place. Topographic information is provided by the North Central Texas Council of Governments and Texas A&M Forest Service.

TOPOGRAPHIC MAP *Contours At 2'; Bold at 10'*



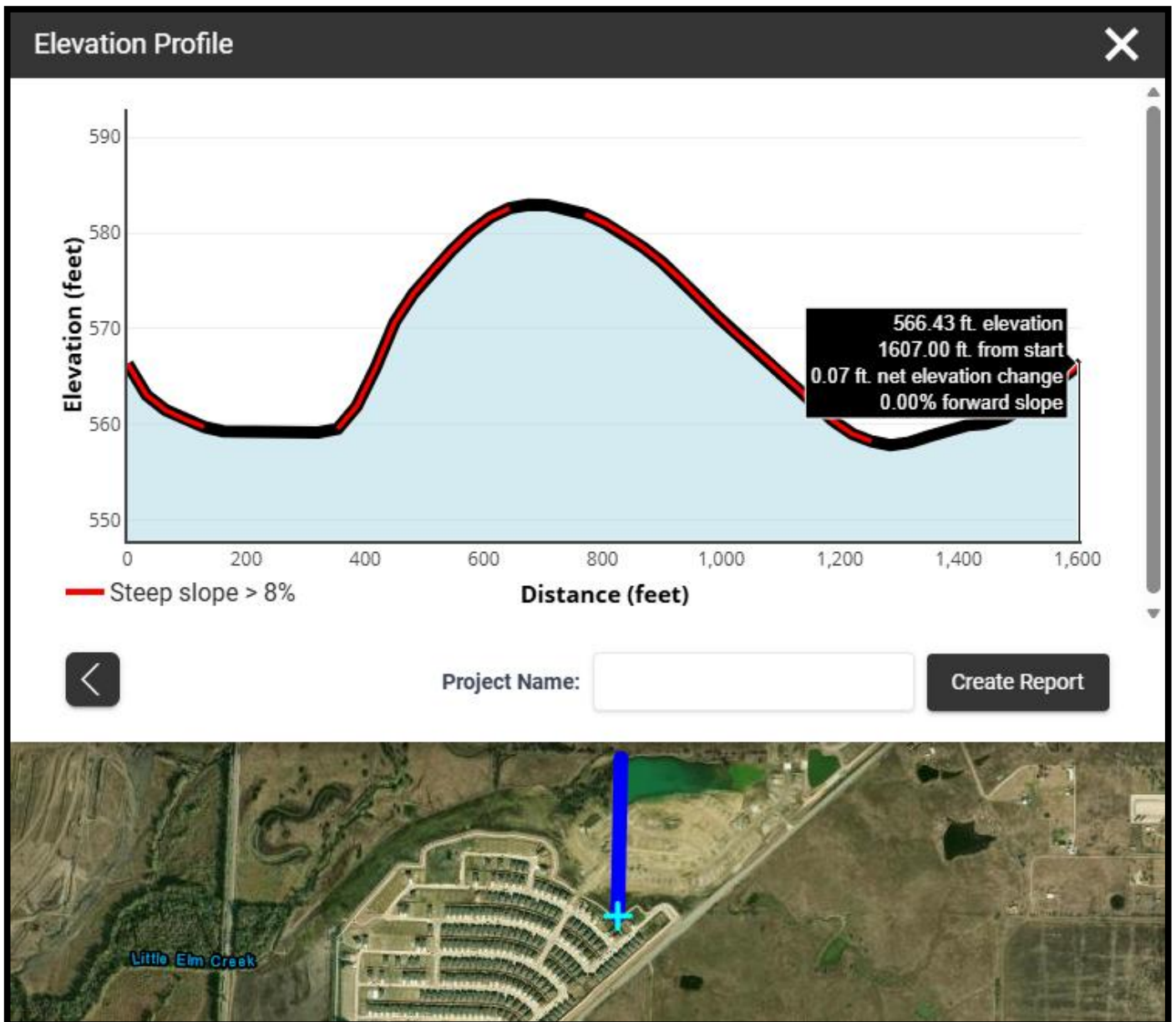
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY - IA #3



General Slope of the Property Moving from East to West

- *Note that measurements are in feet*
- *Elevation profile is represented along illustrated axis*
- *Property slopes east to west with approximately 45.74 feet of variation over approximately 2,978 feet of run*

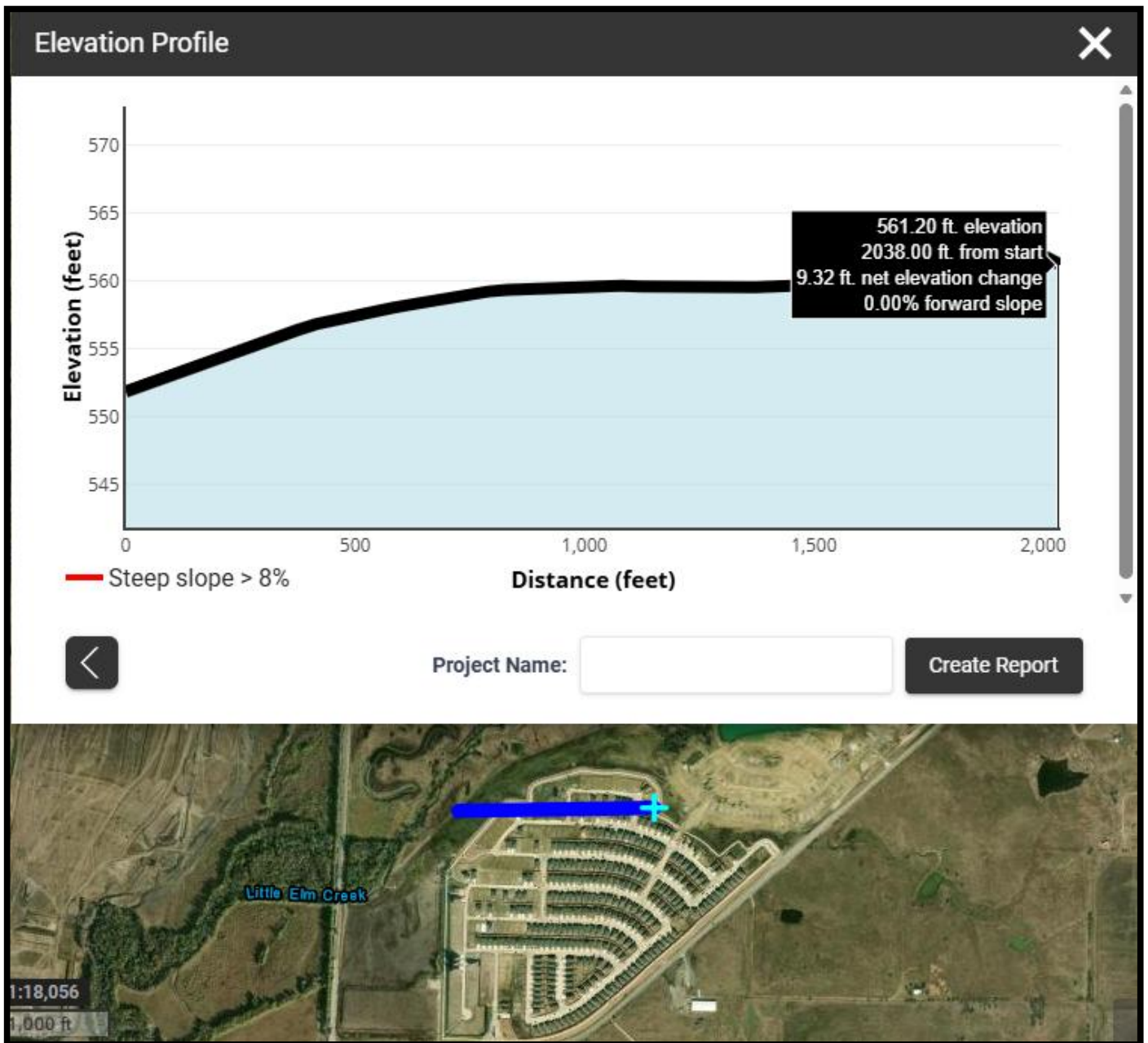
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY - IA #3



General Slope of the Property Moving from North to South

- Note that measurements are in feet
- Elevation profile is represented along illustrated axis
- Property slopes north to south with approximately 0.07 feet of variation over approximately 1,607 feet of run

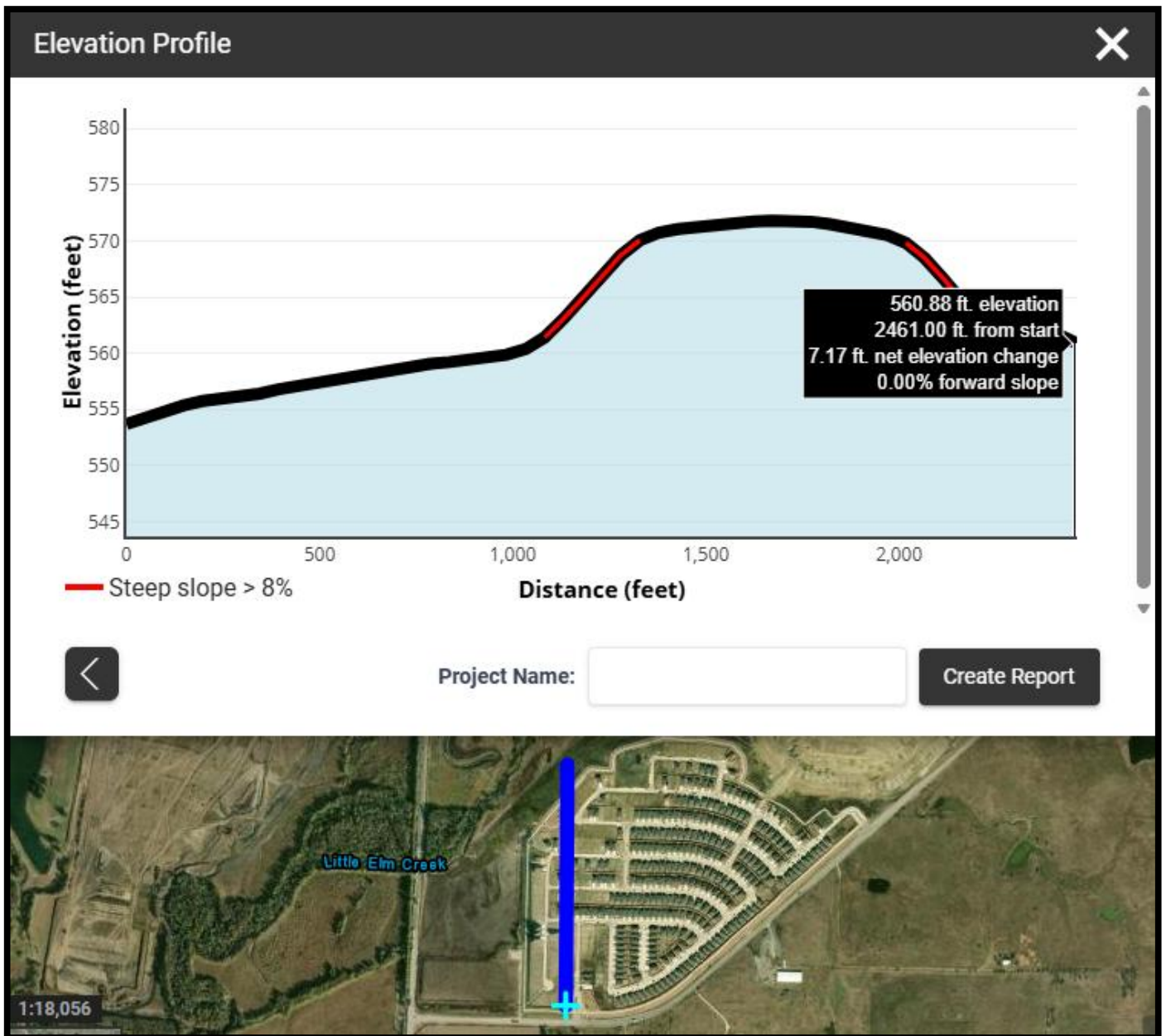
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY - IA #2



General Slope of the Property Moving from East to West

- Note that measurements are in feet
- Elevation profile is represented along illustrated axis
- Property slopes east to west with approximately 9.32 feet of variation over approximately 2,038 feet of run

TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY - IA #2



General Slope of the Property Moving from South to North

- Note that measurements are in feet
- Elevation profile is represented along illustrated axis
- Property slopes south to north with approximately 7.17 feet of variation over approximately 2,461 feet of run

SOIL AND SUB-SOIL CONDITIONS

No soil engineer's report was available to the appraisers and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement to be constructed. As of the report date, the developer has begun excavation and earthwork. Our value conclusions are subject to revision should assumptions that land is stable prove incorrect. We caution and advise the user of this report to obtain engineering studies which may be required to ascertain any structural integrity.

UTILITIES

Electricity to the property will be maintained by Oncor and natural gas will be maintained by Atmos. Water and sanitary sewer services are provided by the Mustang Special Utility District. Telephone, fiber-optic, and internet are available through AT&T, Spectrum, T-Mobile, Optimum, and Nextlink.

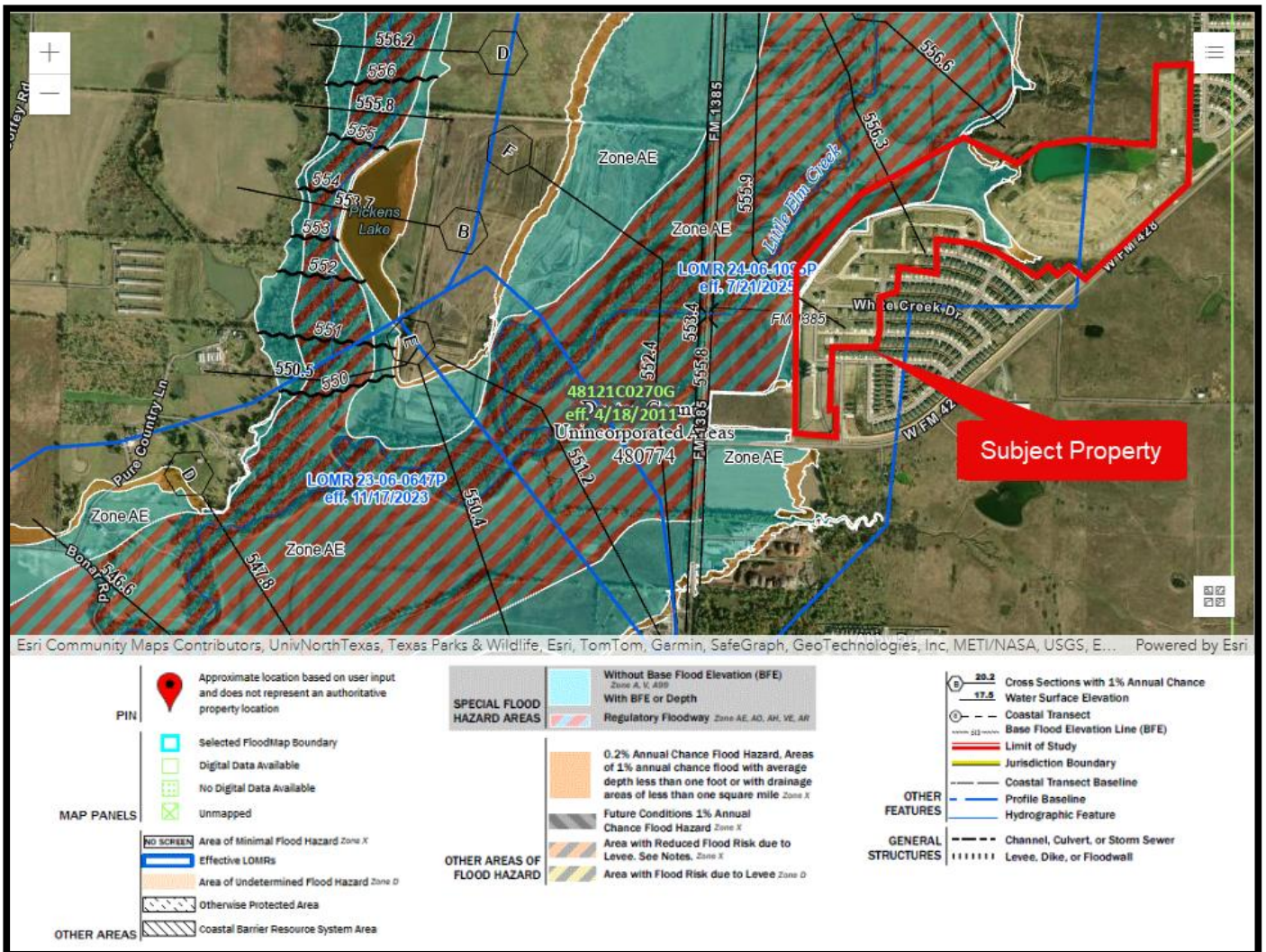
EASEMENTS/ENCROACHMENTS

A plat map was not provided to the appraisers by the client. Based on GIS online maps, our physical site visit, warranty deeds, and review of available maps it is reasonable to suspect that there are typical setbacks and easements that exist on the subject property that have been approved by the City of Celina. The appraisers assume the property is free from any detrimental easements or encroachments and specifically reserves the right to alter the conclusion of this analysis should another plat map be provided that indicates detrimental easements or encroachments.

FEMA FLOOD ZONE

According to map panel 48121C0270G, dated April 18, 2011, the subject site appears to be located within unshaded Zone X, an area determined to be outside the 100-year and 500-year flood plains and within Zone AE, an area determined to be within the 100-year floodplain. This determination is made by graphic plotting only and is not guaranteed. We recommend a surveyor be utilized to determine precise flood plain status. Development within Unshaded Zone X does not appear to be detrimental to the development of the subject property.

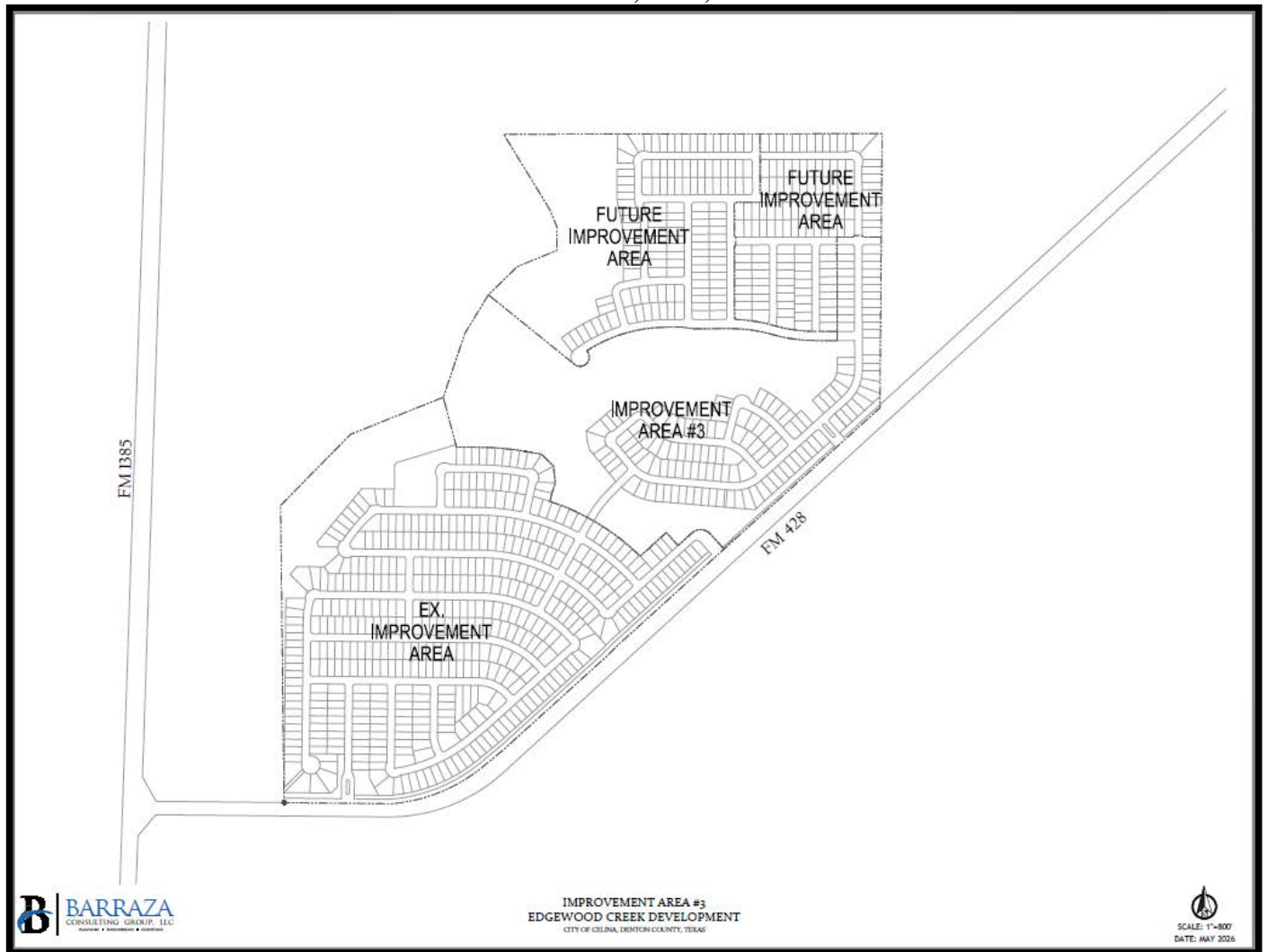
FLOODPLAIN MAP



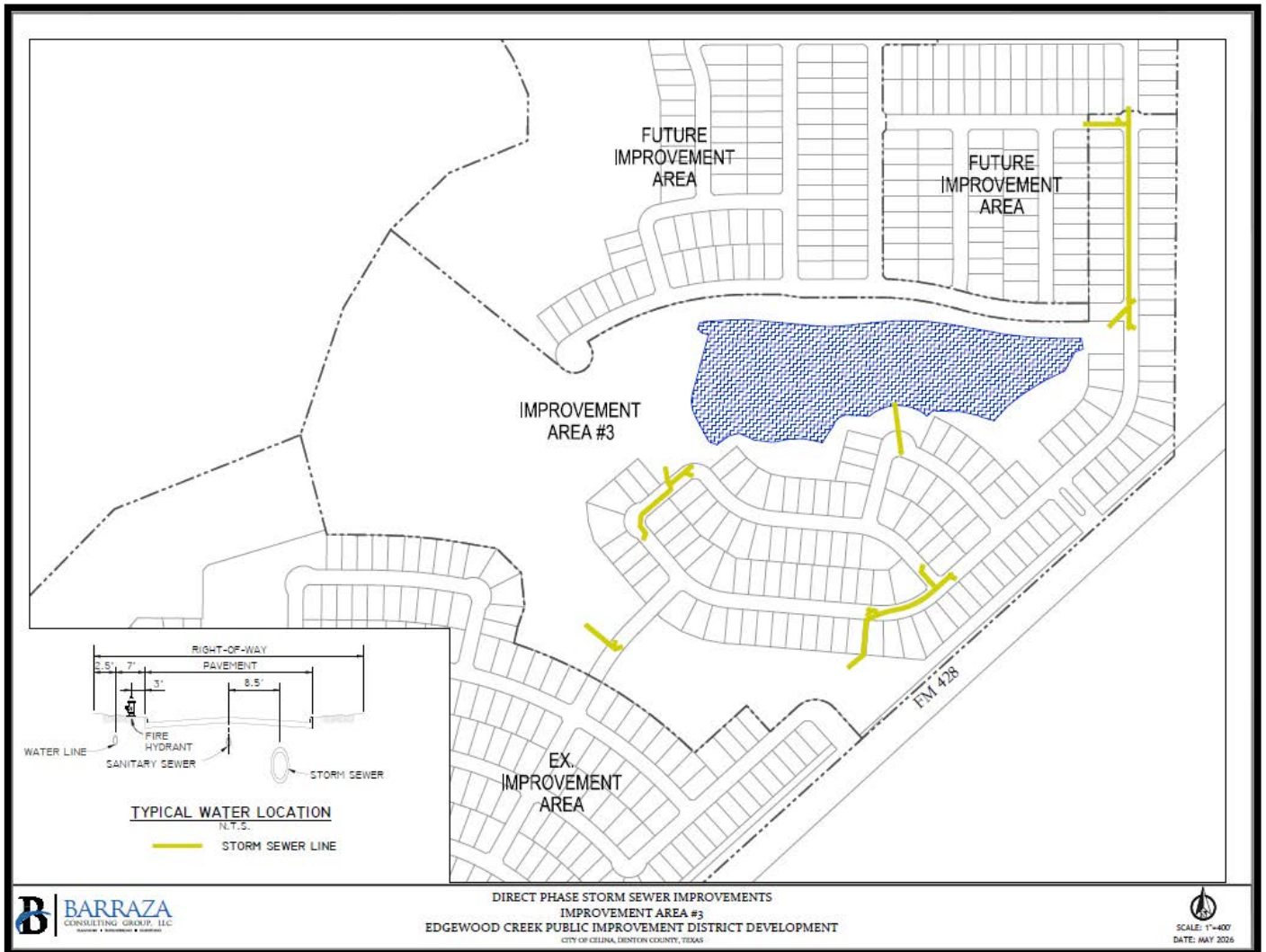
Peyco Southwest Realty • 1703 North Peyco Drive • Arlington, Texas 76001



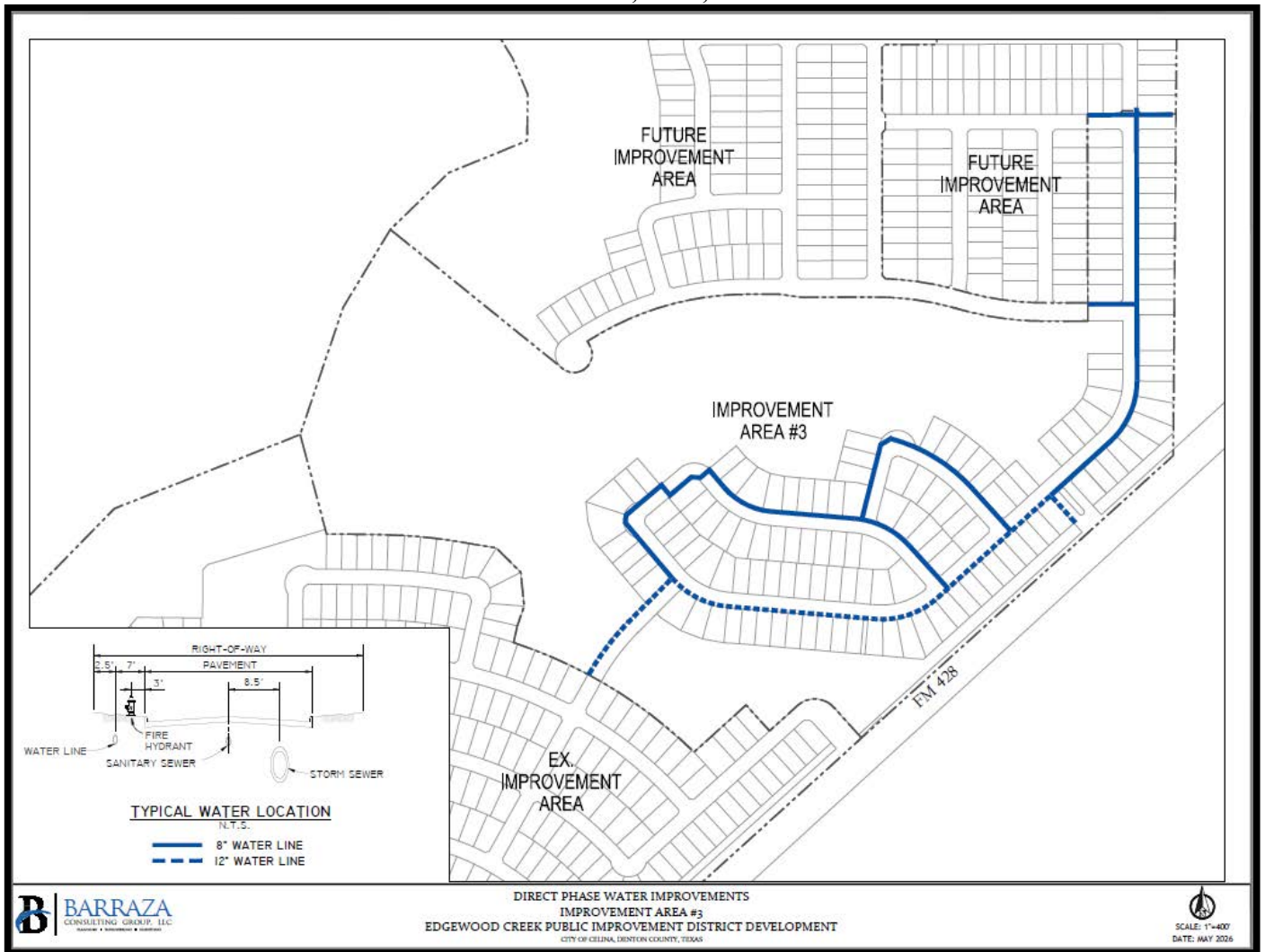
**MAP OF IA #3 EDGEWOOD CREEK PID DEVELOPMENT
BY BARRAZA CONSULTING GROUP, LLC, PROFESSIONAL ENGINEERS**



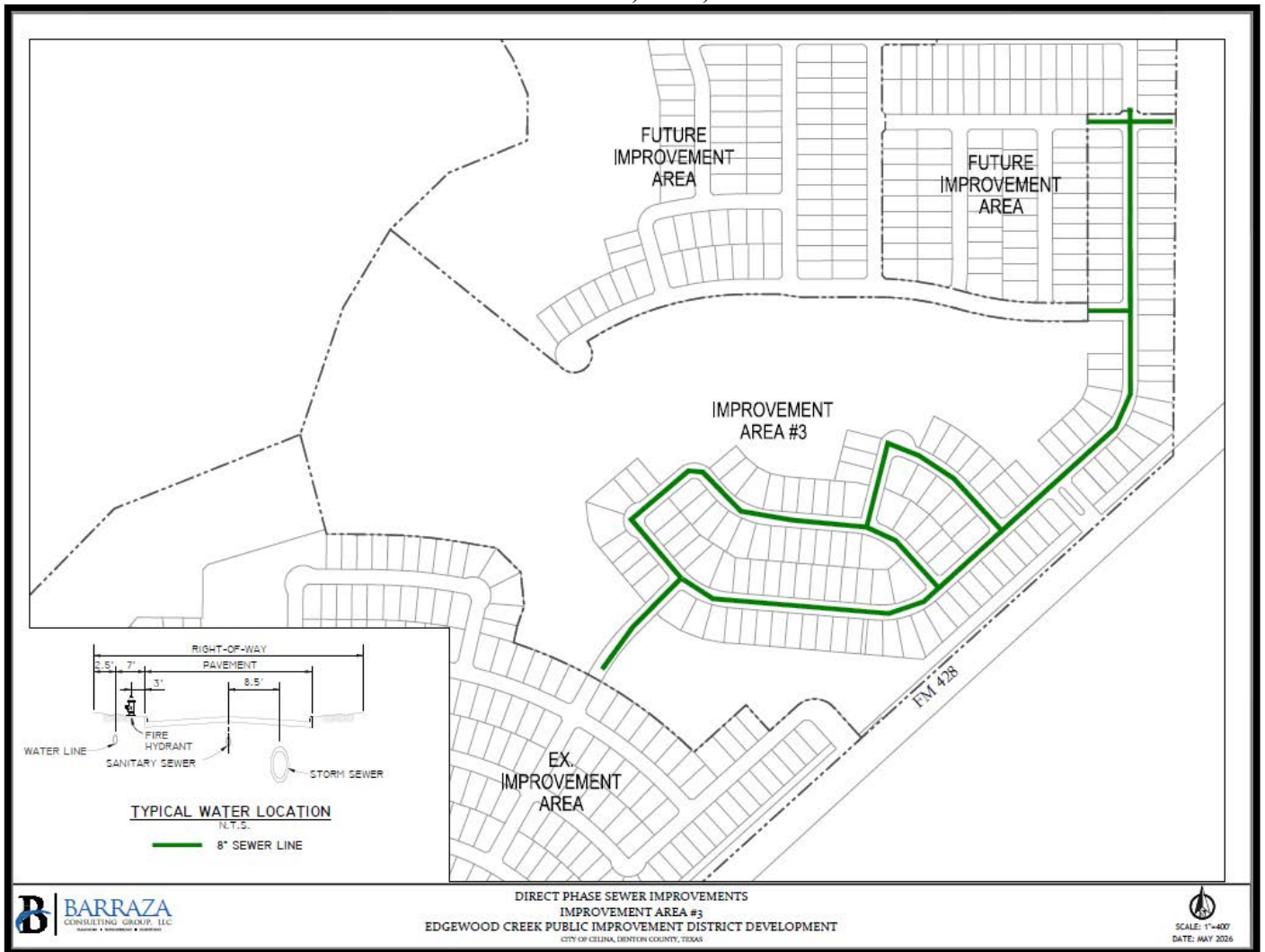
**EDGEWOOD CREEK PID IA#3 DIRECT STORM SEWER IMPROVEMENTS EXHIBIT
BY BARRAZA CONSULTING GROUP, LLC, PROFESSIONAL ENGINEERS**



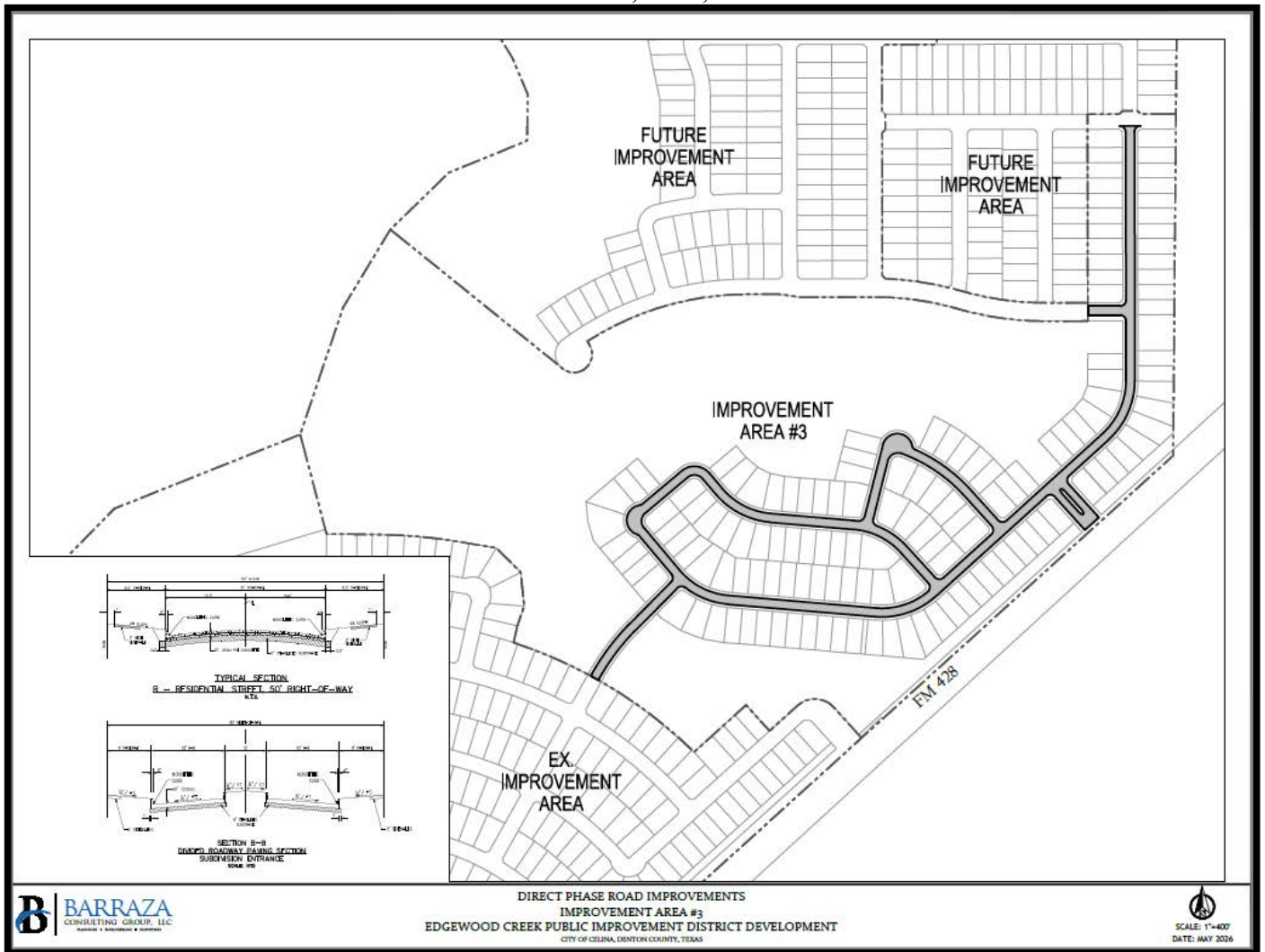
**EDGEWOOD CREEK IA#3 DIRECT WATER IMPROVEMENTS EXHIBIT
BY BARRAZA CONSULTING GROUP, LLC, PROFESSIONAL ENGINEERS**



**EDGEWOOD CREEK PID IA#3 DIRECT SEWER IMPROVEMENTS EXHIBIT
BY BARRAZA CONSULTING GROUP, LLC, PROFESSIONAL ENGINEERS**



**EDGEWOOD CREEK PID IA#3 DIRECT ROAD IMPROVEMENTS EXHIBIT
BY BARRAZA CONSULTING GROUP, LLC, PROFESSIONAL ENGINEERS**



PROPERTY PHOTOGRAPHS



View of FM 428 W



View of FM 428 W



Subject Property



Subject Property



Subject Property



Subject Property

Edgewood Creek Public Improvement District; Improvement Area #2 & #3



Subject Property



Subject Property



Subject Property



Subject Property



Subject Property



Subject Property

HIGHEST AND BEST USE

The highest and best use may be defined as the most profitable or likely profitable legal use for which a property may be utilized. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. Also, that reasonable and probable use that will support the highest present value, as defined, as of the Retrospective and Prospective Effective Dates of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, is found to be:

- | | |
|------------------------|-------------------------|
| a. Legally Permissible | c. Financially Feasible |
| b. Physically Possible | d. Maximally Productive |

The definition, immediately above, applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

There are two distinct types of highest and best use, that being the highest and best use as if the site were vacant, and the highest and best use as improved. Both use determinations require consideration of the physical, legal, financial feasibility and maximal productivity for the site and improvements.

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use “As-Vacant”

Legally Permissible

The subject property is in the City of Celina, Texas and governed by a development agreement. The development agreement for the subject property we are evaluating (275 residential lots and 19 single-family homes), allows for detached single-family residential uses and sets forth requirements and standards for residential development for the subject property.

No private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal, which would further restrict development.

Given the subject’s surrounding land-use patterns and neighborhood characteristics, detached single-family residential use is concluded to be legally permissible.

Physically Possible

Considering the subject’s physical characteristics including jurisdiction, location, size, shape, and availability of utilities, the site is capable of numerous uses which are physically possible without being constrained by the property itself.

Financially Feasible

In order to be economically feasible, the improvements should conform to the surrounding land uses. To meet the test of being financially feasible, the project must provide a net return over a reasonable period of time. The area surrounding the subject property is single-family residential homes and development of the surrounding area has accelerated considerably over the past decade as development north of Dallas and Fort Worth has shown almost

endless demand. Developers and home builders have moved further away from the center of the Metroplex and into areas of Denton County and are being developed with middle class housing stock. Based on review of homes on the market, we would expect home prices at approximately \$475,000 for the 50-FF Lots would be in demand in Edgewood Creek PID IA #2 and #3.

Based on our analysis of the market, it is reasonable to expect a rise in demand for vacant developed lots (VDLs) in 2026 as homebuilders sell more homes when mortgage rates begin to fall precipitously as they did in previous years; Along with this, due to the lack of supply for VDLs and the long-term prospects of the subject's area, we expect ample demand for single-family lots in the next 2-5 years. When looking at the longer time horizon, it appears that a newly developed single-family residential use on the site would have a value commensurate with its cost. Therefore, single-family residential use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the subject property that would generate a higher residual land value than single-family residential use. Accordingly, it is our opinion that single-family residential use, developed to the normal market density allowed by the development agreement, is the maximally productive use of the property.

The resilient business climate in North Texas, the addition of new jobs to the area, and the continual development of neighborhoods similar to Celina and Denton County has created increased demand for homes in the area. Coupled with increasing movement into DFW, and north of the Metroplex in particular, it is our opinion that the highest and best use of the property "As-Vacant" would be for the development of single-family residential community. Thus, the highest and best use of the property "As-Vacant" is for development of single-family residential use.

Highest and Best Use "As-Improved"

Development of the subject property, as proposed utilizing our extraordinary assumptions, is the only use that meets the four tests of highest and best use. Therefore, we conclude that the highest and best use of the property "As-Improved" is similar to our conclusion "As-Vacant" which is for single-family residential use.

We believe that the **most probable buyers** would be a developer of large single-family communities or a large homebuilder who is active in the DFW Metroplex market, as well as end-users of the developed lots once the houses are complete.

VALUATION – IMPROVED RESIDENTIAL LOTS AND SINGLE-FAMILY HOMES

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. Use of the approaches in this assignment is summarized as follows:

<i>Approach</i>	<i>Applicability to Subject</i>	<i>Use in Assignment</i>
Cost Approach	<i>Not Appropriate for the VDLs Since the Subject Property is Developed in Multiple Phases. However, is Utilized for the Residential Single-Family Homes but Only Given Secondary Consideration.</i>	<i>Partially Utilized</i>
Income (Subdivision Development) Approach	<i>Not Appropriate in Determining Residential Subdivision Value or Residential Single-Family Home Value as it is Outside the Scope of this Report.</i>	<i>Not Utilized</i>
Sales Comparison Approach	<i>Fully Utilized for the Market Value of the Vacant Developed Lots and for the Residential Single-Family Homes</i>	<i>Utilized</i>

Residential Subdivision (Improved Lots and Single-Family Homes)

Cost Approach

The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Cost figures are obtained from the developer and engineer then compared to cost figures on competing developments. A developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project. The subject property is being developed in two phases, however, the totality of Edgewood Creek PID will be spread across multiple phases, therefore, *the Cost Approach is not appropriate for the vacant developed lots and thus was not utilized* for the 139 improved lots in IA# 2 and the 136 improved lots in IA# 3.

The Cost Approach was developed for the 19 residential single-family homes using the Inwood F Floor Plan provided by First Texas Homes Inc. and is presented as supportive evidence of value. However, given the availability of relevant market data and the actions of typical buyers and sellers in this market, primary reliance was placed on the Sales Comparison Approach. Accordingly, the Sales Comparison Approach was given the greatest weight in the final reconciliation of value, while the Cost Approach was afforded secondary consideration. The Cost Approach for the Inwood F Floor Plan can be found in the addenda of this report.

Income (Subdivision Development) Approach

For the improved residential lots, the Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases the bulk of the lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. *Per conversations with the client, the Income Approach is not considered necessary therefore is outside the scope of work for this report and not developed.*

The subject property's Residential Single-Family Homes are primarily owner occupied and are not income producing. Therefore, the Income Approach was not considered applicable for the single-family homes.

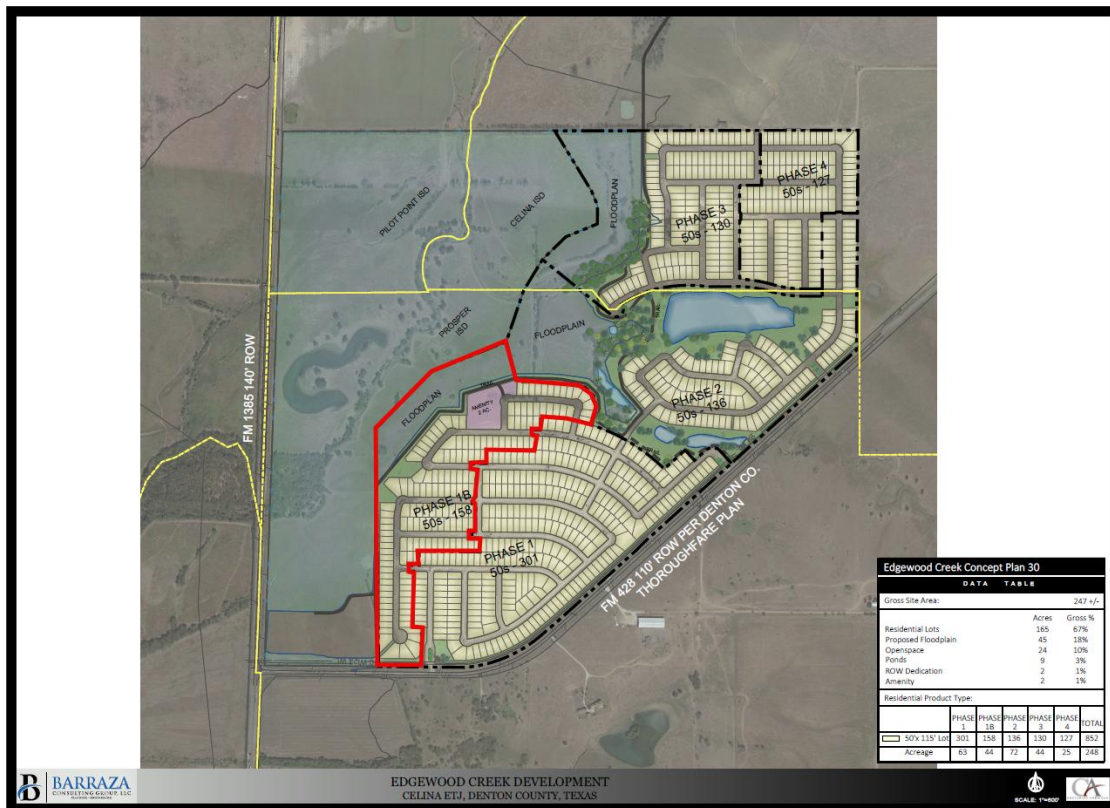
Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, the sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed for the vacant developed lots by the appraisers.*

The Sales Comparison Approach was utilized and is given most weight in estimating the value for the 19 residential single-family homes using the smallest floor plan, the Inwood F Floor Plan, provided by First Texas Homes Inc. The Sales Comparison Approach was considered the most reliable indicator of the minimum value, or the "not less than" value as it reflects the actions of typical buyers and sellers in the marketplace. By analyzing recent sales of comparable properties and making appropriate adjustments for differences, this approach provides a direct measure of market value based on actual market behavior. Given the availability of sufficient comparable sales data and the market-oriented nature of the subject property, the Sales Comparison Approach was given the greatest weight in the final "not less than" value conclusion for the subject property's 19 residential single-family homes.

Next, we will develop the Sales Comparison Approach for the improved residential lots in Edgewood Creek PID IA #2.

SALES COMPARISON APPROACH - IMPROVED RESIDENTIAL LOTS EDGEWOOD CREEK IA #2



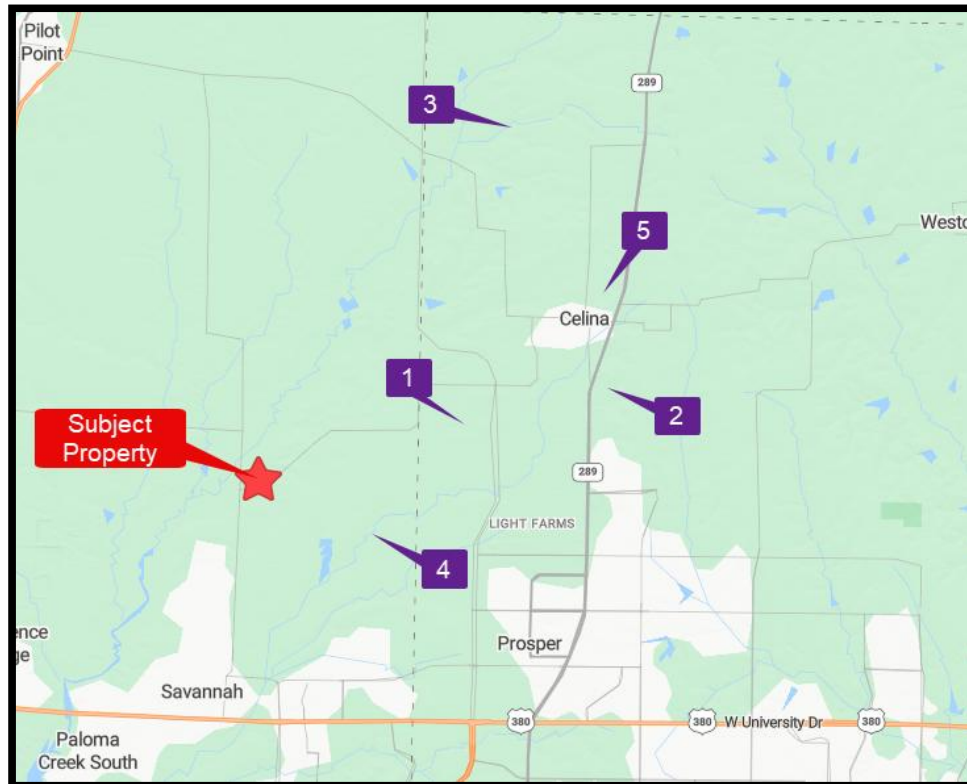
In this approach to value, the value is predicated upon prices paid in actual market transactions. The methodology involved is a process of analyzing similar properties and comparing them to the subject. In some instances, a comparison analysis is utilized, with adjustments being applied for differences in financing, location, and physical characteristics. Based on research, investors in the area seeking to purchase improved residential lots typically rely heavily on the following methodology:

Sales Price Per Front Foot (FF) - This denominator is obtained by dividing the sale price by the FF.

County deed records were searched for recent sales of similarly improved residential lots. Owners, property managers and other professionals active in the area were consulted as to their knowledge of current trends and conditions that prevail within this market. The sales transactions considered most comparable to the subject are detailed on the following pages.

Following is our analysis of the 50-FF lots within Edgewood Creek IA #2.

MAP OF COMPARABLE LOT SALES –50’ LOTS

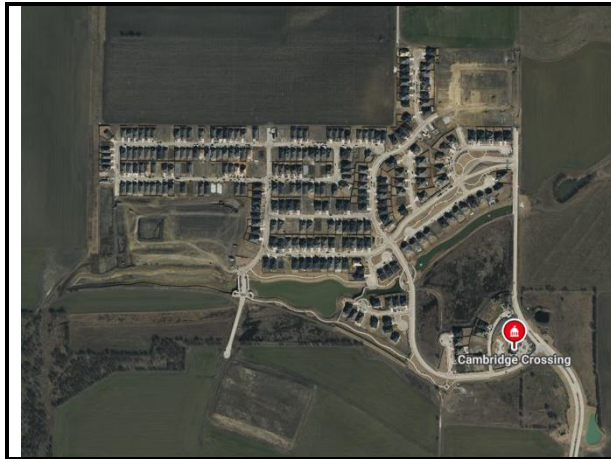


Subject: Edgewood Creek IA #2, Celina

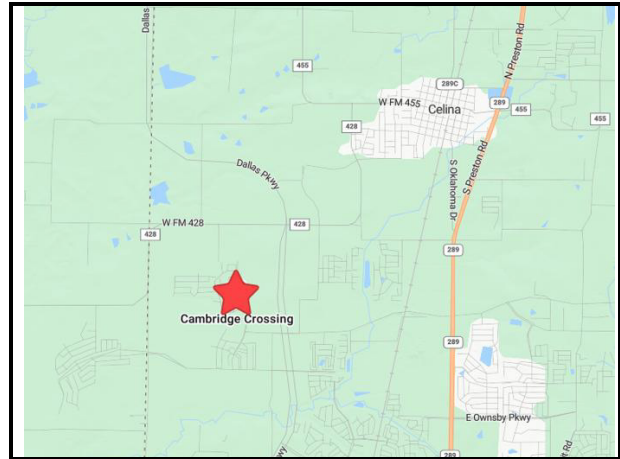
We selected the best and most recent comparable lot sales for our analysis of the 50-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 50' LOTS								
Sale	Subdivision/Address	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	\$/FF
1	Cambridge Crossing	Celina	Celina	Jan-2024	In-Contract	\$100,000	50	\$ 2,000
2	Hillside Village	Celina	Celina	May-2024	Closed	\$97,250	50	\$ 1,945
3	Legacy Celina	Celina	Celina	Aug-2024	In-Contract	\$125,000	50	\$ 2,500
4	Mosaic	Celina	Prosper	Sep-2023	Closed	\$115,000	50	\$ 2,300
5	The Heights at Uptown	Celina	Celina	Feb-2025	Closed	\$110,000	50	\$ 2,200
Subject	Edgewood Creek PID; IA #2	Celina	Prosper	-	-	-	50	-

SALE COMPARABLE 1 – 50' LOTS



Comparable 1 Aerial



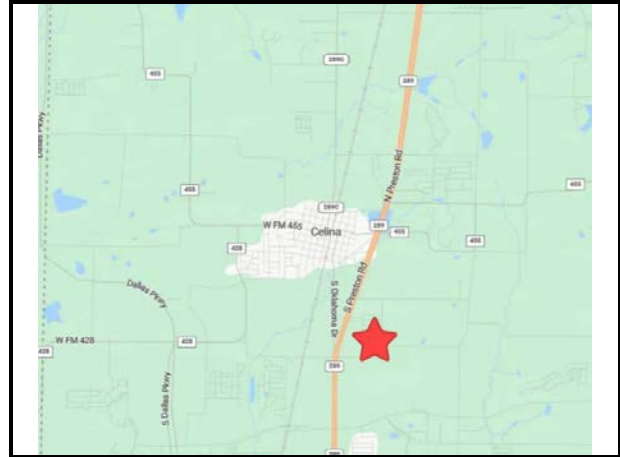
Comparable 1 Map

50-FF Sale Comparable 1				
Property Information				
Address	Cambridge Crossing			
Property Class	Residential Lot			
Address	North side of Punk Carter Parkway and West of Huddleston Drive, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
	50-FF			
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All Available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	January-2024			
Seller	Tollway/Outer Loop LP			
Buyer	Perry Homes			
Sale Price	\$100,000			
Price per SF Land	\$16.67			
Price per Front Foot	\$2,000			

SALE COMPARABLE 2 – 50' LOTS



Comparable 2 Aerial



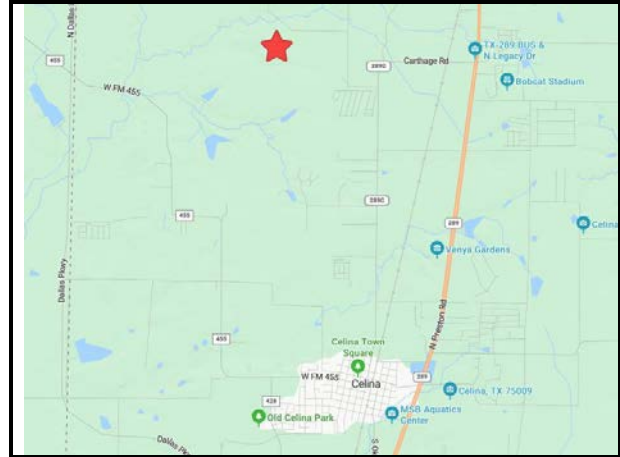
Comparable 2 Map

50-FF Sale Comparable 2				
Property Information				
Subdivision	Hillside Village			
Property Class	Residential Lot			
Address	Northwest quadrant of Glendenning Parkway and CR-89, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
	50-FF			
Zoning Code	Development Agreement			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All Available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	May - 2024			
Seller	WJ Hillside GP LLC Partner			
Buyer	Shaddock Homes, LTD			
Sale Price	\$97,250			
Price per SF Land	\$16.21			
Price per Front Foot	\$1,945			

SALE COMPARABLE 3 – 50' LOTS



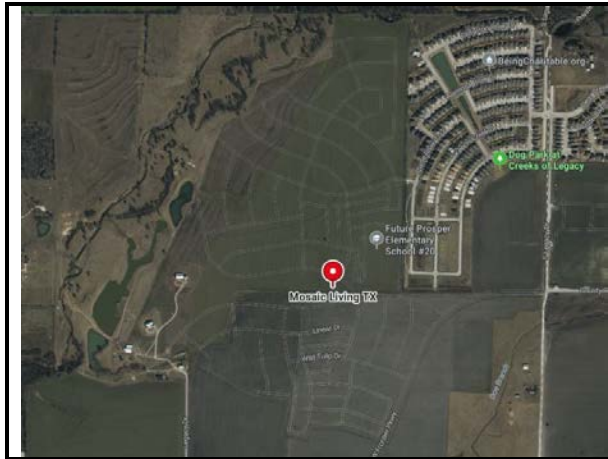
Comparable 3 Aerial



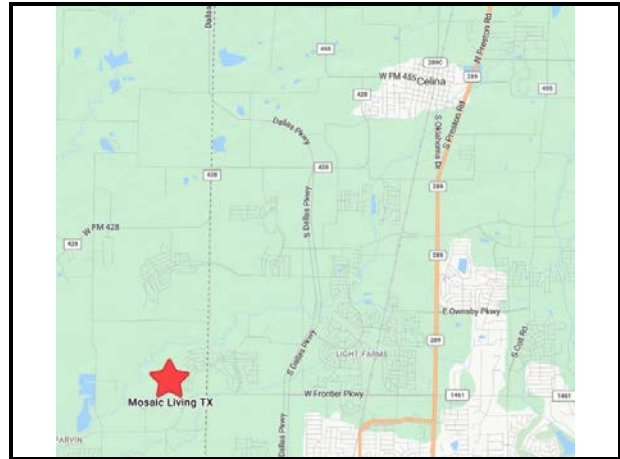
Comparable 3 Map

50-FF Sale Comparable 3				
Property Information				
Subdivision	Legacy Celina			
Property Class	Residential Lot			
Address	Northeast quadrant of Legacy Parkway and south of CR-58, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
	50-FF			
Zoning Code	Development Agreement			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All Available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	August - 2024			
Seller	MM Legacy Celina 75, LLC			
Buyer	William Ryan Homes Texas Inc.			
Sale Price	\$125,000			
Price per SF Land	\$20.83			
Price per Front Foot	\$2,500			

SALE COMPARABLE 4 – 50' LOTS



Comparable 4 Aerial



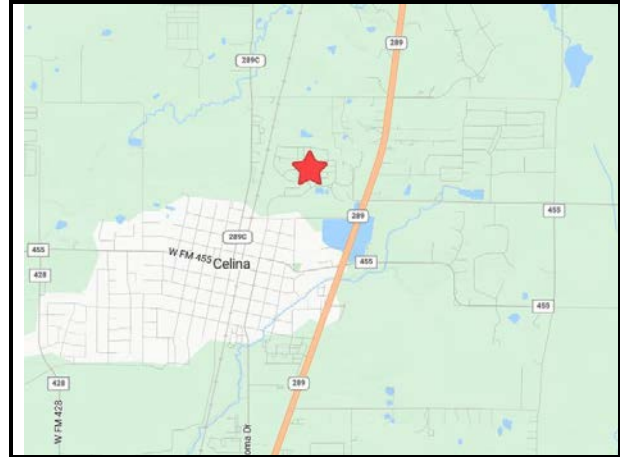
Comparable 4 Map

50-FF Sale Comparable 4				
Property Information				
Subdivision	Mosaic			
Property Class	Residential Lot			
Address	Southwest corner of Frontier Parkway and Legacy Drive, Celina			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
	50-FF			
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All Available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	September - 2023			
Seller	Tellus Texas I LLC			
Buyer	Highland Homes- Dallas LLC			
Sale Price	\$115,000			
Price per SF Land	\$19.17			
Price per Front Foot	\$2,300			

SALE COMPARABLE 5 – 50' LOTS



Comparable 5 Aerial



Comparable 5 Map

50-FF Sale Comparable 5				
Property Information				
Subdivision Name	The Heights at Uptown			
Property Class	Residential Lot			
Address	East side of Arden Lane, northwest of Duke Lane, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	5,750	SF	0.13	Acres
	50-FF			
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	Electric, Water, and Sewer; No Gas			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	February - 2025			
Seller	Horizon Rockhill Heights, LLC			
Buyer	Perry Homes, LLC			
Sale Price	\$110,000			
Price per SF Land	\$19.13			
Price per Front Foot	\$2,200			

SALES ADJUSTMENT COMPARISON GRID –50’ LOTS

<i>Subdivision</i>	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Edgewood Creek PID; IA #2	Cambridge Crossing	Hillside Village	Legacy Celina	Mosaic	The Heights at Uptown
	Celina	Celina	Celina	Celina	Celina	Celina
<i>Transactional Adjustments</i>						
Sales Price/FF		\$2,000	\$1,945	\$2,500	\$2,300	\$2,200
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$2,000	\$1,945	\$2,500	\$2,300	\$2,200
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$2,000	\$1,945	\$2,500	\$2,300	\$2,200
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$2,000	\$1,945	\$2,500	\$2,300	\$2,200
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$2,000	\$1,945	\$2,500	\$2,300	\$2,200
Time/Market Conditions		+5%	+4%	+4%	+6%	+3%
ADJUSTED Price/FF:		\$2,100	\$2,023	\$2,600	\$2,438	\$2,266
<i>Physical Adjustments</i>						
Location/Access	Northeast Corner of Farm to Market Road 428 W and Farm to Market Road 1385	+2%	+2%	+2%	0%	+2%
Amenities	Resort style pool, ponds, trails, greenspace, and a playground	-6%	0%	-4%	-6%	0%
Size	50-FF	0%	0%	0%	0%	0%
Topography/View	Gently Sloping; Zone X	0%	0%	0%	0%	0%
Zoning	Planned Development	0%	0%	0%	0%	0%
<i>Total Net Physical Adj. After Transactional Adj.</i>		-4%	+2%	-2%	-6%	+2%
ADJUSTED Price/FF:		\$2,016	\$2,063	\$2,548	\$2,292	\$2,311
SUMMARY OF COMPARABLE VALUES						
Value Range/FF		\$2,016	to	\$2,548		
Average Value/FF		\$2,246				
Median Value/FF		\$2,292				
Size		50-FF				
Unit Value Indication		\$2245/FF				
Overall Value Indication		\$112,250				
<i>Rounded</i>		\$112,250				

ANALYSIS OF ADJUSTMENTS –50' LOTS

Our research of comparable lot sales leads us to the determination that there have been ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$1,945 per front foot to \$2,500 per front foot (FF) with Sales 1-5 being 50-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale

Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase

Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions

The residential real estate market increased significantly in 2020-2025 and appears to be continuing with another interest rate decrease by the Federal Reserve that has lowered mortgage rates by 4 basis points to 6.49% as of June 2026. Prices increased from 2023-2026 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 50-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically within Denton County which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +2% year-over year (YoY) increase throughout 2023-2025, and into the second quarter of 2026 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +3% and +6% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in Celina. Development in the subject's area has been increasing and consistent throughout the decades. The subject is located along Farm-to-Market 428 W and Smiley Road. The surrounding area comprises a blend of single-family residential communities and agricultural land.

The subject property resides in the Prosper ISD which has an "A" rating from the Texas Education Agency (TEA). Many prospective residents seeking a quasi-rural residential neighborhood might prefer a smaller and more appealing school district compared to the larger districts found closer to DFW. The area's accessibility is considered average. We have made the following adjustments for Location/Access:

- Sale 1: Inferior; Located in Celina with similar access to commercial uses and feeds into the Celina ISD which has a "B" rating and is inferior to the subject ISD; Adjusted +2%
- Sale 2: Inferior; Located in Celina, with similar access to commercial uses and feeds into the Celina ISD which has a "B" rating and is inferior to the subject ISD; Adjusted +2%
- Sale 3: Inferior; Located in Celina with similar access to commercial uses and feeds into the Celina ISD which has a "B" rating and is inferior to the subject ISD; Adjusted +2%
- Sale 4: Similar; Located in Celina, with similar access to commercial uses and feeds into the Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted 0%
- Sale 5: Inferior; Located in Celina, with similar access to commercial uses and feeds into the Celina ISD which has a "B" rating and is inferior to the subject ISD; Adjusted +2%

Amenities

The subject property's amenities will consist of a resort style pool, ponds, trails, greenspace, and a playground. The subject's amenities are average for a master planned community the size of Edgewood Creek IA #2 with development being built-out with 139 homes in IA# 2. We have made the following adjustments for Amenities:

- Sale 1: Superior; Cambridge Crossing Subdivision, which has superior amenities such as an amenity center, lap/resort pool, cabanas, fitness center, sport courts, trails, stocked pond, and a playground. Though this comparable does have some similar quality amenities, the access to a fitness center and sport courts as well as a superior pool make it superior to the subject property; Adjusted -6%
- Sale 2: Similar; Hillside Village Subdivision which has similar amenities such as a resort style pool, cabanas, dog park, playground, and trails.; Adjusted 0%
- Sale 3: Superior; Legacy Celina Subdivision, which has superior amenities such as a commercial area, pickleball court, playground, shade structures, lawn play area, greenspace, and trails. Though this comparable does have some similar quality amenities, the access to a commercial area and pickleball court make it superior to the subject property; Adjusted -4%
- Sale 4: Superior; Mosaic Subdivision, which has superior amenities such as an amenity center, pool complex with a lazy river, stocked lake, playground, fitness center, treehouse, trails, and greenspace. Though this comparable does have some similar quality amenities, the access to an amenity center and fitness center as well as a superior pool make it superior to the subject property; Adjusted -6%
- Sale 5: Similar; The Heights at Uptown Subdivision, which has similar amenities such as an amenity center, pool, trails, ponds, and a playground; Adjusted 0%

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). The converse also tends to be true. Sales 1-5 are also 50' lots that can accommodate the same building pad, so no adjustment is made for Size to those comparable sales.

Topography/View

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that lacks remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

Zoning

According to our due diligence, the subject property is zoned Planned Development (PD) by the City of Celina. This classification permits the creation of single-family residential lots. At this stage, the land will possess entitlement rights for development, increasing its value compared to vacant agricultural land not within the city with no zoning. The entitlements provided by the Planned Development classification elevate the property's value beyond that of raw land with no zoning. Sales 1-5 are also zoned PD for residential development, single family residential, or have a residential development agreement; thus, no adjustment is made for Zoning.

Conclusion for 50' Lots – The 50' Lot Sales have an adjusted range of \$2,016/FF to \$2,548/FF with an average of \$2,246/FF and a median of \$2,292/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 50' lots is \$2,245, or \$112,250/Lot in Edgewood Creek IA #2.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
50' Detached Lots	139	July 1, 2026	\$112,250

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

Cumulative Retail Lot Value – IA# 2

We believe a current lot market value of \$2,245 for 50' improved Lots with a Retrospective Effective Date of July 1, 2026 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate this price, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded value per front foot is supported by the current retail price for 50-FF lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and into 2026 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

As of the Retrospective Effective Date of July 1, 2026, the retail market value of the 50-FF lot price for Edgewood Creek IA #2 is shown below:

EDGEWOOD CREEK PID IA #2, CELINA, DENTON COUNTY					
Total Lots	Feet Frontage (FF)	Retail Price/Lot	Retrospective Effective Date	Price/FF (\$/FF)	Total Retail Value (\$)
139	50 FF	\$112,250	July 1, 2026	\$2245/FF	\$15,602,750
139					\$15,603,000

Next, we will develop the Sales Comparison Approach for the finished single-family homes in Edgewood Creek PID IA #2.

**SALES COMPARISON APPROACH – FINISHED SINGLE-FAMILY RESIDENTIAL HOMES
EDGEWOOD CREEK PID IA #2**

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply this approach are:

- Identify relevant property sales
- Research, assemble, and verify pertinent data for the most relevant sales
- Analyze the sales for material differences in comparison to the subject
- Reconcile the analysis of the sales into a value indication for the subject

While the 19 subject properties include a variety of floor plans, the “not less than” valuations are based on the smallest plan, the Inwood F model, which is representative of entry-level housing on a typical 50-foot frontage lot. Therefore, the analysis has been limited to properties that are comparable to the subject property and/or display similar attributes.

As discussed, the valuation encompasses 19 residences featuring a varied range of home sizes, elevations, lot dimensions, and upgrade packages. The market appeal of these properties is influenced significantly by factors such as site characteristics, views, location, and other unique attributes. Accordingly, the values presented are based on a typical base home plan representative of the neighborhood.

The comparable properties selected for this analysis contain residential complimentary improvements similar to those of the subject and would likely appeal to a similar segment of buyers. Interviews with local market participants, combined with a review of area sales, listings, paired-sales data, and market trends, were used to develop appropriate adjustments for differing property characteristics. Although the adjustment process is not an exact science, discernible patterns in buyer preferences and the contributory value of improvements were identified, providing a reasonable basis for the adjustments applied.

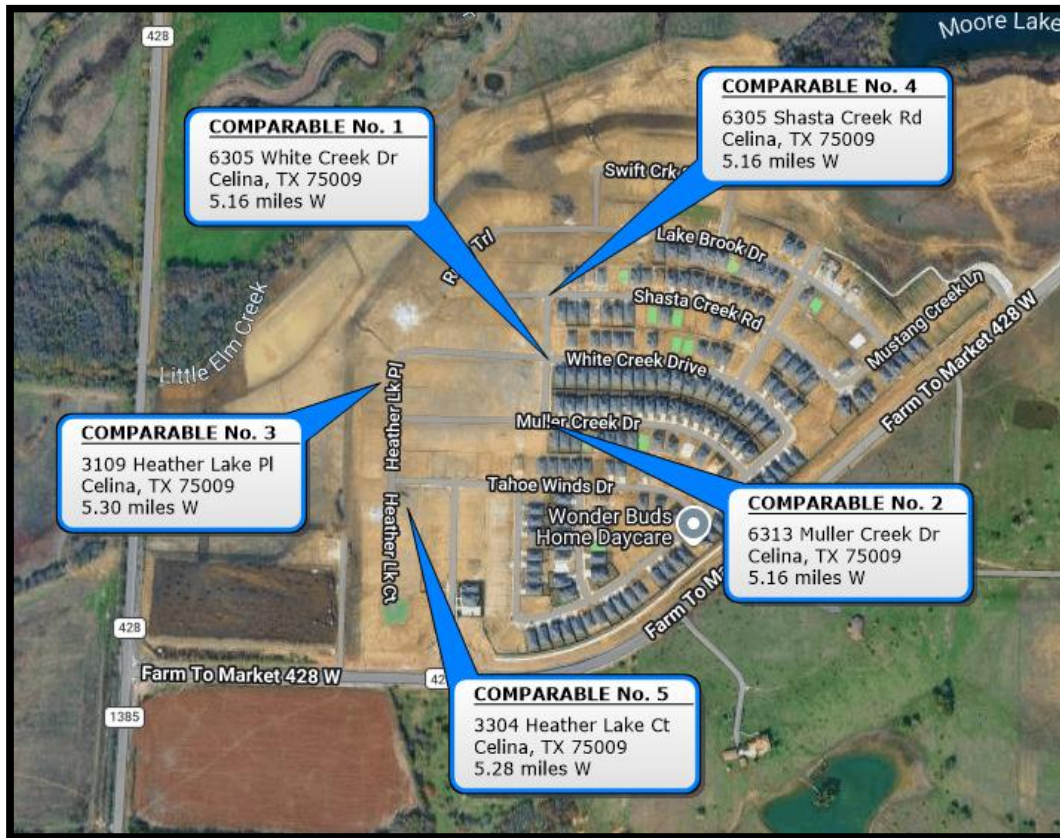
Edgewood Creek Public Improvement District; Improvement Area #2 & #3

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address	Inwood F Floor Plan Celina, TX 75009	6305 White Creek Dr Celina, TX 75009	6313 Muller Creek Dr Celina, TX 75009	3109 Heather Lake Pl Celina, TX 75009
Proximity to Subject				
Sale Price	\$	\$ 470,000	\$ 440,000	\$ 493,275
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 221.49 sq.ft.	\$ 207.25 sq.ft.	\$ 232.35 sq.ft.
Data Source(s)		N TREIS21066393;DOM 59	Deed#2026-1236;DOM Unk	Deed#2025-138599;DOM Unk
Verification Source(s)		HomesUSA.com/CAD	FirstTexasHomesInc./CAD	FirstTexasHomesInc./CAD
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION + (-) \$ Adjustment	DESCRIPTION + (-) \$ Adjustment	DESCRIPTION + (-) \$ Adjustment
Sales or Financing	ArmLth	ArmLth	ArmLth	ArmLth
Concessions	Conv;0	Conv;0	Conv;0	Conv;0
Date of Sale/Time	s12/25;c11/25	s12/25;c11/25	s01/26;Unk	s12/25;Unk
Location	N;Res;	N;Res;	N;Res;	N;Res;
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	5750 sf	5750 sf	5750 sf	6599 sf
View	N;Res;	N;Res;	N;Res;	N;Res;
Design (Style)	DT1;New Ameri	DT1;New Ameri	DT1;New Ameri	DT1;New Ameri
Quality of Construction	Q4	Q4	Q4	Q4
Actual Age	0	0	1	0
Condition	C1	C1	C1	C1
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths
Room Count	8 4 3.0	8 4 3.0	8 4 3.0	8 4 3.0
Gross Living Area	2,122 sq.ft.	2,122 sq.ft.	2,123 sq.ft.	2,123 sq.ft.
Basement & Finished	0sf	0sf	0sf	0sf
Rooms Below Grade				
Functional Utility	Average	Average	Average	Average
Heating/Cooling	CH&A	CH&A	CH&A	CH&A
Energy Efficient Items	Standard	Standard	Standard	Standard
Garage/Carport	2ga2dw	2ga2dw	2ga2dw	2ga2dw
Porch/Patio/Deck	CvdPor/CvdPat	CvdPor/CvdPat	CvdPor/CvdPat	CvdPor/CvdPat
Fireplace	ElecFP	ElecFP	ElecFP	ElecFP
Other	SprkStm	SprkStm	SprkStm	SprkStm
Other	None	None	None	None
Net Adjustment (Total)		\$ 0	\$ 0	\$ 0
Adjusted Sale Price	Net Adj. 0.0 %	Net Adj. 0.0 %	Net Adj. 0.0 %	Net Adj. 0.0 %
of Comparables	Gross Adj. 0.0 %	Gross Adj. 0.0 %	Gross Adj. 0.0 %	Gross Adj. 0.0 %

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

FEATURE				SUBJECT				COMPARABLE SALE # 4				COMPARABLE SALE # 5			
Address		Inwood F Floor Plan Celina, TX 75009				6305 Shasta Creek Rd Celina, TX 75009				3304 Heather Lake Ct Celina, TX 75009					
Proximity to Subject															
Sale Price		\$				\$ 490,360				\$ 492,819					
Sale Price/Gross Liv. Area		\$ sq.ft.				\$ 231.41 sq.ft.				\$ 227.11 sq.ft.					
Data Source(s)						Deed#2026-46874;DOM Unk				Deed#2025-120021;DOM Unk					
Verification Source(s)						FirstTexasHomesInc./CAD				FirstTexasHomesInc./CAD					
VALUE ADJUSTMENTS		DESCRIPTION				DESCRIPTION				DESCRIPTION					
Sales or Financing															
Concessions															
Date of Sale/Time						s04/26;Unk				s10/25;Unk					
Location		N;Res;				N;Res;				N;Res;					
Leasehold/Fee Simple		Fee Simple				Fee Simple				Fee Simple					
Site						5750 sf				5750 sf					
View		N;Res;				N;Res;				N;Res;					
Design (Style)		DT1;New Ameri				DT1;New Ameri				DT1;New Ameri					
Quality of Construction		Q4				Q4				Q4					
Actual Age		0				1				0					
Condition		C1				C1				C1					
Above Grade		Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total				Bdrms.	Baths		
Room Count		8	4	3.0	8	4	3.0	8				3	3.1		
Gross Living Area		2,122 sq.ft.				2,119 sq.ft.				2,170 sq.ft.					
Basement & Finished		0sf				0sf				0sf					
Rooms Below Grade															
Functional Utility		Average				Average				Average					
Heating/Cooling		CH&A				CH&A				CH&A					
Energy Efficient Items		Standard				Standard				Standard					
Garage/Carport		2ga2dw				2ga2dw				2ga2dw					
Porch/Patio/Deck		CvdPor/CvdPat				CvdPor/CvdPat				CvdPor/CvdPat					
Fireplace		ElecFP				ElecFP				ElecFP					
Other		SprkStm				SprkStm				SprkStm					
Other		None				None				None					
Net Adjustment (Total)						+ - \$ 0				+ - \$ -4,000					
Adjusted Sale Price						Net Adj. 0.0 %				Net Adj. 0.8 %					
of Comparables						Gross Adj. 0.0 % \$ 490,360				Gross Adj. 0.8 % \$ 488,819					

MAP OF COMPARABLE HOME SALES – INWOOD F - 50' LOT



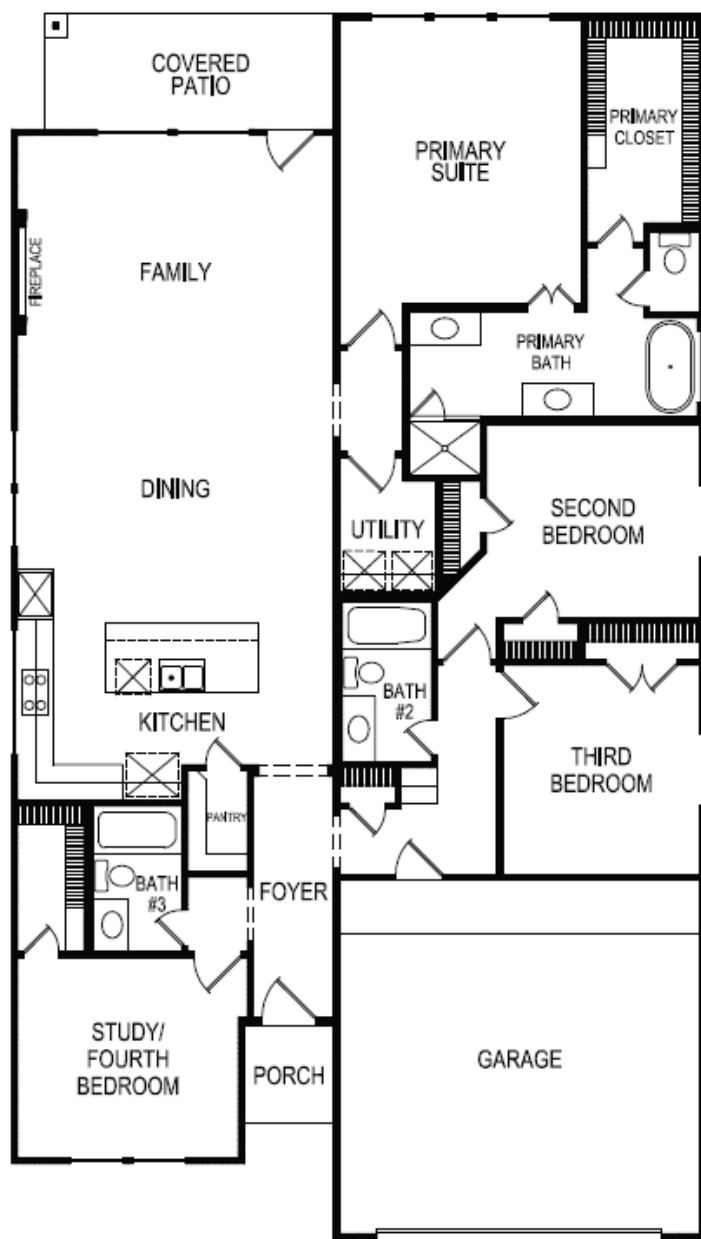
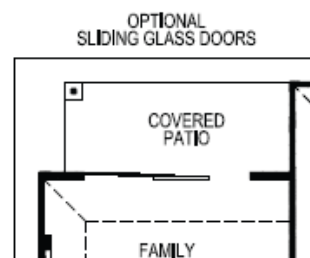
Subject: Inwood F Model – Edgewood Creek PID IA #2, Celina

We selected the best and most recent comparable home sales for our analysis of the Inwood F Floor Plan on a 50-FF lot. Our five comparable sales are shown below:

Edgewood Creek PID Improvement Area #2									
Sale	Subdivision	Lot Type	Lot/Block	Address	Bedroom	Bathroom	Stories	Living Area/SF	Sales Price
1	Edgewood Creek	50'	57/A	6305 White Creek Drive	4	3	1	2,122	\$470,000.00
2	Edgewood Creek	50'	10/F	6313 Muller Creek Drive	4	3	1	2,123	\$440,000.00
3	Edgewood Creek	50'	44/A	3109 Heather Lake Place	4	3	1	2,123	\$493,275.00
4	Edgewood Creek	50'	6/J	6305 Shasta Creek Road	4	3	1	2,119	\$490,360.00
5	Edgewood Creek	50'	11/A	3304 Heather Lake Court	3	3.1	1	2,170	\$492,819.00
Sub:	Edgewood Creek	50'	N/A	Inwood F Floor Plan	4	3	1	2122	N/A

FIRST TEXAS HOMES

INWOOD F | 4  | 3  | 2  | 2,122 SQFT



FIRST FLOOR PLAN

www.FirstTexasHomes.com

INWOOD F | 40-70-2122



ELEVATION A



ELEVATION B



PREMIUM ELEVATION C



PREMIUM ELEVATION D



PREMIUM ELEVATION E



PREMIUM ELEVATION H

FIRST TEXAS[®]
HOMES

First Texas Homes reserves the right to make additions or alterations to this plan. This may involve changes to the floor plan layout, elevations, and specifications regarding square footage, bed and bathroom count. For more information, please speak with a Sales Consultant.

www.FirstTexasHomes.com

INWOOD F | 40-70-2122

Valuation Methodology -Improved Comparables

Adjustments Property Rights Conveyed

Adjustments for property rights are only required when the ownership interest conveyed differs from a Fee Simple estate. An upward adjustment may be warranted when a comparable sale involved less than Fee Simple ownership, while a downward adjustment may be necessary when certain property rights were retained by the seller. The comparable properties utilized in this analysis are considered similar to the subject with respect to the property rights conveyed; therefore, no adjustment is deemed necessary

Financing Terms

The sale price of a property may vary from that of an otherwise comparable property due to differences in financing arrangements. For example, purchasers may be willing to pay a premium to secure below-market financing, while above-market interest rates can have the opposite effect, resulting in lower sale prices. Conditions of sale may also influence transaction prices, particularly when one party is under duress or otherwise motivated to complete the transaction under less-than-typical market circumstances. In some instances, financing concessions and conditions of sale are interrelated, such as when a seller's need for a prompt sale results in favorable financing terms being offered to a buyer. Most of the transactions analyzed involved cash or cash-equivalent terms, reflecting typical market financing and interest rates, with no significant sales concessions identified. The comparable sales utilized in this analysis were transacted on a cash or cash-equivalent basis to the seller and are considered similar to the subject in this regard.

Conditions of Sale

Conditions of sale adjustments are typically related to the motivations and circumstances of the parties involved in a transaction. If evidence of non-market influences is present, the transaction requires thorough investigation to assess the effect on the sale price, and these factors must be adequately documented. Such adjustments are uncommon in the market.

Market Conditions

Comparable sales that occurred under market conditions different from those prevailing on the effective date of the valuation may require adjustment to account for any resulting impact on value. Market conditions adjustments are applied when changes in economic factors, inflationary or deflationary trends, or shifts in investor and buyer perceptions have caused property values to appreciate or depreciate between the date of sale and the effective valuation date. The subject property is located in a high-growth area of Celina, Texas, where sales of properties with similar characteristics and amenities are relatively abundant. The comparable sales analyzed closed between October 2025 and April 2026. Based on observed market trends within the neighborhood and the relatively recent nature of these transactions, no market conditions adjustment was considered necessary.

Location, Lot Size, View

A primary driver of demand for residences within the subject's neighborhood is the combination of location, lot size, and view. As a result, a wide range of housing products and property characteristics exists within the market. Any location, site size, and view adjustments were developed through an analysis of area land sales, observed market behavior, and ongoing discussions with local market participants accumulated over several years of valuation experience in this market area. Lot size adjustments were not considered necessary given the similarity of the comparable properties selected for each floor plan.

Physical Characteristics

The physical characteristics of a comparable property may differ from those of the subject property in numerous respects, and each difference should be analyzed to determine whether an adjustment is warranted. Such characteristics may include building size, quality of construction, architectural style, building materials, age, condition, functional utility, overall appeal, and the presence of various amenities. Environmental influences affecting the site may also be considered where relevant. The contributory value of a particular feature or amenity is not necessarily equivalent to its cost of installation or removal. Market participants may be unwilling to pay an amount equal to the cost of adding an improvement, while in other cases an amenity may contribute more to market value than its actual cost. Accordingly, adjustments for physical differences are based on market evidence and buyer preferences rather than cost alone.

Age/Condition

The comparable sales selected are similar new-construction residences that exhibit age and condition characteristics consistent with the subject property. As a result, no age or condition adjustments were warranted.

Quality of Construction

All comparable sales exhibit a level of construction quality consistent with that of the subject property. As a result, no quality adjustments were warranted.

Additional Facets of Value

Adjustments were made, where applicable, for differences in gross living area, bedroom count, bathroom count, and various amenities, including features such as geothermal systems, solar panels, parking facilities, and balconies. Gross living area adjustments were derived from paired-sales analysis and generally reflected a rate of approximately \$85.00 per square foot, depending on the specific floor plan being valued. Bathroom adjustments were applied at \$8,000 per full bathroom and \$4,000 per half bathroom, based on paired-sales analysis and discussions with market participants. Adjustments for gross living area, bedroom count, bathroom count, and other amenities were developed through consideration of replacement cost data, paired-sales analysis, sensitivity analyses of market data, and observed market behavior. It should be noted that the gross living area adjustment is not intended to directly mirror replacement cost. Rather, individual property characteristics were analyzed separately, and market reactions to those characteristics were considered in developing the adjustments. As a result, the gross living area adjustment typically reflects a lower per-square-foot value contribution than the estimated cost of construction, consistent with market evidence and buyer behavior.

It should be noted that a separate, highly customized analysis for every individual amenity is not necessarily required in each appraisal assignment. Through several years of valuation experience within this market, we have observed that while adjustment indications may vary slightly among properties, market reactions tend to remain relatively consistent. This consistency is largely attributable to the efficiency of the marketplace and the widespread availability of information and technology to all market participants, including buyers, sellers, brokers, appraisers, and lenders. As a result, adjustments for common property differences, particularly amenity-related features, generally exhibit a high degree of consistency across similar properties and competing markets. The adjustments applied in this analysis are based on accumulated market evidence, professional experience, and ongoing observation of buyer and seller behavior. Accordingly, the adjustments are considered reasonable, well-supported, and consistent with those commonly recognized by appraisal professionals active within comparable market areas.

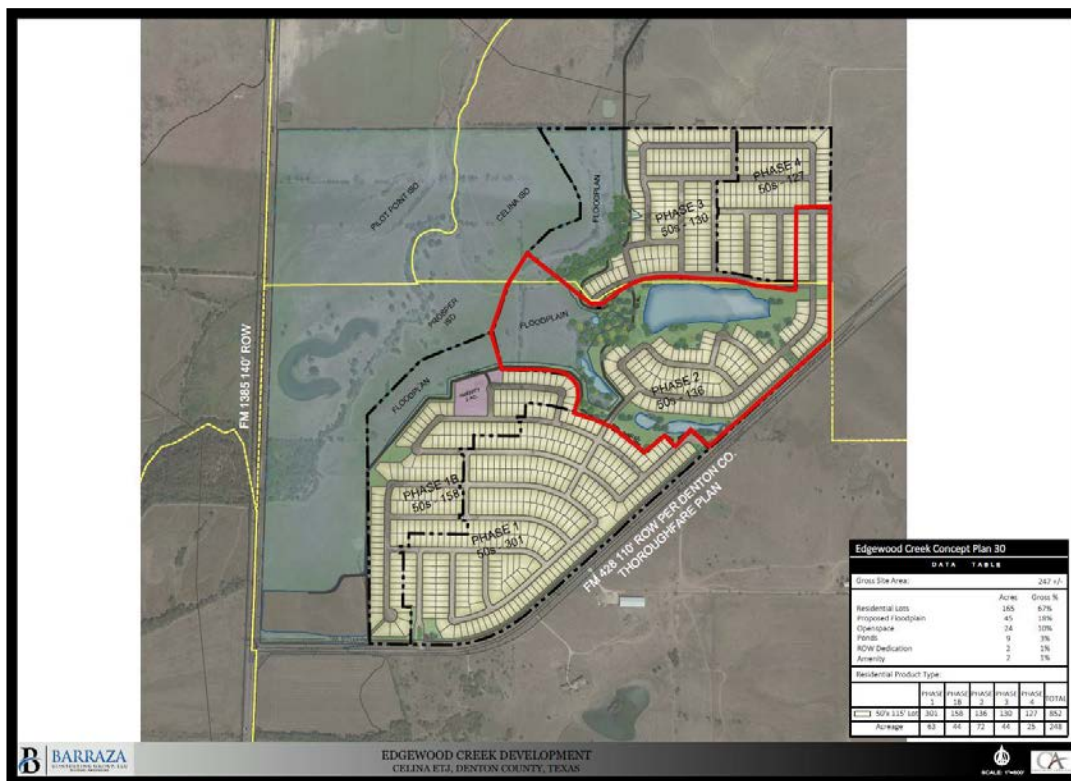
Summary of Sales Comparison Approach (Completed Single Family Homes)

As discussed, our analysis is based upon 19 completed single-family homes. Due to the large number of floor plans/builder qualities, square footage differentials, and premiums/upgrades, and the fact that we are unable to physically inspect the interior of a large majority of the homes, an individual valuation analyses of the individual homes is not feasible. Thus, at the request of the client, we have valued the homes based upon the smallest floor plan constructed, the Inwood F floor plan. Overall, the base floor plan value indicates a “not less than” adjusted price range between \$440,000 to \$493,275, a median price of \$484,819 and a mean price of \$475,691 for the completed homes on 50-FF lots within IA #2 of Edgewood Creek PID. Our final conclusion of value for the Inwood F floor plan is \$465,000.

Home Type	Total Homes	Projected Completion Date	Minimum Concluded Retail Value Per Home	Concluded Retail Value
Inwood F	19	July 1, 2026	\$465,000	\$8,835,000

Next, we will develop the Sales Comparison Approach for the improved residential lots in Edgewood Creek PID IA #3.

SALES COMPARISON APPROACH - IMPROVED RESIDENTIAL LOTS EDGEWOOD CREEK PID IA #3



In this approach to value, the value is predicated upon prices paid in actual market transactions. The methodology involved is a process of analyzing similar properties and comparing them to the subject. In some instances, a comparison analysis is utilized, with adjustments being applied for differences in financing, location, and physical characteristics. Based on research, investors in the area seeking to purchase improved residential lots typically rely heavily on the following methodology:

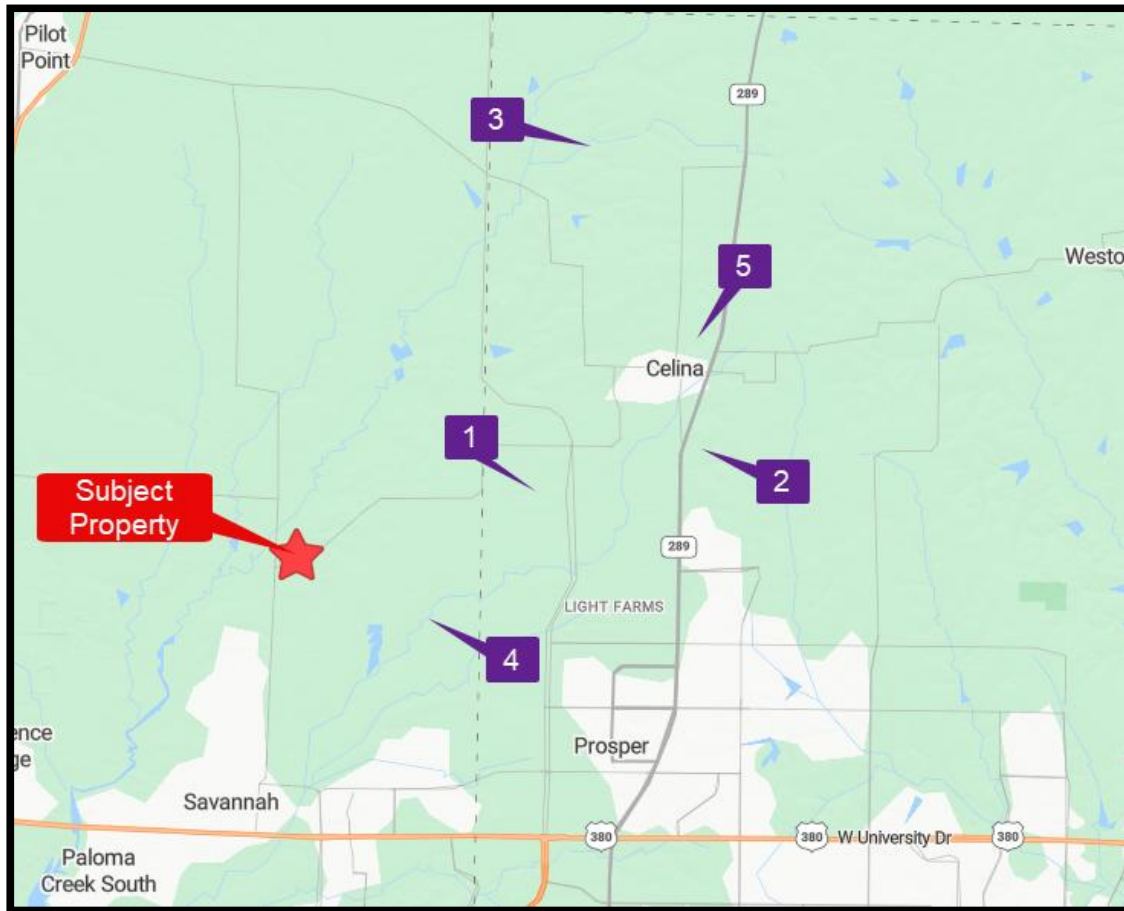
Sales Price Per Front Foot (FF) - This denominator is obtained by dividing the sale price by the FF.

County deed records were searched for recent sales of similarly improved residential lots. Owners, property managers and other professionals active in the area were consulted as to their knowledge of current trends and conditions that prevail within this market. The sales transactions considered most comparable to the subject are detailed on the following pages.

Following is our analysis of the 50-FF lots within Edgewood Creek PID IA #3.

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

MAP OF COMPARABLE LOT SALES –50’ LOTS

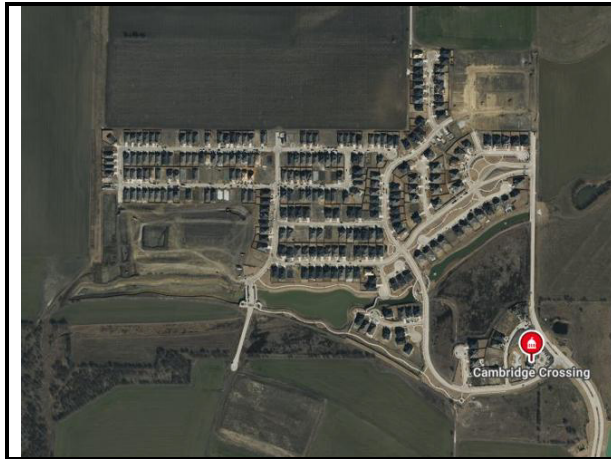


Subject: Edgewood Creek PID IA #3, Celina

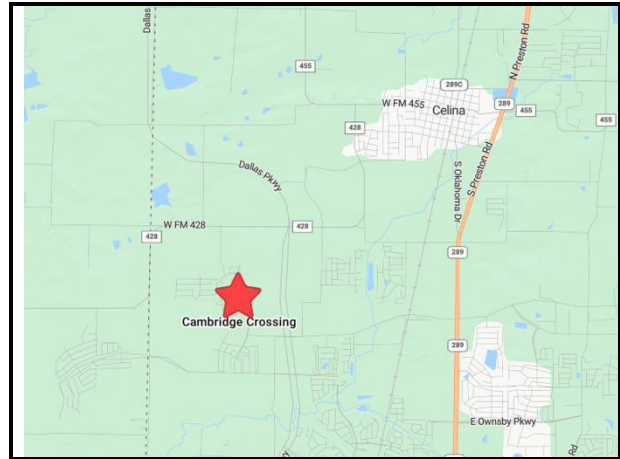
We selected the best and most recent comparable lot sales for our analysis of the 50-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 50' LOTS								
Sale	Subdivision/Address	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	\$/FF
1	Cambridge Crossing	Celina	Celina	Jan-2024	In-Contract	\$100,000	50	\$ 2,000
2	Hillside Village	Celina	Celina	May-2024	Closed	\$97,250	50	\$ 1,945
3	Legacy Celina	Celina	Celina	Aug-2024	In-Contract	\$125,000	50	\$ 2,500
4	Mosaic	Celina	Prosper	Sep-2023	Closed	\$115,000	50	\$ 2,300
5	The Heights at Uptown	Celina	Celina	Feb-2025	Closed	\$110,000	50	\$ 2,200
Subject	Edgewood Creek PID; IA #3	Celina	Prosper	-	-	-	50	-

SALE COMPARABLE 1 – 50' LOTS



Comparable 1 Aerial



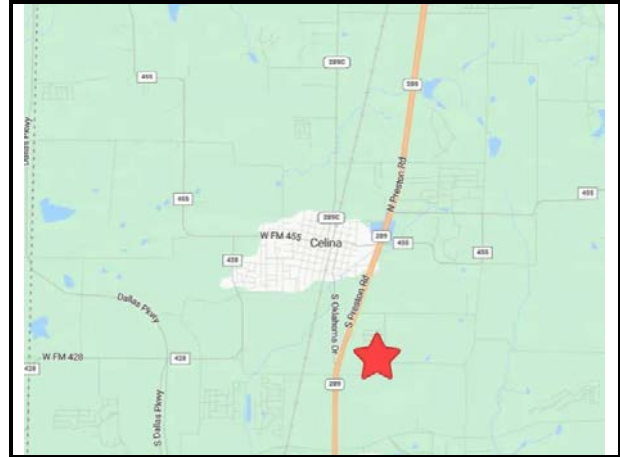
Comparable 1 Map

50-FF Sale Comparable 1				
Property Information				
Address	Cambridge Crossing			
Property Class	Residential Lot			
Address	North side of Punk Carter Parkway and West of Huddleston Drive, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
	50-FF			
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All Available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	January-2024			
Seller	Tollway/Outer Loop LP			
Buyer	Perry Homes			
Sale Price	\$100,000			
Price per SF Land	\$16.67			
Price per Front Foot	\$2,000			

SALE COMPARABLE 2 – 50' LOTS



Comparable 2 Aerial



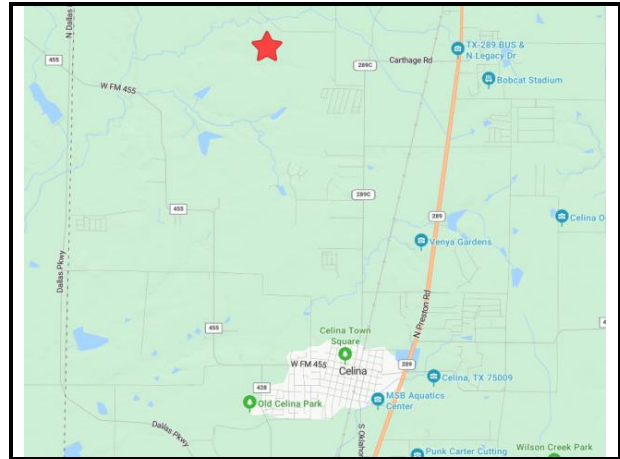
Comparable 2 Map

50-FF Sale Comparable 2				
Property Information				
Subdivision	Hillside Village			
Property Class	Residential Lot			
Address	Northwest quadrant of Glendenning Parkway and CR-89, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
	50-FF			
Zoning Code	Development Agreement			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All Available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	May - 2024			
Seller	WJ Hillside GP LLC Partner			
Buyer	Shaddock Homes, LTD			
Sale Price	\$97,250			
Price per SF Land	\$16.21			
Price per Front Foot	\$1,945			

SALE COMPARABLE 3 – 50' LOTS



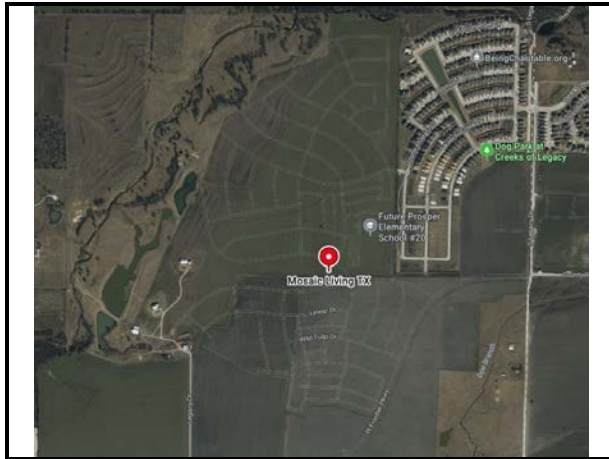
Comparable 3 Aerial



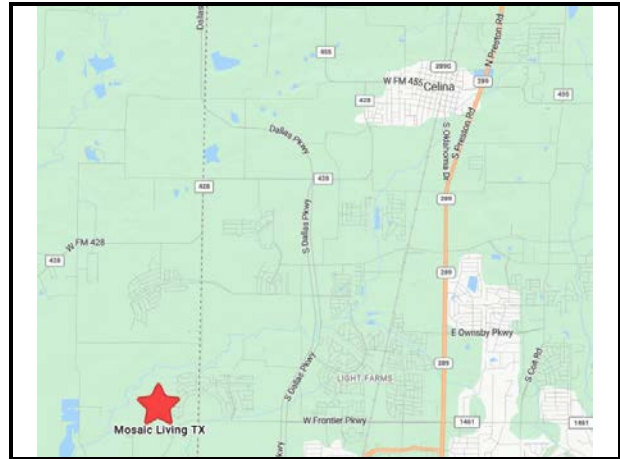
Comparable 3 Map

50-FF Sale Comparable 3				
Property Information				
Subdivision	Legacy Celina			
Property Class	Residential Lot			
Address	Northeast quadrant of Legacy Parkway and south of CR-58, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
	50-FF			
Zoning Code	Development Agreement			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All Available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	August - 2024			
Seller	MM Legacy Celina 75, LLC			
Buyer	William Ryan Homes Texas Inc.			
Sale Price	\$125,000			
Price per SF Land	\$20.83			
Price per Front Foot	\$2,500			

SALE COMPARABLE 4 – 50' LOTS



Comparable 4 Aerial



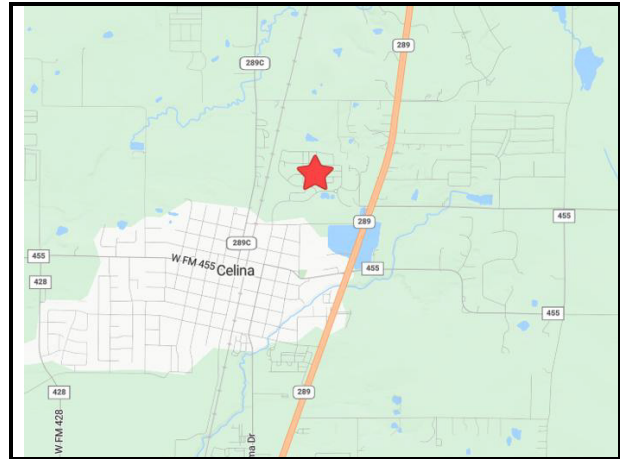
Comparable 4 Map

50-FF Sale Comparable 4				
Property Information				
Subdivision	Mosaic			
Property Class	Residential Lot			
Address	Southwest corner of Frontier Parkway and Legacy Drive, Celina			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
	50-FF			
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All Available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	September - 2023			
Seller	Tellus Texas I LLC			
Buyer	Highland Homes- Dallas LLC			
Sale Price	\$115,000			
Price per SF Land	\$19.17			
Price per Front Foot	\$2,300			

SALE COMPARABLE 5 – 50' LOTS



Comparable 5 Aerial



Comparable 5 Map

50-FF Sale Comparable 5				
Property Information				
Subdivision Name	The Heights at Uptown			
Property Class	Residential Lot			
Address	East side of Arden Lane, northwest of Duke Lane, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	5,750	SF	0.13	Acres
	50-FF			
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	Electric, Water, and Sewer; No Gas			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	February - 2025			
Seller	Horizon Rockhill Heights, LLC			
Buyer	Perry Homes, LLC			
Sale Price	\$110,000			
Price per SF Land	\$19.13			
Price per Front Foot	\$2,200			

SALES ADJUSTMENT COMPARISON GRID –50’ LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Edgewood Creek PID; IA #3	Cambridge Crossing	Hillside Village	Legacy Celina	Mosaic	The Heights at Uptown
	Celina	Celina	Celina	Celina	Celina	Celina
<i>Transactional Adjustments</i>						
Sales Price/FF		\$2,000	\$1,945	\$2,500	\$2,300	\$2,200
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$2,000	\$1,945	\$2,500	\$2,300	\$2,200
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$2,000	\$1,945	\$2,500	\$2,300	\$2,200
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$2,000	\$1,945	\$2,500	\$2,300	\$2,200
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$2,000	\$1,945	\$2,500	\$2,300	\$2,200
Time/Market Conditions		+6%	+5%	+4%	+6%	+3%
ADJUSTED Price/FF:		\$2,120	\$2,042	\$2,600	\$2,438	\$2,266
<i>Physical Adjustments</i>						
Location/Access	Northeast Corner of Farm to Market Road 428 W and Farm to Market Road 1385	+2%	+2%	+2%	0%	+2%
Amenities	Resort style pool, ponds, trails, greenspace, and a playground	-6%	0%	-4%	-6%	0%
Size	50-FF	0%	0%	0%	0%	0%
Topography/View	Gently Sloping; Zone X	0%	0%	0%	0%	0%
Zoning	Planned Development	0%	0%	0%	0%	0%
<i>Total Net Physical Adj. After Transactional Adj.</i>		-4%	+2%	-2%	-6%	+2%
ADJUSTED Price/FF:		\$2,035	\$2,083	\$2,548	\$2,292	\$2,311
SUMMARY OF COMPARABLE VALUES						
Value Range/FF		\$2,035	to	\$2,548		
Average Value/FF		\$2,254				
Median Value/FF		\$2,292				
Size		50-FF				
Unit Value Indication		\$2255/FF				
Overall Value Indication		\$112,750				
<i>Rounded</i>		\$112,750				

ANALYSIS OF ADJUSTMENTS –50' LOTS

Our research of comparable lot sales leads us to the determination that there have been ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$1,945 per front foot to \$2,500 per front foot (FF) with Sales 1-5 being 50-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale

Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase

Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions

The residential real estate market increased significantly in 2020-2025 and appears to be continuing with another interest rate decrease by the Federal Reserve that has lowered mortgage rates by 4 basis points to 6.67% as of August 2026. Prices increased from 2023-2026 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 50-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically within Denton County which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +2% year-over year (YoY) increase throughout 2023-2025, and into the third quarter of 2026 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +3% and +6% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in Celina. Development in the subject's area has been increasing and consistent throughout the decades. The subject is located along Farm-to-Market 428 W and Smiley Road. The surrounding area comprises a blend of single-family residential communities and agricultural land.

The subject property resides in the Prosper ISD which has an "A" rating from the Texas Education Agency (TEA). Many prospective residents seeking a quasi-rural residential neighborhood might prefer a smaller and more appealing school district compared to the larger districts found closer to DFW. The area's accessibility is considered average. We have made the following adjustments for Location/Access:

- Sale 1: Inferior; Located in Celina with similar access to commercial uses and feeds into the Celina ISD which has a "B" rating and is inferior to the subject ISD; Adjusted +2%
- Sale 2: Inferior; Located in Celina, with similar access to commercial uses and feeds into the Celina ISD which has a "B" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 3: Inferior; Located in Celina with similar access to commercial uses and feeds into the Celina ISD which has a "B" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 4: Similar; Located in Celina, with similar access to commercial uses and feeds into the Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted 0%
- Sale 5: Inferior; Located in Celina, with similar access to commercial uses and feeds into the Celina ISD which has a "B" rating and considered to be an inferior ISD; Adjusted +2%

Amenities

The subject property's amenities will consist of a resort style pool, ponds, trails, greenspace, and a playground. The subject's amenities are average for a master planned community the size of Edgewood Creek PID IA #3 with development being built-out with 136 homes in IA# 3. We have made the following adjustments for Amenities:

- Sale 1: Superior; Cambridge Crossing Subdivision, which has superior amenities such as an amenity center, lap/resort pool, cabanas, fitness center, sport courts, trails, stocked pond, and a playground. Though this comparable does have some similar quality amenities, the access to a fitness center and sport courts as well as a superior pool make it superior to the subject property; Adjusted -6%
- Sale 2: Similar; Hillside Village Subdivision which has similar amenities such as a resort style pool, cabanas, dog park, playground, and trails.; Adjusted 0%
- Sale 3: Superior; Legacy Celina Subdivision, which has superior amenities such as a commercial area, pickleball court, playground, shade structures, lawn play area, greenspace, and trails. Though this comparable does have some similar quality amenities, the access to a commercial area and pickleball court make it superior to the subject property; Adjusted -4%
- Sale 4: Superior; Mosaic Subdivision, which has superior amenities such as an amenity center, pool complex with a lazy river, stocked lake, playground, fitness center, treehouse, trails, and greenspace. Though this comparable does have some similar quality amenities, the access to an amenity center and fitness center as well as a superior pool make it superior to the subject property; Adjusted -6%
- Sale 5: Similar; The Heights at Uptown Subdivision, which has similar amenities such as an amenity center, pool, trails, ponds, and a playground; Adjusted 0%

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). The converse also tends to be true. Sales 1-5 are also 50' lots that can accommodate the same building pad, so no adjustment is made for Size to those comparable sales.

Topography/View

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that lacks remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

Zoning

According to our due diligence, the subject property is zoned Planned Development (PD) by the City of Celina. This classification permits the creation of single-family residential lots. At this stage, the land will possess entitlement rights for development, increasing its value compared to vacant agricultural land not within the city with no zoning. The entitlements provided by the Planned Development classification elevate the property's value beyond that of raw land with no zoning. Sales 1-5 are also zoned PD for residential development, single family residential, or have a residential development agreement; thus, no adjustment is made for Zoning.

Conclusion for 50' Lots – The 50' Lot Sales have an adjusted range of \$2,035/FF to \$2,548/FF with an average of \$2,254/FF and a median of \$2,292/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 50' lots is \$2,255, or \$112,750/Edgewood Creek PID IA #3.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
50' Detached Lots	136	October 1, 2026	\$112,750

Edgewood Creek Public Improvement District; Improvement Area #2 & #3

Cumulative Retail Lot Value – Edgewood Creek PID IA #3

We believe a current lot market value of \$2,255 for 50' improved Lots with a Prospective Effective Date of October 1, 2026 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate this price, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded value per front foot is supported by the current retail price for 50-FF lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and into 2026 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

Additionally, per the purchase and sale contracts, there will also be a \$1,500 per lot Amenity Fee and a \$500 per lot marketing fee, and a \$3,000 per lot MUD Fee which the builder is required to pay the developer at the time of lot closing.

As of the Prospective Effective Date of October 1, 2026, the retail market value of the 50-FF lot prices for Edgewood Creek PID IA #3 are shown below:

EDGEWOOD CREEK PID IA# 3, CELINA, DENTON COUNTY					
Total Lots	Feet Frontage (FF)	Retail Price/Lot	Prospective Effective Date	Price/FF (\$/FF)	Total Retail Value (\$)
136	50 FF	\$112,750	October 1, 2026	\$2255/FF	\$15,334,000
136					\$15,334,000
Amenity Fee Reimbursement				\$1,500/per lot	\$204,000
Marketing Fee Reimbursement				\$500/per lot	\$68,000
MUD Fee Reimbursement				\$3,000/per lot	\$408,000
Total Retail Lot Value					\$16,014,000

RECONCILIATION AND FINAL VALUE CONCLUSION

The Appraisal of Real Estate, Fourteenth Edition, copyright 2013, pages 641-642, published by the Appraisal Institute states,

“Resolving the differences among various value indications is called reconciliation.... The final value opinion is not the average of the different value indications derived. No mechanical formula is used to select one indication over the others...Final reconciliation relies on proper application of appraisal techniques and the appraiser’s judgment.”

Three approaches to value are recognized in the appraisal profession (Sales Comparison Approach, Cost Approach, and Income Approach). All three approaches were analyzed as part of the scope of work of this assignment. A summary of each approach follows:

Cost Approach

The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Cost figures are obtained from the developer and engineer then compared to cost figures on competing developments. A developer’s profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project. The subject property is being developed in two phases, however, the totality of Creekview Meadows PID will be spread across multiple phases, therefore, *the Cost Approach is not appropriate for the vacant developed lots and thus was not utilized* for the 139 improved residential lots in IA# 2 and 136 improved residential lots in IA# 3.

The Cost Approach was developed for the 19 residential single-family homes using the Inwood F Floor Plan provided by First Texas Homes Inc. and is presented as supportive evidence of value. However, given the availability of relevant market data and the actions of typical buyers and sellers in this market, primary reliance was placed on the Sales Comparison Approach. Accordingly, the Sales Comparison Approach was given the greatest weight in the final reconciliation of value, while the Cost Approach was afforded secondary consideration. The Cost Approach for the Inwood F Floor Plan can be found in the addenda of this report.

Income (Subdivision Development) Approach

For the improved residential lots, the Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases the bulk of the lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. *Per conversations with the client, the Income Approach is not considered necessary, therefore is outside the scope of work for this report and not developed.*

The subject property’s Residential Single-Family Homes are primarily owner occupied and are not income producing. Therefore, the Income Approach was not considered applicable for the single-family homes.

Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, the sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed for the vacant developed lots by the appraisers.*

The Sales Comparison Approach was utilized and is given most weight in estimating the minimum value for the 19 residential single-family homes using the smallest floor plan, the Inwood F Floor Plan provided by First Texas Homes Inc. The Sales Comparison Approach was considered the most reliable indicator of value as it reflects the actions of typical buyers and sellers in the marketplace. By analyzing recent sales of comparable properties and making appropriate adjustments for differences, this approach provides a direct measure of market value based on actual market behavior. Given the availability of sufficient comparable sales data and the market-oriented nature of the subject property, the Sales Comparison Approach was given the greatest weight in the “not less than” final value conclusion for the subject property’s 19 residential single-family homes.

Final Value Conclusion Summary

As a result of our investigations, studies and analysis of the sale, cost, income, and expense data, interpreted within the context of all the factors in the marketplace which effect value, our reconciliation of the indicated values between the utilized approaches to value are listed in the table below. We utilized the Sales Comparison Approach to value the 275 improved lots and the 19 single-family homes. Our final value conclusion for the retail lot value and the cumulative value of the lots and the “not less than” value for the single-family homes is shown below:

EDGEWOOD CREEK PID IA #2, CELINA, DENTON COUNTY					
Total Lots	Feet Frontage (FF)	Retail Price/Lot	Retrospective Effective Date	Price/FF (\$/FF)	Total Retail Value (\$)
139	50 FF	\$112,250	July 1, 2026	\$2245/FF	\$15,602,750
139					\$15,603,000

EDGEWOOD CREEK PID IA #2 CELINA, DENTON COUNTY				
Home Type	Total Homes	Retrospective Effective Date	Minimum Concluded Retail Value Per Home	Concluded Retail Value
Inwood F	19	July 1, 2026	\$465,000	\$8,835,000
Minimum Concluded Retail Value				\$8,835,000

EDGEWOOD CREEK PID IA# 3, CELINA, DENTON COUNTY					
Total Lots	Feet Frontage (FF)	Retail Price/Lot	Prospective Effective Date	Price/FF (\$/FF)	Total Retail Value (\$)
136	50 FF	\$112,750	October 1, 2026	\$2255/FF	\$15,334,000
136					\$15,334,000
Amenity Fee Reimbursement				\$1,500/per lot	\$204,000
Marketing Fee Reimbursement				\$500/per lot	\$68,000
MUD Fee Reimbursement				\$3,000/per lot	\$408,000
Total Retail Lot Value					\$16,014,000

The sum of the individual lot values presented herein should not be interpreted as the market discounted bulk value of the lots under a single bulk sale scenario.

The value opinions developed for the 19 single-family homes are reported as "Not Less Than Values," representing the minimum value conclusions supported by the analyses contained herein.

Exposure Time

Assuming adequate exposure and normal marketing efforts, the estimated exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded to in this analysis as of the date of this valuation) would have been at least 6-12 months; the estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be between 6-12 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the Effective Date of value. Market conditions are presently strong, and we expect no significant changes in the near term. It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6-12 months.

ADDENDA

ENGAGEMENT LETTER



Real Estate Brokerage * Development * Appraisals * Property Tax Consulting
1703 N. Peyco Dr. Arlington, Texas 76001
Metro 817-467-6803 * Fax 817-465-7464 * www.peycosouthwest.com

July 13, 2026

Mr. R.R. "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Ste. 300-25
Frisco, Texas 75034
tdavenport@fmsbonds.com

SUBJECT: Proposal/Authorization for Valuation and Consulting Services of a residential master planned development known as the "Edgewood Creek Public Improvement District" located in the City of Celina, Denton County, Texas

Dear Mr. Davenport:

Upon your acceptance of this contract engagement, Peyco Southwest Realty, Inc. ("Peyco"), will prepare an appraisal of the Subject Property:

Purpose of the Assignment The purpose of the appraisal is to provide an opinion of the "As-Complete" and "As-If Improved" market value of the Fee Simple interest in the Subject Property outlined herein. We will assume that the City of Celina will approve or has approved the proposed development and that all development entitlements are in place for the "Project" to proceed. Further, our valuation will also be based upon, and assume that:

- a) Only limited specific offsite general infrastructure indicated is fully funded with cash or cash-equivalent (lines of credit, completion agreements, etc.) with special assessments levied on property within the Edgewood Creek Public Improvement District ("PID"), and
- b) Improvement relating to the "Project" will be completed based on engineering plans provided to the appraisers

It is our understanding that the Appraisal Report will be included in the Preliminary and Final Official Statements for the sale of one or more series of Public Improvement District (PID) bonds for the Project, and we will provide our written consent to the inclusion of the Appraisal Report in the Preliminary and Final Official Statements. The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule.

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In accordance with our correspondence, the scope of this assignment will require Peyco to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis, and preparation of the report. The report will include an opinion of the Fee Simple market value of the following:

- Improvement Area #2 with approximately 139 improved residential lots to be sold in bulk in the Edgewood Creek PID. We will report the estimated retail value of the lots during the sellout period consisting of:
 - 139 lots of 50-FF sizes
- Improvement Area #2 with approximately 19 completed homes within Edgewood Creek PID. We will report the estimated retail value of the homes consisting of:
 - 19 completed homes
- Improvement Area #3 with approximately 136 improved residential lots to be sold in bulk in the Edgewood Creek PID. We will report the estimated retail value of the lots during the sellout period consisting of:
 - 136 lots of 50-FF sizes

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a federally regulated financial institution.

The appraisal will be communicated in an Appraisal Report-Standard Format Report. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions, a copy of which is attached as Attachment 1.

The total fee for this assignment will be \$15,000 which will be paid for by the Developer, but payment may be reimbursed to the developer as a qualified creation and issuance cost of the "Public Improvement District". Please note that the full fee must be received in our office before the commencement of this appraisal. The delivery date will be within 30 days from your signed acceptance of this letter agreement, receipt of the fee and receipt of requested documents from the developer, but subject to extension based upon late delivery of the requested data and scheduled access for inspection. We will require the full fee of \$15,000 prior to the commencement of this appraisal assignment. If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed.

Two hard copies of the appraisal report will be provided upon request. Digital copies, in PDF format, will be delivered upon completion via email or other file transfer as client requests. Additionally, we confirm our permission to use the final appraisal report in the offer and sale of public securities secured by the special assessments levied on property within the PID for the "Project"; and we confirm that we will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose. The 30-day delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment. Should, upon review of the draft Appraisal Report, the client requests material changes, or additions beyond the agreed to Scope of Work that materially affect the appraisal report and/or resulting values; the Client agrees to additional scope of work changes at our current hourly rates (\$300/hour).

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance, or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance

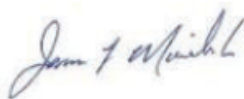
Page 2 of 7

problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment, and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our current hourly rates (\$300/hour) for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Peyco and its partner companies may utilize, sell, and include such data (either in the aggregate or individually), in the Peyco database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available, as well as proprietary software programs, to perform your assignment (web based and others).

If you are in agreement with the terms set forth in this letter and wish us to proceed with the contract engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,



James L. Maibach, C.P.M.
TX-1323658-CG
State Certified General Real Estate Appraiser

AGREED TO AND ACCEPTED THIS ____ DAY OF _____, 2026.

BY:

FMS Bonds, Inc.



Authorized Signature

Name (printed)

ATTACHMENT 1: STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and restrictions. The Subject Property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the Subject Property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the Subject Property more or less valuable. Furthermore, there is no asbestos or environmental contamination at the Subject Property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The Subject Property is in compliance with all applicable building, environmental, zoning, and other federal, state, and local laws, regulations, and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

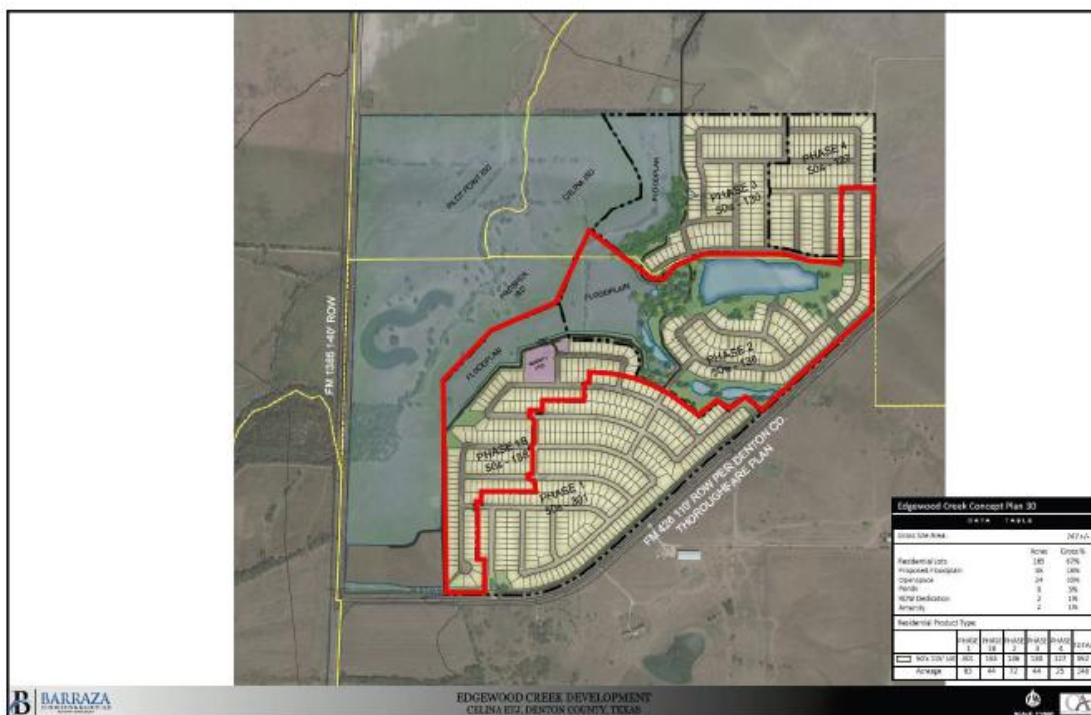
1. An appraisal is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena, or attend any court, governmental or other hearing with reference to the Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in the appraisal report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the Subject Property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed that the Subject Property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the Subject Property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates, and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding compliance of the Subject Property with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environmental hazards including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the Subject Property. Peyco and/or any of its officers, owners, managers, directors, agents, subcontractors, or employees (the "Peyco Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are nonexistent or minimal.
22. We are not a building or environmental inspector. Peyco does not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
24. Peyco is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Peyco is not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we

assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.

26. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.
27. As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

Concept Plan Exhibit



ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

- 1) The value assumes of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise described herein. No responsibility is assumed by the appraiser for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- 2) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser assumes no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches, and other exhibits that have been furnished and have been used in this report are not guaranteed.
- 3) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.
- 4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- 5) Appraisers assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- 6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser, and in any event, only in its entirety.
- 7) The appraiser, by reason of this report, is not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made, therefore.
- 8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.
- 9) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.
- 10) Any construction and physical condition of the improvements described herein are based on the building construction plans and specifications and construction budgets if provided. No liability is assumed by the appraiser for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field as this is any considered "to-be-built" improvements.

- 11) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser site visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- 12) We have made no survey of the property and assume no responsibility in connected with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
- 13) We accept no responsibility for issues requiring expertise in other fields. Such factors include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic items such as soils and seismic stability; civil, mechanical, electrical, structural, and other engineering and environmental matters. Such issues may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
- 14) The projections of income, expenses, terminal values, or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.
- 15) The client or user of this report agrees to notify the appraiser of any error, omission or inaccurate data contained in the report within 15 days of receipt and return the report and all copies thereof to the appraiser for correction prior to any use.
- 16) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.
- 17) We have assumed no extreme fluctuations in the economic cycles will occur over the dates analyzed herein.
- 18) The appraisal report and value conclusions assume the satisfactory development proceeds in a workmanlike manner.

- 19) The conclusions in this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, existing trends, interviews with parties knowledgeable and experienced in the market, data obtained from public records, and research conducted by third parties. Such data is not always completely reliable. The appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the Effective Date of this assignment. In addition, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we hold the opinion that our finding is reasonable based on current market conditions, we do not represent that these estimates will be achieved, as they are forecasts and subject to risk and uncertainty. Additionally, we assume competent and effective management and market for the duration of the projected holding period of this property.
- 20) Prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to risk and uncertainty. Many events could occur that may substantially alter the outcome of our estimates such as changes in the economy, interest rates, capitalization rates, the behavior of consumers, investors, and lenders, and changes in title or conveyances of easements and deed restrictions. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.
- 21) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan. However, it is based on a hypothetical assumption that access to the south tract is achievable in accordance with all applicable regulations, and any building is to be constructed according to the approved plans and specifications provided by a licensed general contractor.
- 22) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.
- 23) In addition to the preceding assumptions and limiting conditions, this appraisal is subject to the following extraordinary assumptions and/or hypothetical conditions:

COST APPROACH – INWOOD F FLOOR PLAN

Standard Report

Estimate ID: Inwood F
 Property Owner:
 Address:
 City: Celina
 State/Province: Texas
 ZIP/Postal Code: 75009
 Surveyed By:
 Survey Date:

Single-family Residence
 Effective Age: 0
 Cost as of: June, 2026
 Style: One Story
 Exterior Wall: Veneer, Brick 100%
 Plumbing Fixtures: 12

Floor Area: 2,122 Square Feet
 Quality: 3.5 Average/Good
 Condition: 3.5 Average/Good

	Units	Cost	Total
Base Cost	2,122	102.43	217,356
Plumbing Fixtures	12	2,513.33	30,160
Composition Shingle	2,122	4.29	9,103
Slab on Grade	2,122	9.54	20,244
Floor Cover Allowance	2,122	7.99	16,955
Heat Pump	2,122	9.87	20,944
Plumbing Rough-ins	1	890.48	890
Direct-Vented, Gas	1	3,836.25	3,836
Appliance Allowance	1	5,533.50	5,534
Basic Structure Total Cost	2,122	153.17	325,022
Attached Garage	447	44.57	19,923
Subtotal Garage			19,923
Slab Porch with Roof	140	32.18	4,505
Slab Porch with Roof	117	32.66	3,821
Subtotal Extras			8,326
Replacement Cost New	2,122	166.48	353,271
Total Depreciated Cost			353,271
Land			110,000
Non Building			110,000
Total			\$463,271

Cost data by CoreLogic®, Inc. and its licensors, all rights reserved.

Remarks

CoreLogic®, Inc. and its licensors, all rights reserved. Residential Estimator 7 - Standard
 Estimate: 0
 Date Printed: 7/28/2026
 Page 1 of 1

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **Extraordinary Assumptions** that may affect the assignment results. An Extraordinary Assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Dates of the appraisal, we reserve the right to modify our value conclusions. Extraordinary Assumptions are used in this assignment because the improved residential lots to be delivered by the dates utilized in this report are currently incomplete as of the report date.

- Our opinions of retrospective and prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications by Barraza Consulting Group, LLC, the Professional Engineers, for 275 improved residential lots in Edgewood Creek PID IA #2 and #3.
- All information relative to the property located within Edgewood Creek PID IA #2 and #3 including land areas, lot totals, lot sizes, and other pertinent data that was provided by MM Edgewood Creek, LLC, Lennar Homes of Texas Land and Construction LTD, and TCL Land Bank (2023), LP (Owners/Developers), Barraza Consulting Group, LLC (Professional Engineers/Surveyors), and the Denton Central Appraisal District is assumed to be correct.
- The subject is residential lots construction with a retrospective completion date of July 1, 2026 and a prospective completion date of October 1, 2026; therefore, this report contains retrospective and prospective opinions of value. Considering this, we have assumed that the market conditions discussed and considered within this report will be similar on the retrospective and prospective valuation dates.

The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

No Hypothetical Conditions are used in this report.

ENVIRONMENTAL ASSUMPTIONS

This report is subject to the following environmental assumptions:

- 1) There is a safe, lead-free, adequate supply of drinking water.
- 2) The subject property is free of soil contamination.
- 3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.
- 4) There are no uncontained PCB's on or near the property.
- 5) The radon level is at or below EPA recommended levels.
- 6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled, and sealed.
- 7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.
- 8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.
- 9) There is no flaking or peeling of lead-based paint on the property.
- 10) The property is free of air pollution.
- 11) There are no wetlands/flood plains on the subject property (unless otherwise stated in the report).
- 12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

DEFINITIONS

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Leased Fee Interest

The ownership interest held by the lessor includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The value conclusions expressed within this report are in terms of cash (\$US).

Extraordinary assumptions are assignment-specific assumptions as of the Effective Date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Hypothetical condition a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the Effective Date of the assignment results but is used for the purpose of analysis.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a valued opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Market Value “As Completed” and “As Stabilized”

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an Effective Date that is subsequent to the date of the Appraisal Report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed - reflects the property’s market value as of the time that development is expected to be completed. The prospective market value - as stabilized - reflects the property’s market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Statement 4* and Advisory Opinion 17.) (Interagency Appraisal and Evaluation Guidelines)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a valuable opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

Neighborhood

- (1) A group of complementary land users; a congruous grouping of inhabitants, buildings, or business enterprises.
- (2) A developed residential super pad within a master-planned community usually has a distinguishing name and entrance.

Depreciation

1. In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the Effective Date of the appraisal and the market value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset’s life; calculated using a variety of standard techniques.

The three major types of accrued depreciation are:

Physical Deterioration

Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

Functional Obsolescence

Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

External Obsolescence

According to the Dictionary of Real Estate Appraisal, Sixth Edition, external obsolescence is “*A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent.*”

Paper Lot

Consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.

Definition Sources:

- Office of the Comptroller of the Currency (12 CFR Part 34)
- Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.
- The Appraisal Foundation: USPAP (Uniform Standards of Professional Appraisal Practice) 2018-2019 edition

JAMES L. MAIBACH, CPM - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

EDUCATION:

Graduate North Quincy High School, Quincy, Massachusetts, 1976
Bachelor of Science in Business Administration (with Honors)
Northeastern University, Boston Massachusetts, 1981
Major: Accounting Minor: Marketing

TECHNICAL TRAINING:

Institute of Real Estate Management Courses:
#303 - Leasing and Management of Shopping Center and Retail Space
#400 - Managing Real Estate as an Investment
#500 - Problem-Solving & Decision-Making for the Property Manager
#800 - Ethics in Real Estate Management
University of Texas at Arlington: Real Estate Courses:
RE 001 Real Estate Finance; RE 004 Real Estate Mathematics;
RE 101 Principles of Real Estate; RE 301 Texas Real Estate Law: Contracts;
RE 501 Texas Real Estate Law; RE 701 Property Management
East Texas Baptist University:
Uniform Standards of Professional Appraisers and Code of Ethics. The Appraisal Foundation:
USPAP Update
Texas Association of Property Tax Professionals, Inc.:
Principles of Property Tax Consulting; A Survey of Texas Property Tax Law
Other: USPAP-97 Instructor's Workshop, USPAP Instructor 1997
TREC Licensed Instructor – Commercial Investment Course, CEI 1998
Continuing Education Institute:
Deceptive Trade Practices Act; Let's Talk-Not Fight; Property Taxes: Rights, Remedies and Responsibilities; USPAP Update
Institute for Real Estate Professionals, Inc.
Preparing & Presenting an Ethical Ad Valorem Property Tax Valuation; Texas Property Tax Law 2007
Texas Association of Realtors:
Tarrant County Appraisal Review Board Member (1991-1992)

PROFESSIONAL AFFILIATIONS:

Texas Appraiser Licensing and Certification Board - State Certified General Real Estate Appraiser No. TX-1323658-CG since 1992
Institute of Real Estate Management (IREM)- Certified Property Manager, CPM Designation No. 14942 since 1993
Texas Real Estate Broker's License, No. 375882-B since 1989
Texas Dept. of Licensing & Regulations - Licensed Property Tax Consultant, License #1360 since inception
Texas Property Tax Arbitrator #32020394139 since 2006
Tarrant Appraisal Review Board Member 1991-1992 Appointment
City of Arlington - Planning and Zoning – Commissioner 1997-2003 (Appointed by Mayor and City Council)
American Planning Association – Member 1997 to 2003
Greater Arlington Chamber of Commerce - Board of Directors 1995 to 2001 – Reappointed 2003 to 2006 – Reappointed 2008 to 2014
– Chairman of the Board 2022, now servicing as Chairman of the Chamber Foundation Board
City of Arlington Parks & Recreation – Board of Directors, Appointed 2003 to 2007
Levitt Pavilion – Board of Directors since 2014

EXPERIENCE:

Active field appraiser, property manager, developer, broker, and tax consultant of all types of real property since June, 1986. Appeared in Texas State Court as an expert witness on real estate values on numerous occasions (1990s, 2000s, 2020s). A property manager and developer for nineteen years at Peyco Properties, Inc. and twenty-one years through Peyco Southwest Realty, Inc. (formerly Southwest Real Estate Services, Inc.), involved in real estate development, leasing, management, rent analysis and consulting services through the DFW metroplex and Colorado. President and founder of Peyco Southwest Realty, Inc. (Southwest Real Estate Services, Inc.), a full-service brokerage company, real estate appraisal, and ad valorem property tax representation firm.



Certified General Real Estate Appraiser

Appraiser: JAMES LAWRENCE MAIBACH

License #: 1323658-CG

License Expires: 09/30/2028

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:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

A handwritten signature in blue ink, appearing to read 'Chelsea B.', is located to the right of the authorization text.

**Chelsea Buchholtz
Executive Director**

LESLIE TOLLIVER - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

EDUCATION:

MBA – Masters in Business Administration – *University of Phoenix* (3.95 GPA)

Bachelor of Science in Business Administration - *University of Phoenix*

Graduate *Owings Mills High School*, Owings Mills, Maryland, 1988

TECHNICAL TRAINING:

Appraisal Institute, Associate Member – 300+ hours of qualifying and continuing education

University of Texas in Arlington – 180 hours of qualifying education for the Texas Real Estate License

Southern Methodist University – qualifying education for the Texas Comptroller Arbitrator registry

PROFESSIONAL AFFILIATIONS:

Texas Appraiser Licensing and Certification Board – State Certified General Appraiser No. TX-1381494-CG

Texas Real Estate Commission – Real Estate Broker License, No. 0468343-B

EXPERIENCE:

- 11 Years' experience as a fee appraiser for residential and commercial properties for *Peyco Southwest Realty, Aloft Appraisals*, and *G.S. Zachary Company*
 - Residential appraisals – area of expertise is in north Texas region; FHA certified
 - Commercial appraisals - throughout the states of Texas and Oklahoma
- 27 Years' experience as a residential and commercial real estate broker for multiple firms
 - *Savage Realty Investments* – Founding President
 - Negotiated contracts for clients in over \$50 million dollars of real estate transactions
 - Managed and trained over 25 Real Estate Agents
 - *Fathom Realty* – Broker Team Leader
 - Trained and mentored Real Estate Agents and assisted them with contracts and client transactions
- 27 Years' experience as a Property Tax Consultant
 - Valued properties, prepared cases, and appeared before Appraisal Review Boards to dispute the tax valuations of residential, commercial, and business personal property throughout the nation. Major clientele base included national accounts such as: Sonic restaurants, Church's Chicken restaurants, and Chuck-E-Cheese restaurants
- 10 Years' experience as a Real Estate Arbitrator on the *Texas Comptroller* registry
 - Act as an Arbitrator for real estate cases involving property tax disputes on residential, commercial, and business personal property taxes throughout Texas
 - Made binding valuation determinations for the disputed properties
- 16 Years' experience as a Real Estate Instructor at the *University of Texas in Arlington*
 - Adjunct instructor, teaching real estate classes to students pursuing a Real Estate Agent license in Texas
- 6 Years' experience as a Real Estate Arbitrator Instructor at the *University of Texas in Arlington*
 - Adjunct instructor, teaching continuing education classes to existing Arbitrators on the Texas Comptroller's registry
 - Trained and mentored many Arbitrators
- 3 Year's expectancy as a Real Estate Acquisition and Valuation Analyst for multiple firms
 - *KeyGlee* – Provided valuation of residential real estate for wholesaling to real estate investors
 - *Hyperion Homes* – Provided valuation of residential real estate for rent-to-own clients



Certified General Real Estate Appraiser

Appraiser: LESLIE ELIZABETH TOLLIVER

License #: 1381494-CG

License Expires: 09/30/2028

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:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

A handwritten signature in blue ink, appearing to read 'Chelsea B.', is located to the right of the authorization text.

**Chelsea Buchholtz
Executive Director**

JORDAN C. TYLER – STATE LICENSED RESIDENTIAL REAL ESTATE APPRAISER

Education:

Bachelor of Arts – General Studies - Texas Tech University
Graduate *Hobbs High School*, Hobbs, New Mexico, 2012

Technical Training:

- Basic Appraisal Principles (QE) – 30 hours
- Basic Appraisal Procedures (QE) – 30 hours
- 15 Hour National USPAP Course (QE) – 15 hours
- Appraising for the Supervisor and Trainee – 4 hours
- Market Analysis and Highest and Best Use (QE) – 15 hours
- Site Valuation and Cost Approach (QE) – 15 hours
- Sales Comparison and Income Approach (QE) – 30 hours
- Residential Report Writing and Case Studies (QE) – 15 hours
- 7 Hour National USPAP Course (QE) 7 hours

Professional Affiliations:

Texas Appraiser Licensing and Certification Board – State Licensed Residential Appraiser No. TX-1350907-L

Appraiser Experience:

July 2023-Present

- Appraiser Trainee – *First National Bank of Granbury* (2023-2025)
- Licensed Residential Real Estate Appraiser – *Peyco Southwest Realty, Inc.*
(March 2026 – Present)



BRANDON LAWSON – APPRAISER TRAINEE

EDUCATION:

Bachelor of Arts - Communication, 2021 - University of Arkansas (3.97 GPA)

Master of Arts - Communication, 2023 - University of Arkansas (4.0 GPA)

Graduate *Arlington Martin High School*, Arlington, Texas, 2017

TECHNICAL TRAINING:

- *McKissock* – 79 hours of qualifying education for the Appraiser Trainee license
- 2024-2025 15 Hour National USPAP Course (QE) – 15 hours
- General Appraiser Sales Comparison Approach – 30 hours
- Business Practices and Ethics – 6 hours
- The Discounted Cash Flow Model: Concepts, Issues, and Apps. – 5 hours
- Artificial Intelligence, Blockchain, and the Metaverse: Implications for Valuation – 7 hours
- Subdivision Valuation – 7 hours
- *Champions School of Real Estate* - 180 hours of qualifying education for the Texas Real Estate License
- Real Estate Brokerage – 30 hours

PROFESIONAL AFFILIATIONS:

Texas Appraiser Licensing and Certification Board – Appraisal Trainee No. TX-1343865-T

Texas Real Estate Commission – Real Estate Sales Agent License, No. 818543-SA

Associate Member, Appraisal Institute – since 2023

APPRAISER EXPERIENCE

July 2023-Present

Appraiser Trainee with *Peyco Southwest Realty*, Arlington TX

- Commercial Appraisals – throughout that state of Texas



Appraiser Trainee

Trainee: BRANDON L LAWSON

Authorization #: 1343865-T Authorization Expires: 11/30/2027

Review the list of the above Trainee's Supervisors on the License Holder Search at www.talcb.texas.gov.

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Appraiser Trainee

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

A handwritten signature in blue ink, appearing to read 'Chelsea B.', is located to the right of the main text block.

**Chelsea Buchholtz
Executive Director**

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APPENDIX F

FORM OF CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

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**EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREAS
#2-3 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT**

THIS EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREAS #2-3 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this “Agreement”), dated as of November 10, 2026, is by and between the **CITY OF CELINA, TEXAS**, a home rule municipality (the “City”), and **FIRST TEXAS HOMES, INC.**, a Texas corporation (the “Developer”).

**ARTICLE I
DEFINITIONS**

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

“**Act**” means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

“**Actual Costs**” means the costs of the Improvement Areas #2-3 Improvements actually paid or incurred for construction and installation of the Improvement Areas #2-3 Improvements in accordance with the Service and Assessment Plan.

“**Administrator**” means, initially, MuniCap, Inc., or any other individual or entity designated by the City to administer the District.

“**Annual Service Plan Update**” means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan.

“**Authorized Improvements**” means improvements authorized by Section 372.003 of the Act, including, but not limited to, the Improvement Areas #2-3 Improvements, and as listed in Section III of the Service and Assessment Plan.

“**Bond Ordinance**” means the ordinance adopted by the City Council on November 10, 2026 authorizing the issuance of the Bonds pursuant to the Indenture.

“**Bonds**” means the City’s bonds designated "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Edgewood Creek Public Improvement District Improvement Areas #2-3 Project)".

“**Budgeted Costs**” means the anticipated, agreed upon costs of the Improvement Areas #2-3 Improvements as shown in Tables III-C and III-D of the Service and Assessment Plan.

“**Certification for Payment**” means a certificate, substantially in the form of **Exhibit A** hereto or otherwise approved by the Developer and a City Representative, executed by or on behalf of the Developer, approved by a City Representative and delivered to the Trustee, specifying the

amount of work performed related to the Improvement Areas #2-3 Improvements and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in the Improvement Area #2 Improvements Account of the Project Fund, or the Improvement Area #3 Improvements Account of the Project Fund, as applicable.

“City Inspector” means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

“City Manager” means the City Manager or Assistant City Manager or (b) any other official or agent of the City later authorized by the City in writing in a form acceptable to the Trustee to undertake the action referenced herein.

“City Representative” means the City Manager, or any other official or agent of the City later authorized by the City to undertake the action referenced herein.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Closing Disbursement Request” means the certificate, substantially in the form of **Exhibit B** hereto or otherwise approved by the Developer and a City Representative executed by or on behalf of the Developer, approved by a City Representative and delivered to the Trustee on the Closing Date, specifying the costs incurred in the establishment, administration, and operation of the District or issuing the Bonds, including the District Formation Costs, and requesting payment for such costs from money on deposit in the Project Fund, as further described in the Indenture.

“Construction Contracts” means the contracts for the construction of an Improvement Areas #2-3 Improvement. **“Construction Contract”** means any one of the Construction Contracts.

“Cost” means the Budgeted Costs or the Actual Cost of an Improvement Areas #2-3 Improvement as reflected in a Construction Contract, if greater than the Budgeted Costs.

“Costs of Issuance Account” means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

“Cost Overrun” means, with respect to each Improvement Areas #2-3 Improvement, the Actual Cost, as appropriate, of such Improvement Areas #2-3 Improvement in excess of the Budgeted Cost.

“Development Agreement” means that certain “Development Agreement (Edgewood Creek)” by and between the City and Centurion American Acquisitions, LLC, a Texas limited liability company, effective October 8, 2020, as assigned to the Developer, and as may be amended from time to time.

“District” shall mean the Edgewood Creek Public Improvement District created May 12, 2020.

“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 the Developer directly associated with the establishment of the District.

“Final Completion” means the time at which the construction of an Improvement Areas #2-3 Improvement (or specified segment, section or part thereof) has progressed to the point where such Improvement Areas #2-3 Improvement (or a specified segment, section or part thereof) is sufficiently complete in accordance with the Construction Contracts related thereto so that such Improvement Areas #2-3 Improvement (or a specified segment, section or part thereof) can be utilized for the purposes for which it is intended and is in compliance with existing City or Mustang SUD standards and specifications for dedication to the City or Mustang SUD, as applicable.

“Improvement Area #2” means approximately 44.251 acres located within the District, as further depicted in Appendix A of the Service and Assessment Plan.

“Improvement Area #2 Improvements” means the Authorized Improvements which only benefit the Assessed Property within Improvement Area #2, as more particularly described in Section III.D of the Service and Assessment Plan.

“Improvement Area #2 Improvements Account” means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

“Improvement Area #3” means approximately 72.217 acres located within the District, as further depicted in Appendix A of the Service and Assessment Plan.

“Improvement Area #3 Improvements” means the Authorized Improvements which only benefit the Assessed Property within Improvement Area #3, as more particularly described in Section III.E of the Service and Assessment Plan.

“Improvement Area #3 Improvements Account” means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

“Improvement Areas #2-3 Improvements” means, collectively, the Improvement Area #2 Improvements and the Improvement Area #3 Improvements.

“Indenture” means that certain Indenture of Trust between the City and the Trustee, dated as of December 1, 2026 relating to the Bonds.

“Mustang SUD” means Mustang Special Utility District.

“Mustang SUD Inspector” means an individual employed by or an agent of Mustang SUD whose job is, in part or in whole, to inspect infrastructure to be owned by Mustang SUD for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

“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.

“Plans” means the plans, specifications, schedules and related construction contracts for the Improvement Areas #2-3 Improvements, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the City or Mustang SUD, the Development Agreement, and any other applicable governmental entity.

“Project Fund” means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

“Service and Assessment Plan” means the Edgewood Creek Public Improvement District 2026 Amended Service and Assessment Plan adopted by City ordinance on November 10, 2026 by the City Council prepared pursuant to the Act.

“Trustee” means U.S. Bank Trust Company, National Association, and any successor trustee under the Indenture.

ARTICLE II RECITALS

Section 2.01. The District and the Improvement Areas #2-3 Improvements.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Improvement Areas #2-3 Improvements.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, the proceeds of which Bonds shall be used, in part, to finance all or a portion of the Improvement Areas #2-3 Improvements in accordance with the terms and limitations of the Indenture, the Development Agreement, this Agreement, and the Service and Assessment Plan.

(c) All Improvement Areas #2-3 Improvements are eligible to be financed with proceeds of the Bonds, to the extent specified herein.

(d) The proceeds from the issuance and sale of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Improvement Areas #2-3 Improvements for acquisition and acceptance by the City or Mustang SUD, in accordance with the terms and conditions contained in the Development Agreement and this Agreement.

(f) As of the Closing Date of the Bonds, the Developer shall have expended not less than the difference between the Budgeted Costs of the Improvement Areas #2-3 Improvements, as set forth in the Service and Assessment Plan, and the amount of Bond proceeds available to reimburse the Developer for the costs of the Improvement Areas #2-3 Improvements.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) The projects to be partially financed with the proceeds of the Bonds are the Improvement Areas #2-3 Improvements. The payment of costs from the proceeds of the Bonds for such Improvement Areas #2-3 Improvements shall be made from the Improvement Area #2 Improvements Account of the Project Fund, or the Improvement Area #3 Improvements Account of the Project Fund, as applicable, as established under the Indenture.

(c) The City's obligation with respect to the payment of the Improvement Areas #2-3 Improvements shall be limited to the lesser of the Actual Costs or Budgeted Costs, and shall be payable solely from amounts on deposit for the payment of such costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns and all expenses related to the Improvement Areas #2-3 Improvements, qualified, however, by the distribution of Cost Underrun (as defined in Section 4.04 hereof) monies, as detailed in Section 4.04.

(d) Neither City nor the Trustee shall have any responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Improvement Areas #2-3 Improvements shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Improvement Areas #2-3 Improvements required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

Section 3.02 Accounts. All disbursements from the Project Fund shall be made by the City in accordance with provisions of the Development Agreement, the Service and Assessment Plan, this Agreement, and the Indenture.

ARTICLE IV

CONSTRUCTION OF THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS

Section 4.01. Duty of Developer to Construct.

(a) All Improvement Areas #2-3 Improvements shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Improvement Areas #2-3 Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ, at all times, adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Improvement Areas #2-3 Improvements to be acquired and accepted by the City or Mustang SUD, as applicable, from the Developer, as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Improvement Areas #2-3 Improvement and, upon completion, inspection, and acceptance, convey each such Improvement Areas #2-3 Improvement to the City or Mustang SUD, as applicable, in accordance with the terms hereof, even if there are insufficient funds in the Project Fund or other funds or accounts created under the Indenture to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Improvement Areas #2-3 Improvements required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Improvement Areas #2-3 Improvements shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City or Mustang SUD with respect to the Improvement Areas #2-3 Improvements.

Section 4.04. Remaining Funds After Completion of an Improvement Areas #2-3 Improvement. Upon the Final Completion of an Improvement Area #2 Improvement or Improvement Area #3 Improvement and payment of all outstanding invoices for such Improvement Area #2 Improvement or Improvement Area #3 Improvement, if the Actual Cost of such Improvement Area #2 Improvement or Improvement Area #3 Improvement is less than the

Budgeted Cost (a “Cost Underrun”), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Improvement Area #2 Improvement or Improvement Area #3 Improvement, respectively. The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Improvement Areas #2-3 Improvements and shall include an update reflecting such change in the subsequent Annual Service Plan Update. Any Cost Underrun for any Improvement Area #2 Improvement is available to pay Cost Overruns on any other Improvement Area #2 Improvement. Any Cost Underrun for any Improvement Area #3 Improvement is available to pay Cost Overruns on any other Improvement Area #3 Improvement.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “change orders”) required for the construction of the Improvement Areas #2-3 Improvements. Developer or its contractors may approve and implement any change orders, even if such change order would increase the Cost of an Improvement Areas #2-3 Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such change orders except to the extent amounts are available, or become available, pursuant to Section 4.04. If any change order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City’s engineer prior to execution of the change order.

ARTICLE V

ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Payment Requests for Disbursements at Closing. In order to receive disbursement from the Costs of Issuance Account, the Improvement Area #2 Improvements Account of the Project Fund, or the Improvement Area #3 Improvements Account of the Project Fund at closing of the Bonds related to costs of issuance of the Bonds, District Formation Costs, or other costs incurred in the creation of the District, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit B** hereto or otherwise acceptable and agreed to by the City, to be delivered to the City no less than fifteen (15) Business Days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. In order to receive disbursement for an Improvement Areas #2-3 Improvement, other than for District Formation Costs as described above, from the Improvement Area #2 Improvements Account or the Improvement Area #3 Improvements Account of the Project Fund at closing of the Bonds, the Developer shall execute a Certification for Payment, substantially in the form of **Exhibit A** hereto or otherwise agreed to by the City, to be delivered to the City in a manner to provide sufficient review and approval time as provided in Section 5.02 and for payment in accordance with the provisions of the Indenture. Upon approval by the City, the City shall submit to the Trustee either (i) a Closing Disbursement Request and/or Certification for Payment, as applicable, or (ii) the closing memorandum to be issued by the City’s financial advisor directing the Trustee to make disbursement from the Costs of Issuance Account of the Project Fund, the Improvement Area #2 Improvements Account of the Project Fund, and/or the Improvement Area #3 Improvements Account of the Project Fund, as applicable.

Section 5.02. Certification for Payment for an Improvement Areas #2-3 Improvement.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Improvement Areas #2-3 Improvement, except as provided above with respect to District Formation Costs, until a Certification for Payment is received from the Developer. Upon receipt of a Certification for Payment substantially in the form of **Exhibit A** hereto (and all accompanying documentation required by the City) from the Developer, the City Inspector for a City owned Improvement Areas #2-3 Improvement) and/or the Mustang SUD Inspector (for a Mustang SUD owned Improvement Areas #2-3 Improvement) shall conduct a review in order to confirm that such request is complete, that the work with respect to such Improvement Areas #2-3 Improvement identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certification for Payment (collectively, the “Developer Compliance Requirements”). The City Inspector and/or the City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the Mustang SUD Inspector, the City Inspector and/or City Representative in conducting each such review and to provide the Mustang SUD Inspector, the City Inspector and/or City Representative with such additional information and documentation as is reasonably necessary for the Mustang SUD Inspector, the City Inspector and/or City Representative to conclude each such review.

(b) Within fifteen (15) Business Days of receipt of any Certification for Payment, the City Representative shall either (i) approve and execute the Certification for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment in accordance with Section 5.03(a) hereof or (ii) in the event the City Representative disapproves the Certification for Payment, give written notification to the Developer of the City Representative’s disapproval, in whole or in part, of such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the City Representative shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the Administrator for approval in accordance with Section 5.03 hereof and delivery to the Developer in accordance with Section 5.02(c) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial disapproval.

(c) If the City Representative disapproves the Certification for Payment, the disapproval must be in writing, stating the reason(s) for disapproval. The disapproval may be appealed to the City Council by the Developer in writing within thirty (30) days after Developer’s receipt of the City’s disapproval pursuant to Section 5.02(b) of this Agreement. Disapproval of the Certification for Payment by the City Council shall be attempted to be resolved by half-day mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator’s fee being paid by Developer. The Certification for Payment shall not be forwarded to the Trustee for payment until the dispute is resolved by the City and the Developer.

(d) The Developer shall deliver the approved or partially approved Certification for Payment to the Trustee, which Certification for Payment shall direct the Trustee to make such payment from the Project Fund as specifically directed therein and in accordance with Section 5.03 below.

Section 5.03. Payment for an Improvement Areas #2-3 Improvement.

(a) Upon receipt of a reviewed and approved Certification for Payment, the Trustee shall be deemed to have received written direction from the City to make payment from the Improvement Area #2 Improvements Account of the Project Fund or the Improvement Area #3 Improvements Account of the Project Fund as specifically directed therein and the Indenture in an amount not to exceed the Budgeted Cost for the particular Improvement Areas #2-3 Improvement, unless a Cost Overrun amount has been approved for a particular Improvement Areas #2-3 Improvement. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Cost plus the approved Cost Overrun amount.

(b) Approved Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, a City Representative may, through delivery of an approved Certification for Payment or other written direction delivered to the Trustee direct the Trustee to make payment directly to the general contractor or supplier of materials or services or jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in such approved Certification for Payment, out of available and appropriate funds in the Project Fund or accounts thereof. If the request for payment under an approved Certification for Payment results in ninety percent (90%) or more of the Budgeted Costs for the applicable Improvement Areas #2-3 Improvement identified in such Certification for Payment being paid, the work with respect to such Improvement Areas #2-3 Improvement must be completed and accepted by the City or Mustang SUD, as applicable, as confirmed in such Certification for Payment. If an unconditional lien release related to the items referenced in the Certification for Payment is attached to such Certification for Payment, a City Representative shall direct the Trustee in the Certification for Payment, or pursuant to other written direction, to make such payment to the Developer or any permitted assignee of the Developer. In the event the Developer provides a general contractor's or supplier of materials' unconditional lien release for a portion of the work covered by a Certification for Payment, a City Representative shall direct the Trustee in the Certification for Payment, or pursuant to other written direction, to make such payment directly to the Developer or any permitted assignee of the Developer to the extent of such lien release.

(d) Notwithstanding any other provisions of this Agreement, except for amounts submitted on a Closing Disbursement Request for payment of legal fees, costs of creation of the District, District Formation Costs, and other costs of issuance incurred by the Developer, no payment from the Improvement Area #3 Improvements Account of the Project Fund shall be made for the first \$5,832,595¹ in monies spent on the Improvement Area #3 Improvements (the "Prior Expended Funds") for the Actual Costs of the Improvement Area #3 Improvements submitted

¹ Preliminary; subject to change.

pursuant to a Certification for Payment, which Certification for Payment (or portion thereof) shall be submitted to evidence the Prior Expended Funds. The Developer may not be reimbursed for the Prior Expended Funds pursuant to a Certification for Payment, unless, upon completion of the Improvement Area #3 Improvements, there are excess funds in the Improvement Area #3 Improvements Account of the Project Fund available to finance such costs.

(e) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Improvement Areas #2-3 Improvement to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Improvement Areas #2-3 Improvement is contested, the Developer shall post or cause delivery of a surety bond in the amount reasonably determined by the City or City may decline to accept the Improvement Areas #2-3 Improvements until such mechanics or materialman's lien and/or judgment is satisfied.

**ARTICLE VI
OWNERSHIP AND TRANSFER OF AN IMPROVEMENT AREAS #2-3
IMPROVEMENT**

Section 6.01. Improvement Areas #2-3 Improvement to be Owned by the City or Mustang SUD – Title Evidence. If required by the City or Mustang SUD, the Developer shall furnish to the City or Mustang SUD, as applicable, a preliminary title report for land with respect to an Improvement Areas #2-3 Improvement to be acquired and accepted by the City or Mustang SUD, as applicable, from the Developer, and not previously dedicated or otherwise conveyed to the City or Mustang SUD, as applicable, for review and approval at least thirty (30) calendar days prior to the transfer of title of an Improvement Areas #2-3 Improvement to the City or Mustang SUD, as applicable. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. Mustang SUD is expected to follow its standard procedures to approve the title report. In the event the City or Mustang SUD, as applicable, does not approve the preliminary title report, the City or Mustang SUD, as applicable, shall not be obligated to accept title to the Improvement Areas #2-3 Improvement until the Developer has cured such objections to title to the reasonable satisfaction of the City or Mustang SUD, as applicable.

Section 6.02. Improvement Areas #2-3 Improvement Constructed on City Land or Developer Land. If the Improvement Areas #2-3 Improvement is on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Improvement Areas #2-3 Improvement. If the Improvement Areas #2-3 Improvement is on land owned by the Developer, the Developer hereby grants to the City a nonexclusive easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the

Improvement Areas #2-3 Improvement. The grant of a permanent easement shall not relieve the Developer of any obligation to grant the City or Mustang SUD title to property and/or easements related to the Improvement Areas #2-3 Improvement as required by the Development Agreement or as should, in the City's reasonable judgment, be granted to provide for convenient access to and routine and emergency maintenance of such Improvement Areas #2-3 Improvement. The provisions for inspection and acceptance of such Improvement Areas #2-3 Improvement otherwise provided herein shall apply.

ARTICLE VII REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer consists of one corporation duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and the Development Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the Improvement Areas #2-3 Improvements in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Improvement Areas #2-3 Improvements.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition construction or installation of any improvements that are not part of the costs associated with the Improvement Areas #2-3 Improvements, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certifications for Payment.

(f) Financial Records. For a period of two years after completion of the Improvement Areas #2-3 Improvements, the Developer covenants to maintain proper books of record and account for the construction of the Improvement Areas #2-3 Improvements and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Improvement Areas #2-3 Improvements have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, this Agreement and the Development Agreement. Developer shall provide as-built plans for all Improvement Areas #2-3 Improvements to the City.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the City Manager and the City Representative related to the status of construction of the Improvement Areas #2-3 Improvements within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement executed by the Developer in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the "Tax Certificate") containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, "Bond Proceeds").

The Developer covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquiries to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including, but not limited to, the use of the Improvement Areas #2-3 Improvements) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE CITY INSPECTOR, THE CITY, THE CITY MANAGER, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING, AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE IMPROVEMENT AREAS #2-3 IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND THE INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY THE INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, THE INDEMNIFIED PARTIES SHALL HAVE

THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND DEVELOPER SHALL BE LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Improvement Areas #2-3 Improvements, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Improvement Areas #2-3 Improvements is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer are or may be increased or otherwise adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

ARTICLE VIII TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Improvement Areas #2-3 Improvements not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of an Improvement Areas #2-3 Improvement hereunder, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such breach or default described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such breach or default to the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice). Upon receipt of such notice, Developer agrees to promptly meet and confer with the City Inspector and other appropriate City staff and consultants as to available options to assure timely completion, subject to the terms of this Agreement, of the Improvement Areas #2-3 Improvements. The City shall allow the Developer a minimum of forty-five (45) days to eliminate or to mitigate such breach or default to the reasonable satisfaction of the City (“Cure Period”). The Cure Period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such breach or default. If at the end of the Cure Period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the reasonable satisfaction of the City, the City may then terminate this Agreement. Upon termination of this Agreement, the City shall (i) provide written notice of such termination to the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) and (ii) instruct the Trustee in writing to cease making payments for the Actual Costs and/or Budgeted Costs, as appropriate, of Improvement Areas #2-3 Improvements, provided that the Developer shall receive payment of the Actual Costs or Budgeted Costs, as appropriate, of any Improvement Areas #2-3 Improvements that were accepted by the City at the time of termination, so long as the Developer has complied with the requirements of the Development Agreement, this Agreement and the Indenture.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Improvement Areas #2-3 Improvements not accepted by the City and use all or any portion of the funds on deposit in the Project Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Improvement Areas #2-3 Improvements hereunder, except as otherwise may be provided upon the mutual written consent of the City and the Developer. The City shall have no obligation to perform any work related to an Improvement Areas #2-3 Improvement or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture.

Section 8.04. Construction of the Improvement Areas #2-3 Improvements Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Improvement Areas #2-3 Improvements in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God,

war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) (“Force Majeure”), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.05 shall not apply unless, within ten (10) Business Days of the occurrence of an event of Force Majeure, the party needing additional time to perform notifies the other party of the event of Force Majeure and the amount of additional time reasonably required as a result of the occurrence of the event of Force Majeure.

ARTICLE IX MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City’s obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the City Inspector, City Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The City Inspector, City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three (3) Business Days’ prior written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Improvement Areas #2-3 Improvements and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received (i) if delivered via a method other than e-mail, when delivered personally or upon the expiration of 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid or (ii) if delivered via e-mail, upon the earlier of receipt of a “delivery receipt” or on the next Business Day after being sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered, as follows:

To the City:	City of Celina, Texas 142 N. Ohio Celina, Texas 75009
With a copy to:	Messer Fort 6371 Preston Road, Suite 200 Frisco, TX 75034
And to:	Norton Rose Fulbright US LLP 2200 Ross Avenue, Suite 3600 Dallas, Texas 75201

To the Developer: First Texas Homes, Inc.
500 Crescent Court, Suite 350
Dallas, Texas 75201

With a copy to: Boghetich Law, PLLC
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The City shall advise the Developer of the name and address of any person who is to receive any notice or other communication pursuant to this Agreement. The Trustee's address shall be the same as the address specified in the Indenture.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Manager or City Representative, (which consent shall not be unreasonably withheld if assignee demonstrates financial ability to perform), except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for an Improvement Areas #2-3 Improvement, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Improvement Areas #2-3 Improvement. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the City being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC") without the express written consent of the City. In connection with any consent of the City, the City may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee's express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the City deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned and may not otherwise amend the terms of this Agreement. The City may assign, by a separate writing, certain rights as described in this Agreement and in the Indenture to the Trustee, and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. Except as otherwise provided in Section 9.05, upon agreement by the parties, this Agreement may be amended, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original. The City shall deliver to the Trustee a copy of each amendment to this Agreement promptly following execution thereof.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13. Term. The term of this Agreement, other than the provisions contained in Section 7.02, which shall survive the termination of this Agreement, shall be the earlier of (i) thirty (30) years or (ii) upon redemption or defeasance of the Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture. If the Developer defaults under this Agreement or the Development Agreement, this Agreement and the Development Agreement shall not terminate with respect to the costs of the Improvement Areas #2-3 Improvements that have

been approved by the City pursuant to a Certification for Payment prior to the date of termination based on such default.

Section 9.14 No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.15 Statutory Verifications.

The Developer makes the following representation and verifications pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

Section 9.16. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of November 10, 2026.

ATTEST:

CITY OF CELINA, TEXAS

Name: _____
Title: City Secretary

By: _____
Name: Ryan Tubbs
Title: Mayor

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on the ____ day of _____, 2026 by Ryan Tubbs, Mayor of the City of Celina, Texas, on behalf of said City.

Notary Public, State of Texas

DEVELOPER:

FIRST TEXAS HOMES, INC.

a Texas corporation

By: _____

Name: _____

Its: _____

Exhibit A
CERTIFICATION FOR PAYMENT FORM – IMPROVEMENT AREAS #2-3
IMPROVEMENTS

CERTIFICATION FOR PAYMENT NO. _____

The undersigned is a lawfully authorized representative for First Texas Homes, Inc., (the “Developer”) and requests payment from the [Improvement Area #2 Improvements Account] [Improvement Area #3 Improvements Account] of the Project Fund from U.S. Bank Trust Company, National Association (the “Trustee”) in the amount of _____ for labor, materials, fees, and/or other general costs related to the construction and installation of the following Improvement Areas #2-3 Improvements related to the Edgewood Creek Public Improvement District (the “Improvement Areas #2-3 Improvements”):

[insert specific Improvement Areas #2-3 Improvement this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Edgewood Creek Public Improvement District Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement.

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certification for Payment Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Improvement Areas #2-3 Improvement(s) has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The itemized amounts listed for the Improvement Areas #2-3 Improvement(s) below is a true and accurate representation of the Actual Costs incurred by Developer with the construction and installation of said Improvement Areas #2-3 Improvement(s) identified above, and such costs are (i) in compliance with the Edgewood Creek Public Improvement District Improvement Areas #2-3 Construction, Funding and Acquisition Agreement, and (ii) consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Edgewood Creek Public Improvement District Improvement Areas #2-3 Construction, Funding and Acquisition Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The work with respect to the Improvement Areas #2-3 Improvement(s) identified above (or its completed segment, portion or segment) has been completed and the City or Mustang SUD, as applicable, has inspected or may begin inspection of the Improvement Areas #2-3 Improvement(s). [This request for payment results in ninety percent (90%) or more of the Budgeted Costs for the Improvement Areas #2-3 Improvement(s) identified above being paid. The work with respect to the Improvement Areas #2-3 Improvement(s) have been completed and the City or other applicable entity has inspected AND accepted the Improvement Areas #2-3 Improvement(s).] [This request for payment does not result in ninety percent (90%) or more of the Budgeted Costs for the Improvement Areas #2-3 Improvement(s) identified above being paid.]

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

8. Amounts requested for payment from the Improvement Area #3 Improvements Account of the Project Fund in this Certification for Payment are (i) for costs incurred in excess of the Prior Expended Funds, or (ii) completion of the Improvement Area #3 Improvements has occurred and there are excess funds in the Improvement Area #3 Improvements Account of the Project Fund available to finance such costs.

Payments requested are as follows:

**[FOR EXPENDITURES SUBMITTED TO PROVE UP PRIOR EXPENDED FUNDS,
AMOUNT TO BE PAID FROM PROJECT FUND SHALL = \$0]**

Payee / Description of Improvement Areas #2-3 Improvement	Total Cost of Improvement Areas #2-3 Improvement	Budgeted Cost of Improvement Areas #2-3 Improvement	Amount to be paid from the [Improvement Area #2 Improvements Account] [Improvement Area #3 Improvements Account] of the Project Fund

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments.

Pursuant to the Edgewood Creek Public Improvement District Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement, after receiving this Certification for Payment, the City is authorized to inspect the Improvement Areas #2-3 Improvement (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

I hereby declare that the above representations and warranties are true and correct.

FIRST TEXAS HOMES, INC.

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the City approves the Certification for Payment and shall either provide such Certification for Payment to the Trustee or include said payments in the City Certificate submitted to the Trustee, directing payments to be made from the Project Fund. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Edgewood Creek Public Improvement District Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Improvement Areas #2-3 Improvements.

CITY OF CELINA, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT B

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for First Texas Homes, Inc., (the “Developer”) and requests payment from:

The [Improvement Area #2 Improvements Account] [Improvement Area #3 Improvements Account][Costs of Issuance Account] of the Project Fund (as defined in the Edgewood Creek Public Improvement District Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement) from U.S. Bank Trust Company, National Association, (the “Trustee”) in the amount of _____ DOLLARS (\$ _____) for costs incurred in the establishment, administration, and operation of the Edgewood Creek 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 above 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 the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Edgewood Creek Public Improvement District Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.
7. Amounts requested for payment from the Project Fund in this Closing Disbursement Request are for either (i) legal fees, costs of creating the District and other costs of issuance incurred by the Developer or (ii) in the case of Improvement Area #3 costs incurred in excess of the Prior Expended Funds.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

I hereby declare that the above representations and warranties are true and correct.

FIRST TEXAS HOMES, INC.

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and authorizes and directs payment of such amounts by Trustee from the Costs of Issuance Account of the Project Fund and/or [Improvement Area #2 Improvements Account] [the Improvement Area #3 Improvements Account of the Project Fund], upon delivery of the Bonds. The City's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the City from asserting claims under the Edgewood Creek Public Improvement District Improvement Areas #2-3 Construction, Funding and Acquisition Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in an Improvement Areas #2-3 Improvement.

CITY OF CELINA, TEXAS

By: _____
Name: _____
Title: _____

Date: _____

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APPENDIX G

PHOTOGRAPHS OF DEVELOPMENT IN IMPROVEMENT AREAS #2-3 OF THE DISTRICT

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Improvement Area #2



Improvement Area #2



Improvement Area #2



Improvement Area #2



Improvement Area #3



Improvement Area #3



Improvement Area #3



**CITY OF CELINA, TEXAS • SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREAS #2-3 PROJECT)**



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