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



**NEW ISSUE** **NOT RATED**

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

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

# $11,120,000*
# CITY OF WAXAHACHIE, TEXAS,
## (a municipal corporation of the State of Texas located in Ellis County)
## SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
## (HAVEN RANCH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1A-1B PROJECT)

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

The City of Waxahachie, Texas, Special Assessment Revenue Bonds, Series 2026 (Haven Ranch Public Improvement District Improvement Area #1A-1B Project) (the "Bonds"), are being issued by the City of Waxahachie, 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 February 15 and August 15, commencing February 15, 2027, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by UMB Bank, N.A., as trustee (the "Trustee"), to Cede & Co. as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance expected to be adopted by the City Council of the City (the "City Council") on November 16, 2026, and an Indenture of Trust, dated December 1, 2026, (the "Indenture"), entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used to provide funds for (i) paying Improvement Area #1A Project Costs, (ii) paying Improvement Area #1B Project Costs, (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 of the District, and (v) paying the costs of issuance of the Bonds. See "THE IMPROVEMENT AREA #1A-1B PROJECTS" and "APPENDIX B — Form of Indenture."

The Bonds, when issued and delivered, will constitute valid and binding special obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of Assessments levied against assessable properties in Improvement Area #1A-1B (as defined herein) of the District in accordance with a Service and Assessment Plan and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS SIMILARLY SECURED."

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

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

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

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by FMSbonds, Inc. (the "Underwriter"), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX D — Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the City by its counsel, Brown & Hofmeister, L.L.P., for the Underwriter by its counsel, Greenberg Traurig, LLP, and for the Developer by its counsel Winstead PC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about December 15, 2026 (the "Date of Delivery").

**FMSbonds, Inc.**

* *Preliminary; subject to change.*

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

CUSIP Prefix: _____ [(a)]

$11,120,000
CITY OF WAXAHACHIE, TEXAS,
(a municipal corporation of the State of Texas located in Ellis County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(HAVEN RANCH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1A-1B PROJECT)

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

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

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

---

* *Preliminary; subject to change.*

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

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

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

## CITY OFFICIALS, STAFF AND CONSULTANTS

### ELECTED OFFICIALS

| City Council | Term Expires |
|---|---|
| Billie Wallace, Place 4, Mayor | May 2027 |
| Travis Smith, Place 5, Mayor Pro Tem | May 2027 |
| Tres Atkins, Place 1 | May 2028 |
| Patrick Souter, Place 2 | May 2028 |
| Chris Wright, Place 3 | May 2028 |

### SELECTED ADMINISTRATIVE STAFF

| Name | Position |
|---|---|
| Ricky Boyd | City Manager |
| Shon Brooks | Assistant City Manager |
| Amber Villarreal | City Secretary |
| Chad Tustison | Director of Finance |

**PID ADMINISTRATOR**
MuniCap, Inc.

**MUNICIPAL ADVISOR TO THE CITY**
Hilltop Securities Inc.

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

**UNDERWRITER'S COUNSEL**
Greenberg Traurig, LLP

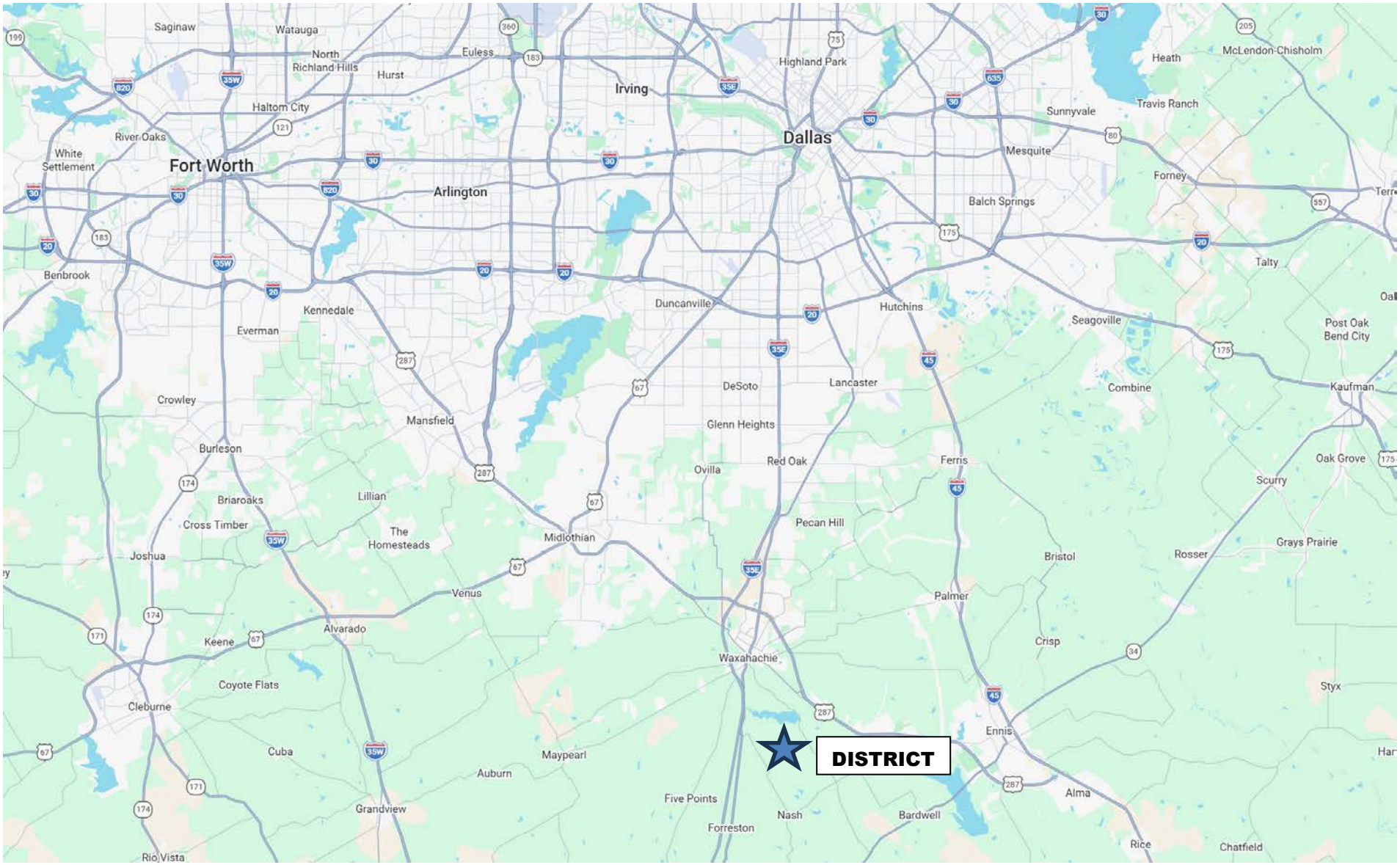
**CITY'S COUNSEL**
Brown & Hofmeister, L.L.P.

For additional information regarding the City, please contact:

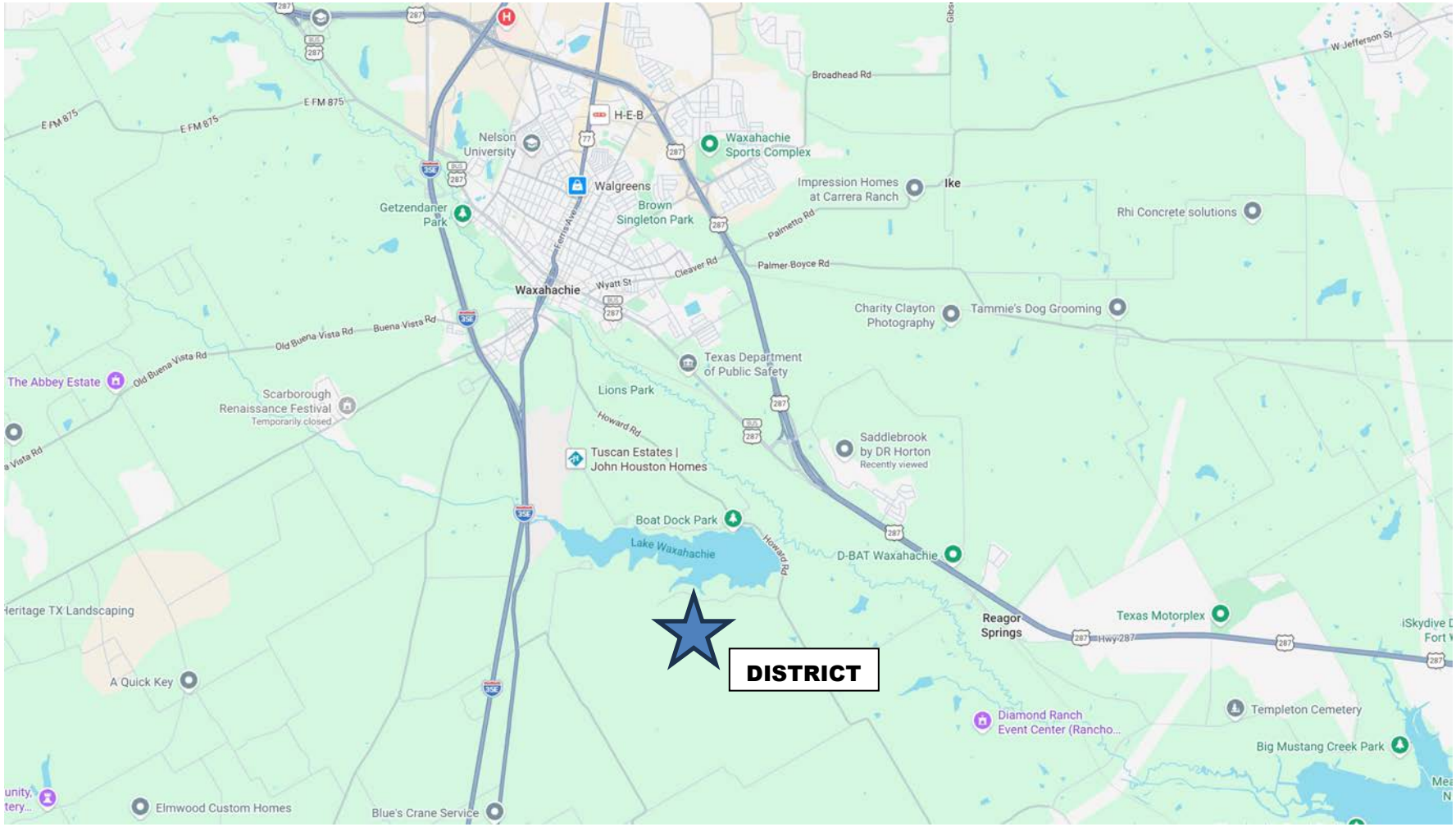
Shon Brooks
Assistant City Manager
City of Waxahachie
408 S. Rogers St.
Waxahachie, Texas 75165
(469) 309-4000

Marti Shew
Managing Director
Hilltop Securities Inc.
717 North Harwood, Suite 3400
Dallas, Texas 75201
(214) 953-4000
marti.shew@hilltopsecurities.com

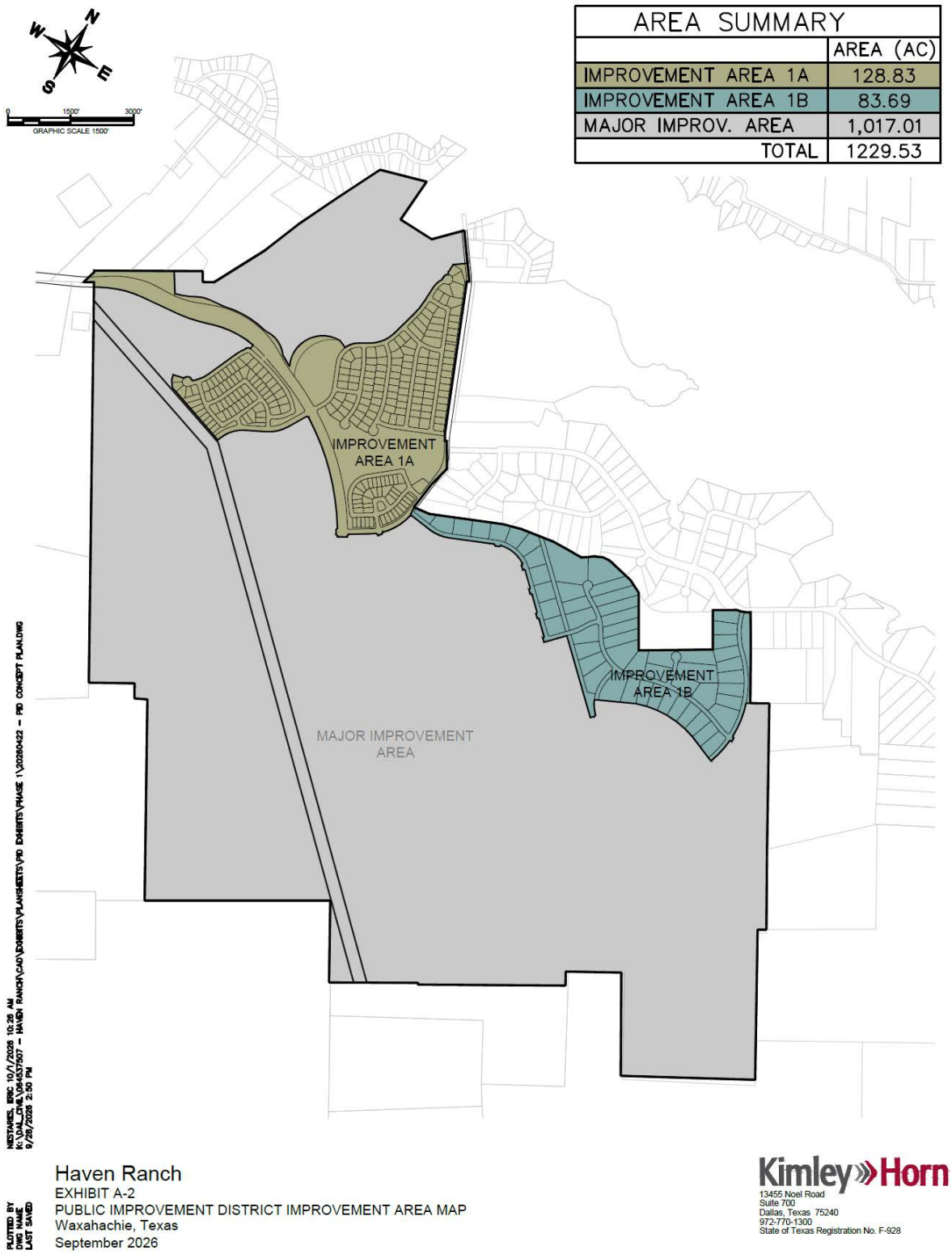
## REGIONAL LOCATION MAP OF THE DISTRICT



## AREA LOCATION MAP OF THE DISTRICT



**MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1A-1B AND FUTURE IMPROVEMENT AREAS**




**Area shown as "Major Improvement Area" includes all Future Improvement Areas.*

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

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

MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

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

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

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

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**PRELIMINARY LIMITED OFFERING MEMORANDUM**

**$11,120,000*
CITY OF WAXAHACHIE, TEXAS,
(a municipal corporation of the State of Texas located in Ellis County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(HAVEN RANCH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1A-1B 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 Waxahachie, Texas (the "City"), of its $11,120,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2026 (Haven Ranch Public Improvement District Improvement Area #1A-1B Project) (the "Bonds").

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

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the "City Council") on November 16, 2026 (the "Bond Ordinance"), and an Indenture of Trust, dated as of December 1, 2026, (the "Indenture"), entered into by and between the City and UMB Bank, N.A., as trustee (the "Trustee"). The Bonds are secured by a pledge of and a lien upon the Trust Estate (as defined in the Indenture), consisting primarily of pledged revenues from (i) assessments (the "Improvement Area #1A Assessments") expected to be levied against assessable property located within Improvement Area #1A of the Haven Ranch Public Improvement District (the "District") and (ii) assessments (the "Improvement Area #1B Assessments," and, together with the Improvement Area #1A Assessments, the "Assessments") expected to be levied against assessable property located within Improvement Area #1B of the District pursuant to a separate ordinance adopted by the City Council on November 16, 2026 (the "Assessment Ordinance").

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

Set forth herein are brief descriptions of the City, the District, GRBK Edgewood, LLC, a Texas limited liability company (the "Developer"), MuniCap, Inc. (the "Administrator"), the Creation Resolution (as defined herein), the Assessment Ordinance, the Bond Ordinance, the Reimbursement Agreement (as defined herein), the Development Agreement (as defined herein), and the Service and Assessment Plan (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Dallas, Texas 75034, telephone

* *Preliminary; subject to change.*

number (214) 302-2245. The form of the Indenture appears in APPENDIX B and the form of Service and Assessment Plan appears as APPENDIX C. The information provided under this caption "INTRODUCTION" is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

## PLAN OF FINANCE

### The District

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries and extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for public improvements. The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1A-1B Projects (as defined herein), authorized by the PID Act and approved by the City Council that confer a special benefit on the District. The District is not a separate political entity from the City but rather reflects an area within the City that City Council has designated and within which the City is authorized to levy assessments for public improvements.

### Development Plan and Status of Development in Improvement Area #1A-1B

The Developer purchased the property in the District on January 8, 2022 from David L. and Morgan M. Hargrove at a purchase price of $16,277,316. The purchase price was funded with corporate cash. No third-party financing was used. See "THE DEVELOPER – History and Financing of the District." The Developer owns all of the land in the District outside of Improvement Area #1A-1B except a one-acre lot jointly owned by the Board of Directors of Ellis County Fresh Water Supply District, which one-acre lot is located in floodplain land. See "THE DEVELOPMENT – Overlapping Fresh Water Supply District."

The District consists of approximately 1,229.53 acres. The Developer plans to develop the District in 11 phases or "Improvement Areas" over 11 years. At full development, the District is expected to include approximately 2,600 single-family residential lots of 50', 60' and 80' front footages as well as one-acre lots and approximately 45,000 square feet of commercial development. The Developer began development of the District with construction of certain public improvements benefitting, among other things, the areas designated as "Improvement Area #1A" and "Improvement Area #1B" on the map shown on page v, which are collectively referred to herein as "Improvement Area #1A-1B."

Improvement Area #1A consists of approximately 128.830 acres and includes 234 single-family residential lots in a combination of 50', 60' and 80' frontages and an amenity center. Improvement Area #1B consists of approximately 83.684 acres and includes 53 one-acre lots. The Developer is constructing certain Major Improvements, Major Sanitary Sewer Zone Improvements, Zone 1 Improvements, Zone 2 Sanitary Sewer Improvements (as each such term is defined in the Service and Assessment Plan), which benefit all of the property in the District or portions of property within the District, as well as the Improvement Areas #1A-1B Improvements (as such term is defined in the Service and Assessment Plan) which benefit Improvement Area #1A-1B, and the Improvement Area #1A Sanitary Sewer Improvements (as such term is defined in the Service and Assessment Plan), which benefit only Improvement Area #1A. The Improvement Area #1A Sanitary Sewer Improvements and the portion of the Major Improvements, Major Sanitary Sewer Zone Improvements, Zone 1 Improvements, Zone 2 Sanitary Sewer Improvements, and Improvement Areas #1A-1B Improvements benefitting Improvement Area #1A is referred to herein as the "Improvement Area #1A Projects." The portion of the Major Improvements, Zone 1 Improvements, and Improvement Areas #1A-1B Improvements benefitting Improvement Area #1B is referred to herein as the "Improvement Area #1B Projects." The Improvement Area #1A Projects and Improvement Area #1B Projects are collectively referred to herein as the "Improvement Area #1A-1B Projects."

Lot development in Improvement Area #1A-1B began in February 2025 and was completed in October 2026. The Developer has completed the Improvement Areas #1A-1B Improvements and the Improvement Area #1A Sanitary Sewer Improvements as well as the portions of the Major Improvements, Major Sanitary Sewer Zone Improvements, Zone 1 Improvements, and Zone 2 Sanitary Sewer Improvements necessary for lot completion in Improvement Area #1A-1B, all of which are expected to be accepted by the City in November 2026 after the completion of punch list items. The Developer expects to fully complete the Major Improvements, the Major Sanitary

Sewer Zone Improvements, the Zone 1 Improvements, and the Zone 2 Sanitary Sewer Improvements by the end of 2026. Home construction in Improvement Area #1A-1B is expected to begin in November 2026. See "THE DEVELOPMENT – Development Plan and Status of Development in Improvement Area #1A-1B."

The total cost of the Improvement Area #1A-1B Projects (including costs of issuance of the Bonds) is expected to be approximately $22,132,706*. The City will pay a portion of such costs in the amount of $11,120,000* from the proceeds of the Bonds. The balance of such costs will be paid by the Developer. The total expected costs of the Improvement Areas #1A-1B Improvements, and the Major Improvements, Major Sanitary Sewer Zone Improvements, Zone 1 Improvements, Zone 2 Sanitary Sewer Improvements, and Improvement Area #1A Sanitary Sewer Improvements (which includes the portions of such improvements allocable to Future Improvement Areas (as defined herein) and the commercial property) is approximately $37,397,283. As of October 1, 2026, the Developer has spent approximately $33,657,554 on construction of the Major Improvements, Major Sanitary Sewer Zone Improvements, Zone 1 Improvements, Zone 2 Sanitary Sewer Improvements, Improvement Areas #1A-1B Improvements, and Improvement Area #1A Sanitary Sewer Improvements, which costs were funded with cash on hand or provided to the Developer as described under "THE DEVELOPER – History and Financing of the District."

The City and the Developer have entered into the Reimbursement Agreement ("Reimbursement Agreement") for the purpose of reimbursing the Developer for a portion of the costs of public improvements within District and to finance such costs through the issuance of the Bonds and Future Improvement Area Bonds (as defined herein).

The Developer anticipates that it will follow development of Improvement Area #1A-1B of the District with the construction of certain internal public improvements (the "Future Improvement Area Improvements") benefitting distinct areas which may be developed within the District in the future (the "Future Improvement Areas") based on market demand. The boundaries of the District, Improvement Area #1A-1B and the Future Improvement Areas (shown as the "Major Improvement Area") are shown in the "MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1A-1B AND FUTURE IMPROVEMENT AREAS" on page v.

The City expects to issue one or more series of bonds (collectively, the "Future Improvement Area Bonds") to finance the cost of Future Improvement Area Improvements. The estimated costs of the Future Improvement Area Improvements will be determined at the same time Future Improvement Areas are developed, and the Service and Assessment Plan will be updated to identify the Future Improvement Area Improvements to be constructed within the Future Improvement Areas of the District and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area of the District.

**Homebuilders in Improvement Area #1A-1B**

Of the 287 homes to be constructed in Improvement Area #1A-1B, 101 will be constructed by Trophy Signature Homes ("Trophy") and 186 will be constructed by CLH20, LLC, whose trade name is Centre Living Homes ("Centre Living"). The Developer and Trophy are both wholly owned subsidiaries of Green Brick Partners, Inc., a publicly traded Delaware corporation ("Green Brick"). Centre Living is 90% owned by Green Brick and 10% owned by Trevor Brickman, the principal owner of Green Brick. Centre Living is 90% owned by Green Brick and 10% owned by Trevor Brickman, the principal owner of Green Brick. The Developer expects that all 101 of Trophy's lots in Improvement Area #1A-1B will be transferred to Trophy in Q4 2026, and 18 lots will be transferred to Centre Living in Q4 2026. The Developer and Centre Living have entered into a lot purchase and sale agreement for the lots to be taken down by Centre Living in Improvement Area #1A-1B. See "THE DEVELOPMENT – Homebuilders in Improvement Area #1A-1B."

**The Bonds**

Proceeds of the Bonds will be used primarily to finance (i) paying Improvement Area #1A Project Costs, (ii) paying Improvement Area #1B Project Costs, (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 of the District, and (v) paying the costs of

* *Preliminary; subject to change.*

issuance of the Bonds. See "THE IMPROVEMENT AREA #1A-1B PROJECTS," "SOURCES AND USES OF FUNDS" and "APPENDIX B – Form of Indenture."

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

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

## DESCRIPTION OF THE BONDS

### General Description

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

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

### Redemption Provisions

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

*Extraordinary Optional Redemption*. The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, as directed in a City Order delivered in accordance with the Indenture, on the fifteenth day of any month, at the Redemption Price, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in the Indenture) or any other transfers to the Redemption Fund under the terms of the Indenture. See "ASSESSMENT PROCEDURES — Prepayment of Assessments" for the definition and description of Prepayments and "APPENDIX A — Form of Indenture."

*Mandatory Sinking Fund Redemption*. The Bonds maturing on August 15 in the years 20__ and 20__ (the "Term Bonds") are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedules:

**$_____ Term Bonds Maturing August 15, 20__**

| Redemption Date | Sinking Fund Installment |
|---|---|
| August 15, 20__ | |
| August 15, 20__ | |
| August 15, 20__† | |

**$_____ Term Bonds Maturing August 15, 20__**

| Redemption Date | Sinking Fund Installment |
|---|---|
| August 15, 20__ | |
| August 15, 20__ | |
| August 15, 20__† | |

† Stated maturity.

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

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to the Indenture shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date 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 30 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in the Indenture or the extraordinary optional redemption provisions in the Indenture and not previously credited to a mandatory sinking fund redemption.

*Notice of Redemption*. The City shall provide written notice to the Trustee of the City's intention to exercise any redemption provision provided under the Indenture not less than 45 days prior to the required notice mailing date provided below. The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, or, while in book-entry form, in accordance with DTC procedures, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

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

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

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

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

*Partial Redemption*. If less than all of the Bonds are to be redeemed pursuant to an option or extraordinary optional redemption, the particular maturity of Bonds or portions of a maturity of Bonds to be redeemed shall be selected and designated by the City in its sole discretion. If less than all of the Bonds of a maturity are to be redeemed pursuant to a mandatory sinking fund, optional or extraordinary optional redemption, Bonds shall be redeemed in increments of $1,000 in a random by lot selection process, or, while in book-entry form, in accordance with DTC procedures, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at that time, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

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

## BOOK-ENTRY ONLY SYSTEM

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

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code,

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

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

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

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

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

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

Principal, interest and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City or Paying Agent/Registrar, on the

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

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

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

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

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

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

## LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

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

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

2) The Investor is an "accredited investor" under Rule 501 of Regulation D of the Securities Act or a "qualified institutional buyer" under Rule 144A of the Securities Act, and therefore, has sufficient knowledge and

experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

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

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

5) The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Area #1A-1B Projects, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the "Investor Information"). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor's purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for, or in connection with the Investor's decision to purchase the Bonds except for gross negligence, fraud or willful misconduct, to the extent permitted by law. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

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

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

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

## SECURITY FOR THE BONDS SIMILARLY SECURED

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds Similarly Secured. "*Bonds Similarly Secured*" means, collectively, any Outstanding Bonds and any Outstanding Refunding 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 SIMILARLY SECURED ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The principal of, premium, if any, and interest on the Bonds Similarly Secured, including the Bonds, are secured by a pledge of and a lien upon the Pledged Revenues (as defined herein), consisting primarily of the revenue from the Assessments levied against the assessable parcels or lots within Improvement Area #1A-1B of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. See "APPENDIX B – Form of Indenture." In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (as updated, amended and supplemented, the "Service and Assessment Plan"), which describes the special benefit received by the property within Improvement Area #1A-1B of the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the assessments (including the Assessments), and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds Similarly Secured. The Service and Assessment Plan will be reviewed and updated upon the issuance of the Bonds and annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within Improvement Area #1A-1B of the District. See "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

**Pledged Revenues**

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Improvement Area #1A-1B Projects by levying Assessments upon properties in Improvement Area #1A-1B of the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments expected to be levied in Improvement Area #1A-1B of the District, see "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

Under the Indenture, "Pledged Revenues" means, collectively, the (i) Assessment Revenues (excluding the portion of the Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds Similarly Secured. "Assessment Revenues" means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds. "Annual Installment" means the sum of the annual installments on the Assessments, including the annual installment of interest and principal, Additional Interest and Administrative Expenses. "Assessment" means an assessment levied against Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #1A-1B Projects.

The Indenture sets forth the covenant of the City to take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See "SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenue Fund." See also "APPENDIX A — Form of Indenture" and "APPENDIX B — Form of Service and Assessment Plan."

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien (the "Assessment Lien") against the property assessed, superior to all other liens and claims, except liens or claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein. The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS – Assessment Limitations."

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Assessments and such remaining Annual Installments (including interest) 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.

**Collection and Deposit of Assessments**

Sums received from the collection of the Assessments shown on the Assessment Rolls (as defined herein), together with the interest thereon, shall first be applied to the payment of the principal of and interest on the Bonds as and to the extent provided in the Service and Assessment Plan and the Indenture. In the event the City owes Rebatable Arbitrage to the United States Government, the Assessments shall first be applied to pay the full amount of Rebatable Arbitrage owed by the City, prior to any transfers to the Bond Pledged Revenue Account of the Pledged Revenue Fund.

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

A record of the Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds is shown on the Assessment Rolls. Sums received from the collection of the Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds and penalties) and of the interest thereon shall be deposited into the Bond Pledged Revenue Account of the Pledged Revenue Fund. Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular assessed property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund, as follows. After deposit of Foreclosure Proceeds into the Reserve Fund, the Trustee shall deposit such Foreclosure Proceeds first into the Reserve Account if the Reserve Account does not contain the Reserve Account Requirement and if it does contain the Reserve Account Requirement, such Foreclosure Proceeds shall be deposited into the Delinquency and Prepayment Reserve Account. If both the Reserve Account and Delinquency and Prepayment Reserve Account contain their respective amounts required to be on deposit, the Trustee shall transfer such Foreclosure Proceeds to the Redemption Fund. See "SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenue Fund" and "APPENDIX A — Form of Indenture."

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

**Unconditional Levy of Assessments**

The City will impose Assessments on the property within Improvement Area #1A-1B of the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture

and in the Service and Assessment Plan and coming due during each fiscal year. The Assessments are effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments for each lot within the District begins to accrue on the date specified in the Service and Assessment Plan and, prior to issuance of the Bonds, is calculated at a rate specified in the Assessment Ordinance. After issuance of the Bonds, interest on the Assessments for each lot within the District will accrue at a rate specified in the Assessment Ordinance but may not exceed the interest rate on the Bonds plus the 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the Act ("Additional Interest"). Such interest rates may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated annually and shall be due on October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.017(b) of the PID Act, the City collect, each year while the Bonds are Outstanding and unpaid, a portion of each Annual Installment to pay the annual costs incurred by the City in the administration and operation of the District related specifically to Improvement Area #1A-1B. The portion of each Annual Installment used to pay such annual costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount collected after an annual review in any year pursuant to Section 372.013 of the PID Act. The amount collected to pay Administrative Expenses shall be due in the manner set forth in the Assessment Ordinance on October 1 of each year and shall be delinquent if not paid by February 1 of the following year. Such amounts collected to pay Administrative Expenses are not part of the Trust Estate and do not secure repayment of the Bonds.

There is no discount for the early payment of Assessments.

Assessments, together with interest, penalties, and expense of collection and reasonable attorneys' fees, as permitted by the Texas Tax Code, shall be a first and prior lien against the property assessed, superior to all other liens and claims, except liens or claims for State, county, school district or municipality ad valorem taxes and shall be a personal liability of and charge against the owner of the property regardless of whether the owners are named. The lien for Assessments and penalties and interest begins on the effective date of the Assessment Ordinance and continues until the Assessments are paid or until all Bonds are finally paid.

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

**Perfected Security Interest**

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

**Pledged Revenue Fund**

Periodically upon receipt thereof, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Administrative Expenses and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with the Indenture.

Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, the following amounts from the Pledged Revenue Fund to the following Accounts: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund, an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due, taking into account any amounts then on deposit in the Bond Pledged Revenue and the Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, and (ii) second, if necessary, to the Reserve Account of the Reserve Fund, an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in the Indenture and, immediately following the initial deposit to the Pledged Revenue Fund, prior to any other transfers or deposits being made under the Indenture (other than transfers to the Rebate Fund as required under the Indenture), if the Delinquency and Prepayment Reserve Account of the Reserve Fund does not contain the Delinquency and Prepayment Reserve Requirement and Additional Interest is collected, then all such Additional Interest will be transferred into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement is met. In addition, in the event the City owes Rebatable Arbitrage to the United States Government pursuant to the Indenture, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer under the Indenture, the full amount of Rebatable Arbitrage owed by the City, as further described in the Indenture. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (i) pay other costs of the Improvement Area #1A Projects, (ii) pay other costs of the Improvement Area #1B Projects; (iii) pay other costs permitted by the PID Act, or (iii) deposit such excess into the Redemption Fund to redeem Bonds Similarly Secured as provided in the Indenture or in a Supplemental Indenture. Along with each transfer to the Trustee, the City shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

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

If, after the foregoing transfers and any transfer from Accounts of 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, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.

The Trustee shall transfer Prepayments, as identified in a City Certificate delivered with the deposit of such Prepayments, to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture or Refunding Bonds pursuant to a Supplemental Indenture promptly after deposit of such amounts into the Pledged Revenue Fund.

Promptly after the deposit of Foreclosure Proceeds, as identified in a City Certificate delivered with the deposit of such Foreclosure Proceeds, into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture or Refunding Bonds pursuant to a Supplemental Indenture.

After satisfaction of the requirement to provide for the payment of the principal of and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in the Indenture, as directed by the City in a City Order.

**Bond Fund**

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

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

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

The City may, in its discretion, deposit moneys into the Principal and Interest Account at any time from any source other than Assessments and Annual Installments, and upon such deposit, such moneys shall be part of the Trust Estate.

**Project Fund**

Money on deposit in the Project Fund shall be used for the purposes specified in the Indenture. Except as provided in the Indenture, money on deposit in the Improvement Area #1A Bond Improvement Account of the Project Fund shall only be used to pay Improvement Area #1A Project Costs, and money on deposit in the Improvement Area #1B Bond Improvement Account of the Project Fund shall only be used to pay Improvement Area #1B Project Costs.

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Orders.

Disbursements from the Improvement Area #1A Bond Improvement Account and the Improvement Area #1B Bond Improvement Account of the Project Fund to pay Improvement Area #1A Project Costs and Improvement Area #1B Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. Each such Certificate for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such Certificate for Payment or in the invoices submitted therewith and the Trustee may rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein. The Trustee may, but shall not be obligated to, confirm wire instructions by callback, and shall have no liability for any payment made in accordance with instructions in a Certificate for Payment.

If the City Representative determines in his or her sole discretion that certain amounts then on deposit in the Improvement Area #1A Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #1A Bond Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1A Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1A Bond Improvement Account will ever be expended for the purposes of the Improvement Area #1A Bond Improvement Account of the Project Fund, the City Representative shall file a City Certificate with the Trustee that identifies the amounts then on deposit in the Improvement Area #1A Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #1A Bond Improvement Account of the Project Fund. If such City Certificate is so filed, the identified amounts on deposit in the Improvement Area #1A Bond Improvement Account shall be transferred to 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 Order filed with the Trustee.

If the City Representative determines in his or her sole discretion that certain amounts then on deposit in the Improvement Area #1B Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #1B Bond Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1B Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1B Bond Improvement Account will ever be expended for the purposes of the Improvement Area #1B Bond Improvement Account of the Project Fund, the City Representative shall file a City Certificate with the Trustee that identifies the amounts then on deposit in the Improvement Area #1B Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #1B Bond Improvement Account of the Project Fund. If such City Certificate is so filed, the identified amounts on deposit in the Improvement

Area #1B Bond Improvement Account shall be transferred to 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 Order filed with the Trustee.

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

Upon the filing of a City Certificate stating that all Improvement Area #1A Projects have been completed and that all Improvement Area #1A Project Costs have been paid, or that any Improvement Area #1A Project Costs are not required to be paid from the Improvement Area #1A Bond Improvement Account of the Project Fund pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #1A Bond Improvement Account of the Project Fund to 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 Order filed with the Trustee. Upon such transfer, the Improvement Area #1A Bond Improvement Account of the Project Fund shall be closed.

Upon the filing of a City Certificate stating that all Improvement Area #1B Projects have been completed and that all Improvement Area #1B Project Costs have been paid, or that any Improvement Area #1B Project Costs are not required to be paid from the Improvement Area #1B Bond Improvement Account of the Project Fund pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #1B Bond Improvement Account of the Project Fund to 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 Order filed with the Trustee. Upon such transfer, the Improvement Area #1B Bond Improvement Account of the Project Fund shall be closed.

Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred, in the same proportionate amounts as the proportionate amounts of Bond proceeds deposited to the Improvement Area #1A Bond Improvement Account and the Improvement Area #1B Bond Improvement Account on the Delivery Date of the Bonds, to the Improvement Area #1A Bond Improvement Account of the Project Fund and used to pay Improvement Area #1A Project Costs and to the Improvement Area #1B Bond Improvement Account of the Project Fund and used to pay Improvement Area #1B Project Costs, or, if no Improvement Area #1A Project Costs or Improvement Area #1B Project Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Order filed with the Trustee, and the Costs of Issuance Account shall be closed.

In providing any disbursement under the Indenture as described in the preceding paragraphs, the Trustee may conclusively rely as to the completeness and accuracy of all statements in a Certificate for Payment, and the Trustee shall not be required to make any independent investigation or verify any calculations in connection therewith and is not responsible for receiving or reviewing any backup for such Certificate for Payment. The execution by a City Representative of an Approval of Request by City attached to any Certificate for Payment shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested under such Certificate of Payment have been completed. The Trustee shall have no liability on account of any disbursement from the Project Fund (including subaccounts) in accordance with such Certificate for Payment, City Order or other written direction provided by the City where it has complied with the procedures required in the Indenture with respect to such Certificate for Payment, City Order or other written direction. The Trustee shall have no responsibility whatsoever to disburse or transfer funds from the Project Fund under the Indenture absent written directions from the City.

**Reserve Fund**

The Reserve Account will be held by the Trustee for the benefit of the Bonds Similarly Secured and will initially be funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments; and provided further that as a result of (1) a mandatory sinking fund redemption pursuant to the Indenture, (2) an optional redemption pursuant to the Indenture or (3) an extraordinary optional redemption pursuant to the Indenture, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds

Similarly Secured prior to such redemption. As of the date of issuance of the Bonds, the Reserve Account Requirement is $_____.

The City will accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in the Indenture. The Trustee will transfer from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on February 15 of each year, commencing February 15, 2027, an amount the City confirms in writing to the Trustee is equal to the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account; provided, however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. In transferring the amounts pursuant to the Indenture, the Trustee may conclusively rely on a City Order (which shall be based on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan) unless and until it receives a City Order directing that a different amount be used. Whenever a transfer is made from the Reserve Account to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds. The Additional Interest shall continue to be collected and deposited pursuant to the Indenture until the Bonds Similarly Secured are no longer Outstanding, but only in the event the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement. "Delinquency and Prepayment Reserve Requirement" means an amount equal to 5.5% of the principal amount of the Outstanding Bonds Similarly Secured to be funded from Assessment Revenues deposited to the Pledged Revenue Fund.

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

Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess via the Trustee's online portfolio system. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with the Indenture, unless within 30 days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due for Rebatable Arbitrage under the Indenture, (ii) to the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds Similarly Secured, (iii) to the Improvement Area #1A Bond Improvement Account of the Project Fund to pay Improvement Area #1A Project Costs if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture, (iv) to the Improvement Area #1B Bond Improvement Account of the Project Fund to pay Improvement Area #1B Project Costs if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture, or (v) to the Redemption Fund to be applied to the redemption of Bonds.

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess

via the Trustee's online portfolio system, and such excess and any amount of Additional Interest held by the Trustee in excess of the amount necessary to fully fund the Delinquency and Prepayment Reserve Requirement shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture or Refunding Bonds pursuant to a Supplemental Indenture. In the event that the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within 45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds pursuant to the Indenture or Refunding Bonds pursuant to a Supplemental Indenture and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in good faith in accordance with the Indenture.

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

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

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

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

**Administrative Fund**

Periodically upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Administrative Expenses and Delinquent Collection Costs, as set forth in the Service and Assessment Plan. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Administrative Expenses and Delinquent Collection Costs. See "APPENDIX C — Form of Service and Assessment Plan."

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

**Defeasance**

Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of the Indenture (a "Defeased Bond"), when payment of the principal of, premium, if any, on such Defeased Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities that mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such time as a Bond

Similarly Secured shall be deemed to be a Defeased Bond under the Indenture, as aforesaid, such Bond Similarly Secured and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Trust Estate as provided in the Indenture, and such principal and interest shall be payable solely from such money or Defeasance Securities. 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 Defeased Bonds and shall not be part of the Trust Estate. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Defeased 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.

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

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

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

**Events of Default**

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

i. The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund within 10 Business Days after receipt;

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

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

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

**Remedies in Event of Default**

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

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

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

Whenever moneys are to be applied pursuant to the provision of the Indenture with respect to defaults, irrespective of and 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 judgment of the Trustee, proper for the purpose that 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 as provided in the Indenture, or of which by the Indenture it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in the Indenture, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers granted in the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given in writing to the Trustee; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

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

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

**Application of Revenues and Other Moneys After Event of Default**

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

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

ii. SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds Similarly Secured, or Redemption Price of any Bonds Similarly Secured that shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and,

if the amounts available shall not be sufficient to pay in full all the Bonds Similarly Secured due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners pursuant to the Indenture within 30 days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

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

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

**Investment or Deposit of Funds**

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

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

**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, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

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

**Additional Obligations**

The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations that do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

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

The City reserves the right to issue Refunding Bonds for the purpose of refunding any of the Bonds Similarly Secured and in accordance with the conditions set forth below:

(i) The maximum maturity for the Refunding Bonds will not exceed 30 years from the date of delivery of the Bonds;

(ii) The principal of and interest on the Refunding Bonds must be scheduled to be paid or mature on February 15 or August 15, or both, of the years in which each principal or interest are scheduled to be paid or mature; and

(iii) There shall be deposited to the Reserve Account of the Reserve Fund an amount equal to the Reserve Account Requirement taking into account the Outstanding Bonds Similarly Secured, and the Refunding Bonds then proposed to be issued.

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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 | $ |
| TOTAL SOURCES | $ |
| | |
| Use of Funds: | |
| Deposit to Improvement Area #1A Bond Improvement Account of the Project Fund | $ |
| Deposit to Improvement Area #1B Bond Improvement Account of the Project Fund | |
| Deposit to Reserve Account of the Reserve Fund | |
| Deposit to Administrative Fund | |
| Underwriter's Discount[(1)] | |
| Deposit to Costs of Issuance Account of the Project Fund | |
| TOTAL USES | $ |

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

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## DEBT SERVICE REQUIREMENTS

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

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

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## OVERLAPPING TAXES AND DEBT

### Overlapping Taxes and Debt

The land within Improvement Area #1A-1B of the District and subject to the Assessments levied by the City has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments levied by the City.

An approximately 49.879-acre portion of the District is within the corporate limits of the City, and the remainder of the land in the District is located in the City's extraterritorial jurisdiction. The Development Agreement requires that land within each Improvement Area be annexed into the corporate limits of the City substantially contemporaneously with the issuance of bonds associated with such Improvement Area. Accordingly, the land in Improvement Area #1A-1B is expected to be subject to taxation by the City. Ellis County, Ellis County Emergency Services District #6 and the Waxahachie Independent School District may each levy ad valorem taxes upon land in Improvement Area #1A-1B of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or assessments levied by such taxing authorities. The following table reflects the overlapping ad valorem tax rates on property located in Improvement Area #1A-1B of the District after the expected annexation of the land within Improvement Area #1A-1B into the corporate limits of the City.

| Taxing Entity[1] | **Improvement Area #1 A** *Projected* Ad Valorem Tax Rate[2] | **Improvement Area #1 B** *Projected* Ad Valorem Tax Rate[2] |
|---|---|---|
| The City | $0.610000 | $0.610000 |
| Ellis County, Texas | 0.273500 | 0.273500 |
| Ellis County Emergency Services District #6 | 0.100000 | 0.100000 |
| Waxahachie Independent School District | 1.154500 | 1.154500 |
| Total Existing Tax Rate | **$2.138000** | **$2.138000** |
| **Estimated Average Annual Installment of Assessments in Improvement Area #1A-1B of the District as tax rate equivalent per $100 in value [3], [4]** | $0.679506 | $0.678411 |
| **Estimated Total Tax Rate and Average Annual Installment in Improvement Area #1A-1B of the District as tax rate equivalent per $100 in value[3]** | **$2.817506** | **$2.816411** |

[1] All but nine acres of the District lies within the Ellis County Fresh Water Supply District No. 3, which is statutorily able to levy ad valorem taxes but does not currently levy ad valorem taxes and would be required to hold an election to do so. See "THE DEVELOPMENT – Overlapping Fresh Water Supply District." No such ad valorem tax is expected to be levied, and Improvement Area #1A-1B is expected to be removed from the boundaries of Ellis County Fresh Water Supply District No. 3 after closing of the Bonds. The property currently lies within Ellis County Emergency Services District #6 but may be removed from Ellis County Emergency Services District #6 after annexation into City limits.

[2] Tax Rates for the taxing entities are Tax Year 2026 tax rates as reported by the Ellis County Appraisal District. Per $100 in taxable appraised value.

[3] *Preliminary, subject to change.*

[4] Derived from information presented in the Service and Assessment Plan.

As noted above, the District includes territory located in governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Area #1A-1B of the District and the amount of debt secured by the Assessments after the expected annexation of the land within Improvement Area #1A-1B into the corporate limits of the City:

| Taxing or Assessing Entity[1] | Gross Outstanding Debt as of 11/1/2026 | Estimated Percentage Applicable[2] | Direct and Estimated Overlapping Debt[2] |
|---|---|---|---|
| The City (Assessments) [3] | $ 11,120,000 | 100.00% | $11,120,000 |
| The City | 270,670,000 | 0.267% | 722,766 |
| Ellis County, Texas | 18,535,000 | 0.053% | 9,780 |
| Waxahachie Independent School District | 662,385,000 | 0.233% | 1,543,454 |
| | $962,710,000 | | $13,396,000 |

[1] Ellis County Emergency Services District #6 does not have outstanding ad valorem tax debt.
[2] Based on the Appraisal (as defined herein) and on certified taxable assessed valuations for Tax Year 2026 for the taxing entities.
[3] Preliminary, subject to change.
*Sources: Municipal Advisory Council of Texas and the Service and Assessment Plan.*

**Homeowners' Association**

In addition to the Assessments described above, all lot owners in Improvement Area #1A-1B of the District will pay an annual maintenance and operation fee and/or a homeowners' association fee of approximately $775 per year to the homeowners' association for the property within the District (the "HOA"), which homeowners' association has been formed.

## 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 #1A-1B Projects through Assessments, it adopted a resolution generally describing the Improvement Area #1A-1B Projects and the land within Improvement Area #1 of the District to be subject to Assessments to pay the cost therefor. The City has caused (i) an assessment roll to be prepared for Improvement Area #1A (the "Improvement Area #1A Assessment Roll"), which Improvement Area #1A Assessment Roll shows the land within Improvement Area #1A of the District to be assessed, the amount of the benefit to and the Improvement Area #1A Assessment against each lot or parcel of land and the number of Annual Installments in which the Improvement Area #1A Assessment is divided and (ii) an assessment roll to be prepared for Improvement Area #1B (the "Improvement Area #1B Assessment Roll," and, together with the Improvement Area #1A Assessment Roll, the "Assessment Rolls"), which Improvement Area #1B Assessment Roll shows the land within Improvement Area #1B of the District to be assessed, the amount of the benefit to and the Improvement Area #1B Assessment against each lot or parcel of land and the number of Annual Installments in which the Improvement Area #1B Assessment is divided.

The Assessment Rolls were filed with the City Secretary and made available for public inspection. Statutory notice was or will be given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #1A-1B Projects and funding a portion of the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance immediately prior to adopting the Bond Ordinance. After such adoption, the Assessments will become legal, valid and binding liens upon the property against which the Assessments have been made.

Under the PID Act, the costs of the Improvement Area #1A-1B Projects may be assessed by the City against the assessable property in Improvement Area #1A-1B of the District so long as the special benefit conferred upon the assessed property by the Improvement Area #1A-1B Projects equals or exceeds the Assessments. The costs of the Improvement Area #1A-1B Projects may be assessed using any methodology that results in the imposition of equal shares of cost on assessed property similarly benefited. The allocation of benefits and assessments to the benefitted land within Improvement Area #1A-1B of the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX C — Form of Service and Assessment Plan."

**Assessment Methodology**

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Improvement Area #1A-1B Projects, provides the basis and justification for the determination that such special benefit exceeds the Assessments levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #1A-1B Projects to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #1A-1B Projects is being funded with proceeds of the Bonds, which are payable and secured by the Trust Estate, consisting of the Pledged Revenues, including primarily the Assessment Revenues.

As set forth in the Service and Assessment Plan, (i) the City Council has determined that the Budgeted Costs associated with the Improvement Area #1A Projects will be allocated among the existing parcels in Improvement Area #1A of the District (the "Improvement Area #1A Assessed Property") by spreading the Improvement Area #1A Assessment across all Parcels and Lots within Improvement Area #1A based on Equivalent Units expected to be developed on each such Parcel or Lot to the Equivalent Units for all Parcels or Lots within Improvement Area #1A and (ii) the City Council has determined that the Budgeted Costs associated with the Improvement Area #1B Projects will be allocated among the existing parcels in Improvement Area #1B of the District (the "Improvement Area #1B Assessed Property," and, together with the Improvement Area #1A Assessed Property, the "Assessed Property") by spreading the Improvement Area #1B Assessment across all Parcels and Lots within Improvement Area #1B based on Equivalent Units expected to be developed on each such Parcel or Lot to the Equivalent Units for all Parcels or Lots within Improvement Area #1B.

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

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels similarly situated within Improvement Area #1A-1B 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 Improvement Area #1A-1B of the District. See "APPENDIX C — Form of Service and Assessment Plan."

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 related to the Assessments. The information in the tables was obtained from and calculated using information provided in the Service and Assessment Plan and the Appraisal. See "APPENDIX C — Form of Service and Assessment Plan" and "APPENDIX F — Appraisal."

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**VALUE TO LIEN ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE, AND LEVERAGE PER LOT TYPE IN IMPROVEMENT AREA #1A***

| Lot Type | No. of Lots | Estimated Finished Value per Lot[(1)] | Projected Average Home Value[(2)] | Assessment per Lot | Average Annual Installment of Assessment | Tax Rate Equivalent of Average Annual Installment of Assessment per $100/Lot Value | Tax Rate Equivalent of Average Annual Installment of Assessment per $100/Home Value | Estimated Ratio of Estimated Finished Value per Lot to Assessment | Estimated Ratio of Projected Average Home Value to Assessment |
|---|---|---|---|---|---|---|---|---|---|
| 80’ | 133 | $92,000 | $485,000 | $40,597.78 | $3,297 | $3.58 | $0.68 | 2.27 | 11.95 |
| 60’ | 61 | $75,950 | $410,000 | $34,239.09 | $2,780 | $3.66 | $0.68 | 2.22 | 11.97 |
| 50’ | 40 | $67,650 | $350,000 | $29,347.79 | $2,383 | $3.52 | $0.68 | 2.31 | 11.93 |

[(1)] Retail value of finished lots as provided in the Appraisal. See “APPRAISAL” and “APPENDIX F – Appraisal.”
[(2)] Estimated value provided by the Developer.

**VALUE TO LIEN ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE, AND LEVERAGE PER LOT TYPE IN IMPROVEMENT AREA #1B***

| Lot Type | No. of Lots | Estimated Finished Value per Lot[(1)] | Projected Average Home Value[(2)] | Assessment per Lot | Average Annual Installment of Assessment | Tax Rate Equivalent of Average Annual Installment of Assessment per $100/Lot Value | Tax Rate Equivalent of Average Annual Installment of Assessment per $100/Home Value | Estimated Ratio of Estimated Finished Value per Lot to Assessment | Estimated Ratio of Projected Average Home Value to Assessment |
|---|---|---|---|---|---|---|---|---|---|
| 1-acre | 53 | $106,700 | $585,000 | $46,377.36 | $3,969 | $3.72 | $0.68 | 2.30 | 12.61 |

[(1)] Retail value of finished lots as provided in the Appraisal. See “APPRAISAL” and “APPENDIX F – Appraisal.”
[(2)] Estimated value provided by the Developer.

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* *Preliminary; subject to change.*

**Collection and Enforcement of Assessment Amounts**

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

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

The Indenture sets forth that the City covenants, agrees and warrants that, for so long as any Bonds Similarly Secured are Outstanding that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to 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 anticipates implementing 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 procedures for enforcing the payment of delinquent Assessments.

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

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

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

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

**Assessment Amounts**

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

The Assessment for each lot in Improvement Area #1A-1B is as set forth in the value to lien analysis tables under "ASSESSMENT PROCEDURES — Assessment Methodology." The Bonds are secured by a first lien on and pledge of the Trust Estate, including the Pledged Revenues which consist primarily of revenues from the Assessments. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "APPENDIX C — Form of Service and Assessment Plan."

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

*Method of Apportionment of Assessments*. For purposes of the Service and Assessment Plan, the City Council has determined to allocate the Budgeted Costs of the Improvement Area #1A-1B Projects and that creating assessment classifications based on the anticipated Lot Types will result in imposing equal shares of cost on properties similarly benefitted. As the existing parcels are subsequently divided, the Assessments will be further apportioned pro rata based on the Lot Types of the newly created parcels as more particularly described in the Service and Assessment Plan. See "APPENDIX C — Form of Service and Assessment Plan." See "ASSESSMENT PROCEDURES — Assessment Methodology."

**Prepayment of Assessments**

Pursuant to the PID Act and the Indenture, the owner of any Assessed Property (i) may voluntarily prepay all or part of any Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time or, (ii) in certain cases, may be required to mandatorily prepay an Assessment as described below (each, a "Prepayment").

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

*Mandatory Prepayment—Transfer to Exempt Entity*. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act. Such payments shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and the Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

*Mandatory Prepayment—Exceedance of Maximum Assessment*. If at any time the Assessment per Equivalent Unit on a Parcel exceeds the applicable Improvement Area #1A Maximum Assessment Per Unit, or Improvement Area #1B

Maximum Assessment per Unit, as 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 the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per Equivalent Unit for the Parcel exceeds the Improvement Area #1A Maximum Assessment Per Unit or Improvement Area #1B Maximum Assessment Per Unit, as applicable, as calculated in the Service and Assessment Plan.

**Priority of Lien**

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

**Foreclosure Proceedings**

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

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

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

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

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## THE CITY

### Background

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City is centrally located in Ellis County on the banks of Waxahachie Creek and is approximately 30 miles south of Dallas as the intersection of Interstate Highway 35E and U.S Highway 287. The City is the county seat and principal commercial center of the County.

The City was incorporated in 1849, first adopted the Charter in 1971, and last amended the Charter in 2026. Some of the services that the City provides are as follows: public safety (police and fire protection), highways and streets, sanitation, health and social services, parks and recreation, public improvements, planning and zoning, and general administrative services.

The 2020 Census population for the City was 41,140, while the estimated 2026 population is 53,000 The City covers approximately 41.2 square miles**.**

### City Government

The City operates under a Council/Manager form of government with a City Council comprised of five council members. The City Manager is the chief administrative officer for the City. Each May the City Council appoints the - Mayor Pro Tem. Beginning with the May 2027 election cycle, the term of office is three-year staggered terms and the Mayor will be elected at large.

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

### City Water and Wastewater

The City sources its water from Lake Bardwell, Lake Waxahachie, and the Tarrant Regional Water District. Water is treated at the Robert W. Sokoll Water Treatment Plant (the "WTP") which serves the City and Rockett Special Utility District. The WTP can currently provide 20 million gallons per day ("MGD") of treated water and is planned for an ultimate build-out capacity of 80 MGD. The City also owns and operates Howard Water Treatment Plant with a capacity of approximately 18 MGD and with ground and elevated storage tank capacity of approximately 14.9 million gallons. The City also owns and operates a wastewater treatment plant with an annual average capacity of 8.0 MGD.

Recent and current City projects include numerous replacements and expansions of water and wastewater transmission lines throughout the City, including approximately 29,600 linear feet of water lines and 32,500 linear feet of sanitary sewer lines completed in 2025 and the Lower Mustang Creek lift station expansion, which is expected to increase the capacity of such lift station from 8 MGD to 12 MGD to support current and future development in the City, which is planned to be completed by the end of 2026.

The City's water and wastewater systems have capacity for Improvement Area #1A-1B of the District.

## THE DISTRICT

### General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement districts to pay for certain improvements. The District was created by a resolution of the City adopted in accordance with the PID Act (the "Creation Resolution") for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1A-1B Projects, authorized by the PID Act and approved by the City Council that confer a special benefit to property in Improvement Area #1A-1B of the District. The District is not a separate political subdivision of the State and is governed by the City Council.

**Powers and Authority**

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City's extraterritorial jurisdiction. An approximately 49.879-acre portion of the District is within the corporate limits of the City, and the remainder of the land in the District is located in the City's extraterritorial jurisdiction. The Development Agreement requires that land within each Improvement Area be annexed into the corporate limits of the City substantially contemporaneously with the issuance of bonds associated with such Improvement Area. The PID Act provides that the City may levy and collect special assessments on property in the District, or portions thereof, payable in full or periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Improvement Area #1A-1B Projects. See "THE IMPROVEMENT AREA #1A-1B PROJECTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of the Improvement Area #1A-1B Projects and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See "ASSESSMENT PROCEDURES" herein and "APPENDIX C — Form of Service and Assessment Plan."

## THE IMPROVEMENT AREA #1A-1B PROJECTS

**General**

The Improvement Area #1A-1B Projects consist of the Improvement Area #1A-1B's allocable shares of the Improvement Areas #1A-1B Improvements, the Improvement Area #1A Sanitary Sewer Improvements, the Major Improvements, Major Sanitary Sewer Zone Improvements, Zone 1 Improvements, and Zone 2 Sanitary Sewer Improvements. Proceeds of the Bonds will be used, inter alia, to pay for a portion of the costs of the Improvement Area #1A-1B Projects. The Developer is responsible for the completion of the construction, acquisition or purchase of the Improvement Area #1A-1B Projects. The City will use proceeds of the Bonds to pay for a portion of the costs of construction of the Improvement Area #1A-1B Projects and, to the extent that the proceeds of the Bonds are insufficient for the cost of the Improvement Area #1A-1B Projects, the balance of the costs of the applicable Improvement Area #1A-1B Projects has been paid by the Developer, without reimbursement from the City.

**Description of Improvement Area #1A-1B Projects**

Set forth below are descriptions of the Improvement Areas #1A-1B Improvements, the Improvement Area #1A Sanitary Sewer Improvements, the Major Improvements, Major Sanitary Sewer Zone Improvements, Zone 1 Improvements, and Zone 2 Sanitary Sewer Improvements.

***Major Sanitary Sewer Zone Improvements***.

***Sanitary Sewer Improvements***

Improvements include trench excavation and embedment, trench safety, piping, manholes, service connections, testing and all other necessary appurtenances required to provide sanitary sewer service to all lots within the Major Sanitary Sewer Zone. The sanitary sewer improvements will be owned and operated by the City.

***Soft and Miscellaneous Costs***

Certain soft and miscellaneous costs include costs related to designing, constructing, and installing the Major Sanitary Sewer Zone Improvements including land planning and design, City fees, engineering, soil testing, surveying, appraisal fees, district formation fees, contingency, and other soft and miscellaneous costs.

***Zone 1 Improvements***.

***Storm Drainage Improvements***

Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances required to provide adequate drainage for the arterial road rights-of-way within Zone 1. Improvements include all clearing, excavation and installation of erosion control measures associated with the improvements. The storm drainage improvements will be owned and operated by the City but maintained by the HOA through a qualified maintenance agreement.

***Soft and Miscellaneous Costs***

Certain soft and miscellaneous costs include costs related to designing, constructing, and installing the Zone 1 Improvements including land planning and design, City fees, engineering, soil testing, surveying, appraisal fees, district formation fees, contingency, and other soft and miscellaneous costs.

***Zone 2 Sanitary Sewer Improvements***.

***Sanitary Sewer Improvements***

Improvements include trench excavation and embedment, trench safety, piping, manholes, service connections, lift station, force main line, testing, and all other necessary appurtenances required to provide sanitary sewer service to each lot within Zone 2. The sanitary sewer improvements will be owned and operated by the City.

***Soft and Miscellaneous Costs***

Certain soft and miscellaneous costs include costs related to designing, constructing, and installing the Zone 2 Sanitary Sewer Improvements including land planning and design, City fees, engineering, soil testing, surveying, appraisal fees, district formation fees, contingency, and other soft and miscellaneous costs.

***Improvement Areas #1A-1B Improvements***

***Roadway Improvements***

Improvements include subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, testing, and all other materials associated with the public residential rights-of-way within Improvement Areas #1A-1B. Improvements include the clearing and excavation associated with the public arterial and collector road rights-of-way, and installation of erosion control measures. The street improvements will provide benefit to each lot within Improvement Areas #1A-1B. The improvements will be built to City standards and specifications and will be owned and operated by the City.

***Water Improvements***

Improvements include trench excavation and embedment, trench safety, piping, gate valves, fire hydrants, service connections, testing, and all necessary appurtenances required to provide water service to all Lots within Improvement Areas #1A-1B. The improvements will be built to City standards and specifications and will be owned and operated by the City.

***Storm Drainage Improvements***

Improvements include trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other appurtenances required to provide adequate drainage within Improvement Areas #1A-1B. The improvements will be built to City standards and specifications and will be owned and operated by the City.

***Soft and Miscellaneous Costs***

Certain soft and miscellaneous costs include costs related to designing, constructing, and installing the Improvement Areas #1A-1B Improvements including land planning and design, City fees, engineering, soil testing, surveying, appraisal fees, district formation fees, contingency, and other soft and miscellaneous costs.

***Improvement Area #1A Sanitary Sewer Improvements***

***Sanitary Sewer Improvements***

Improvements include trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances required to provide sanitary sewer service to each lot within Improvement Area #1A. The sanitary sewer improvements will be owned and operated by the City.

***Soft and Miscellaneous Costs***

Certain soft and miscellaneous costs include costs related to designing, constructing, and installing the Improvement Area #1A Sanitary Sewer Improvements including land planning and design, City fees, engineering, soil testing, surveying, appraisal fees, district formation fees, contingency, and other soft and miscellaneous costs.

***Major Improvements***.

***Roadway Improvements***

Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, testing, and all other materials associated with the public arterial and collector road rights-of-way within the development and within the offsite East Haven Road right-of-way. Improvements include the clearing and excavation associated with the public arterial and collector road rights-of-way, and installation of erosion control measures. The roadway improvements will be owned and operated by the City except those portions of roadways outside the City limits that would fall under the jurisdiction of the County. Such roadways shall be owned, operated, and maintained by the Ellis County Fresh Water Supply District No. 3 ("ECFWSD No. 3") until the final improvement area is annexed into the City, at which time such roadway improvements will be owned, operated, and maintained by the City.

***Water Improvements***

Improvements include trench excavation and embedment, trench safety, piping, gate valves, fire hydrants, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within the District. The improvements will be built to City standards and specifications and will be owned and operated by the City.

***Storm Drainage Improvements***

Improvements consist of trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all necessary appurtenances required to provide adequate drainage for the arterial road rights-of-way within the PID. The improvements within the development will be owned and operated by the City except those portions of storm sewer associated with roadways outside the City limits that would fall under the jurisdiction of the County. Such storm sewer shall be owned, operated and maintained by the ECFWSD No. 3 until the final improvement area is annexed into the City, at which time such storm sewer improvements will be owned and operated by the City.

***Soft and Miscellaneous Costs***

Certain soft and miscellaneous costs include costs related to designing, constructing, and installing the Major Improvements including land planning and design, City fees, engineering, soil testing, surveying, appraisal fees, district formation fees, contingency, and other soft and miscellaneous costs.

The cost of the Improvement Area #1A-1B Projects, including cost of issuance of the Bonds, is expected to be approximately $22,132,706*. A portion of such costs is expected to be paid with proceeds of the Bonds. The balance of such costs is expected to be paid by the Developer. The following table reflects the total expected costs of the Improvement Area #1A-1B Projects, including the estimated costs of issuance of the Bonds, and sources and uses therefor.

* *Preliminary; subject to change.*

**Improvement Area #1A & Improvement Area #1B**

| Improvement | Improvement Area #1A Costs | Improvement Area #1B Costs | Total |
|---|---|---|---|
| *Major Improvements* | | | |
| Roadway Improvements | *$409,002* | *$122,407* | *$531,410* |
| Water Improvements | *$181,674* | *$54,372* | *$236,046* |
| Storm Drainage Improvements | *$212,730* | *$63,666* | *$276,396* |
| Soft and Miscellaneous Costs | *$144,863* | *$43,355* | *$188,219* |
| *Subtotal Major Improvements* | *$948,270* | *$283,801* | *$1,232,070* |
| | | | |
| *Major Sanitary Sewer Zone Improvements* | | | |
| Sanitary Sewer Improvements | *$283,449* | *$0* | *$283,449* |
| Soft and Miscellaneous Costs | *$26,253* | *$0* | *$26,253* |
| *Subtotal Major Sanitary Sewer Zone Improvements* | *$309,701* | *$0* | *$309,701* |
| | | | |
| *Zone 1 Improvements* | | | |
| Storm Drainage Improvements | *$40,434* | *$12,101* | *$52,535* |
| Soft and Miscellaneous Costs | *$30,987* | *$9,274* | *$40,261* |
| *Subtotal Zone 1 Improvements* | *$71,421* | *$21,375* | *$92,796* |
| | | | |
| *Zone 2 Sanitary Sewer Improvements* | | | |
| Sanitary Sewer Improvements | *$2,570,164* | *$0* | *$2,570,164* |
| Soft and Miscellaneous Costs | *$0* | *$0* | *$0* |
| *Subtotal Zone 2 Sanitary Sewer Improvements* | *$2,570,164* | *$0* | *$2,570,164* |
| | | | |
| *Improvement Area #1A-1B Improvements* | | | |
| Roadway Improvements | *$4,434,939* | *$1,327,301* | *$5,762,240* |
| Water Improvements | *$2,243,595* | *$671,470* | *$2,915,065* |
| Storm Drainage Improvements | *$2,738,283* | *$819,521* | *$3,557,804* |
| Soft and Miscellaneous Costs | *$1,287,853* | *$385,432* | *$1,673,285* |
| *Subtotal Improvement Area #1A-1B Improvements* | *$10,704,670* | *$3,203,724* | *$13,908,394* |
| | | | |
| *Improvement Area #1A Sanitary Sewer Improvements* | | | |
| Sanitary Sewer Improvements | *$2,238,180* | *$0* | *$2,238,180* |
| Soft and Miscellaneous Costs | *$3,400* | *$0* | *$3,400* |
| *Subtotal Improvement Area #1A Sanitary Sewer Improvements* | *$2,241,580* | *$0* | *$2,241,580* |
| | | | |
| *Estimated Bond Issuance Costs* | | | |
| Issuance costs | *$456,702* | *$129,598* | *$586,300* |
| Administrative expenses | *$25,000* | *$25,000* | *$50,000* |
| Underwriter's discount | *$259,860* | *$73,740* | *$333,600* |
| Reserve fund | *$629,640* | *$178,460* | *$808,100* |
| *Subtotal Estimated Bond Issuance Costs* | *$1,371,202* | *$406,798* | *$1,778,000* |
| **Total Uses** | **$18,217,009** | **$3,915,698** | **$22,132,706** |

**Ownership and Maintenance of the Improvement Area #1A-1B Projects**

The Improvement Area #1A-1B Projects have been or will be dedicated to and accepted by the City or ECFWSD No. 3, as applicable, and will be constructed in accordance with City standards and specifications as outlined in the Service and Assessment Plan. The City or ECFWSD No. 3, as applicable, will provide for the ongoing operation, maintenance and repair of such Improvement Area #1A-1B Projects 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 representatives and professional services providers, the City's Municipal Advisor, and the Underwriter, and none of the City, the City's Municipal Advisor or the Underwriter have any way of guaranteeing the accuracy of such information.

**Overview**

The Development is an approximately 1,229.53-acre master-planned residential community located partially within the City's corporate limits and in Ellis County. The Development is east of IH-35E and south of US 287 on the south side of the City. The Development is located approximately 51 miles southeast of Fort Worth, Texas, 37 miles south of Dallas, Texas, as well as 55 miles southwest of Dallas Fort Worth International Airport and 42 miles south of Dallas Love Field.

**General Development Plan**

The Developer expects to complete the construction of the improvements to serve the entire District in approximately 11 phases. At full development, the District is expected to include 2,600 single-family residential lots of 50', 60' and 80' front footages as well as one-acre lots and approximately 45,000 square feet of commercial development. The Development is currently divided into Improvement Area #1A-1B and the Future Improvement Areas. See "MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1A-1B AND FUTURE IMPROVEMENT AREAS" on page v.

The Developer began development in the District with the construction of the Improvement Area #1A-1B Projects, which included commencement of construction of all of the Major Improvements, Major Sanitary Sewer Zone Improvements, Zone 1 Improvements, Zone 2 Sanitary Sewer Improvements, Improvement Areas #1A-1B Improvements, and Improvement Area #1A Sanitary Sewer Improvements. The Developer anticipates that it will follow with the construction of the Future Improvement Area Improvements based on market demand.

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

| Phase or Improvement Area | Single-Family Lots | Actual/Expected Start of Internal Infrastructure | Actual/Expected Internal Infrastructure Completion Date | Expected Final Home Sale Date |
|---|---|---|---|---|
| 1A-1B | 287 | February 2025 | October 2026 | December 2029 |
| 2 | 119 | December 2026 | November 2027 | December 2029 |
| 3 | 135 | June 2027 | August 2028 | August 2031 |
| 4 | 235 | June 2028 | August 2029 | December 2032 |
| 5 | 316 | June 2029 | August 2030 | October 2034 |
| 6 | 171 | June 2030 | August 2031 | June 2034 |
| 7 | 302 | June 2031 | August 2032 | Sept 2036 |
| 8 | 258 | June 2032 | August 2033 | May 2036 |
| 9 | 279 | June 2033 | August 2034 | July 2038 |
| 10 | 241 | June 2034 | August 2035 | February 2039 |
| 11 | 257 | June 2035 | August 2036 | September 2039 |
| **Total** | **2,600** | | | |

**Concept Plan**

Below is a map of certain planned phases and future development areas within the Development, which shows the current conceptual land use plan of the Development as approved by the City. The concept plan is subject to change consistent with the Development Agreement and zoning regulations set forth for the District. See "— Zoning" below.

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AMENITY CENTER
IMPROVEMENT AREA #1
FUTURE HAVEN PARK
LIFT STATION
FUTURE DEVELOPMENT (PHASE 2)
FUTURE AMENITY CENTER
FUTURE LOCAL RETAIL
FUTURE DEVELOPMENT
FUTURE DEVELOPMENT
WATER EASEMENT
FUTURE SCHOOL
FUTURE DEVELOPMENT
GAS EASEMENT
FUTURE SCHOOL
FUTURE DEVELOPMENT
FUTURE DEVELOPMENT
GAS EASEMENT
LIFT STATION
FUTURE DEVELOPMENT
FUTURE DEVELOPMENT
NOTE
AMENITY CENTERS, LOCAL RETAIL CENTERS, SCHOOLS, LIFT STATIONS AND FUTURE HAVEN RANCH DEVELOPMENT AREAS GENERALLY FOLLOW WHAT IS SHOWN IN THE DEVELOPMENT AGREEMENT AND ARE SUBJECT TO CHANGE AT TIME OF FINAL DESIGN.
Kimley»Horn
13455 Noel Road Two Galleria Office Tower, Suite 700, Dallas, Texas 75240
Engineering Firm Registration # F-928
PID CONCEPT PLAN - PHASE 1 & 2
HAVEN RANCH
WAXAHACHIE, TX
AUGUST 2026
GRAPHIC SCALE IN FEET
0 200 400 800
north

**Development Plan and Status of Development in Improvement Area #1A-1B**

Improvement Area #1A consists of approximately 128.830 acres and includes 234 single-family residential lots in a combination of 50', 60' and 80' frontages and an amenity center. Improvement Area #1B consists of approximately 83.684 acres and includes 53 one-acre lots. Lot development in Improvement Area #1A-1B began in February 2025 and was completed in October 2026. The Developer has completed the Improvement Areas #1A-1B Improvements and the Improvement Area #1A Sanitary Sewer Improvements as well as the portions of the Major Improvements, Major Sanitary Sewer Zone Improvements, Zone 1 Improvements, and Zone 2 Sanitary Sewer Improvements necessary for lot completion in Improvement Area #1A-1B, all of which are expected to be accepted by the City in November 2026 after the completion of punch list items. The Developer expects to fully complete the Major Improvements, the Major Sanitary Sewer Zone Improvements, the Zone 1 Improvements, and the Zone 2 Sanitary Sewer Improvements by the end of 2026. Home construction in Improvement Area #1A-1B is expected to begin in November 2026.

The total cost of the Improvement Area #1A-1B Projects (including costs of issuance of the Bonds) is expected to be approximately $22,132,706*. The City will pay a portion of such costs in the amount of $11,120,000* from the proceeds of the Bonds. The balance of such costs will be paid by the Developer. The total expected costs of the Improvement Areas #1A-1B Improvements, and the Major Improvements, Major Sanitary Sewer Zone Improvements, Zone 1 Improvements, Zone 2 Sanitary Sewer Improvements, and Improvement Area #1A Sanitary Sewer Improvements (which includes the portions of such improvements allocable to Future Improvement Areas and the commercial property) is approximately $37,397,283. As of October 1, 2026, the Developer has spent approximately $33,657,554 on construction of the Major Improvements, Major Sanitary Sewer Zone Improvements, Zone 1 Improvements, Zone 2 Sanitary Sewer Improvements, Improvement Areas #1A-1B Improvements, and Improvement Area #1A Sanitary Sewer Improvements, which costs were funded with cash on hand or provided to the Developer as described under "THE DEVELOPER – History and Financing of the District."

**Photograph of Development in Improvement Area #1A-1B of the District**

A photograph depicting development in Improvement Area #1A-1B of the District as of August 2026 is shown in APPENDIX G hereto.

**Homebuilders in Improvement Area #1A-1B**

Of the 287 homes to be constructed in Improvement Area #1A-1B, 101 (all of the 50' and 60' lots) will be constructed by Trophy. The remaining 186 homes (all of the 80' and 1-acre lots) in Improvement Area #1 will be constructed by Centre Living. The Developer currently owns the property in the District, but the Developer expects that all 101 of Trophy's lots in Improvement Area #1A-1B will be transferred to Trophy in Q4 2026, and 18 lots will be transferred to Centre Living in Q4 2026.

The Developer and Centre Living have entered into a lot purchase and sale agreement for the lots to be taken down by Centre Living in Improvement Area #1A-1B. The following table provides a summary of the price and fee terms and takedown schedule of lots in Improvement Area #1A-1B.

| Homebuilder | Total Lots | Base Price per lot | Additional Fees | Lots per Takedown |
|---|---|---|---|---|
| Centre Living | 133 x 80' lots<br>53 x 1 acre lots | $91,000<br>$109,000 | N/A | 12 x 80' lots and 6 x 1-acre lots at initial closing; 12 x 80' lots and 4 x 1-acre lots each 90-day period thereafter |

* *Preliminary; subject to change.*

**Expected Build-Out and Home Prices in the District; Absorption of Improvement Area #1A-1B**

The Developer's current expectations regarding estimated single-family lot and home prices in the District are as follows:

**ESTIMATED AVERAGE LOT AND HOME PRICES IN THE DISTRICT**

| Improvement Area/Phase | Lot Size (Width in Ft.) | Quantity | Base Lot Value* | Estimated Home Price* |
|---|---|---|---|---|
| 1 | 50', 60' and 80' and 1-acre | 287 | 50': $63,000<br>60': $73,800<br>80': $87,300<br>1-acre: $105,500 | 50': $350,000<br>60': $410,000<br>80': $485,000<br>1-acre: $585,000 |
| 2 | 50', 60' and 80' | 119 | 50': $63,000<br>60': $73,800<br>80': $87,300 | 50': $350,000<br>60': $410,000<br>80': $485,000 |
| 3 | 50', 60' and 80' | 135 | 50': $63,000<br>60': $73,800<br>80': $87,300 | 50': $350,000<br>60': $410,000<br>80': $485,000 |
| 4 | 50', 60' and 80' | 235 | 50': $63,000<br>60': $73,800<br>80': $87,300 | 50': $350,000<br>60': $410,000<br>80': $485,000 |
| 5 | 50', 60' and 80' | 316 | 50': $63,000<br>60': $73,800<br>80': $87,300 | 50': $350,000<br>60': $410,000<br>80': $485,000 |
| 6 | 50', 60' and 80' | 171 | 50': $63,000<br>60': $73,800<br>80': $87,300 | 50': $350,000<br>60': $410,000<br>80': $485,000 |
| 7 | 50', 60' and 80' | 302 | 50': $63,000<br>60': $73,800<br>80': $87,300 | 50': $350,000<br>60': $410,000<br>80': $485,000 |
| 8 | 50' and 60' | 258 | 50': $63,000<br>60': $73,800 | 50': $350,000<br>60': $410,000 |
| 9 | 50' and 60' | 279 | 50': $63,000<br>60': $73,800 | 50': $350,000<br>60': $410,000 |
| 10 | 50', 60' and 80' | 241 | 50': $63,000<br>60': $73,800<br>80': $87,300 | 50': $350,000<br>60': $410,000<br>80': $485,000 |
| 11 | 50', 60' and 80' | 257 | 50': $63,000<br>60': $73,800<br>80': $87,300 | 50': $350,000<br>60': $410,000<br>80': $485,000 |

* Developer estimates. May differ from values set forth in the Appraisal.

The following tables provide the Developer's expected absorption schedule for lots and homes in Improvement Area #1A-1B.

**EXPECTED ABSORPTION OF LOTS IN IMPROVEMENT AREA #1A-1B OF THE DISTRICT**

| Expected Final Sale or Transfer Date | Total Lots |
|---|---|
| Q4 2026 | 119 |
| Q1 2027 | 16 |
| Q2 2027 | 16 |
| Q3 2027 | 16 |
| Q4 2027 | 16 |
| Q1 2028 | 16 |
| Q2 2028 | 16 |
| Q3 2028 | 16 |

| Expected Final Sale or Transfer Date | Total Lots |
|---|---|
| Q4 2028 | 16 |
| Q1 2029 | 16 |
| Q2 2029 | 16 |
| Q3 2029 | 8 |
| Total | 287 |

**EXPECTED ABSORPTION OF HOMES IN IMPROVEMENT AREA #1A-1B OF THE DISTRICT**

| Expected Final Sale Date | Total Lots |
|---|---|
| Q2 2027 | 3 |
| Q3 2027 | 30 |
| Q4 2027 | 30 |
| Q1 2028 | 30 |
| Q2 2028 | 30 |
| Q3 2028 | 30 |
| Q4 2028 | 30 |
| Q1 2029 | 30 |
| Q2 2029 | 30 |
| Q3 2029 | 30 |
| Q4 2029 | 14 |
| Total | 287 |

**Development Agreement**

The City and the Developer entered into the Haven Ranch Development Agreement effective as of November 13, 2023 (the "Development Agreement").

Pursuant to the Development Agreement, the City has agreed to issue one or more series of bonds not to exceed $230,000,000 for the development of the District.

Under the Development Agreement, the Developer has agreed to construct the required water, sewer, and road improvements necessary to serve the District. In addition, the Developer may be required to oversize certain infrastructure and the City will provide impact fee credits to reimburse the Developer for such infrastructure. See "— Amenities and Private Improvements; Additional Impact Fee Eligible Improvements" below.

Pursuant to the Development Agreement, the Developer shall construct (i) a primary amenity center on a minimum four acres (the "Primary Amenity Center") containing a clubhouse (air-conditioned), a minimum 3,000 square foot swimming pool, a recreational fire feature, a sport court, a grilling station with dining area, a shade structure, and a playground prior to the recording of a plat for Phase 2 of the Development and (ii) a secondary amenity center on a minimum two acres ("Secondary Amenity Center") containing an open-air cabana, a minimum 1,500 square foot swimming pool or splash pad with bathrooms, a shade structure, and a playground prior to the recording of a plat for Phase 7 of the Development.

In addition, the Development Agreement requires the Developer to construct a minimum of one primary amenity and two secondary amenities within the open spaces of the Development. A primary amenity shall consist of the following: (i) playground; (ii) shade structure; (iii) sports court, or (iv) any other primary amenity mutually agreed to by the parties. A secondary amenity shall consist of the following: (i) seating (benches or other seating types); (ii) open play field area; (iii) sidewalks/ trails, or (iv) any other secondary amenity mutually agreed to by the parties (all primary and secondary amenities collectively, the "Community Amenities").

The Developer shall also construct a network of trails within the Development utilizing a combination of standard on-street sidewalks, 6- to 8-foot-wide paved trails, and unpaved nature walk, and bike trails (the "Community Trails")

The Development Agreement provides that on or before the earlier of: (i) the recordation of a plat for Phase 3 of the Development, or (ii) the recordation of a plat containing the nine hundredth (900th) single family residential lot within the Development, the Developer shall dedicate approximately 120 acres of land to the City for use as a public park ("Haven Park"). Haven Park shall be improved by Developer with certain amenities (the "Haven Park Improvements"). Pursuant to the Development Agreement, the City has agreed to escrow any park or park development fees paid to the City prior to the dedication of Haven Park and return such fees to the Developer after the dedication of Haven Park. After such dedication, the City will waive park development and park fees for the Development.

**Amenities and Private Improvements; Additional Impact Fee Eligible Improvements**

Amenities in the Development will include the Primary Amenity Center, the Secondary Amenity Center, the Community Amenities, the Community Trails, Haven Park and the Haven Park Improvements (collectively, the "Amenities"). The Community Trails and Community Amenities will be constructed on a phase-by-phase basis. The Developer began construction of Community Trails and Community Amenities allocable to Improvement Area #1A-1B in July 2026 and expects to complete such Amenities in Q4 2026. The Developer expects to begin construction of the Primary Amenity Center in Q4 2026 and complete the Primary Amenity Center in Q3 2027. The Developer will finance construction of the Amenities with cash available to the Developer. Construction of the Community Amenities and the Community Trails will continue as Future Improvement Areas are developed. Construction of the Secondary Amenity Center, Haven Park, and the Haven Park Improvements are expected to proceed in sufficient time to meet the timelines set forth in the Development Agreement. The total costs to complete construction of the Community Trails and Community Amenities allocable to Improvement Area #1A-1B is expected to be approximately $8,400,000. The cost of the Primary Amenity Center is expected to be approximately $7,500,000. The total expected cost of the Haven Park Improvements is approximately $4,200,000.

The Developer is also expected to construct certain lot grading, retaining walls, landscaping, irrigation, grading, and franchise utilities improvements in Improvement Area #1A-1B (collectively, the "Private Improvements"). Completion of such improvements is expected to occur in Q4 2026. The costs of the Private Improvements in Improvement Area #1A-1B are expected to be approximately $12,248,000, which costs have been funded and are expected to be funded with cash available to the Developer without reimbursement by the City. As of October 1, 2026, the Developer has spent $8,353,000 on the Private Improvements, which costs were funded with cash available to the Developer.

The HOA will own and maintain the Amenities (other than Haven Park and the Haven Park Improvements) and Private Improvements.

The Developer is also constructing certain oversized off-site sewer improvements, off-site water improvements, lift stations, force mains, gravity mains, and temporary sewer improvements necessary to serve Improvement Area #1A-1B and the District (the "Additional Impact Fee Eligible Improvements"), which Additional Impact Fee Eligible Improvements are in addition to Improvement Area #A-1B Projects. The Additional Impact Fee Eligible Improvements are expected to cost approximately $14,941,671 and be completed in Q4 2026. The Additional Impact Fee Eligible Improvements will be owned and maintained by the City.

**Zoning/Permitting**

Development within the District is governed by the Development Agreement, which contains certain development standards that allow certain residential uses and not more than 80,000 sf of commercial development and establishes guidelines pertaining to purpose, height, area, setbacks, aesthetics, anti-monotony, masonry, architectural standards, and use. Once any portion of the development is annexed into the city limits of the City, the City's zoning and subdivision regulations will control the aspects of development not specifically set forth in the Development Agreement. The Development Agreement provides that the City will consider planned development zoning on any portion of the District annexed into City limits.

**Overlapping Fresh Water Supply District**

All but nine acres within the District lies within ECFWSD No. 3. ECFWSD No. 3 has not levied an ad valorem tax or issued debt secured by ad valorem taxes, and voters in ECFWSD No. 3 have not authorized the levy of ad valorem taxes or the issuance of any bonds. ECFWSD No. 3 would be required to hold an election to authorize the levy of an ad

valorem tax or issuance of bonds. It is expected that contemporaneous with the authorization of public improvement district bonds for each Improvement Area, the Developer will remove the applicable Improvement Area from ECFWSD No. 3.

**Education**

The Waxahachie Independent School District ("WISD") serves the Development. WISD encompasses 192 square miles and enrolls over 11,000 students in two high schools, two junior high schools, ten elementary schools, one alternative high school and a pre-kindergarten academy. Children in the Development will attend Clift Elementary School (approximately 3 miles from the Development), Howard Junior High School (approximately 5 miles from the Development), and Waxahachie High School (approximately 2 miles from the Development). According to the Texas Education Agency ("TEA"), Clift Elementary School received an "Accountability Rating" of "F", Howard Junior High School received an "Accountability Rating" of "C", and WISD and Waxahachie High School each received an "Accountability Rating" of "B" for the 2025-2026 school year. Greatschools.org rates Clift Elementary School a 2/10, Howard Junior High School a 5/10, and Waxahachie High School a 5/10.

The Development Agreement requires the Developer to reserve two separate 15-acre sites to be potentially donated to WISD as described under "— Development Agreement" above.

**Environmental**

*Phase One*. Alpha Testing, Inc. ("Alpha") performed a Phase One Environmental Site Assessment (the "Initial ESA"), dated October 20, 2020 on the property within the District. The Initial ESA identified a recognized environmental condition related to an underground crude oil transmission pipeline located on the property in the District. Alpha recommended an additional environmental site investigation relating to the crude oil transmission pipeline.

Alpha performed an environmental site investigation dated May 27, 2021 (the "ESI") to evaluate the presence of total petroleum hydrocarbons ("TPH"), volatile organic compounds ("VOCs"), and/or Resource Conservation and Recovery Act-8 ("RCRA-8") metals in the on-site soil and groundwater as a result of a potential release from the crude oil transmission pipeline. According to the ESI:

- Based on the results of the ESI, the on-site groundwater in the vicinity of the groundwater monitor well does not appear to be affected by a release of TPH.

- Based on the results of the ESI, the on-site groundwater in the vicinity of the groundwater monitor well does not appear to be affected by a release of VOCs.

- Based on the results of the ESI, the on-site groundwater in the vicinity of a groundwater monitor well did exhibit detectable concentrations of select RCRA-8 metals (barium and selenium). The identified barium and selenium concentrations do not exceed and are well below the applicable limits. No other metals concentrations were exhibited in the groundwater sample collected from the monitor well.

After such results, Alpha determined that no additional site investigation was warranted.

*Endangered Species*. The Developer is not aware of any endangered species located on District property.

**Flood Designation**

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) No. 48139C0330F, dated June 3, 2013, no land in Improvement Area #1A-1B of the District is located in a floodplain and approximately 14.9 acres located outside Improvement Area #1A-1B are located in Zone A. Such land is expected to be used as open space and park land.

**Geotechnical Exploration**

A Geotechnical Exploration report dated October 31, 2024 (the "Geotechnical Report"), was prepared by UES Professional Solutions 44, LLC for Improvement Area #1A-1B. The Geotechnical Report was commissioned for the purpose of preliminarily exploring the near-surface soil and groundwater conditions in the Development to assist in assessing the suitability of the site for single-family residential development. The Geotechnical Report presented various geotechnical discussions and conclusions regarding the probable impacts of soil and groundwater conditions to the proposed residential development, including various engineering recommendations. The Developer is following and expects to follow all engineering recommendations presented in the Geotechnical Report with respect to the Development.

**Existing Mineral Rights and Other Third-Party Property Rights**

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

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 Improvement Area #1A-1B of 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."

**Utilities**

The City will provide water service to the Development and wastewater service to portions of the Development not located on one-acre lots. See "THE CITY – City Water and Wastewater." The one-acre lots will have private septic systems to be constructed by the homebuilders and maintained by the private owners for wastewater service.

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

## THE DEVELOPER

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

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

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

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

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

**Description of Past and Current Projects of the Developer**

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

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

**Executive Biographies of Green Brick**

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

and managed apartments it built. Mr. Brickman has over 40 years of experience in nearly all phases of real estate construction, development, and real estate finance property management. Mr. Brickman received B.B.A. and M.B.A degrees from Southern Methodist University.

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

*Jeffery Cox, Chief Financial Officer*. Mr. Cox has served as the Company's Senior Vice President of Finance since June 2023 and has led the efforts to launch the Company's wholly-owned mortgage subsidiary and has overseen the operations of the Company's wholly-owned title company, Green Brick Title. Mr. Cox has over 20 years of experience in the homebuilding industry, including serving from October 2020 to June 2023 as Regional Vice President of Finance, West Coast, for Richmond American Homes and from July 2016 to Oct 2020 as a Division Controller for Lennar. Mr. Cox holds a B.S. degree in accounting from Brigham Young University and a MS in accounting from the University of Utah – David Eccles School of Business.

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

**History and Financing of the District**

The Developer purchased the property in the District on January 8, 2022 from David L. and Morgan M. Hargrove at a purchase price of $16,277,316. The purchase price was funded with corporate cash. No third-party financing was used. The Developer owns all of the land in the District outside of Improvement Area #1A-1B except a one-acre lot jointly owned by the Board of Directors of Ellis County Fresh Water Supply District. See "THE DEVELOPMENT – Overlapping Fresh Water Supply District." As of October 1, 2026, the Developer owns all lots in Improvement Area #1A-1B, but the Developer expects that 101 lots in Improvement Area #1A will be transferred to Trophy and 18 lots in Improvement Area #1A-1B will be transferred to Centre Living in Q4 2026.

Development in the District, including Improvement Area #1A-1B, is being financed through corporate cash available to the Developer. The Developer's corporate cash funding is provided through a senior, unsecured revolving credit facility (the "Unsecured Revolving Credit Facility") with a lender group comprised of five banks including Flagstar Bank, Huntington National Bank, Texas Capital Bank, Goldman Sachs Bank US, and SouthState Bank. The Unsecured Revolving Credit Facility provides the Developer with up to $330,000,000 in commitments. As of October 1, 2026, the Unsecured Revolving Credit Facility provides the Developer with a total of $330,000,000 in commitments remaining through December 14, 2028.

## THE ADMINISTRATOR

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

MuniCap, Inc. is a public finance consulting firm with a specialized consulting practice providing services related to the formation and administration of special tax and special assessment districts. MuniCap, Inc. currently acts

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

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

## APPRAISAL

### The Appraisal

*General*. Peyco Southwest Realty, Inc. (the "Appraiser") prepared an appraisal report for the City effective as to Improvement Area #1A-1B as of September 1, 2026, based upon a physical inspection of the District conducted on August 18, 2026 (the "Appraisal"). The Appraisal was prepared at the request of the City. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Improvement Area #1A-1B of the District. The Appraisal is attached hereto as APPENDIX F 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 F — Appraisal."

*Value Estimates*. The Appraiser estimated the aggregate cumulative retail lot value and discounted cash flow value of the fee simple interest in various tracts of land comprising the land in Improvement Area #1A-1B of the District under the assumption that the Improvement Area #1A-1B Projects are completed. See "THE IMPROVEMENT AREA #1A-1B PROJECTS." The Appraisal does not reflect the as-is condition of Improvement Area #1A-1B of the District. Moreover, the Appraisal does not reflect the value of Improvement Area #1A-1B 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 #1A-1B of the District. See "APPENDIX F — Appraisal."

The "Upon Completion" cumulative retail lot value estimate of the fee simple interest in the assessable property within Improvement Area #1A-1B of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of September 1, 2026, is $25,230,050. After considering discounted cash flows, the "Upon Completion" market value estimate of the fee simple interest in the assessable property within Improvement Area #1A-1B of the District "upon completion" using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of September 1, 2026, is $21,957,000.

**It is noted that the Appraisal assumes lot completion in Improvement Area #1A-1B as of September 1, 2026; however, lots are not expected to be completed until October 2026. No assurance can be given as to the effect of the October 2026 completion date on the value of the land in Improvement Area #1A-1B.**

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.***

**General**

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

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #1A-1B of the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #1A-1B of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within Improvement Area #1A-1B of the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in Improvement Area #1A-1B of the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within Improvement Area #1A-1B of the District should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #1A-1B of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

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

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

**Deemed Representations and Acknowledgment by Investors**

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

**Assessment Limitations**

Annual Installments of Assessments are billed to property owners in Improvement Area #1A-1B of the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem

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

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in Improvement Area #1A-1B of the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy" herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #1A-1B of the District, any lien securing an Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

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

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

Under Texas law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed. Furthermore, the Developer, Trophy and Centre Living are not eligible to claim homestead rights and the Developer has represented that the Developer, Trophy and Centre Living will own all property within Improvement Area #1A-1B of the District as of the date of the adoption of the Assessment Ordinance. Consequently, there are and can be no homestead rights superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

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

THE ASSESSMENTS WILL CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL

OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #1A-1B 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.

**Failure or Inability to Complete Proposed Development**

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

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

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

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's on-again, off-again tariffs, threatened impositions of tariffs, and the imposition or threatened imposition of retaliatory tariffs against the United States will impact the ability of the homebuilders to estimate costs. If the cost of materials remains elevated, it may impact the ability of the homebuilders to construct homes in Improvement Area #1A-1B of the District.

The federal administration's immigration policies may impact the State's workforce. Undocumented construction workers make up a large percentage of construction workers in the State. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages, particularly in construction. Labor shortages will impact the homebuilders' ability to construct homes within Improvement Area #1A-1B of the District.

**General Risks of Real Estate Investment and Development**

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, as well as the operating revenues of the 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 initiated or completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

**Availability of Utilities**

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

Portions of the State, including the City and its surrounding area, are experiencing significant growth, which has produced and is expected to continue to produce a growing demand for water and wastewater service. The ability of the City to provide an adequate supply of water and sufficient capacity for treatment of wastewater, as applicable, is dependent on many factors, including, but not limited to, supply and demand of materials to complete necessary water and wastewater improvements, compliance with the Texas Commission on Environmental Quality regulations, the effects of extreme weather events on such entities' water and wastewater systems, and the construction of developments competing with the Development. 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 Development, the projected buildout schedule, availability of water and wastewater service to the Development or an investment in the Bonds.

**State Law Regarding Notice of Assessments**

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract or purchase and sale. If the Developer, its affiliate homebuilder, or other homebuilders within the District do not provide the required notice and prospective purchasers of property within the Development terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed $5,000,

plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property are expected to be prepaid. In the event of such prepayment, a partial redemption of the Bonds could occur. See "DESCRIPTION OF THE BONDS – Redemption Provisions." On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further however, if the Developer, its affiliate homebuilder, or other homebuilders within the District do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The form of notice to be provided to homebuyers is attached to the Service and Assessment Plan. See "APPENDIX C – Form of Service and Assessment Plan."

**Potential Future Changes in State Law Regarding Public Improvement Districts**

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

**Direct and Overlapping Indebtedness, Assessments and Taxes**

The ability of an owner of property within Improvement Area #1A-1B of the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within Improvement Area #1A-1B of the District and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #1A-1B of the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Assessments.

**Depletion of Reserve Account of the Reserve Fund; No Prefunding of Delinquency and Prepayment Reserve Account**

Failure of the owners of property within Improvement Area #1A-1B of the District to pay the Assessments when due could result in the rapid, total depletion of Reserve Account and the Delinquency and Prepayment Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Fund. The Reserve Account will be fully funded from proceeds of the Bonds; however, funding of the Delinquency and Prepayment Reserve Account is accumulated over time by the mechanism descried in "SECURITY FOR THE BONDS SIMILARLY SECURED." The Indenture provides that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS SIMILARLY SECURED — Reserve Fund" herein.

**Hazardous Substances**

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances.

The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in Improvement Area #1A-1B of the District be affected by a hazardous substance, the marketability and value of such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within Improvement Area #1A-1B of the District does not take into account the possible liability of the Developer for the remediation of a hazardous substance condition on the property in Improvement Area #1A-1B of the District. The City has not independently verified, and is not aware, that the Developer has such a current liability with respect to their property; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within Improvement Area #1A-1B of the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

See "THE DEVELOPMENT – Environmental" for discussion of the Initial ESA and ESI performed on certain property within the Development.

**Exercise of Third-Party Property Rights**

As described herein under "THE DEVELOPMENT – Existing Mineral Rights and Other Third-Party Property Rights," there are certain Third-Party Property Rights reservations located within the Development 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 Development recorded in the real property records of Ellis 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 Area #1A-1B of the District to have a material adverse effect on the Development, the property within Improvement Area #1A-1B of the District, or the ability of landowners within Improvement Area #1A-1B of the District to pay Assessments. However, none of the City, the Municipal Advisor, or the Underwriter, provide any assurances as to the Developer's expectations.

**Regulation**

Development within the Development 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 Development, 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 Development and property values.

**Bankruptcy**

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

**Bondholders' Remedies and Bankruptcy**

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and upon the written request of not less than 51% of the owners of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within Improvement Area #1A-1B of the District or sell property within Improvement Area #1A-1B of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within Improvement Area #1A-1B of the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Assessments, or delinquent ad valorem taxes, against such property owner.

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

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

based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

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

**Bankruptcy Limitation to Bondholders' Rights**

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

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

**Judicial Foreclosures**

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted (subject to provisions set forth in the Indenture) to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Area #1A-1B of the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and the Assessments may be adversely affected by the effects of market conditions on the foreclose sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

**No Acceleration**

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

**Absorption Rate**

There can be no assurance that the 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 and could impair the economic viability of the Development and could reduce the ability or desire of property owners in Improvement Area #1A-1B to pay the Assessments.

**Loss of Tax Exemption**

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

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

**Tax-Exempt Status of the Bonds**

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

**Management and Ownership**

The management and ownership of the 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.

**Use of Appraisal**

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The Appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary

assumptions specific to the relevant valuation and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the Appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in 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.

**Dependence Upon Developer and Homebuilders**

The Developer, as the owner of the Assessed Parcels in Improvement Area #1A-1B of the District, currently has the obligation for payment of the Assessments. Upon substantial completion, Trophy will be transferred its lots in Improvement Area #1A-1B and Centre Living will begin taking down its lots pursuant its lot purchase agreement. See "THE DEVELOPMENT – Homebuilders in Improvement Area #1A-1B." The ability of the Developer, Trophy and Centre Living to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. There can be no assurances given as to the financial ability of the Developer, Trophy and Centre Living to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer, Trophy and Centre Living will advance such funds.

None of the above owners will guarantee or otherwise be obligated to pay debt service on the Bonds.

**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 Development.

**100-Year and 500-Year Floodplain**

According to FEMA FIRM No. 48139C0330F, dated June 3, 2013, no land in Improvement Area #1A-1B of the District is located in a floodplain and approximately 14.9 acres located outside Improvement Area #1A-1B are located in Zone A. Such land is expected to be used as open space and park land.

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

**Competition**

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

| Project Name | Proximity to District (Miles) | # of Units | Developer/Builders | Prices |
|---|---|---|---|---|
| Dove Hollow | 7.5 | 618 | Trophy/CLH/Highland | $360 - 475K |
| Myrtle Creek | 3.0 | 2,500 | David Weekly/Impression | $330 - 450K |
| Oaks of North Grove | 7.0 | 185 | Chesmar Homes | $415K |
| Lakeway Estates | 1.0 | 87 | Chesmar Homes | $560K |
| North Grove | 7.0 | 2,200 | Bloomfield Homes | $375K |

There can be no assurance that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development.

**Limited Secondary Market for the Bonds**

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

**No Credit Rating**

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

## TAX MATTERS

**Opinion**

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

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

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

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

A ruling was not sought from the Internal Revenue Service by the City with respect to the Bonds or the facilities financed or refinanced with proceeds of the Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

**Federal Income Tax Accounting Treatment of Original Issue Discount**

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

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

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

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

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds

should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

**Collateral Federal Income Tax Consequences**

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

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

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

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

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

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

**State, Local and Foreign Taxes**

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

**Information Reporting and Backup Withholding**

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

**Future and Proposed Legislation**

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

## LEGAL MATTERS

**Legal Proceedings**

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

McCall, Parkhurst & Horton L.L.P. serves as Bond Counsel to the City. Greenberg Traurig, LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

**Legal Opinions**

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

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

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

**Litigation — The City**

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

**Litigation — The Developer**

At the time of delivery and payment for the Bonds, the Developer will certify to the Underwriter that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the knowledge of the 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 Reimbursement Agreement, the Development Agreement, the Bond Ordinance, the Service and Assessment Plan, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds.

## SUITABILITY FOR INVESTMENT

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

## ENFORCEABILITY OF REMEDIES

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

## NO RATING

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

## CONTINUING DISCLOSURE

### The City

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the City, the Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "City Disclosure Agreement") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the City Disclosure Agreement, certain financial information and operating data relating to the City (collectively, the "City Reports"). The specific nature of the information to be contained in the City Reports is set forth in "APPENDIX E-1 — Form of City Disclosure Agreement." Under certain circumstances, the failure of the City to comply with its obligations under the City Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the City Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

### The City's Compliance with Prior Undertakings

Except as described below, during the last five years, the City has complied in all material respects with all of its continuing disclosure undertakings pursuant to the Rule. In 2014, the City created the North Grove Public Improvement District (the "North Grove PID"). The City issued its "Special Assessment Revenue Bonds, Series 2015 (North Grove Public Improvement District Improvement Area #1 Project)" (the "North Grove Bonds"). In connection with its issuance of the North Grove Bonds, the City became obligated to file certain financial information and operating data on an annual basis. The City contracted the day-to-day affairs of the North Grove PID, including the City's continuing disclosure responsibilities relating to the North Grove Bonds to a private management company. The management company failed to include the table for Parcels Status of Development and Parcels Assessed Valuation in the report for the fiscal year ending 2017. Such information was included within annual reports for subsequent fiscal years. On July 26, 2022, the management company filed a notice of late filing to disclose the above-mentioned compliance issue.

### The Developer

The Developer, along with the Administrator, and the Dissemination Agent will enter into a separate 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 Improvement Area #1A-1B and the Improvement Area #1A-1B Projects (the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 — Form of Developer Disclosure Agreement."

Under certain circumstances, the failure of the Developer or the Administrator to comply with their respective 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 against the Developer. 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 will agree to provide (i) certain updated information to the Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the 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.

A default by the Developer or the Administrator with respect to its obligations under the Developer Disclosure Agreement is not a default by the City. The City has no obligation to provide financial information, operating data, or reports that the Developer or the Administrator is obligated to provide under the Developer Disclosure Agreement in the event the Developer or the Administrator fails to do so.

**The Developer's Compliance with Prior Undertakings**

During the last five years, the Developer has complied in all material respects with its prior continuing disclosure undertakings.

## UNDERWRITING

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

## REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

## LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

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

## INVESTMENTS

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

Under Texas law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest on the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under Securities and Exchange Commission Rule 15c3-3; (9) certificates of deposit and share certificates (i) issued by or through an institution that either has its main office or a branch office in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) above and clause (13) below, which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third-party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third-party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized

credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and comply with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

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

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

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

Under Texas law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude

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

## INFORMATION RELATING TO THE TRUSTEE

The City has appointed UMB Bank, N.A., a national banking association organized under the laws of the United States of America, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

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

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

## SOURCES OF INFORMATION

### General

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

**Source of Certain Information**

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Area #1A-1B Projects, the Development and the Developer generally and, in particular, the maps included herein and the information included in the sections captioned "PLAN OF FINANCE — Development Plan and Status of Development in Improvement Area #1A-1B" and "— Homebuilders in Improvement Area #1A-1B," "OVERLAPPING TAXES AND DEBT — Homeowners' Association," "THE IMPROVEMENT AREA #1A-1B PROJECTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1A-1B Projects and the Development), "LEGAL MATTERS — Litigation — The Developer" "SOURCES OF INFORMATION – Source of Certain Information," and "CONTINUING DISCLOSURE — The Developer" and " — The Developer's Compliance with Prior Undertakings," "APPENDIX E-2" and "APPENDIX G" has been provided by the Developer and the Developer warrants and represents that such information is true and correct and in all material respects does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

**Experts**

The information regarding the Service and Assessment Plan and collection of assessments in the District in this Limited Offering Memorandum has been provided by MuniCap, Inc. and has been included in reliance upon the authority of such firm as experts in the fields of development planning and finance.

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

**Updating of Limited Offering Memorandum**

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

## FORWARD-LOOKING STATEMENTS

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

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

SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

## AUTHORIZATION AND APPROVAL

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

**APPENDIX A**

**GENERAL INFORMATION REGARDING THE CITY**

The following information has been provided for informational purposes only.

**Historical Employment in Ellis County**

| | Average Annual | | | | |
|---|---|---|---|---|---|
| | 2026[1] | 2025 | 2024 | 2023 | 2022 |
| Civilian Labor Force | 127,119 | 125,629 | 123,375 | 118,702 | 112,320 |
| Total Employed | 121,952 | 120,824 | 118,771 | 114,397 | 108,464 |
| Total Unemployed | 5,167 | 4,805 | 4,604 | 4,305 | 3,856 |
| Unemployment Rate | 4.1% | 3.8% | 3.7% | 3.6% | 3.4% |

Source: Texas Workforce Commission.
[1] Data through September 2026.

**Major Employers in the City**

The major employers in the City are set forth in the table below. [1]

| Employer | Employees |
|---|---|
| Baylor Scott & White | 1,750 |
| Waxahachie ISD | 1,730 |
| Dart Container Corporation – Dartco of Texas | 850 |
| Walgreens Company | 900 |
| Ellis County | 685 |
| City of Waxahachie | 492 |
| Kinro (Lippert Components) | 334 |
| Cardinal IG | 310 |
| Owens Corning Fiberglass | 300 |
| International Extrusion | 214 |

[1] Source: The City

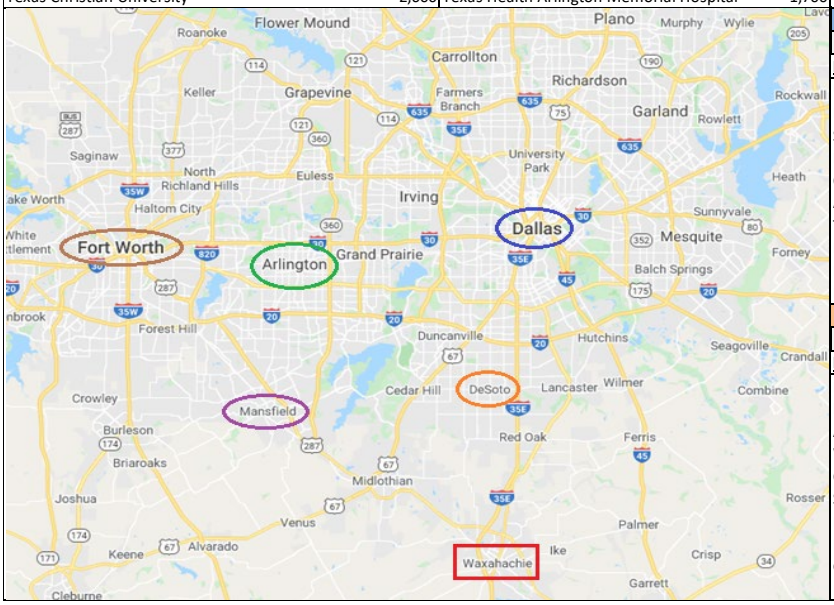
## Surrounding Economic Activity

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

| City of Fort Worth | |
|---|---|
| Approximately 30 miles from the City | |
| **Employer** | **Employees** |
| Lockheed Martin Tactical Aircraft Systems | 19,200 |
| AMR Corp./American Airlines | 10,800 |
| Fort Worth ISD | 9,800 |
| Cook Children's Health Care System | 8,900 |
| City of Fort Worth | 8,300 |
| Texas Health Resources | 7,200 |
| Bell Helicopter - Textron Inc. | 4,600 |
| Alcon Laboratories Inc. | 3,200 |
| BNSF Railway | 2,800 |
| Texas Christian University | 2,600 |

| City of Arlington | |
|---|---|
| Approximately 25 miles from the City | |
| **Employer** | **Employees** |
| General Motors Co. | 10,500 |
| Arlington ISD | 8,600 |
| University of Texas at Arlington | 8,600 |
| Texas Health Resources | 4,000 |
| Six Flags Over Texas | 3,900 |
| City of Arlington | 3,700 |
| The Parks at Arlington | 3,500 |
| Texas Rangers Baseball Club | 2,300 |
| JP Morgan Chase Bank | 2,000 |
| Texas Health Arlington Memorial Hospital | 1,700 |

| City of Mansfield | |
|---|---|
| Approximately 18 miles from the City | |
| **Employer** | **Employees** |
| Mansfield ISD | 5,077 |
| Mouser Electronics | 2,252 |
| Methodist Mansfield Medical Center | 1,168 |
| Klein Tools | 1,155 |
| City of Mansfield | 596 |
| Don Lee Farms | 335 |
| Texas Health Resources | 303 |
| Venus Construction | 201 |
| SJ Louis Construction of TX | 200 |
| Conveyors, Inc. | 192 |




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

| City of DeSoto | |
|---|---|
| Approximately 11 miles from the City | |
| **Employer** | **Employees** |
| DeSoto ISD | 1,104 |
| Kohl's E-Commerce | 800 |
| Allied Stone | 600 |
| Wal-Mart Distribution | 530 |
| City of Desoto | 468 |
| Solar Turbines | 450 |
| Fash Glass & Mirror | 335 |
| Kohler | 305 |
| Glass Floss Industries | 300 |
| NFI Industries | 300 |

*Source: Municipal Advisory Council of Texas*

**APPENDIX B**

**FORM OF INDENTURE**

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# INDENTURE OF TRUST

By and Between

**CITY OF WAXAHACHIE, TEXAS**

and

**UMB BANK, N.A.,**
**as Trustee**

**DATED AS OF DECEMBER 1, 2026**

**SECURING**

**$[11,120,000]**

**CITY OF WAXAHACHIE, TEXAS**
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026**
**(HAVEN RANCH PUBLIC IMPROVEMENT DISTRICT**
**IMPROVEMENT AREA #1A-1B PROJECT)**

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**EXHIBIT A ..... 1**

# INDENTURE OF TRUST

THIS INDENTURE, dated as of December 1, 2026, is by and between the CITY OF WAXAHACHIE, TEXAS (the "*City*"), and UMB BANK, N.A., Dallas, Texas, as trustee (together with its successors, the "*Trustee*"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, the City has duly created a public improvement district located within the extraterritorial jurisdiction of the City known as the "Haven Ranch Public Improvement District " (the "*District*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "*Act*" or "*PID Act*"); and

WHEREAS, the City Council of the City (the "*City Council*") has approved and accepted the "*Service and Assessment Plan*" in conformity with the requirements of the PID Act and adopted the "*Assessment Ordinance*," which Assessment Ordinance approved the "*Assessment Roll*" and levied the "*Assessments*"; and

WHEREAS, the City Council is authorized by the PID Act to issue revenue bonds payable from the Assessments for the purpose of (i) paying Improvement Area #1A Project Costs, (ii) paying Improvement Area #1B Project Costs, (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 of the District and (v) paying the costs of issuance of the Bonds; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Waxahachie, Texas, Special Assessment Revenue Bonds, Series 2026 (Haven Ranch Public Improvement District Improvement Area #1A-1B Project)" (the "*Bonds*"), such Bonds being payable solely from the Trust Estate and for the purposes set forth in this preamble; and

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

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

## FIRST GRANTING CLAUSE

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

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

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

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

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

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

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

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

## ARTICLE I

## DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions**.

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

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

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

"*Administrative Expenses*" means the "Administrative Expenses", as defined in the Service and Assessment Plan, related specifically to Improvement Area #1A and Improvement Area #1B, including costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for:

(i) preparing the Service and Assessment Plan, each Annual Service Plan Update, and each Assessment Roll;

(ii) computing, preparing, levying, collecting, and transmitting Assessments;

(iii) remitting Assessments to the Trustee;

(iv) the City, the Administrator, and the Trustee (and their respective legal counsel) in the discharge of their duties under the Service and Assessment Plan;

(v) complying with arbitrage rebate requirements;

(vi) complying with annual securities disclosure requirements;

(vii) the City, the Administrator, and the Trustee in any way related to computing, preparing, levying, collecting, and transmitting the Assessments (including, but not limited to, the administration of the District, maintaining a record of installments, payments, reallocations, and/or cancellations of Assessments, repayment of Bonds Similarly Secured, any associated legal expenses, reasonable costs of other consultants and advisors, and contingencies and reserves for all of the foregoing costs as deemed appropriate by the City Council);

(viii) fees and expenses related to the Bonds Similarly Secured including legal counsel, engineers, accountants, financial advisors, investment bankers, or other consultants and advisors; and

(ix) administering the construction of the Improvements.

Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds Similarly Secured. Administrative Expenses collected and not expended for actual Administrative Expenses in any year shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of Administrative Expenses.

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

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

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

"*Annual Installment*" means, collectively, the Improvement Area #1A Annual Installment and the Improvement Area #1B Annual Installment.

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

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

"*Assessed Property*" means, collectively, the Improvement Area #1A Assessed Property and the Improvement Area #1B Assessed Property.

"*Assessment Ordinance*" means the ordinance adopted by the City Council on November 16, 2026, that levied the Assessments on the Assessed Property.

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

"*Assessment Roll*" means, collectively, the Improvement Area #1A Assessment Roll and the Improvement Area #1B Assessment Roll.

"*Assessments*" means, collectively, the Improvement Area #1A Assessments and the Improvement Area #1B Assessments.

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

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

"*Authorized Improvements*" means those improvements authorized by Section 372.003 of the PID Act for which Assessments are levied, including those described in the Service and Assessment Plan.

"*Bond*" means any of the Bonds.

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

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

"*Bond Ordinance*" means the ordinance adopted by the City Council on November 16, 2026 authorizing the issuance of the Bonds pursuant to this Indenture.

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

"*Bond Year*" means the one-year period beginning on 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 Waxahachie, Texas, Special Assessment Revenue Bonds, Series 2026 (Haven Ranch Public Improvement District Improvement Area #1A-1B Project)".

"*Bonds Similarly Secured*" means, collectively, any Outstanding Bonds and any Outstanding Refunding Bonds.

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

"*Certificate for Payment*" means, with respect to payment or reimbursement of Improvement Area #1A Project Costs and the Improvement Area #1B Project Costs, a certificate substantially in the form of Exhibit A hereto and executed by a Person approved by the City Representative that is delivered to the City Representative and the Trustee specifying the amount of work performed and the Improvement Area #1A Project Costs or Improvement Area #1B Project Costs thereof, and requesting payment for such Improvement Area #1A Project Costs or the Improvement Area #1B Project Costs from money on deposit in the Improvement Area #1A

Bond Improvement Account or the Improvement Area #1B Bond Improvement Account of the Project Fund as further described in Section 6.5 of this Indenture.

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

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

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

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

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

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

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

"*Defeased Bond*" shall have the meaning assigned to such term in Section 14.3(a) of this Indenture.

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

"*Delinquency and Prepayment Reserve Requirement*" means an amount equal to 5.5% of the principal amount of the Outstanding Bonds Similarly Secured to be funded from Assessment Revenues deposited to the Pledged Revenue Fund.

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

"*Delivery Date*" means December 15, 2026, which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

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

"District" means the public improvement district located within the extraterritorial jurisdiction of the City known as the "Haven Ranch Public Improvement District."

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

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

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

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

"*Improvement Area*" means specifically defined and designated portions of the District that are developed in phases, including Improvement Area #1A and Improvement Area #1B.

"*Improvement Area #1A*" means that portion of the District generally described in Section II of the Service and Assessment Plan and depicted in Appendix A-2 to the Service and Assessment Plan.

"*Improvement Area #1A Annual Installment*" means, with respect to each Improvement Area #1A Assessed Property, each annual payment of: (i) the principal of and interest on the Improvement Area #1A Assessments as shown on the Improvement Area #1A Assessment Roll or in an Annual Service Plan Update, and as shown in Appendix G to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan, (ii) Administrative Expenses and (iii) the Additional Interest.

"*Improvement Area #1A Assessed Property*" means the property located in Improvement Area #1A that benefits from the Improvement Area #1A Projects, and described in the Improvement Area #1A Assessment Roll.

"*Improvement Area #1A Assessment Roll*" means the "Improvement Area #1A Assessment Roll", which document is attached to the Service and Assessment Plan as Appendix G, as updated, modified or amended from time to time.

"*Improvement Area #1A Assessments*" means the aggregate assessments levied against Improvement Area #1A Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #1A Projects. The singular of such term means the assessment levied against an Improvement Area #1A Parcel as shown on the Improvement Area #1A Assessment Roll.

"*Improvement Area #1A Bond Improvement Account*" means the Improvement Area #1A Bond Improvement Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"*Improvement Area #1A Projects*" means (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1A, (ii) the pro rata portion of the Major Sanitary Sewer Zone Improvements allocable to Improvement Area #1A, (iii) the pro rata portion of the Zone 1 Improvements allocable to Improvement Area #1A, (iv) the pro rata portion of the Zone 2 Sanitary Sewer Improvements allocable to Improvement Area #1A, (v) the pro rata portion of the Improvement Areas #1A-1B Improvements allocable to Improvement Area #1A, and (vi) the Improvement Area #1A Sanitary Sewer Improvements, all as described in Section III of the Service and Assessment Plan.

"*Improvement Area #1A Project Costs*" means the Actual Costs, as defined in the Service and Assessment Plan (excluding Administrative Expenses), solely for the Improvement Area #1A Projects.

"*Improvement Area #1A Sanitary Sewer Improvements*" means the Authorized Improvements which only benefit Improvement Area #1A Assessed Property and are described in Section III.G of the Service and Assessment Plan.

"*Improvement Area #1B*" means that portion of the District generally described in Section II of the Service and Assessment Plan and depicted in Appendix A-2 to the Service and Assessment Plan.

"*Improvement Area #1B Annual Installment*" means, with respect to each Improvement Area #1B Assessed Property, each annual payment of: (i) the principal of and interest on the Improvement Area #1B Assessments as shown on the Improvement Area #1B Assessment Roll or in an Annual Service Plan Update, and as shown in Appendix H to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan, (ii) Administrative Expenses and (iii) the Additional Interest.

"*Improvement Area #1B Assessed Property*" means the property located in Improvement Area #1B that benefits from the Improvement Area #1B Projects, and described in the Improvement Area #1B Assessment Roll.

"*Improvement Area #1B Assessment Roll*" means the "Improvement Area #1B Assessment Roll", which document is attached to the Service and Assessment Plan as Appendix H, as updated, modified or amended from time to time.

"*Improvement Area #1B Assessments*" means the aggregate assessments levied against Improvement Area #1B Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #1B Projects. The singular of such term means the assessment levied against an Improvement Area #1B Parcel as shown on the Improvement Area #1B Assessment Roll.

"*Improvement Area #1B Bond Improvement Account*" means the Improvement Area #1B Bond Improvement Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"*Improvement Area #1B Projects*" means (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1B, (ii) the pro rata portion of the Zone 1 Improvements allocable to Improvement Area #1B, and (iii) the pro rata portion of the Improvement Areas #1A-1B Improvements allocable to Improvement Area #1B, all as described in Section III of the Service and Assessment Plan.

"*Improvement Area #1B Project Costs*" means the Actual Costs, as defined in the Service and Assessment Plan (excluding Administrative Expenses), solely for the Improvement Area #1B Projects.

"*Improvement Areas #1A-1B*" means Improvement Area #1A and Improvement Area #1B.

"*Improvement Areas #1A-1B Improvements*" means the Authorized Improvements which benefit the Improvement Area #1A Assessed Property and the Improvement Area #1B Assessed Property and are described in Section III.F of the Service and Assessment Plan.

"*Indenture*" means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more Supplemental Indentures.

"*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 to have experience in matters relating to the issuance and/or administration of the Bonds Similarly Secured; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

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

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

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

"*Major Improvement Area*" means all property within the District excluding Improvement Area #1A and Improvement Area #1B generally described in Section II of the Service and Assessment Plan and depicted in Appendix A-2 to the Service and Assessment Plan.

"*Major Improvements*" means the Authorized Improvements which benefit all Parcels, other than Non-Benefited Property, within the District and are described in Section III.B of the Service and Assessment Plan.

"*Major Sanitary Sewer Zone*" means the Improvement Area #1A Assessed Property and the Major Improvement Area.

"*Major Sanitary Sewer Zone Improvements*" means the Authorized Improvements which benefit the Major Sanitary Sewer Zone and are described in Section III.C of the Service and Assessment Plan.

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

"*Non-Benefited Property*" has the meaning assigned to such term in the Service and Assessment Plan.

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

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

"*Parcel*" or "*Parcels*" means a parcel or parcels within the District identified by either a tax map identification number assigned by the Ellis 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 Ellis County.

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

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

"*Phases #2-4*" means the property within Zone 1 excluding Improvement Area #1A, Improvement Area #1B, and Phase 2 Commercial, which is to be developed subsequent to Improvement Area #1A and Improvement Area #1B.

"*Phase 2 Commercial*" has the meaning assigned to such term in the Service and Assessment Plan.

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

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

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

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

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

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

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

"*Projects*" means the Improvement Area #1A Projects and the Improvement Area #1B Projects.

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

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

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

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

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

"*Redemption Price*" means, (i) when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bond to the date fixed for redemption payable upon redemption thereof pursuant to this Indenture, and (ii) when used with respect to any Refunding Bond, the redemption price set forth in a Supplemental Indenture.

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

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

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

"*Reserve Account Requirement*" means the least of: (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to Section 6.7(c); and provided further that as a result of (1) a mandatory sinking fund redemption pursuant to Section 4.2, (2) an optional redemption pursuant to Section 4.3 or (3) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the Delivery Date, the Reserve Account Requirement is $[_____], which is an amount equal to the Reserve Account Requirement defined above.

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

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

"*Service and Assessment Plan*" means the document, including the Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as may be updated, amended and supplemented from time to time.

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

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

"*State*" means the State of Texas.

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

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

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

"*Trust Estate*" means the Trust Estate described in the granting clauses of this Indenture, and the Trust Estate shall, with respect to Pledged Revenues, only include Pledged Revenues related to Assessments levied on Assessed Property within Improvement Area #1A for the Improvement Area #1A Projects and within Improvement Area #1B for the Improvement Area #1B Projects, unless the City pledges additional revenues to the payment of the Bonds Similarly Secured, which additional pledge may only be created in a Supplemental Indenture.

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

"*Value of Investment Securities*" means the amortized value of any Investment Securities, provided, however, that all United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations that are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price.

"*Zone 1*" means collectively (i) Improvement Area #1A, (ii) Improvement Area #1B, (iii) Phases #2-4, and (iv) Phase 2 Commercial.

"*Zone 1 Improvements*" means the Authorized Improvements which benefit Zone 1 and are described in Section III.D of the Service and Assessment Plan.

"*Zone 2*" means collectively (i) Improvement Area #1A, (ii) Phases #2-4, and (iii) Phase 2 Commercial.

"*Zone 2 Sanitary Sewer Improvements*" means the Authorized Improvements which benefit Zone 2 and are described in Section III.E of the Service and Assessment Plan.

Section 1.2. **Findings**.

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

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

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

Section 1.4. **Interpretation**.

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

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

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

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

## ARTICLE II

## THE BONDS

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

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

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

Section 2.2. **Limited Obligations**.

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

Section 2.3. **Authorization for Indenture**.

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

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

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

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

## ARTICLE III

## AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. **Authorization**.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act. The Bonds shall be issued in the aggregate principal amount of $[11,120,000] for the purposes of (i) paying Improvement Area #1A Project Costs, (ii) paying Improvement Area #1B Project Costs, (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 of the District, and (v) paying the costs of issuance of the Bonds.

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

(a) The Bonds shall be dated the Delivery 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 Delivery Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below, or on a date of earlier redemption, or otherwise provided for. Such interest shall be payable semiannually on February 15 and August 15 of each year, commencing February 15, 2027, computed on the basis of a 360-day year of twelve 30-day months.

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

| Year | Principal Amount ($) | Interest Rate (%) |
|---|---|---|
| 20[__] | | |
| 20[__] | | |

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

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

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

(a) a certified copy of the Assessment Ordinance;

(b) a certified copy of the Bond Ordinance;

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

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

(e) an executed Signature and No-Litigation Certificate of the City;

(f) an executed opinion of Bond Counsel; and

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

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

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

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

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

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

(e) If the date for the payment of the principal of or interest on the Bonds Similarly Secured is other than a Business Day, the date for such payment shall be the next succeeding Business Day, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds Similarly Secured to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or

redemption date shall be applied to the next payment or payments on the Bonds Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds Similarly Secured, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any holders of such Bonds Similarly Secured for any further payment of such unclaimed moneys or on account of any such Bonds Similarly Secured, subject to any applicable escheat law or similar law of the State.

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

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

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

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

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

Section 3.6. **Ownership**.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond Similarly Secured is registered as the absolute owner of

such Bond Similarly Secured for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond Similarly Secured is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond Similarly Secured is overdue, and none of the City, the Trustee or the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

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

Section 3.7. **Registration, Transfer and Exchange**.

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

(b) A Bond Similarly Secured shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer, which shall be in the Form of Assignment included in the Form of Bond included in Section 5.2 of this Indenture and executed by the Owner and accompanied by such additional documentation or certification as may be required by the Paying Agent/Registrar. No transfer of any Bond Similarly Secured shall be effective until entered in the Register.

(c) The Bonds Similarly Secured shall be exchangeable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond Similarly Secured or Bonds Similarly Secured of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond Similarly Secured presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured exchanged for other Bonds Similarly Secured in accordance with this Section. Notwithstanding the foregoing, transfers are subject to the requirements of DTC for so long as the Bonds are held under the book-entry -only system as described in Section 3.11 hereof.

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

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

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

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

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

Section 3.9. **Temporary Bonds**.

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

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

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

Section 3.10. **Replacement Bonds**.

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

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

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

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

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

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

(c) After the delivery of such replacement Bond Similarly Secured if a bona fide purchaser of the original Bond Similarly Secured in lieu of which such replacement Bond Similarly Secured was issued presents for payment such original Bond Similarly Secured the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond Similarly Secured from the Person to whom it was delivered or any Person taking therefrom,

except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

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

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

Section 3.11. **Book-Entry-Only System**.

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

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

nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the Record Date or Special Record Date, as applicable, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

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

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

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

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

## ARTICLE IV

## REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. **Limitation on Redemption**.

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

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

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

| Redemption Date | Sinking Fund Installment |
|---|---|
| August 15, 20[__] | $ |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__]* | |

* Stated Maturity.

Term Bonds maturing August 15, 20[__]

| Redemption Date | Sinking Fund Installment |
|---|---|
| August 15, 20[__] | $ |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__]* | |

* Stated Maturity.

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

(c) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 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 but unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds of such Stated Maturity that, at least 30 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. **Optional Redemption**.

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

Section 4.4. **Extraordinary Optional Redemption**.

The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, as directed in a City Order delivered in accordance with Section 4.6(a), on the fifteenth day of any month, at the Redemption Price, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Sections 6.7(a) and 6.7(c)) or any other transfers to the Redemption Fund under the terms of this Indenture.

Section 4.5. **Partial Redemption**.

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

(b) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an exchange Bond or Bonds in

an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

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

(a) The City shall provide written notice to the Trustee of the City's intention to exercise any redemption provision provided hereunder not less than 45 days prior to the required notice mailing date provided below. The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

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

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

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

(e) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 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 provide notice of rescission of redemption in the same manner notice of redemption was originally provided.

Section 4.7. **Payment Upon Redemption**.

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

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

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

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

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

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

(a) Form of Bond.

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

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

CITY OF WAXAHACHIE, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2026
(HAVEN RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1A-1B PROJECT)

| INTEREST RATE | MATURITY DATE | DELIVERY DATE | CUSIP NUMBER |
|---|---|---|---|
| _____% | August 15, 20__ | December 15, 2026 | _____ |

The City of Waxahachie, Texas (the "*City*"), for value received, hereby promises to pay, solely from the Trust Estate, to

_____

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Delivery Date, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing [February 15, 2027], until maturity or prior redemption.

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

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

Bank, N.A., as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

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

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated as of the Delivery Date and issued in the aggregate principal amount of $[11,120,000] 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 purpose of (i) paying a portion of the Improvement Area #1A Project Costs, (ii) paying a portion of the Improvement Area #1B Project Costs, (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 of the District, and (v) paying the costs of issuance of the Bonds.

The Bonds are limited obligations of the City payable solely from a first lien on, security interest in, and pledge of the Trust Estate. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

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

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

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

The Bonds maturing on August 15 in the years 20[__] and 20[__] (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption 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 August 15, 20[__]

| Redemption Date | Sinking Fund Installment |
|---|---|
| August 15, 20[__] | $ |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__]* | |

* Stated Maturity.

Term Bonds maturing August 15, 20[__]

| Redemption Date | Sinking Fund Installment |
|---|---|
| August 15, 20[__] | $ |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__] | |
| August 15, 20[__]* | |

* Stated Maturity.

At least 30 days prior to each sinking fund redemption date, the Trustee shall select for redemption randomly by lot 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 Section 4.6 of the Indenture.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date, shall have been acquired by the City at a price not exceeding the principal amount of such 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 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 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after [August 15, 20[__]], such redemption date or dates to be fixed by the City, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

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

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

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

NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, ELLIS COUNTY, TEXAS, OR ANY OTHER POLITICAL

CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS.

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

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

_____ _____

City Secretary Mayor

[CITY SEAL]

(b) Form of Comptroller's Registration Certificate.

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

I HEREBY CERTIFY THAT there is on file and of record in my office 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.

**UMB BANK, N.A.**,
as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

_____

_____

_____

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

Dated: _____

Signature Guaranteed by:

_____ _____

_____

Authorized Signatory

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

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

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

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on August 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

| Years | Principal Installments | Interest Rates" |
|---|---|---|

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

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

Section 5.3. **CUSIP Registration**.

The City may secure identification numbers through 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 attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. Except as authorized under Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than $100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than $100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. **Legal Opinion**.

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

## ARTICLE VI

## FUNDS AND ACCOUNTS

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

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

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund; and

(vii) Administrative Fund.

(b) Creation of Accounts.

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

(A) Principal and Interest Account.

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

(A) Reserve Account; and

(B) Delinquency and Prepayment Reserve Account.

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

(A) Improvement Area #1A Bond Improvement Account;

(B) Improvement Area #1B Bond Improvement Account; and

(C) Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

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

Secured. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

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

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

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

(i) to the Reserve Account of the Reserve Fund: $[_____], which is equal to the initial Reserve Account Requirement;

(ii) to the Costs of Issuance Account of the Project Fund: $[_____];

(iii) to the Improvement Area #1A Bond Improvement Account of the Project Fund: $[_____];

(iv) to the Improvement Area #1B Bond Improvement Account of the Project Fund: $[_____]; and

(v) to the Administrative Fund: $[_____].

Section 6.3. **Pledged Revenue Fund**.

(a) Periodically upon receipt thereof, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Administrative Expenses and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with Section 6.9 hereof. Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, the following amounts from the Pledged Revenue Fund to the following Accounts: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund, an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due, taking into account any amounts then on deposit in the Bond Pledged Revenue and the Principal and Interest Account, and (ii) second, if necessary, to the Reserve Account of the Reserve Fund, an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in Section 6.7 hereof and, immediately following the initial deposit to the Pledged Revenue Fund, prior to any other transfers or deposits being made under this Section 6.3(a) (other than transfers to the Rebate Fund as required under this Section 6.3(a)), if the Delinquency and Prepayment Reserve Account of the Reserve Fund does not contain the Delinquency and Prepayment Reserve Requirement and Additional Interest is collected, then all such Additional Interest will be transferred into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement is met. In addition, in the event the City owes Rebatable Arbitrage to the United States Government

pursuant to Section 6.8 hereof, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer under this Section 6.3(a), the full amount of Rebatable Arbitrage owed by the City, as further described in Section 6.10(f) hereof. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (i) pay other costs of the Improvement Area #1A Projects, (ii) pay other costs of the Improvement Area #1B Projects, (iii) pay other costs permitted by the PID Act, or (iv) deposit such excess into the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV or in a Supplemental Indenture. Along with each transfer to the Trustee, the City shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

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

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

(d) The Trustee shall transfer Prepayments, as identified in a City Certificate delivered with the deposit of such Prepayments, to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 or Refunding Bonds pursuant to a Supplemental Indenture promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) Promptly after the deposit of Foreclosure Proceeds, as identified in a City Certificate delivered with the deposit of such Foreclosure Proceeds, into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 or Refunding Bonds pursuant to a Supplemental Indenture.

(f) After satisfaction of the requirement to provide for the payment of the principal of and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in Section 6.3(a) hereof, as directed by the City in a City Order.

Section 6.4. **Bond Fund**.

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

(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 Accounts of the Reserve Fund amounts to cover the amount of such insufficiency pursuant to Section 6.7(f). Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) The City may, in its discretion, deposit moneys into the Principal and Interest Account at any time from any source other than Assessments and Annual Installments, and upon such deposit, such moneys shall be part of the Trust Estate.

Section 6.5. **Project Fund**.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1. Except as provided in Sections 6.5(c) and (e), money on deposit in the Improvement Area #1A Bond Improvement Account of the Project Fund shall only be used to pay Improvement Area #1A Project Costs, and money on deposit in the Improvement Area #1B Bond Improvement Account of the Project Fund shall only be used to pay Improvement Area #1B Project Costs.

(b) (1) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Orders.

(2) Disbursements from the Improvement Area #1A Bond Improvement Account and the Improvement Area #1B Bond Improvement Account of the Project Fund to pay Improvement Area #1A Project Costs and Improvement Area #1B Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. Each such Certificate for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such Certificate for Payment or in the invoices submitted therewith and the Trustee may rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein. The Trustee may, but shall not be obligated to, confirm wire instructions by callback, and shall have no liability for any payment made in accordance with instructions in a Certificate for Payment.

(c) (1) If the City Representative determines in his or her sole discretion that certain amounts then on deposit in the Improvement Area #1A Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #1A Bond Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1A Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1A Bond Improvement Account will

ever be expended for the purposes of the Improvement Area #1A Bond Improvement Account of the Project Fund, the City Representative shall file a City Certificate with the Trustee that identifies the amounts then on deposit in the Improvement Area #1A Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #1A Bond Improvement Account of the Project Fund. If such City Certificate is so filed, the identified amounts on deposit in the Improvement Area #1A Bond Improvement Account shall be transferred to 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 Order filed with the Trustee.

(2) If the City Representative determines in his or her sole discretion that certain amounts then on deposit in the Improvement Area #1B Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #1B Bond Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1B Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1B Bond Improvement Account will ever be expended for the purposes of the Improvement Area #1B Bond Improvement Account of the Project Fund, the City Representative shall file a City Certificate with the Trustee that identifies the amounts then on deposit in the Improvement Area #1B Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #1B Bond Improvement Account of the Project Fund. If such City Certificate is so filed, the identified amounts on deposit in the Improvement Area #1B Bond Improvement Account shall be transferred to 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 Order filed with the Trustee.

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

(e) (1) Upon the filing of a City Certificate stating that all Improvement Area #1A Projects have been completed and that all Improvement Area #1A Project Costs have been paid, or that any Improvement Area #1A Project Costs are not required to be paid from the Improvement Area #1A Bond Improvement Account of the Project Fund pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #1A Bond Improvement Account of the Project Fund to 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 Order filed with the Trustee. Upon such transfer, the Improvement Area #1A Bond Improvement Account of the Project Fund shall be closed.

(2) Upon the filing of a City Certificate stating that all Improvement Area #1B Projects have been completed and that all Improvement Area #1B Project Costs have been paid, or that any Improvement Area #1B Project Costs are not required to be paid from the Improvement Area #1B Bond Improvement Account of the Project Fund pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #1B Bond Improvement Account of the Project Fund to 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 Order filed with the Trustee. Upon such transfer, the Improvement Area #1B Bond Improvement Account of the Project Fund shall be closed.

(f) Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred, in the same proportionate amounts as the proportionate amounts of Bond proceeds deposited to the Improvement Area #1A Bond Improvement Account and the Improvement Area #1B Bond Improvement Account on the Delivery Date of the Bonds, to the Improvement Area #1A Bond Improvement Account of the Project Fund and used to pay Improvement Area #1A Project Costs and to the Improvement Area #1B Bond Improvement Account of the Project Fund and used to pay Improvement Area #1B Project Costs, or, if no Improvement Area #1A Project Costs or Improvement Area #1B Project Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Order filed with the Trustee, and the Costs of Issuance Account shall be closed.

(g) In providing any disbursement under this Section, the Trustee may conclusively rely as to the completeness and accuracy of all statements in a Certificate for Payment, and the Trustee shall not be required to make any independent investigation or verify any calculations in connection therewith and is not responsible for receiving or reviewing any backup for such Certificate for Payment. The execution by a City Representative of an Approval of Request by City attached to any Certificate for Payment shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested under such Certificate of Payment have been completed. The Trustee shall have no liability on account of any disbursement from the Project Fund (including subaccounts) in accordance with such Certificate for Payment, City Order or other written direction provided by the City where it has complied with the procedures required in this Section 6.5 with respect to such Certificate for Payment, City Order or other written direction. The Trustee shall have no responsibility whatsoever to disburse or transfer funds from the Project Fund hereunder absent written directions from the City.

Section 6.6. **Redemption Fund**.

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

Section 6.7. **Reserve Fund**.

(a) The City agrees with the Owners of the Bonds Similarly Secured to accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture. The Trustee will transfer from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 15 of each year, commencing March 15, 2027, an amount the City confirms in writing to the Trustee is equal to the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account; provided, however, that at any time the amount on deposit in

the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. In transferring the amounts pursuant to this Section, the Trustee may conclusively rely on a City Order (which shall be based on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan) unless and until it receives a City Order directing that a different amount be used. The Additional Interest shall continue to be collected and deposited pursuant to this Section 6.7 until the Bonds Similarly Secured are no longer Outstanding, but only in the event the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement.

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

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

(d) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess via the Trustee's online portfolio system. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4, unless within 30 days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds Similarly Secured, (iii) to the Improvement Area #1A Bond Improvement Account of the Project Fund to pay Improvement Area #1A Project Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof, (iv) to the Improvement Area #1B Bond Improvement Account of the Project Fund to pay Improvement Area #1B Project Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (v) to the Redemption Fund to be applied to the redemption of Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess via the Trustee's online portfolio system, and such excess and any amount of Additional Interest held by the Trustee in excess of the amount necessary to fully fund the Delinquency and Prepayment Reserve Requirement shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 or Refunding Bonds pursuant to a Supplemental Indenture. In the event that the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within 45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof or Refunding Bonds pursuant to a Supplemental Indenture and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in good faith in accordance with this Section.

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

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

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

(i) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount of and interest on all Outstanding Bonds Similarly Secured on the next date the Bonds Similarly Secured may be optionally redeemed by the City at the Redemption Price, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured on such date.

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

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The

Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the City's federal tax certificate for the Bonds or Refunding Bonds, as further set forth in written directions from the City to the Trustee. The Trustee may conclusively rely on such written instructions as set forth in this Section and shall not be responsible for any loss or liability resulting from the investment of funds under this Section, but only so long as the Trustee follows such written instructions in all respects.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and shall not be liable or responsible if it follows the written instructions of the City and shall not be required to take any action under this Section 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 amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a City Order, to transfer the amount in excess of the Rebatable Arbitrage to the Principal and Interest Account of the Bond Fund.

Section 6.9. **Administrative Fund**.

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

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Administrative Expenses and Delinquent Collection Costs. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.10. **Investment of Funds**.

(a) Money in any Fund or Account, other than the Reserve Fund, shall be invested by the Trustee in Investment Securities as directed by the City pursuant to a City Order filed with the Trustee; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Order filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Order shall be a certification, upon which the Trustee may conclusively rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence. Such investments shall be valued each

year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment that shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions, which may include electronic direction, with respect to investments of funds, the Trustee is hereby directed to invest and re-invest cash balances in the [Morgan Stanley Institutional Liquidity Funds Government Portfolio (CUSIP: 61747C889)], but only so long as the City has not notified the Trustee in writing that (i) such fund is not an authorized investment and permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, or (ii) such investment does not constitute Investment Securities and the money required to be expended from any Fund or Account will be available at the proper time or times, and in the event such fund is no longer available, the Trustee shall hold such monies uninvested. The Trustee shall have no liability for holding funds uninvested in the absence of timely written investment direction.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no discretion for investing funds or advising any parties on investment of funds and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Order. The Trustee shall have no responsibility to ensure that an investment it is directed to purchase is a permitted investment. The Trustee shall not incur any liability for losses (including depreciation of value) arising from any investments or the sale of any investments made pursuant to this Section. The Trustee shall not be required to determine the legality or suitability of any investments or whether investments comply with Section 6.10(a) above and may conclusively rely on the related City Order as to such matters. The Trustee shall have no duty to confirm or responsibility to monitor the ratings of any investments made hereunder. The City acknowledges that the Trustee is not providing investment supervision, recommendations, or advice.

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

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

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

Section 6.11. **Security of Funds**.

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

## ARTICLE VII

## COVENANTS

Section 7.1. **Confirmation of Assessments**.

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

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

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

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

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

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

Section 7.3. **Against Encumbrances**.

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

(b) So long as Bonds Similarly Secured are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Refunding Bonds, secured by any pledge of or other lien or charge on the Trust Estate, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Section 7.4. **Records, Accounts, Accounting Reports**.

The City hereby covenants and agrees that so long as any Bonds Similarly Secured are Outstanding, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and holder or holders of any Bonds Similarly Secured or any duly authorized agent or agents of such holders shall have the right at all reasonable times, but not the responsibility or duty, to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than 20 days after the City receives such request.

Section 7.5. **Covenants Regarding Tax Exemption of Interest on Bonds**.

(a) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of an advance refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bonds are issued, and in the case of a current refunding bond, for a period of 90 days or less,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the Delivery Date) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) In order to facilitate compliance with the above covenant (a)(9), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Improvement Area #1A Project Costs and Improvement Area #1B Project Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Improvement Area #1A Project Costs and Improvement Area #1B Project Costs are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

## ARTICLE VIII

## LIABILITY OF CITY

Section 8.1. **Liability of City**.

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and, except for the Trust Estate, no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds Similarly Secured or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds Similarly Secured or other obligations relating to the District, other than as specifically provided for in this Indenture.

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

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

(d) No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (collectively, the "*Bond Documents*"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Trust Estate) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Document 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 Trust Estate. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of

the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

## ARTICLE IX

## THE TRUSTEE

Section 9.1. **Acceptance of Trust; Trustee as Registrar and Paying Agent**.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the express terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds Similarly Secured agree.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and with respect to the Bonds Similarly Secured.

Section 9.2. **Trustee Entitled to Indemnity**.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement or exercise of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct as finally adjudicated by a court of competent jurisdiction; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers required hereunder prior to an Event of Default, or to delivering any notice required hereunder. During the occurrence of an Event of Default, the Trustee shall be entitled to indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers as Trustee, and in such case the Trustee may make transfers from the Pledged Revenue Fund and Administrative Fund to pay all fees, costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder.

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 to the Trustee's officers, directors, agents, attorneys and employees. The Trustee's rights to immunities and protection from liability hereunder will survive its resignation or removal or the release, discharge, and satisfaction of this Indenture.

Section 9.3. **Responsibilities of the Trustee**.

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

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, subject to Section 9.3(c). These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs. No implied covenants or obligations shall be read into this Indenture against the Trustee. The Trustee is not responsible for the terms of any agreement to which it is not a party and is not responsible for determining compliance with the terms of any document to which it is not a party. The Trustee is not responsible for nor has any duty to monitor the performance or any action of any other person or entity. In any event, the Trustee shall not be liable for any amount in excess of the value of the Trust Estate.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for such losses, damages or expenses that have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, punitive, special or consequential loss or damages (including, but not limited to, loss of profit) in connection with or arising from this Indenture or the Improvement Area #1A Projects or Improvement Area #1B Projects, irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee shall be entitled to request and receive, and shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Owners of a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(d) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, employees or agents unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, and the discharge of this Indenture, and final payment of the Bonds.

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through receivers, agents or attorneys and the Trustee shall not be responsible for any acts, omissions, misconduct or negligence on the part of any receiver, agent or attorney appointed with due care and in good faith by it hereunder, and the Trustee shall be entitled to rely and act upon the opinion or advice of counsel selected by the Trustee with due care, who may be counsel to the City, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of counsel.

(g) The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds) or for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds or for any financial report received by the Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

(h) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application of any Bonds or the proceeds thereof or of any money paid to or upon the order of the City pursuant to any provision of this Indenture. The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers or otherwise in respect of the premises granted in this Indenture.

(i) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, except Events of Default under Section 11.1(iv), unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of a majority in aggregate principal amount of Bonds Similarly Secured then Outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default. Notwithstanding the foregoing or anything to the contrary contained herein, no notice to the Trustee shall be deemed given to or received by the Trustee unless actually delivered to an officer in the corporate trust department

(or any successor thereto) of the Trustee or any other officer or representative of the Trustee having responsibility under this Indenture.

(j) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by any act or event that (i) materially and adversely affects the Trustee's ability to perform the relevant obligations under this Indenture or delays the Trustee's ability to do so, (ii) is beyond the reasonable control of the Trustee, (iii) is not due to the Trustee's negligence or willful misconduct and (iv) could not be avoided by the exercise of commercially reasonable efforts, which acts or events may include, without limitation, any act of any governmental authority that was not voluntarily induced or promoted by the Trustee, or brought about by the breach of its obligations under this Indenture or any applicable law; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; pandemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes that are not due to the breach of any labor agreement by the Trustee; acts of civil or military authority; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility it being understood that Trustee shall use all commercially reasonable efforts that are consistent with accepted practices in the industry to perform hereunder and/or to resume performance under the circumstances, and in the event of any such failure or delay the Trustee shall give prompt notice to the City of such condition or occurrence, which may be given in the most expeditious manner available, including telephonically or electronically, subsequently confirmed in writing.

(k) Before taking any action under this Indenture (other than making any deposits, payments or transfers prior to an Event of Default when required hereunder, or delivering any notice when required hereunder), the Trustee shall be entitled to indemnity in accordance with Section 9.2.

(l) Except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds.

Section 9.4. **Property Held in Trust**.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. **Trustee Protected in Relying on Certain Documents**.

(a) The Trustee may conclusively rely on and shall be protected in acting upon any order, judgment, notice, request, consent, waiver, certificate, statement, affidavit, requisition, direction, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer,

insurance consultant, management consultant, or accountant that the Trustee shall in good faith reasonably believe to be qualified in relation to the subject matter or is selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into, and shall not be deemed to have knowledge of, any statements contained or matters referred to in any such instrument or duty to verify any calculations in connection therewith. Subject to Sections 9.1 and 9.3, the Trustee may consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative. The Trustee shall be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Order shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

(c) The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13.

(d) In the event that any portion of the Trust Estate shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Trust Estate, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel, selected by the Trustee with due care, is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 9.6. **Compensation**.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, the previously determined and agreed upon, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar and extraordinary services rendered, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the

performance of its duties hereunder, which, with respect to ordinary fees of the Trustee incurred prior to an Event of Default hereunder and after the curing of any Event of Default, shall be transferred pursuant to a City Order and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Order; provided that no City Order shall reduce such compensation or recovery of expenses or other charges below the Trustee's fee schedule as accepted by the City. Notwithstanding the foregoing, following an Event of Default and during its continuance, any such right of the City to direct and impose limits on the Trustee's fees and expenses shall cease and the Trustee shall be entitled to its reasonable fees and expenses for its services. In all cases the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Similarly Secured Outstanding. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the Trustee has reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. The Trustee shall not be required to make any disbursement of funds until having collected funds. If the City shall fail to make any payment required by this Section, the Trustee shall make such payment from monies in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from lawfully available funds (other than funds designated by the City for arbitrage rebate purposes) in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder. The right of the Trustee to fees, expenses, and indemnification shall survive the release, discharge, and satisfaction of this Indenture and the resignation or removal of the Trustee.

Section 9.7. **Permitted Acts**.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds Similarly Secured and may join in any action that any Owner of Bonds Similarly Secured may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the holders of a majority in aggregate principal amount of the Bonds Similarly Secured. 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. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be liable for any permissive actions taken except as a consequence of its own negligence or willful misconduct, as finally adjudicated by a court of competent jurisdiction.

Section 9.8. **Resignation of Trustee**.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 60 days' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall

take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. **Removal of Trustee**.

The Trustee may be removed at any time on 30 days' advance written notice to the Trustee by (i) the Owners of a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for cause by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% in aggregate Outstanding principal amount of the Bonds Similarly Secured. No removal shall be effective until a successor Trustee has accepted appointment.

Section 9.10. **Successor Trustee**.

(a) 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.

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds Similarly Secured, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds Similarly Secured within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds Similarly Secured may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process. Any duties and obligations of such predecessor Trustee shall

thereafter cease and terminate, but the payment of the fees and expenses owed to the predecessor Trustee shall survive until paid in full.

(e) Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least $50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds Similarly Secured, notice of its appointment to the predecessor Trustee, any rating agency that, at the time of such appointment, is providing a rating on the Bonds Similarly Secured and each of the Owners of the Bonds Similarly Secured.

(g) The predecessor Trustee shall not be responsible or liable for the acts or omissions of any successor Trustee, nor shall it be responsible or liable for any costs of appointment or transition of such successor Trustee.

Section 9.11. **Transfer of Rights and Property to Successor Trustee**.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and, upon the receipt of payment of its outstanding charges, shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. **Merger, Conversion or Consolidation of Trustee**.

Any corporation or association into which the Trustee may be converted or merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder and will have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or

national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. **Trustee To File Continuation Statements**.

If necessary, the Trustee shall file or cause to be filed, at the City's expense and written direction, such continuation statements as may be delivered to the Trustee and that may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "*UCC*"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC; provided unless the Trustee is otherwise notified in writing by the City, the Trustee may conclusively rely upon the initial filing statements delivered to it in filing any continuation statements hereunder. The Trustee is not responsible for the filing, execution, delivery, recording or authorization of any financing statements or continuation statements other than to file continuation statements that are delivered to it. The City shall timely deliver a copy of such filed financing statement, if any, to the Trustee. The Trustee is not responsible for the initial filing, execution, delivery, recording or authorization of any financing statements.

Section 9.14. **Accounts, Periodic Reports and Certificates**.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and that shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of the Bonds Similarly Secured then Outstanding or their representatives duly authorized in writing.

Section 9.15. **Construction of Indenture**.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds Similarly Secured. Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article IX.

## ARTICLE X

## MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. **Amendments Permitted**.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds Similarly Secured may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners, or with the written consent (without a meeting) of the Owners, of a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding and City approval of such modification or

amendment. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured (except for the issuance of Refunding Bonds or as otherwise permitted by Applicable Laws or this Indenture), or reduce the percentage of Bonds Similarly Secured required for the amendment hereof. Any such amendment shall not modify any of the rights, immunities, indemnities or obligations of the Trustee without its prior written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law, and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds Similarly Secured in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds Similarly Secured;

(iv) to set forth additional provisions, if deemed necessary or advisable, in connection with the issuance of Refunding Bonds permitted under the terms of this Indenture; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds Similarly Secured.

Section 10.2. **Owners' Meetings**.

The City may at any time call a meeting of the Owners of the Bonds Similarly Secured. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 10.3. **Procedure for Amendment with Written Consent of Owners**.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that

such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Owner of Bonds Similarly Secured from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds Similarly Secured for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds Similarly Secured giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds Similarly Secured and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds Similarly Secured at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. **Procedure for Amendment Not Requiring Owner Consent**.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. The City shall direct the Trustee to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, mailed by first class mail to each Owner of Bonds Similarly Secured, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds Similarly Secured as of the date of such execution and delivery.

Section 10.5. **Effect of Supplemental Indenture**.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Bonds Similarly Secured Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.6. **Endorsement or Replacement of Bonds Issued After Amendments**.

The City may determine that Bonds Similarly Secured issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Similarly Secured Outstanding at such effective date and presentation of his Bond Similarly Secured for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds Similarly Secured, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the Designated Payment/Transfer Office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.7. **Amendatory Endorsement of Bonds**.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds Similarly Secured held by such Owner, provided that due notation thereof is made on such Bonds Similarly Secured.

Section 10.8. **Waiver of Default**.

With the written consent of the Owners of a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. **Execution of Supplemental Indenture**.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel

addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

## ARTICLE XI

## DEFAULT AND REMEDIES

Section 11.1. **Events of Default**.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund within 10 Business Days after receipt;

(ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2;

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

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

Section 11.2. **Immediate Remedies for Default**.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding hereunder and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. 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. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SIMILARLY SECURED SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

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

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may, 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 judgment of the Trustee, proper for the purpose that may be designated in such request.

Section 11.3. **Restriction on Owner's Action**.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing as provided in Section 11.1, or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given in writing to the Trustee; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds Similarly Secured.

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

Section 11.4. **Application of Revenues and Other Moneys After Default**.

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees,

costs and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

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

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

The Trustee shall make payments to the Owners pursuant to this Section 11.4 within 30 days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

(b) In the event funds are not adequate to cure all of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3(c), shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. **Delay or Omission Not a 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 that this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds

Similarly Secured shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds Similarly Secured or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds Similarly Secured and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of any Bond Similarly Secured shall bind all future Owners of the same Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. **No Acceleration**.

In the event of the occurrence of an Event of Default under Section 11.1, 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 Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds Similarly Secured provided for in this Indenture, and the City shall not be entitled with respect to such Bonds Similarly Secured to give any consent or take any other action provided for in this Indenture. In determining whether Owners have concurred in any direction or consent, only Bonds that an officer of the Trustee actually knows to be so owned shall be disregarded.

## ARTICLE XII

## GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. **Representations as to Trust Estate**.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate is and will remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws. Notwithstanding the foregoing, and subject to Article IX; the Trustee shall have no duty to enforce or collect Assessments.

Section 12.2. **General**.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

## ARTICLE XIII

## SPECIAL COVENANTS

Section 13.1. **Further Assurances; Due Performance**.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. **Other Obligations or Other Liens; Refunding Bonds**.

(a) The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations that do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

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

(c) The City reserves the right to issue Refunding Bonds for the purpose of refunding any of the Bonds Similarly Secured and in accordance with the conditions set forth below:

(i) The maximum maturity for the Refunding Bonds will not exceed 30 years from the date of delivery of the Bonds;

(ii) The principal of and interest on the Refunding Bonds must be scheduled to be paid or mature on February 15 or August 15, or both, of the years in which each principal or interest are scheduled to be paid or mature; and

(iii) There shall be deposited to the Reserve Account of the Reserve Fund an amount equal to the Reserve Account Requirement taking into account the Outstanding Bonds Similarly Secured, and the Refunding Bonds then proposed to be issued.

Section 13.3. **Books of Record**.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds Similarly Secured.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain 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 Similarly Secured secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. **Satisfaction of Indenture**.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured have been paid or provided for, and all fees and expenses of the Trustee have been paid, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds Similarly Secured, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds Similarly Secured has been paid so that the City may determine if 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 as directed in writing by the City to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. **Bonds Deemed Paid**.

(a) Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a "*Defeased Bond*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities that mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such time as a Bond Similarly Secured shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond Similarly Secured and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Trust Estate as provided in this Indenture, and such principal and interest shall be payable solely from such money or Defeasance Securities. 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 Defeased Bonds and shall not be part of the Trust Estate. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Defeased Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance

Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem a Defeased Bond that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Bond for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Bond immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

(c) Until all Defeased Bonds shall have become due and payable, the Trustee and the Paying Agent/Registrar each shall perform the services of Trustee and Paying Agent/Registrar for such Defeased Bond the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Indenture.

## ARTICLE XV

## MISCELLANEOUS

Section 15.1. **Benefits of Indenture Limited to Parties**.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written, other than any fee schedule or agreement between the City and the Trustee regarding the Trustee's compensation.

Section 15.2. **Successor is Deemed Included in All References to Predecessor**.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. **Execution of Documents and Proof of Ownership by Owners**.

(a) Any request, declaration, or other instrument that this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds Similarly Secured and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Owner of any Bond Similarly Secured shall bind all future Owners of such Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. **No Waiver of Personal Liability**.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. **Notices to and Demands on City and Trustee**.

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

| | |
|---|---|
| If to the City | City of Waxahachie, Texas<br>401 S. Rogers<br>Waxahachie, Texas 75166<br>Attn: Finance Director<br>Telephone: (469) 309-4161 |

| | |
|---|---|
| If to the Trustee, initially also acting in the capacity of Paying Agent/Registrar | UMB Bank, N.A.<br>5910 N. Central Expressway, Suite 1900<br>Dallas, Texas 75206<br>Attn: Corporate Trust Administration<br>Telephone: (214) 389-5948 |

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change.

(d) 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.

(e) The Trustee shall mail to each Owner of a Bond Similarly Secured notice of the redemption or defeasance of all Bonds Similarly Secured Outstanding.

(f) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers"), which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction except as a consequence of the Trustee's negligence or willful misconduct. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the

method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 15.6. **Partial Invalidity**.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds Similarly Secured pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. **Applicable Laws**.

This Indenture shall be governed by and enforced in accordance with the laws of the State applicable to contracts made and performed in the State, excluding its conflict of laws rules to the extent such rules would apply the law of another jurisdiction. Venue and exclusive jurisdiction for any action to enforce or construe this Indenture shall lie in a state court of competent jurisdiction in Ellis County, Texas.

Section 15.8. **Payment on Business Day**.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds Similarly Secured or the date fixed for redemption of any Bonds Similarly Secured or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. **Counterparts**.

This Indenture may be executed in counterparts, each of which shall be deemed an original. The City and the Trustee agree that electronic signatures to this Indenture may be regarded as original signatures.

Section 15.10. **Verification of Statutory Representations and Covenants**.

The Trustee makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Government Code"), in entering into this Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute

of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

(a) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

*[Remainder of page left blank intentionally]*

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF WAXAHACHIE, TEXAS

By: _____
Mayor

Attest:

_____
City Secretary

(CITY SEAL)

**UMB BANK, N.A.**,
as Trustee

By: _____
Authorized Officer

**EXHIBIT A**

**CERTIFICATE FOR PAYMENT**

The undersigned is an agent for GRBK EDGEWOOD LLC a Texas limited liability company (the "Developer") and requests payment from the Improvement Area [#1A][#1B] Bond Improvement Account of the Project Fund from UMB Bank, N.A. (the "Trustee") in the amount of $_____ for labor, materials, fees, and/or other general costs related to the construction of certain Improvement Area [#1A][#1B] Projects related to the Haven Ranch Public Improvement District (the "District"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust, dated as of December 1, 2026, by and between the City of Waxahachie, Texas (the "City") and the Trustee relating to the "City of Waxahachie, Texas, Special Assessment Revenue Bonds, Series 2026 (Haven Ranch Public Improvement District Improvement Area #1A-1B Project)" (the "Indenture").

In connection with the above -referenced payment, the Developer represents and warrants to the City and the Trustee as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced Improvement Area [#1A][#1B] Projects have not been the subject of any prior payment request submitted to the City or, if previously requested, no disbursement was made with respect thereto.

3. The itemized amounts listed for the Improvement Area [#1A][#1B] Projects below are a true and accurate representation of the costs associated with the creation, acquisition, or construction of said Improvement Area [#1A][#1B] Projects, 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 Indenture, the Service and Assessment Plan and all reimbursement or other agreements between the Developer and the City related to the District.

5. All conditions set forth in the Indenture and all reimbursement or other agreements between the Developer and the City related to the District for the payment hereby requested have been satisfied.

6. The work with respect to the Improvement Area [#1A][#1B] Projects referenced below (or its completed segment) has been completed and the City may begin inspection of the Improvement Area [#1A][#1B] Projects.

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

**Payments requested should include the following:**

| **Payee / Description of Improvement Area [#1A][#1B] Project Costs** | **Total Cost of Improvement Area [#1A][#1B] Project Costs** | **Budgeted Cost of Improvement Area [#1A][#1B] Project Costs** | **Amount to be paid from the Improvement Area [#1A][#1B] Bond Improvement Account** |
|---|---|---|---|
| | | | |
| | | | |

Attached hereto are receipts, purchase orders, change orders, and similar instruments that support and validate the above requested payments. Also attached hereto are **"bills paid" affidavits and supporting documentation** in the standard form for City construction projects evidencing that any contractor or subcontractor having performed work on an Improvement Area [#1A][#1B] Project described above has been paid in full for all work completed through the previous Certificate for Payment. The Trustee is not responsible for receiving or reviewing any backup to this Certificate for Payment.

[Information regarding Payee, amount, and payments instructions attached]

I hereby declare that the above representations and warranties are true and correct.

Dated: _____.

**DEVELOPER:**

GRBK EDGEWOOD LLC,
a Texas limited liability company

By:_____
Name: _____
Its: _____

## APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order, as evidenced by the below signature of a City Representative on behalf of the City. After reviewing the Certificate for Payment, the City approves the Certificate for Payment. The City authorizes and directs the amount of this Certificate for Payment to be paid by Trustee from the Improvement Area [#1A][#1B] Bond Improvement Account of the Project Fund to the Developer or other person designated by the Developer as listed and directed on such Certificate for Payment. The City's approval of the Certificate for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Indenture, the Service and Assessment Plan, or any reimbursement or other agreement between the parties or that there is a defect in the Improvement Area [#1A][#1B] Projects.

**CITY OF WAXAHACHIE, TEXAS**

By: _____

Name: _____

Title: _____

Date: _____

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**APPENDIX C**

**FORM OF SERVICE AND ASSESSMENT PLAN**

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# HAVEN RANCH
# PUBLIC IMPROVEMENT DISTRICT

CITY OF WAXAHACHIE, TEXAS

## PRELIMINARY SERVICE AND ASSESSMENT PLAN

October 19, 2026

**PREPARED BY:**

MUNICAP, INC.
PUBLIC FINANCE

# HAVEN RANCH
# PUBLIC IMPROVEMENT DISTRICT

## PRELIMINARY SERVICE AND ASSESSMENT PLAN

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# I. PLAN DESCRIPTION AND DEFINED TERMS

## A. INTRODUCTION

On March 4, 2024, the City Council of the City of Waxahachie, Texas (the "City") passed and approved Resolution No. 1361, approving and authorizing the creation of the Haven Ranch Public Improvement District (the "PID") to finance the costs of certain public improvements for the benefit of property in such public improvement district, all of which is located within the corporate limits of the City.

The property in the PID is proposed to be developed in multiple phases, and the PID will finance Authorized Improvements for each Improvement Area as each Improvement Area is developed. Assessments will be imposed on the property in each Improvement Area that receives a special benefit from the Authorized Improvements to be financed within that Improvement Area.

Chapter 372 of the Texas Local Government Code, the "Public Improvement District Assessment Act" (as amended, the "PID Act"), governs the creation and operation of public improvement districts within the State of Texas. This Haven Ranch 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 F.

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 PID, 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 G and Appendix H of this Service and Assessment Plan. The Assessments as shown on the Assessment Rolls are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

## B. DEFINITIONS

Capitalized terms used herein shall have the meanings ascribed to them as follows:

**"Actual Cost(s)"** means with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement. Actual Costs 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 and 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 materialmen 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, permit fees, development fees), insurance premiums and miscellaneous expenses. Actual Costs may include general contractor's fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

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

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

**"Administrative Expenses"** means the administrative, organization, maintenance and operational 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, maintenance, and operation of the PID and the Authorized Improvements, (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) issuing, 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 or any costs of issuance associated with the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses 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 City, or the person or independent firm designated by the City, who shall have the responsibility provided in this Service and Assessment Plan, any Trust Indenture or any other agreement or document approved by the City related to the duties and responsibility of the administration of the PID.

**"Annual Installment"** means, with respect to each Assessed Property, each annual payment of: (i) the Assessments, including both principal and interest, as shown on the Assessment Rolls attached hereto as Appendix G and Appendix H, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) the Additional Interest designated for the Delinquency and Prepayment Reserve described in Section V.L. of this Service and Assessment Plan, if applicable, and (iii) the Administrative Expenses.

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

**"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 the Assessment Rolls, as the Assessment Rolls are updated each year by the Annual Service Plan Update.

**"Assessment"** means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act.

**"Assessment Ordinance"** means each Ordinance adopted by the City Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments against the respective Assessed Property.

**"Assessment Revenues"** means money collected by or on behalf of the City from any one or more of the following: (i) an Assessment levied against an Assessed Property, 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 Roll(s)"** means, as applicable, the Improvement Area #1A Assessment Roll and Improvement Area #1B Assessment Roll included in this Service and Assessment Plan as shown in Appendix G and Appendix H, or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update, as each may be updated, modified, or amended from time to time in accordance with the procedures set forth in this Service and Assessment Plan and in the PID Act.

**"Authorized Improvements"** means the public improvements described in Section III of this Service and Assessment Plan and authorized under Section 372.003 of the PID Act, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

**"Bonds"** means any bonds issued by the City in one or more series and secured in whole or in part by the Assessment Revenues.

**"Budgeted Cost(s)"** means the amounts budgeted to construct the Authorized Improvements as used in the preparation of this Service and Assessment Plan, as shown in Table III-A, III-B, III-C, III-D, III-E, III-F, III-G, and III-H.

**"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 Waxahachie, Texas.

**"City Council"** means the duly elected governing body of the City.

**"County"** means Ellis County, Texas.

**"Delinquency and Prepayment Reserve"** has the meaning set forth in Section V.L. of this Service and Assessment Plan.

**"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 or Annual Installment and foreclosing the lien against the Assessed Property, including attorney's fees.

**"Developer"** means GRBK Edgewood LLC, a Texas limited liability company.

**"Development Agreement"** means that certain "Haven Ranch Development Agreement" by and between the City and the Developer, effective November 13, 2023, as may be amended from time to time.

**"Equivalent Units"** mean, as to any Parcel, the number of dwelling units by Lot Type expected to be built on the Parcel multiplied by the factors calculated and shown in Appendix E attached hereto.

**"Future Improvement Area(s)"** means Improvement Areas that will be developed after Improvement Area #1A and Improvement Area #1B. The Future Improvement Area(s) are subject to adjustment and are shown only as an example. The Future Improvement Areas do not include Phase 2 Commercial.

**"Future Improvement Area Bonds"** mean Bonds issued to fund Future Improvement Area Improvements (or a portion thereof) in a Future Improvement Area that are secured by

Assessments levied on Future Improvement Area Assessed Property. In connection with Future Improvement Area Bonds, Assessments related to such Future Improvement Area Bonds will be levied only on property located within the applicable Future Improvement Area to finance Authorized Improvements which will only benefit such Future Improvement Area.

**"Future Improvement Area Improvements"** means those Authorized Improvements which will confer a special benefit to the related Future Improvement Area.

**"Homeowner's Association"** means a homeowner's association or property owners' association established for the benefit of property owners within the boundaries of the PID.

**"Homeowner's Association Property"** means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a Homeowner's Association.

**"Improvement Area"** means one or more Parcels within the PID that will be developed in the same general time period.

**"Improvement Area #1A"** means the initial Improvement Area to be developed and generally shown in Appendix A-2, as specifically described in Appendix C.

**"Improvement Area #1A Assessed Property"** means all Parcels within Improvement Area #1A other than Non-Benefited Property and shown in the Improvement Area #1A Assessment Roll against which an Improvement Area #1A Assessment relating to the Improvement Area #1A Projects is levied.

**"Improvement Area #1A Assessment"** means the Assessment levied against the Improvement Area #1A Assessed Property as shown on the Improvement Area #1A Assessment Roll.

**"Improvement Area #1A Assessment Revenues"** mean the actual Assessment Revenues received by or on behalf of the City from the collection of the Improvement Area #1A Assessments levied against Improvement Area #1A Assessed Property, or the Annual Installments thereof, for Improvement Area #1A Projects.

**"Improvement Area #1A Assessment Roll"** means the document included in this Service and Assessment Plan as Appendix G**,** as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

**"Improvement Area #1A Maximum Assessment Per Unit"** means for Improvement Area #1A, an Improvement Area #1A Assessment Per Unit related to the Improvement Area #1A Projects for each applicable Lot Type as follows:

Lot Type 2 - $40,597.78
Lot Type 3 - $34,239.09
Lot Type 4 - $29,347.79

**"Improvement Area #1A Projects"** means (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1A, (ii) the pro rata portion of the Major Sanitary Sewer Zone Improvements allocable to Improvement Area #1A, (iii) the pro rata portion of the Zone 1 Improvements allocable to Improvement Area #1A, (iv) the pro rata portion of the Zone 2 Sanitary Sewer Improvements allocable to Improvement Area #1A, (v) the pro rata portion of the Improvement Areas #1A-1B Improvements allocable to Improvement Area #1A, and (vi) the Improvement Area #1A Sanitary Sewer Improvements.

**"Improvement Area #1A Sanitary Sewer Improvements"** mean the Authorized Improvements which only benefit Improvement Area #1A Assessed Property, which are described in Section III.G.

**"Improvement Area #1B"** means the initial Improvement Area to be developed and generally shown in Appendix A-2, as specifically described in Appendix C.

**"Improvement Area #1B Assessed Property"** means all Parcels within Improvement Area #1B other than Non-Benefited Property and shown in the Improvement Area #1B Assessment Roll against which an Improvement Area #1B Assessment relating to the Improvement Area #1B Projects is levied.

**"Improvement Area #1B Assessment"** means the Assessment levied against the Improvement Area #1B Assessed Property as shown on the Improvement Area #1B Assessment Roll.

**"Improvement Area #1B Assessment Revenues"** mean the actual Assessment Revenues received by or on behalf of the City from the collection of the Improvement Area #1B Assessments levied against Improvement Area #1B Assessed Property, or the Annual Installments thereof, for Improvement Area #1B Projects.

**"Improvement Area #1B Assessment Roll"** means the document included in this Service and Assessment Plan as Appendix H**,** as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

**"Improvement Area #1B Maximum Assessment Per Unit"** means for Improvement Area #1B, an Improvement Area #1B Assessment Per Unit related to the Improvement Area #1B Projects for each applicable Lot Type as follows:

Lot Type 1 - $46,377.36

**"Improvement Area #1B Projects"** means (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1B, (ii) the pro rata portion of the Zone 1 Improvements allocable to Improvement Area #1B, and (iii) the pro rata portion of the Improvement Areas #1A-1B Improvements allocable to Improvement Area #1B.

**"Improvement Areas #1A-1B"** means Improvement Area #1A and Improvement Area #1B.
**"Improvement Area #1A-1B Bonds"** mean those certain City of Waxahachie, Texas, Special Assessment Revenue Bonds, Series 2026 (Haven Ranch Public Improvement District Improvement Area #1A-1B Projects) that are secured by Improvement Area #1A Assessment Revenues and Improvement Area #1B Assessment Revenues.

**"Improvement Areas #1A-1B Improvements"** means the Authorized Improvements which benefit Improvement Area #1A Assessed Property and Improvement Area #1B Assessed Property, which are described in Section III.F.

**"Lot"** means a tract of land described as a "lot" in a subdivision plat recorded in the official public records of the County.

**"Lot Type"** means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council. 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"** means the Authorized Improvements which benefit all Parcels, other than Non-Benefited Property, within the PID and are described in Section III.B.

**"Major Improvement Area"** means all property within the PID excluding Improvement Area #1A and Improvement Area #1B as shown in Appendix A-2.

**"Major Sanitary Sewer Zone"** means Improvement Area #1A Assessed Property and the Major Improvement Area.

**"Major Sanitary Sewer Zone Improvements"** means the Authorized Improvements which benefit the Improvement Area #1A Assessed Property and the Major Improvement Area within the PID and are described in Section III.C.

**"Non-Benefited Property"** means Parcels that accrue no special benefit from the Authorized Improvements, which may include Homeowner's 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.C.

**"Parcel"** or **"Parcels"** means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Ellis Central Appraisal District for real property tax

purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the real property records of the County.

**"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, as amended.

**"PID Assessment Notice"** means the form of notice required by the PID Act and Section 5.014 of the Texas Property Code, as amended. A copy of the PID Assessment Notice is attached as Appendix F.

**"Phases #2-4"** means the property within Zone 1 excluding Improvement Area #1A, Improvement Area #1B, and Phase 2 Commercial, which is to be developed subsequent to Improvement Area #1A and Improvement Area #1B.

**"Phase 2 Commercial"** means approximately 5.259 acres within the PID, intended to be developed into commercial property. Phase 2 Commercial is non-assessed property which does benefit from certain authorized improvements as outlined in Section III. Phase 2 Commercial's allocable share of Authorized Improvements will be funded by the Developer and are not reimbursable through Bonds or the Reimbursement Agreement.

**"Prepayment Costs"** mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment.

**"Public Property"** means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the County, the City, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

**"Reimbursement Agreement"** means that certain Haven Ranch Public Improvement District Reimbursement Agreement dated as of March 4, 2024, by and between the City and the Developer in which the Developer agrees to fund certain Actual Costs of the Authorized Improvements and the City agrees to reimburse the Developer with interest permitted by the PID Act solely from Assessment Revenues and/ or the net proceeds of Bonds for a portion of such Actual Costs of the Authorized Improvements funded by the Developer for Authorized Improvements constructed and accepted by the City for the benefit of the Assessed Property.

**"Service and Assessment Plan"** or **"SAP"** means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

**"Trustee"** means the fiscal agent or trustee as specified in the Trust Indenture, including a substitute fiscal agent or trustee.

**"Trust Indenture"** means an indenture of trust, ordinance or similar document setting forth the terms and other provisions relating to the Bonds, as modified, amended, and/or supplemented from time to time.

**"Zone 1"** means collectively (i) Improvement Area #1A, (ii) Improvement Area #1B, (iii) Phases #2-4, and (iv) Phase 2 Commercial.

**"Zone 1 Improvements"** means the Authorized Improvements which benefit Zone 1, as described in Section III.D.

**"Zone 2"** means collectively (i) Improvement Area #1A, (ii) Phases #2-4, and (iii) Phase 2 Commercial.

**"Zone 2 Sanitary Sewer Improvements"** means the Authorized Improvements which benefit Zone 2 as described in Section III.E.

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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 1,229.53 acres of land. A map of the property within the PID is shown on Appendix A-1 and described in Appendix C to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 2,600 single family residential units, approximately 45,000 square feet of commercial space, and infrastructure necessary to provide roadways, sanitary sewer, drainage, and utilities to the PID.

The property within the PID is proposed to be developed as follows:

**Table II-A**
**Overall Proposed Development**

| Proposed Lot Type | Quantity | Measurement |
|---|---|---|
| One Acre Lot | 53 | Units |
| 80 Ft Lot | 892 | Units |
| 60 Ft Lot | 908 | Units |
| 50Ft Lot | 747 | Units |
| Phase 2 Commercial | 45 | 1,000 Sq Ft |
| **Total** | **2,645** | |

## B. PROPERTY INCLUDED IN IMPROVEMENT AREA #1A

Improvement Area #1A consists of approximately 128.830 acres and is projected to consist of 234 single family residential units, to be developed as Improvement Area #1A as further described in Section III. A map of the property within Improvement Area #1A and depicting the boundaries is shown in Appendix A-2.

**Table II-B**
**Proposed Development - Improvement Area #1A**

| Proposed Lot Type | Quantity | Measurement |
|---|---|---|
| 80 Ft Lot | 133 | Units |
| 60 Ft Lot | 61 | Units |
| 50 Ft Lot | 40 | Units |
| **Total** | **234** | |

## C. Property Included in Improvement Area #1B

Improvement Area #1B consists of approximately 83.684 acres and is projected to consist of 53 single family residential units, to be developed as further described in Section III. A map of the property within Improvement Area #1B and depicting the boundaries is shown in Appendix A-2.

**Table II-C**
**Proposed Development - Improvement Area #1B**

| Proposed Lot Type | Quantity | Measurement |
|---|---|---|
| One Acre Lot | 53 | Units |
| **Total** | **53** | |

## D. Property Included in the Major Improvement Area

The Major Improvement Area consists of approximately 1,017.014 acres and is projected to consist of 2,313 single family residential units and approximately 45,000 square feet of commercial space. A map of the property within the Major Improvement Area and depicting the boundaries is shown in Appendix A-2.

**Table II-D**
**Proposed Development - Major Improvement Area**

| Proposed Lot Type | Quantity | Measurement |
|---|---|---|
| 80 Ft Lot | 759 | Units |
| 60 Ft Lot | 847 | Units |
| 50 Ft Lot | 707 | Units |
| Phase 2 Commercial | 45 | 1,000 Sq Ft |
| **Total** | **2,358** | |

As the Future Improvement Areas are developed, Bonds may be issued and/or related reimbursements may be required pursuant to the Reimbursement Agreement for each new Improvement Area. In connection with the issuance of each new series of Bonds and/or execution of each reimbursement agreement, this Service and Assessment Plan will be updated to add additional details of each new Improvement Area(s) as shown for Improvement Area #1A and Improvement Area #1B in Section II.B and Section II.C. A map of the projected property within the Major Improvement Area is shown in Appendix A-2. The Major Improvement Area is shown for illustrative purposes only and is subject to adjustment.

The estimated number of units at the build-out of the PID is based on the land use approvals for the property in the PID, 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.

# 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 Authorized Improvements listed in Section III.B, Section III.C, Section III.D, Section III.E, Section III.F, Section III.G, Section III.H and Section III.I as

shown in the opinion of probable costs included as Appendix B and on the diagrams included as Appendix D for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the City and an update to this Service and Assessment Plan.

## B. Descriptions and Budgeted Costs of the Major Improvements

The Major Improvements descriptions are presented below as provided by the project engineer and are expected to be constructed solely by the Developer. The Budgeted Costs of the Major Improvements are shown in Table III-A on the following page and may be revised in Annual Service Plan Updates, including updating such Budgeted Costs in connection with such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Major Improvements are as follows:

Roadway Improvements

Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, testing, and all other materials associated with the public arterial and collector road rights-of-way within the development and within the offsite East Haven Road right-of-way. Improvements include the clearing and excavation associated with the public arterial and collector road rights-of-way, and installation of erosion control measures. The roadway improvements will be owned and operated by the City except those portions of roadways outside the City limits that would fall under the jurisdiction of the County. Such roadways shall be owned, operated, and maintained by the Ellis County Fresh Water Supply District No. 3 ("ECFWSD No. 3") until the final Improvement Area is annexed into the City, at which time such roadway improvements will be owned, operated, and maintained by the City.

Water Improvements

Improvements include trench excavation and embedment, trench safety, piping, gate valves, fire hydrants, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within the PID. The improvements will be built to City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements

Improvements consist of trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all necessary appurtenances required to provide adequate drainage for the arterial road rights-of-way within the PID. The improvements within the development will be owned and operated by the City except those portions of storm sewer associated with roadways outside the City limits that would fall under the jurisdiction of the County. Such storm sewer shall be owned, operated and maintained by the ECFWSD No. 3 until the final Improvement Area is annexed into the City, at which time such storm sewer improvements will be owned and operated by the City.

Soft and Miscellaneous Costs

Certain soft and miscellaneous costs include costs related to designing, constructing, and installing the Major Improvements including land planning and design, City fees, engineering, soil testing, surveying, appraisal fees, district formation fees, contingency, and other soft and miscellaneous costs.

**Table III-A**

**Costs**

**Budgeted Costs - Major Improvement**

| Description | Improvement Area #1A Allocable Share | Improvement Area #1B Allocable Share | Future Improvement Area Allocable Share | Phase 2 Commercial Allocable Share | Total Major Improvements |
|---|---|---|---|---|---|
| Roadway Improvements | $409,002 | $122,407 | $3,804,030 | $33,258 | $4,368,698 |
| Water Improvements | $181,674 | $54,372 | $1,689,704 | $14,773 | $1,940,522 |
| Storm Drainage Improvements | $212,730 | $63,666 | $1,978,546 | $17,298 | $2,272,240 |
| Soft and Miscellaneous Costs | $144,863 | $43,355 | $1,347,339 | $11,780 | $1,547,337 |
| **Total** | **$948,270** | **$283,801** | **$8,819,619** | **$77,108** | **$10,128,797** |

Note: The above shown estimated costs are provided by Kimley-Horn. The figures shown in Table III-A may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Authorized Improvements cost amount does not change.

## C. DESCRIPTIONS AND BUDGETED COSTS OF THE MAJOR SANITARY SEWER ZONE IMPROVEMENTS

The Major Sanitary Sewer Zone Improvements descriptions are presented below as provided by the project engineer and are expected to be constructed by the Developer. The Budgeted Costs of the Major Sanitary Sewer Zone Improvements are shown in Table III-B on the following page and may be revised in Annual Service Plan Updates, including updating such Budgeted Costs in connection with such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Major Sanitary Sewer Zone Improvements are as follows:

Sanitary Sewer Improvements

Improvements include trench excavation and embedment, trench safety, piping, manholes, service connections, testing and all other necessary appurtenances required to provide sanitary sewer service to all lots within the Major Sanitary Sewer Zone. The sanitary sewer improvements will be owned and operated by the City.

Soft and Miscellaneous Costs

Certain soft and miscellaneous costs include costs related to designing, constructing, and installing the Major Sanitary Sewer Zone Improvements including land planning and design, City fees,

engineering, soil testing, surveying, appraisal fees, district formation fees, contingency, and other soft and miscellaneous costs.

**Table III-B**
**Budgeted Costs – Major Sanitary Sewer Zone Improvement Costs**

| Description | Improvement Area #1A Allocable Share | Future Improvement Area Allocable Share | Phase 2 Commercial Allocable Share | Total Major Sanitary Sewer Zone Improvements |
|---|---|---|---|---|
| Sanitary Sewer Improvements | $283,449 | $2,636,284 | $23,048 | $2,942,781 |
| Soft and Miscellaneous Costs | $26,253 | $244,172 | $2,135 | $272,560 |
| **Total** | **$309,701** | **$2,880,456** | **$25,183** | **$3,215,341** |

Note: The above shown estimated costs are provided by Kimley-Horn. The figures shown in Table III-B may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Authorized Improvements cost amount does not change.

## D. Descriptions and Budgeted Costs of the Zone 1 Improvements

The Zone 1 Improvement descriptions are presented below as provided by the project engineer and are expected to be constructed solely by the Developer. The Budgeted Costs of the Zone 1 Improvements are shown in Table III-C on the following page and may be revised in Annual Service Plan Updates, including updating such Budgeted Costs in connection with such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Zone 1 Improvements are as follows:

Storm Drainage Improvements

Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances required to provide adequate drainage for the arterial road rights-of-way within Zone 1. Improvements include all clearing, excavation and installation of erosion control measures associated with the improvements. The storm drainage improvements will be owned and operated by the City but maintained by the HOA through a qualified maintenance agreement.

Soft and Miscellaneous Costs

Certain soft and miscellaneous costs include costs related to designing, constructing, and installing the Zone 1 Improvements including land planning and design, City fees, engineering, soil testing, surveying, appraisal fees, district formation fees, contingency, and other soft and miscellaneous costs.

**Table III-C**
**Budgeted Costs - Zone 1 Improvements**

| Description | Improvement Area #1A Allocable Share | Improvement Area #1B Allocable Share | Phases #2-4 Allocable Share | Phase 2 Commercial Allocable Share | Total Zone 1 Improvements |
|---|---|---|---|---|---|
| Storm Drainage Improvements | $40,434 | $12,101 | $76,922 | $3,288 | $132,745 |
| Soft and Miscellaneous Costs | $30,987 | $9,274 | $58,951 | $2,520 | $101,732 |
| **Total** | **$71,421** | **$21,375** | **$135,873** | **$5,808** | **$234,477** |

Note: The above shown estimated costs are provided by Kimley-Horn. The figures shown in Table III-C may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Authorized Improvements cost amount does not change.

## E. Descriptions and Budgeted Costs of the Zone 2 Sanitary Sewer Improvements

The Zone 2 Sanitary Sewer Improvement descriptions are presented below as provided by the project engineer and are expected to be constructed solely by the Developer. The Budgeted Costs of the Zone 2 Sanitary Sewer Improvements are shown in Table III-D on the following page and may be revised in Annual Service Plan Updates, including updating such Budgeted Costs in connection with such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Zone 2 Sanitary Sewer Improvements are as follows:

Sanitary Sewer Improvements

Improvements include trench excavation and embedment, trench safety, piping, manholes, service connections, lift station, force main line, testing, and all other necessary appurtenances required to provide sanitary sewer service to each lot within Zone 2. The sanitary sewer improvements will be owned and operated by the City.

Soft and Miscellaneous Costs

Certain soft and miscellaneous costs include costs related to designing, constructing, and installing the Zone 2 Sanitary Sewer Improvements including land planning and design, City fees, engineering, soil testing, surveying, appraisal fees, district formation fees, contingency, and other soft and miscellaneous costs.

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**Table III-D**
**Budgeted Costs - Zone 2 Sanitary Sewer Improvements**

| Description | Improvement Area #1A Allocable Share | Phases #2-4 Allocable Share | Phase 2 Commercial Allocable Share | Total Zone 2 Sanitary Sewer Improvements |
|---|---|---|---|---|
| Sanitary Sewer Improvements | $2,570,164 | $4,889,538 | $208,992 | $7,668,694 |
| Soft and Miscellaneous Costs | $0 | $0 | $0 | $0 |
| **Total** | **$2,570,164** | **$4,889,538** | **$208,992** | **$7,668,694** |

Note: The above shown estimated costs are provided by Kimley-Horn. The figures shown in Table III-D may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Authorized Improvements cost amount does not change.

## F. DESCRIPTIONS OF THE IMPROVEMENT AREAS #1A-1B IMPROVEMENTS

The Improvement Areas #1A-1B Improvements descriptions are presented below as provided by the project engineer and are expected to be constructed solely by the Developer. The Budgeted Costs of the Improvement Areas #1A-1B Improvements are shown in Table III-E and may be revised in Annual Service Plan Updates, including updating such Budgeted Costs in connection with such other improvements as deemed necessary to further improve the properties within the Phase #1 of the PID.

A description of the Improvement Areas #1A-1B Improvements are as follows:

Roadway Improvements

Improvements include subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, testing, and all other materials associated with the public residential rights-of-way within Improvement Areas #1A-1B. Improvements include the clearing and excavation associated with the public arterial and collector road rights-of-way, and installation of erosion control measures. The street improvements will provide benefit to each lot within Improvement Areas #1A-1B. The improvements will be built to City standards and specifications and will be owned and operated by the City.

Water Improvements

Improvements include trench excavation and embedment, trench safety, piping, gate valves, fire hydrants, service connections, testing, and all necessary appurtenances required to provide water service to all Lots within Improvement Areas #1A-1B. The improvements will be built to City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements

Improvements include trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other appurtenances required to provide adequate

drainage within Improvement Areas #1A-1B. The improvements will be built to City standards and specifications and will be owned and operated by the City.

Soft and Miscellaneous Costs

Certain soft and miscellaneous costs include costs related to designing, constructing, and installing the Improvement Areas #1A-1B Improvements including land planning and design, City fees, engineering, soil testing, surveying, appraisal fees, district formation fees, contingency, and other soft and miscellaneous costs.

**Table III-E**
**Budgeted Costs – Improvement Areas #1A-1B Improvements**

| Description | Improvement Area #1A Allocable Share | Improvement Area #1B Allocable Share | Total Improvement Areas #1A-1B Improvements |
|---|---|---|---|
| Roadway Improvements | $4,434,939 | $1,327,301 | $5,762,240 |
| Water Improvements | $2,243,595 | $671,470 | $2,915,065 |
| Storm Drainage Improvements | $2,738,283 | $819,521 | $3,557,804 |
| Soft and Miscellaneous Costs | $1,287,853 | $385,432 | $1,673,285 |
| **Total** | **$10,704,670** | **$3,203,724** | **$13,908,394** |

Note: Provided by Developer. The figures shown in Table III-E may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Authorized Improvements costs does not change.

## G. Descriptions and Budgeted Costs of the Improvement Area #1A Sanitary Sewer Improvements

The Improvement Area #1A Sanitary Sewer Improvements descriptions are presented below as provided by the project engineer and are expected to be constructed solely by the Developer. The Budgeted Costs of the Improvement Area #1A Sanitary Sewer Improvements are shown in Table III-F on the following page and may be revised in Annual Service Plan Updates, including updating such Budgeted Costs in connection with such other improvements as deemed necessary to further improve the properties within Improvement Area #1A of the PID.

A description of the Improvement Area #1A Sanitary Sewer Improvements are as follows:

Sanitary Sewer Improvements

Improvements include trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances required to provide sanitary sewer service to each lot within Improvement Area #1A. The sanitary sewer improvements will be owned and operated by the City.

Soft and Miscellaneous Costs

Certain soft and miscellaneous costs include costs related to designing, constructing, and installing the Improvement Area #1A Sanitary Sewer Improvements including land planning and design, City fees, engineering, soil testing, surveying, appraisal fees, district formation fees, contingency, and other soft and miscellaneous costs.

**Table III-F**
**Budgeted Costs – Improvement Area #1A Sanitary Sewer Improvements**

| Description | Total Improvement Area #1A Sanitary Sewer Improvements |
|---|---|
| Sanitary Sewer Improvements | $2,238,180 |
| Soft and Miscellaneous Costs | $3,400 |
| **Total** | **$2,241,580** |

Note: The above shown estimated costs are provided by Kimley-Horn. The figures shown in Table III-F may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Authorized Improvements cost amount does not change.

## H. Improvement Area #1A Projects Budgeted Costs

Table III-G below summarizes the Authorized Improvements allocable to Improvement Area #1A.

**Table III-G**
**Budgeted Costs – Improvement Area #1A Projects**

| Description | Major Improvements Allocable Share | Major Sanitary Sewer Zone Improvements Allocable Share | Zone 1 Improvements Allocable Share | Zone 2 Sanitary Sewer Improvements Allocable Share | IA#1A-1B Improvements Allocable Share | IA#1A Sanitary Sewer Improvements | Improvement Area #1A Project Costs |
|---|---|---|---|---|---|---|---|
| Roadway Improvements | $409,002 | $0 | $0 | $0 | $4,434,939 | $0 | $4,843,941 |
| Water Improvements | $181,674 | $0 | $0 | $0 | $2,243,595 | $0 | $2,425,269 |
| Sanitary Sewer Improvements | $0 | $283,449 | $0 | $2,570,164 | $0 | $2,238,180 | $5,091,793 |
| Storm Drainage Improvements | $212,730 | $0 | $40,434 | $0 | $2,738,283 | $0 | $2,991,446 |
| Soft and Miscellaneous Costs | $144,863 | $26,253 | $30,987 | $0 | $1,287,853 | $3,400 | $1,493,356 |
| **Total** | **$948,270** | **$309,701** | **$71,421** | **$2,570,164** | **$10,704,670** | **$2,241,580** | **$16,845,806** |

Note: The above shown estimated costs are provided by Kimley-Horn. The figures shown in Table III-G may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Authorized Improvements cost amount does not change.

## I. Improvement Area #1B Projects Budgeted Costs

Table III-H on the following page summarizes the Authorized Improvements allocable to Improvement Area #1B.

## Table III-H
## Budgeted Costs – Improvement Area #1B Projects

| Description | Major Improvements Allocable Share | Major Sanitary Sewer Zone Improvements Allocable Share | Zone 1 Improvements Allocable Share | Zone 1 Sanitary Sewer Improvements Allocable Share | IA#1A-1B Improvements Allocable Share | IA#1A Sanitary Sewer Improvements | Improvement Area #1B Project Costs |
|---|---|---|---|---|---|---|---|
| Roadway Improvements | $122,407 | $0 | $0 | $0 | $1,327,301 | $0 | $1,449,709 |
| Water Improvements | $54,372 | $0 | $0 | $0 | $671,470 | $0 | $725,841 |
| Sanitary Sewer Improvements | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Storm Drainage Improvements | $63,666 | $0 | $12,101 | $0 | $819,521 | $0 | $895,289 |
| Soft and Miscellaneous Costs | $43,355 | $0 | $9,274 | $0 | $385,432 | $0 | $438,061 |
| **Total** | **$283,801** | **$0** | **$21,375** | **$0** | **$3,203,724** | **$0** | **$3,508,900** |

Note: The above shown estimated costs are provided by Kimley-Horn. The figures shown in Table III-H may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Authorized Improvements cost amount does not change.

## J. FUTURE IMPROVEMENT AREAS

As Future Improvement Areas are developed and Future Improvement Area Bonds are issued and/ or related reimbursements are required pursuant to the Reimbursement Agreement, this SAP will be amended to identify the specific Future Improvement Area Improvements that confer a special benefit to the property inside each Future Improvement Area (e.g. a Table III-I will be added in a future update to this Service and Assessment Plan to show the costs for the specific Authorized Improvements financed within the specific Future Improvement Area 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. It is anticipated that the Improvement Areas #1A-1B Improvements will be completed and accepted by the City in the 4th quarter of 2026. It is anticipated that the Improvement Area #1A Sanitary Sewer Improvements will be completed and accepted by the City in the 4th quarter of 2026. It is anticipated that the Major Improvements will be completed and accepted by the City in the 4th quarter of 2026. It is anticipated that the Major Sanitary Sewer Zone Improvements will be completed and accepted by the City in the 4th quarter of 2026. It is anticipated that the Zone 1 Improvements will be completed and accepted by the City in the 4th quarter of 2026. It is anticipated that the Zone 2 Sanitary Improvements will be completed and accepted by the City in the 4th quarter of 2026.

The total anticipated costs for the Major Improvements, Major Sanitary Sewer Zone Improvements, Zone 1 Improvements, Zone 2 Sanitary Sewer Improvements, Improvement Areas #1A-1B Improvements and Improvement Area #1A Sanitary Sewer Improvements are approximately $37,397,283 as detailed in Appendix B.

The Budgeted Costs for the Improvement Area #1A Projects and payment of expenses incurred for Improvement Area #1A's portion of the establishment, administration and operation of the PID, including issuance related costs of the Improvement Area #1A-1B Bonds, are $18,217,009 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the Budgeted Costs, and updating the Assessment Roll(s).

The Budgeted Costs for the Improvement Area #1B Projects and payment of expenses incurred for Improvement Area #1B's portion of the establishment, administration and operation of the PID, including issuance related costs of the Improvement Area #1A-1B Bonds, are $3,915,698 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the Budgeted Costs, and updating the Assessment Roll(s).

As Future Improvement Areas are developed in connection with the issuance of Bonds, this Service and Assessment Plan will be amended (e.g. Table IV-B will be added for Improvement Area #2, etc.).

Table IV-A shows the projected sources and uses of funds for the Improvement Area #1A Projects, the Improvement Area #1B Projects, expenses incurred for the establishment, administration and operation of the PID, and issuance related costs of the Improvement Area #1A-1B Bonds. Tables included in this Section may be rounded to the nearest whole dollar.

**Table IV-A**
**Sources and Uses - Improvement Area #1A & Improvement Area #1B**

| Sources of Funds | Improvement Area #1A | Improvement Area #1B | Total |
|---|---|---|---|
| Bond Par | $8,662,000 | $2,458,000 | $11,120,000 |
| Other funding sources | $9,555,009 | $1,457,698 | $11,012,706 |
| **Total Sources** | **$18,217,009** | **$3,915,698** | **$22,132,706** |
| | | | |
| **Uses of Funds** | | | |
| *Major Improvements* | | | |
| Roadway Improvements | *$409,002* | *$122,407* | *$531,410* |
| Water Improvements | *$181,674* | *$54,372* | *$236,046* |
| Storm Drainage Improvements | *$212,730* | *$63,666* | *$276,396* |
| Soft and Miscellaneous Costs | *$144,863* | *$43,355* | *$188,219* |
| *Subtotal Major Improvements* | *$948,270* | *$283,801* | *$1,232,070* |
| | | | |
| *Major Sanitary Sewer Zone Improvements* | | | |
| Sanitary Sewer Improvements | *$283,449* | *$0* | *$283,449* |
| Soft and Miscellaneous Costs | *$26,253* | *$0* | *$26,253* |
| *Subtotal Major Sanitary Sewer Zone Improvements* | *$309,701* | *$0* | *$309,701* |
| | | | |
| *Zone 1 Improvements* | | | |
| Storm Drainage Improvements | *$40,434* | *$12,101* | *$52,535* |
| Soft and Miscellaneous Costs | *$30,987* | *$9,274* | *$40,261* |
| *Subtotal Zone 1 Improvements* | *$71,421* | *$21,375* | *$92,796* |
| | | | |
| *Zone 2 Sanitary Sewer Improvements* | | | |
| Sanitary Sewer Improvements | *$2,570,164* | *$0* | *$2,570,164* |
| Soft and Miscellaneous Costs | *$0* | *$0* | *$0* |
| *Subtotal Zone 2 Sanitary Sewer Improvements* | *$2,570,164* | *$0* | *$2,570,164* |
| | | | |
| *Improvement Area #1A-1B Improvements* | | | |
| Roadway Improvements | *$4,434,939* | *$1,327,301* | *$5,762,240* |
| Water Improvements | *$2,243,595* | *$671,470* | *$2,915,065* |
| Storm Drainage Improvements | *$2,738,283* | *$819,521* | *$3,557,804* |
| Soft and Miscellaneous Costs | *$1,287,853* | *$385,432* | *$1,673,285* |
| *Subtotal Improvement Area #1A-1B Improvements* | *$10,704,670* | *$3,203,724* | *$13,908,394* |
| | | | |
| *Improvement Area #1A Sanitary Sewer Improvements* | | | |
| Sanitary Sewer Improvements | *$2,238,180* | *$0* | *$2,238,180* |
| Soft and Miscellaneous Costs | *$3,400* | *$0* | *$3,400* |
| *Subtotal Improvement Area #1A Sanitary Sewer Improven* | *$2,241,580* | *$0* | *$2,241,580* |
| | | | |
| *Estimated Bond Issuance Costs* | | | |
| Issuance costs | *$456,702* | *$129,598* | *$586,300* |
| Administrative expenses | *$25,000* | *$25,000* | *$50,000* |
| Underwriter's discount | *$259,860* | *$73,740* | *$333,600* |
| Reserve fund | *$629,640* | *$178,460* | *$808,100* |
| *Subtotal Estimated Bond Issuance Costs* | *$1,371,202* | *$406,798* | *$1,778,000* |
| **Total Uses** | **$18,217,009** | **$3,915,698** | **$22,132,706** |

## B. FIVE-YEAR SERVICE AND ASSESSMENT PLAN

The annual projected costs and annual projected indebtedness for Improvement Area #1A are shown by Table IV-B.1. The annual projected costs and indebtedness is subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

**Table IV-B.1**
**Annual Projected Costs and Annual Projected Indebtedness – Improvement Area #1A**

| Year | Annual Projected Cost | Annual Projected Indebtedness | Sources other than PID Bonds | Projected Annual Installments |
|---|---|---|---|---|
| 2026 | $18,217,009 | $8,662,000 | $9,555,009 | $0 |
| 2027 | $0 | $0 | $0 | $703,100 |
| 2028 | $0 | $0 | $0 | $703,880 |
| 2029 | $0 | $0 | $0 | $703,221 |
| 2030 | $0 | $0 | $0 | $703,188 |
| 2031 | $0 | $0 | $0 | $703,717 |
| 2032 | $0 | $0 | $0 | $703,743 |
| **Total** | **$18,217,009** | **$8,662,000** | **$9,555,009** | **$4,220,850** |

The annual projected costs shown in Table IV-B.1 are the annual expenditures relating to the Improvement Area #1A Projects, expenses incurred for Improvement Area #1A's portion of the establishment, administration and operation of the PID, and issuance related costs of the Improvement Area #1A-1B Bonds shown in Table IV-A. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

The annual projected costs and annual projected indebtedness for Improvement Area #1B are shown by Table IV-B.2 on the following page. The annual projected costs and indebtedness is subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

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**Table IV-B.2**
**Annual Projected Costs and Annual Projected Indebtedness – Improvement Area #1B**

| Year | Annual Projected Cost | Annual Projected Indebtedness | Sources other than PID Bonds | Projected Annual Installments |
|---|---|---|---|---|
| 2026 | $3,915,698 | $2,458,000 | $1,457,698 | $0 |
| 2027 | $0 | $0 | $0 | $209,900 |
| 2028 | $0 | $0 | $0 | $210,815 |
| 2029 | $0 | $0 | $0 | $209,948 |
| 2030 | $0 | $0 | $0 | $210,024 |
| 2031 | $0 | $0 | $0 | $209,979 |
| 2032 | $0 | $0 | $0 | $209,812 |
| **Total** | **$3,915,698** | **$2,458,000** | **$1,457,698** | **$1,260,477** |

The annual projected costs shown in Table IV-B.2 are the annual expenditures relating to the Improvement Area #1B Projects, expenses incurred for Improvement Area #1B's portion of the establishment, administration and operation of the PID, and issuance related costs of the Improvement Area #1A-1B Bonds shown in Table IV-A. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

## C. PID ASSESSMENT NOTICE

The PID Act requires that this Service and Assessment Plan and each Annual Service Plan Update include a copy of the notice form required by Section 5.014 of the Texas Property Code. The PID Assessment Notice is attached hereto as Appendix F 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 Improvement program anticipates a Bond financing and/or reimbursement obligations that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the issuance of the Improvement Area #1A-1B Bonds, subsequent reimbursement obligations and/or Bond financings may be incurred or issued in the future as the subsequent Future Improvement Area is gradually constructed

The purpose of this gradual issuance of Bonds in phases is to mirror the actual private development of the Authorized Improvements. The levy of Assessment and related execution of a reimbursement agreement and/or issuance of Bonds are most prudently and efficiently utilized when directly coinciding with construction of public infrastructure needed for private development that is to occur once the infrastructure is completed; it is most effective to issue the Bonds and/or execute the reimbursement agreement when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the Authorized Improvements.

For purposes of this Service and Assessment Plan, the City Council has determined that the costs of the Major Improvements, the Major Sanitary Sewer Zone Improvements, the Zone 1 Improvements, the Zone 2 Sanitary Sewer Improvements, the Improvement Areas #1A-1B Improvements, and the Improvement Area #1A Sanitary Sewer Improvements shall be allocated as described below:

1. The costs of the Major Improvements are proportionally allocated to all benefited property within the PID, on the basis of Equivalent Units calculated using the average home price or price per 1,000 square feet of commercial space, as applicable, of each Lot Type within the Improvement Area #1A Assessed Property, Improvement Area #1B Assessed Property and the Major Improvement Area. At this time the City is not levying Assessments for the costs of the Major Improvements allocable to the Major Improvement Area. In the future, the City may levy Assessments, issue Bonds and/or enter into a

reimbursement obligation to finance such costs. Major Improvements costs allocable to Phase 2 Commercial are not reimbursable through Bonds or the Reimbursement Agreement.

2. The costs of the Major Sanitary Sewer Zone Improvements are proportionally allocated to all property within the Major Improvement Sanitary Sewer Zone, on the basis of Equivalent Units calculated using the average home price or price per 1,000 square feet of commercial space, as applicable, of each Lot Type within the Improvement Area #1A Assessed Property and the Major Improvement Area. At this time the City is not levying Assessments for the costs of the Major Sanitary Sewer Zone Improvements allocable to the Major Improvement Area. In the future, the City may levy Assessments, issue Bonds and/or enter into a reimbursement obligation to finance such costs. Major Sanitary Sewer Zone Improvements costs allocable to Phase 2 Commercial are not reimbursable through Bonds or the Reimbursement Agreement.

3. The costs of the Zone 1 Improvements are proportionally allocated to the property in Zone 1, on the basis of Equivalent Units calculated using the average home price or price per 1,000 square feet of commercial space, as applicable, of each Lot Type within the Improvement Area #1A Assessed Property, Improvement Area #1B Assessed Property, Phases #2-4, and Phase 2 Commercial. At this time the City is not levying Assessments for the costs of the Zone 1 Improvements allocable to Phases #2-4. In the future, the City may levy Assessments, issue Bonds and/or enter into a reimbursement obligation to finance such costs. Zone 1 Improvement costs allocable to Phase 2 Commercial are not reimbursable through Bonds or the Reimbursement Agreement.

4. The costs of the Zone 2 Sanitary Sewer Improvements are proportionally allocated to Zone 2 on the basis of Equivalent Units calculated using the average home price or price per 1,000 square feet of commercial space, as applicable, of each Lot Type within Zone 2. At this time the City is not levying Assessments for the costs of the Zone 2 Sanitary Sewer Improvements allocable to Phases #2-4. In the future, the City may levy Assessments, issue Bonds and/or enter into a reimbursement obligation to finance such costs. Zone 2 Sanitary Sewer Improvements costs allocable to Phase 2 Commercial are not reimbursable through Bonds or a reimbursement obligation.

5. The costs of the Improvement Areas #1A-1B Improvements shall be allocated to the Improvement Area #1A Assessed Property and the Improvement Area #1B Assessed Property on the basis of Equivalent Units calculated using the average home price of each Lot Type once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Improvement Areas #1A-1B Improvements to Parcels similarly benefited.

6. The costs of the Improvement Area #1A Sanitary Sewer Improvements shall be allocated to the Improvement Area #1A Assessed Property on the basis of Equivalent Units calculated using the average home price of each Lot Type once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Improvement Area #1A Sanitary Sewer Improvements to Parcels

similarly benefited.

7. The City Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the City Council has taken into consideration (i) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (ii) current and projected home prices provided by the Developer, (iii) the Improvement Area #1A Projects and Improvement Area #1B Projects to be provided and the estimated costs, and (iv) the ability of different property types to utilize and benefit from the Improvement Area #1A Projects and Improvement Area #1B Projects. The Improvement Area #1A Assessed Property and Improvement Area #1B Assessed Property is classified into different Lot Types as described in Appendix E based on the type and size of proposed development on each Parcel.

8. Equivalent Units are calculated for each Lot Type based on the relative average home value of each Lot Type.

At this time, it is impossible to determine with absolute certainty the amount of special benefit each Parcel within Future Improvement Areas will receive from the direct Authorized Improvements that will benefit each individual Improvement Area and that are to be financed with Future Improvement Area Bonds. Therefore, Parcels will only be assessed for the special benefits conferred upon the Parcel at this time because of the Improvement Area #1A Projects or Improvement Area #1B Projects, as applicable.

In connection with the issuance of Future Improvement Area Bonds and/ or additional obligations created pursuant to the Reimbursement Agreement, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Improvement Areas receives from the specific Authorized Improvements funded with those Future Improvement Area Bonds issued and/ or reimbursement agreements executed with respect to that Future Improvement Areas. Prior to assessing Parcels located within Future Improvement Areas in connection with issuance of Future Improvement Area Bonds and/ or execution of reimbursement agreements, each owner of the Parcels to be assessed must acknowledge that the Authorized Improvements to be financed confer a special benefit on their Parcel and must consent to the imposition of the Assessments to pay for the Actual Costs of such Authorized Improvements.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the PID as a result of the Authorized Improvements, as applicable, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Assessed Property, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Authorized 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.

When any given Future Improvement Area is developed, and Assessments for that Future Improvement Area are being levied, this Service and Assessment Plan will be amended to determine the assessment methodology that result in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within that Improvement Area.

## B. SPECIAL BENEFIT

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in line-item format in Appendix B to this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment of the PID shown in Table IV-A are authorized by the PID Act. These Authorized Improvements are provided specifically for the benefit of the Assessed Property.

Each owner of the Assessed Property has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and has consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Assessments because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The Authorized Improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and the specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate Appraisal, Third Edition*.) The Authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The 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 special assessments will repay financing that is on advantageous terms, as the Bonds issued, if any, to finance the Authorized Improvements will pay interest that is exempt from federal income tax. As a result, all other terms being equal (e.g., maturity, fixed vs. variable rate, credit quality), the tax-exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer's option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

Each owner of the Assessed Property will ratify, confirm, accept, agree to and approve: (i) the determinations and finding by the City Council as to the special benefits described in this Service and Assessment Plan and the Assessment Ordinance; (ii) the Service and Assessment Plan and the Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property. Use of the Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the City Council to be the most beneficial means of doing so. As a result, the Authorized Improvements result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

In summary, the Authorized Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed "highest and best use" of the property and provide a special benefit to the Assessed Property as a result;

2. The Developer and each owner of Assessed Property have consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer and each owner of Assessed Property is acting in its interest by consenting to this imposition;

3. 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);

4. Financing the Actual Costs of the Authorized Improvements through the PID is determined to be the most beneficial means of providing for the Authorized Improvements and,

5. 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 MAJOR IMPROVEMENTS COSTS TO BENEFITING PROPERTY

The Major Improvements will provide a special benefit to all property in the PID other than Non-Benefited Property. Accordingly, the Budgeted Costs of the Major Improvements must be allocated throughout all property in the PID other than Non-Benefited property. Table V-A on the following page summarizes the allocation of Actual Costs for each type of Major Improvements

to Improvement Area #1A, Improvement Area #1B, Phase 2 Commercial and the Future Improvement Area. The Budgeted Costs shown in Table V-A are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Improvement Area #1A is projected to contain 234 single family residential units, Improvement Area #1B is projected to contain 53 single family residential units, the Future Improvement Area is projected to contain 2,313 single family residential units and Phase 2 Commercial is projected to contain approximately 45,000 square feet of commercial space. As shown in Appendix E, the total projected number of Equivalent Units for Improvement Area #1A is calculated as 177.09, the total projected number of Equivalent Units for Improvement Area #1B is calculated as 53.00, the total projected number of Equivalent Units for Phase 2 Commercial is 14.40, and the total projected number of Equivalent Units for the Future Improvement Areas is calculated as 1,647.07. The entire PID has a projected 1,891.56 Equivalent Units. As a result, 9.36% percent of the Budgeted Costs of the Major Improvements (i.e. 177.09 ÷ 1,891.56 = 9.36%) are allocated to the Improvement Area #1A Assessed Property, 2.80% percent of the Budgeted Costs of the Major Improvements (i.e. 53.00 ÷ 1,891.56 = 2.80%) are allocated to the Improvement Area #1B Assessed Property, 87.07% percent of the Budgeted Costs of the Major Improvements (i.e., 1,647.07 ÷ 1,891.56 = 87.07%) are allocated to the Future Improvement Area and 0.76% percent of Budgeted Costs of the Major Improvements (i.e., 14.40 ÷ 1,891.56 = 0.76%) are allocated to Phase 2 Commercial.

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**Table V-A**
**Allocation of the Major Improvement Costs**

| Authorized Improvement | Estimated Costs |
|---|---|
| Roadway Improvements | $4,368,698 |
| Water Improvements | $1,940,522 |
| Storm Drainage Improvements | $2,272,240 |
| Soft and Miscellaneous Costs | $1,547,337 |
| **Total Major Improvements** | **$10,128,797** |
| | |
| Improvement Area #1A | |
| Projected Equivalent Units | 177.09 |
| % of total units | 9.36% |
| Proportionate share of costs | **$948,270** |
| | |
| Improvement Area #1B | |
| Projected Equivalent Units | 53.00 |
| % of total units | 2.80% |
| Proportionate share of costs | **$283,801** |
| | |
| Future Improvement Areas | |
| Projected Equivalent Units | 1647.07 |
| % of total units | 87.07% |
| Proportionate share of costs | **$8,819,619** |
| | |
| Phase 2 Commercial | |
| Projected Equivalent Units | 14.40 |
| % of total units | 0.76% |
| Proportionate share of costs | **$77,108** |

[1]See Table III-A for details.

## D. Allocation of Major Sanitary Sewer Zone Improvements Costs to Benefiting Property

The Major Sanitary Sewer Zone Improvements will provide a special benefit to all property within Major Sanitary Sewer Zone other than Non-Benefited Property. Accordingly, the Budgeted Costs of the Major Sanitary Sewer Zone Improvements must be allocated throughout all property in the Major Sanitary Sewer Zone other than Non-Benefited Property. Table V-B on the following page summarizes the allocation of Actual Costs for the Major Sanitary Sewer Zone Improvements to

the Major Sanitary Sewer Zone. The Budgeted Costs shown in Table V-B are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Improvement Area #1A is projected to contain 234 single family residential units, Phase 2 Commercial is projected to contain approximately 45,000 square feet of commercial space, and the Future Improvement Area is projected to contain 2,313 single family residential units. As shown in Appendix E, the total projected number of Equivalent Units for Improvement Area #1A is calculated as 177.09, the total projected number of Equivalent Units for Phase 2 Commercial is 14.40, and the total projected number of Equivalent Units for the Future Improvement Areas is calculated as 1,647.07. Improvement Area #1A, Phase 2 Commercial and the Future Improvement Area have a projected 1,838.56 Equivalent Units. As a result, 9.63% percent of the Budgeted Costs of the Major Sanitary Sewer Zone Improvements (i.e. 177.09 ÷ 1,838.56 = 9.63%) are allocated to the Improvement Area #1A Assessed Property, 0.78% percent of the Budgeted Costs of the Major Sanitary Sewer Zone Improvements (i.e. 14.40 ÷ 1,838.56 = 0.78%) are allocated to Phase 2 Commercial and 89.58% percent of the Budgeted Costs of the Major Sanitary Sewer Zone Improvements (i.e., 1,647.07 ÷ 1,838.56 = 89.58%) are allocated to the Future Improvement Area.

**Table V-B**
**Allocation of the Major Sanitary Sewer Zone Improvement Costs**

| Authorized Improvement | Estimated Costs |
|---|---|
| Sanitary Sewer Improvements | $2,942,781 |
| Soft and Miscellaneous Costs | $272,560 |
| **Total Major Sanitary Sewer Zone Improvements** | **$3,215,341** |
| | |
| Improvement Area #1A | |
| Projected Equivalent Units | 177.09 |
| % of total units | 9.63% |
| Proportionate share of costs | **$309,701** |
| | |
| Future Improvement Areas | |
| Projected Equivalent Units | 1647.07 |
| % of total units | 89.58% |
| Proportionate share of costs | **$2,880,456** |
| | |
| Phase 2 Commercial | |
| Projected Equivalent Units | 14.40 |
| % of total units | 0.78% |
| Proportionate share of costs | **$25,183** |

[1]See Table III-B for details.

## E. ALLOCATION OF ZONE 1 IMPROVEMENTS COSTS TO ZONE 1 BENEFITING PROPERTY

The Zone 1 Improvements will provide a special benefit to all property in Zone 1 other than Non-Benefited Property. Accordingly, the Budgeted Costs of the Zone 1 Improvements must be allocated throughout all property in Zone 1 other than Non-Benefited Property. Table V-C on the following page summarizes the allocation of Actual Costs for each type of Zone 1 Improvements to Improvement Area #1A, Improvement Area #1B, Phase 2 Commercial and Phases #2-4. The Budgeted Costs shown in Table V-C are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Improvement Area #1A is projected to contain 234 single family residential units, Improvement Area #1B is projected to contain 53 single family residential units, Phase 2 Commercial is projected to contain approximately 45,000 square feet and Phases #2-4 are projected to contain 489 single family residential units. As shown in Appendix E, the total projected number of Equivalent Units for Improvement Area #1A is calculated as 177.09, the total projected number of Equivalent Units for Improvement Area #1B is calculated as 53.00, the total projected number of Equivalent Units for Phase 2 Commercial is calculated as 14.40, and the total projected number of Equivalent Units for Phases #2-4 is calculated as 336.90. Zone 1 has a projected 581.39 Equivalent Units. As a result, 30.46% percent of the Budgeted Costs of the Zone 1 Improvements (i.e. 177.09 ÷ 581.39 = 30.46%) are allocated to the Improvement Area #1A Assessed Property, 9.12% percent of the Budgeted Costs of the Zone 1 Improvements (i.e. 53.00 ÷ 581.39 = 9.12%) are allocated to the Improvement Area #1B Assessed Property, 2.48% percent of the Budgeted Costs of the Zone 1 Improvements (i.e. 14.40 ÷ 581.39 = 2.48%) are allocated to the Phase 2 Commercial, and 57.95% percent of the Budgeted Costs of the Zone 1 Improvements (i.e., 336.90 ÷ 581.39 = 57.95%) are allocated to Phases #2-4 property.

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**Table V-C**
**Allocation of the Zone 1 Improvements Costs**

| Authorized Improvement | Estimated Costs |
|---|---|
| Storm Drainage Improvements | $132,745 |
| Soft and Miscellaneous Costs | $101,732 |
| **Total Zone 1 Improvements** | **$234,477** |
| | |
| Improvement Area #1A | |
| Projected Equivalent Units | 177.09 |
| % of total units | 30.46% |
| Proportionate share of costs | **$71,421** |
| | |
| Improvement Area #1B | |
| Projected Equivalent Units | 53.00 |
| % of total units | 9.12% |
| Proportionate share of costs | **$21,375** |
| | |
| Phases #2-4 | |
| Projected Equivalent Units | 336.90 |
| % of total units | 57.95% |
| Proportionate share of costs | **$135,873** |
| | |
| Phase 2 Commercial | |
| Projected Equivalent Units | 14.40 |
| % of total units | 2.48% |
| Proportionate share of costs | **$5,808** |

[1]See Table III-C for details.

## F. Allocation of Zone 2 Sanitary Sewer Improvements Costs to Benefiting Property

The Zone 2 Sanitary Sewer Improvements will provide a special benefit to all property within Zone 2, other than Non-Benefited Property. Accordingly, the Budgeted Costs of the Zone 2 Sanitary Sewer Improvements must be allocated between Improvement Area #1A, Phase 2 Commercial and Phases #2-4, other than Non-Benefited Property. Table V-D on the following page summarizes the allocation of Actual Costs for Zone 2 Sanitary Sewer Improvements to Improvement Area #1A, Phase 2 Commercial and Phases #2-4. The Budgeted Costs shown in Table V-D are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Improvement Area #1A is projected to contain 234 single family residential units, Phase 2 Commercial is projected to contain approximately 45,000 square feet of commercial space, and Phases #2-4 are projected to contain 489 single family residential units. As shown in Appendix E, the total projected number of Equivalent Units for Improvement Area #1A is calculated as 177.09 and the total projected number of Equivalent Units for Phase 2 Commercial is 14.40, and the total projected number of Equivalent Units for Phases #2-4 is calculated as 336.90. Improvement Area #1A, Phase 2 Commercial and Phases #2-4 have a total projected 528.39 Equivalent Units. As a result, 33.52% percent of the Budgeted Costs of the Zone 2 Sanitary Sewer Improvements (i.e. 177.09 ÷ 528.39 = 33.52%) are allocated to the Improvement Area #1A Assessed Property, 2.73% percent of the Budgeted Costs of the Zone 2 Sanitary Sewer Improvements (i.e. 14.40 ÷ 528.39 = 2.73%) are allocated to Phase 2 Commercial and 63.76% percent of the Budgeted Costs of the Zone 2 Sanitary Sewer Improvements (i.e., 336.90 ÷ 528.39 = 63.76%) are allocated to Phases #2-4.

**Table V-D**
**Allocation of the Zone 2 Sanitary Sewer Improvements Costs**

| Authorized Improvement | Estimated Costs |
|---|---|
| Sanitary Sewer Improvements | $7,668,694 |
| Soft and Miscellaneous Costs | $0 |
| **Total Zone 2 Improvements** | **$7,668,694** |
| | |
| Improvement Area #1A | |
| Projected Equivalent Units | 177.09 |
| % of total units | 33.52% |
| Proportionate share of costs | **$2,570,164** |
| | |
| Phases #2-4 | |
| Projected Equivalent Units | 336.90 |
| % of total units | 63.76% |
| Proportionate share of costs | **$4,889,538** |
| | |
| Phase 2 Commercial | |
| Projected Equivalent Units | 14.40 |
| % of total units | 2.73% |
| Proportionate share of costs | **$208,992** |

[1]See Table III-D for details.

## G. Allocation of Improvement Areas #1A-1B Improvements to Benefiting Property

The Improvement Areas #1A-1B Improvements will provide a special benefit to all property within Improvement Area #1A and Improvement Area #1B, other than Non-Benefited Property.

Accordingly, the Budgeted Costs of the Improvement Areas #1A-1B Improvements must be allocated between Improvement Area #1A and Improvement Area #1B property, other than Non-Benefited Property. Table V-E on the following page summarizes the allocation of Actual Costs for each type of Improvement Areas #1A-1B Improvement to Improvement Area #1A and Improvement Area #1B. The Budgeted Costs shown in Table V-E are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Improvement Area #1A is projected to contain 234 single family residential units and Improvement Area #1B is projected to contain 53 single family residential units. As shown in Appendix E, the total projected number of Equivalent Units for Improvement Area #1A is calculated as 177.09 and the total projected number of Equivalent Units for Improvement Area #1B is calculated as 53.00. Improvement Area #1A and Improvement Area #1B have a total projected 230.09 Equivalent Units. As a result, 76.97% percent of the Budgeted Costs of the Improvement Areas #1A-1B Improvements (i.e. 177.09 ÷ 230.09 = 76.97%) are allocated to the Improvement Area #1A Assessed Property, and 23.03% percent of the Budgeted Costs of Improvement Areas #1A-1B Improvements (i.e., 53.00 ÷ 230.09 = 23.03%) are allocated to the Improvement Area #1B Assessed Property.

**Table V-E**
**Allocation of the Improvement Areas #1A-1B Improvements Costs**

| Authorized Improvement | Estimated Costs |
|---|---|
| Roadway Improvements | $5,762,240 |
| Water Improvements | $2,915,065 |
| Storm Drainage Improvements | $3,557,804 |
| Soft and Miscellaneous Costs | $1,673,285 |
| **Total Improvement Areas #1A-1B Improvements** | **$13,908,394** |
| | |
| Improvement Area #1A | |
| Projected Equivalent Units | 177.09 |
| % of total units | 76.97% |
| Proportionate share of costs | **$10,704,670** |
| | |
| Improvement Area #1B | |
| Projected Equivalent Units | 53.00 |
| % of total units | 23.03% |
| Proportionate share of costs | **$3,203,724** |

[1]See Table III-E for details.

## H. Allocation of Improvement Area #1A Sanitary Sewer Improvements to Benefiting Property

The Improvement Area #1A Sanitary Sewer Improvements will provide a special benefit to all property within Improvement Area #1A, other than Non-Benefited Property. Accordingly, the Budgeted Costs of the Improvement Area #1A Sanitary Sewer Improvements are allocated 100%

to Improvement Area #1A Assessed Property. Table V-F on the following page summarizes the allocation of Actual Costs for the Improvement Area #1A Sanitary Sewer Improvements to Improvement Area #1A. The Budgeted Costs shown in Table V-F are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

**Table V-F**
**Allocation of the Improvement Areas #1A Sanitary Sewer Improvements Costs**

| Authorized Improvement | Estimated Costs |
|---|---|
| Sanitary Sewer Improvements | $2,238,180 |
| Soft and Miscellaneous Costs | $3,400 |
| **Total Improvement Area #1A Sanitary Sewer Improvements** | **$2,241,580** |

| Improvement Area #1A | |
|---|---|
| Projected Equivalent Units | 177.09 |
| % of total units | 100.00% |
| Proportionate share of costs | **$2,241,580** |

[1]See Table III-F for details.

## I. 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 amount of 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 Improvement Area #1A Projects*

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Improvement Area #1A Projects to be funded by the Improvement Area #1A portion of the Improvement Area #1A-1B Bonds shall be allocated to the Improvement Area #1A Assessed Property by spreading the entire Assessment across the Parcels based on the estimated number of Equivalent Units anticipated to be developed on each Parcel.

Based on the estimates of the costs of the Improvement Area #1A Projects, as set forth in Table III-G, the City Council has determined that the benefit to Improvement Area #1A Assessed Property of the Improvement Area #1A Projects is at least equal to the Assessments levied on the Improvement Area #1A Assessed Property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated Equivalent Units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned

proportionately among each Parcel based on the ratio of the estimated Equivalent Units at the time residential Lots are platted to the total estimated Equivalent Units for Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1A is shown on the Improvement Area #1A Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

*2. Assessment Methodology for Improvement Area #1B Projects*

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Improvement Area #1B Projects to be funded by the Improvement Area #1B portion of the Improvement Area #1A-1B Bonds shall be allocated to the Improvement Area #1B Assessed Property by spreading the entire Assessment across the Parcels based on the estimated number of Equivalent Units anticipated to be developed on each Parcel.

Based on the estimates of the costs of the Improvement Area #1B Projects, as set forth in Table III-H, the City Council has determined that the benefit to Improvement Area #1B Assessed Property of the Improvement Area #1B Projects is at least equal to the Assessments levied on the Improvement Area #1B Assessed Property.

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

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1B is shown on the Improvement Area #1B Assessment Roll, attached as Appendix H, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

*3. Assessment Methodology for Future Improvement Areas*

When any given Future Improvement Area is developed, and Future Improvement Area Bonds for that Future Improvement Areas are to be issued and/ or a reimbursement agreement is executed, 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 Future Improvement Area.

## J. ASSESSMENTS

The Assessments for Improvement Area #1A will be levied on each Parcel or Lot in Improvement Area #1A according to the Improvement Area #1A Assessment Roll, attached hereto as Appendix

G. The Annual Installments for Improvement Area #1A will be collected on the dates and in the amounts shown on the Improvement Area #1A Assessment Roll, subject to revisions made during an Annual Service Plan Update. Non-Benefited Property will not be subject to any Assessments.

The Assessments for Improvement Area #1B will be levied on each Parcel or Lot in Improvement Area #1B according to the Improvement Area #1B Assessment Roll, attached hereto as Appendix H. The Annual Installments for Improvement Area #1B will be collected on the dates and in the amounts shown on the Improvement Area #1B Assessment Roll, subject to revisions made during an Annual Service Plan Update. Non-Benefited Property will not be subject to any Assessments.

See Appendix E for Assessment per unit, leverage, and estimated tax rate equivalent calculation details.

## K. 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 the Improvement Area #1A Assessment Roll or the Improvement Area #1B Assessment Roll, attached as Appendix G and Appendix H, respectively, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

## L. Delinquency and Prepayment Reserve

Pursuant to the PID Act, the interest rate for Assessments securing Bonds may exceed the actual interest rate per annum paid on the related Bonds by no more than the Additional Interest Rate. The interest rate used to determine the Assessments that secure Bonds is one half of one percent (0.50%) per annum higher than the actual rate paid on the Bonds, with the Additional Interest allocated to fund a reserve to be used for paying interest associated with an Assessment prepayment and to offset any possible Assessment delinquency related costs (the "Delinquency and Prepayment Reserve"). The Delinquency and Prepayment Reserve shall be funded until it reaches the delinquency and prepayment reserve requirement stipulated in the applicable Trust Indenture. Once the Delinquency and Prepayment Reserve is funded in full, the City may allocate the Additional Interest portion of the Annual Installments as provided in the applicable Trust Indenture.

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# VI. TERMS OF THE ASSESSMENTS

## A. AMOUNT OF ASSESSMENT AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #1A

The Improvement Area #1A Assessment and Annual Installments for each Improvement Area #1A Assessed Property located within the PID are shown on the Improvement Area #1A Assessment Roll, attached as Appendix G, and no Improvement Area #1A Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from the Improvement Area #1A Assessed Property in an amount sufficient to (i) pay principal and interest on the Improvement Area #1A portion of the Improvement Area #1A-1B Bonds, (ii) fund the Delinquency and Prepayment Reserve described in Section V.L., and (iii) pay Administrative Expenses related to Improvement Area #1A. The Annual Installment for each Parcel in Improvement Area #1A shall be calculated by taking into consideration any available capitalized interest applicable to the Parcel.

## B. AMOUNT OF ASSESSMENT AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #1B

The Improvement Area #1B Assessment and Annual Installments for each Improvement Area #1B Assessed Property located within the PID are shown on the Improvement Area #1B Assessment Roll, attached as Appendix H, and no Improvement Area #1B Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from the Improvement Area #1B Assessed Property in an amount sufficient to (i) pay principal and interest on the Improvement Area #1B portion of the Improvement Area #1A-1B Bonds, (ii) fund the Delinquency and Prepayment Reserve described in Section V.L., and (iii) pay Administrative Expenses related to Improvement Area #1B. The Annual Installment for each Parcel in Improvement Area #1B shall be calculated by taking into consideration any available capitalized interest applicable to the Parcel.

## C. REALLOCATION OF ASSESSMENTS

### 1. Subdivision

Upon the subdivision of any Parcel of Assessed Property, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for each new subdivided Parcel

B = the Assessment for the Parcel prior to subdivision

C = the estimated number of Equivalent Units to be built on each new subdivided Parcel

D = the sum of the estimated number of Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated number of Equivalent Units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of Equivalent Units to be built on a Parcel may be estimated by net land area and reasonable density ratios (based on anticipated use).

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.

## D. MANDATORY PREPAYMENT OF ASSESSMENTS

1. If a Parcel subject to Assessment 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 and Delinquent Collection Costs, if any, prior to any such transfer or act.

2. If at any time the Assessment per Equivalent Unit on a Parcel exceeds the applicable Improvement Area #1A Maximum Assessment Per Unit, or Improvement Area #1B 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 Equivalent Unit for the Parcel exceeds the Improvement Area #1A Maximum Assessment Per Unit or Improvement Area #1B Maximum Assessment Per Unit, as applicable, 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.

## E. 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, respectively, and such excess Bond proceeds shall be applied to redeem Bonds and/or the reimbursement obligation may be reduced as provided in the applicable Trust Indenture or the terms of the related reimbursement agreement, 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 or as otherwise provided in the applicable Trust Indenture. The Assessments shall not be reduced to an amount less than the principal amount of 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, and such excess Bond proceeds shall be applied to redeem Bonds as provided in the applicable Trust Indenture and/or reduce the reimbursement obligation in accordance with the applicable reimbursement agreement, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds and/or repay obligations under a reimbursement agreement, including interest on the Bonds (including Additional Interest) and/or interest due under a reimbursement agreement and Administrative Expenses. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on number of Equivalent Units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds and/or repay the obligations under a reimbursement agreement, including the applicable interest thereon and Administrative Expenses. The principal portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced principal portion of the Bonds and/or obligations under a reimbursement agreement is equal to the outstanding principal amount of the Bonds and/or reimbursement obligation.

## F. PAYMENT OF ASSESSMENTS

### 1. Payment in Part or Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture(s); 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 applicable 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 applicable Assessment Roll, as updated as provided for herein, which include interest, Administrative Expenses, and payments required for the Delinquency and Prepayment Reserve, if applicable. Payment of the Annual Installments shall commence with tax bills mailed after the issuance of the Bonds secured by Assessments.

The Improvement Area #1A Assessment shall be paid with interest at the actual interest rate of the Improvement Area #1A-1B Bonds (plus Additional Interest) as shown in the Improvement Area #1A Assessment Roll. Interest on the Improvement Area #1A-1B Bonds is based on an estimated interest rate of 6.00% for years 1 through 30. The Annual Installments may not exceed the amounts shown on the Improvement Area #1A Assessment Roll. The Improvement Area #1A Assessment Roll is shown as Appendix G.

The Improvement Area #1B Assessment shall be paid with interest at the actual interest rate of the Improvement Area #1A-1B Bonds (plus Additional Interest) as shown in the Improvement Area #1B Assessment Roll. Interest on the Improvement Area #1A-1B Bonds is based on an estimated interest rate of 6.00% for years 1 through 30. The Annual Installments may not exceed the amounts shown on the Improvement Area #1B Assessment Roll. The Improvement Area #1B Assessment Roll is shown as Appendix H.

The Annual Installments shall be reduced to equal the Actual Costs of repaying the Improvement Area #1A-1B 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 such refunding bonds, and such refunding bonds shall constitute Bonds for purposes of this Service and Assessment Plan.

## G. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the City Council shall consider an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under the applicable Trust Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, including any existing deposits for a prepayment reserve. Annual Installments shall be collected by the City or on the City's behalf 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.

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be updated annually. Each Annual Installment together with interest thereon shall be due when billed and delinquent if not paid prior to February 1 of the following year. Collection of the initial Annual Installments relating to the Improvement Area #1A-1B Bonds will be due when billed and will be delinquent if not paid prior to February 1, 2027.

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.

# VII. THE ASSESSMENT ROLL

## A. IMPROVEMENT AREA #1A ASSESSMENT ROLL

The City Council has evaluated each Parcel in Improvement Area #1A (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner's Association Property, 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 Improvement Area #1A.

The Improvement Area #1A Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Improvement Area #1A Projects, the Improvement Area #1A portion of the costs of the PID formation and the issuance costs related to the Improvement Area #1A-1B Bonds. Table VII-A summarizes the $18,217,009 in special benefit received by the Improvement Area #1A Assessed Property from the Improvement Area #1A Projects, the Improvement Area #1A portion of the costs of the PID formation and the issuance costs related to the Improvement Area #1A-1B Bonds. The Improvement Area #1A portion of the Improvement Area #1A-1B Bonds is $8,662,000 which is equal to or less than the benefit received by the Improvement Area #1A Assessed Property. The Improvement Area #1A Assessment for each Improvement Area #1A Assessed Property is calculated based on the allocation methodology described in Section V. The Improvement Area #1A Assessment Roll is attached hereto as Appendix G.

**Table VII-A**
**Special Benefit Summary - Improvement Area #1A**

| Special Benefit | Total Cost |
|---|---|
| Total Improvement Area #1A Projects[1] | $16,845,806 |
| | |
| Estimated Bond Issuance Costs | |
| Issuance costs | $456,702 |
| Administrative expenses | $25,000 |
| Underwriter's discount | $259,860 |
| Reserve fund | $629,640 |
| *Subtotal Estimated Bond Issuance Costs* | *$1,371,202* |
| **Total Special Benefit** | **$18,217,009** |
| | |
| Special Benefit: | |
| Total Special Benefit | $18,217,009 |
| Projected Special Assessment | $8,662,000 |
| **Excess Benefit** | **$9,555,009** |

[1]See Table III-G for details.

## B. IMPROVEMENT AREA #1B ASSESSMENT ROLL

The City Council has evaluated each Parcel in Improvement Area #1B (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner's Association Property, 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 Improvement Area #1B.

The Improvement Area #1B Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Improvement Area #1B Projects, the Improvement Area #1B portion of the costs of the PID formation and the issuance costs related to the Improvement Area #1A-1B Bonds. Table VII-B summarizes the $3,915,698 in special benefit received by the Improvement Area #1B Assessed Property from the Improvement Area #1B Projects, the Improvement Area #1B portion of the costs of the PID formation and the issuance costs related to the Improvement Area #1A-1B Bonds. The Improvement Area #1B portion of the Improvement Area #1A-1B Bonds is $2,458,000 which is equal to or less than the benefit received by the Improvement Area #1B Assessed Property. The Improvement Area #1B Assessment for each Improvement Area #1B Assessed Property is calculated based on the allocation methodology described in Section V. The Improvement Area #1B Assessment Roll is attached hereto as Appendix H.

**Table VII-B**
**Special Benefit Summary - Improvement Area #1B**

| Special Benefit | Total Cost |
|---|---|
| Total Improvement Area #1B Projects[1] | $3,508,900 |
| | |
| Estimated Bond Issuance Costs | |
| Issuance costs | $129,598 |
| Administrative expenses | $25,000 |
| Underwriter's discount | $73,740 |
| Reserve fund | $178,460 |
| *Subtotal Estimated Bond Issuance Costs* | *$406,798* |
| **Total Special Benefit** | **$3,915,698** |
| | |
| Special Benefit: | |
| Total Special Benefit | $3,915,698 |
| Projected Special Assessment | $2,458,000 |
| **Excess Benefit** | **$1,457,698** |

[1]See Table III-H for details.

## C. Future Improvement Area Assessment Rolls

As Future Improvement Areas are developed, this SAP will be amended to determine the Assessment for each Parcel or Lot located within such Future Improvement Areas (e.g., an appendix will be added as the applicable Assessment Roll for Future Improvement Areas).

## D. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Assessment Rolls 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) payments of the Assessment, if any, as provided by Section VI.E of this Service and Assessment Plan.

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# *VIII. MISCELLANEOUS PROVISIONS*

## A. ADMINISTRATIVE REVIEW

The City may elect to designate a third party to serve as Administrator. The City shall notify the 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 an Assessment Roll should be modified or changed in favor of the Assessed Parcel owner, such change or modification shall be presented to the City Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Parcel owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to an Assessment Roll may be appealed to the City Council. Any amendments made to an Assessment Roll 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 this Service and Assessment Plan.

## D. Filing and Posting of Service and Assessment Plan

Within seven days of its approval by the City Council, the City shall (i) file and record this Service and Assessment Plan in the real property records of the County and (ii) post a copy of this Service and Assessment Plan on the City's internet website. In addition, the City shall similarly file and post each Annual Service Plan Update approved by the City Council, with each such filing and posting to occur within seven days of the date each respective Annual Service Plan Update is approved. All such documents shall be posted, filed, and recorded in the entirety.

## E. Administration and Interpretation of Provisions

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act and shall make all interpretations and determinations related to the application of this Service and Assessment Plan. Unless stated otherwise herein or in the Trust Indenture(s), such determination shall be conclusive. Tables in this Service and Assessment Plan may be rounded to the nearest whole number.

## F. Severability

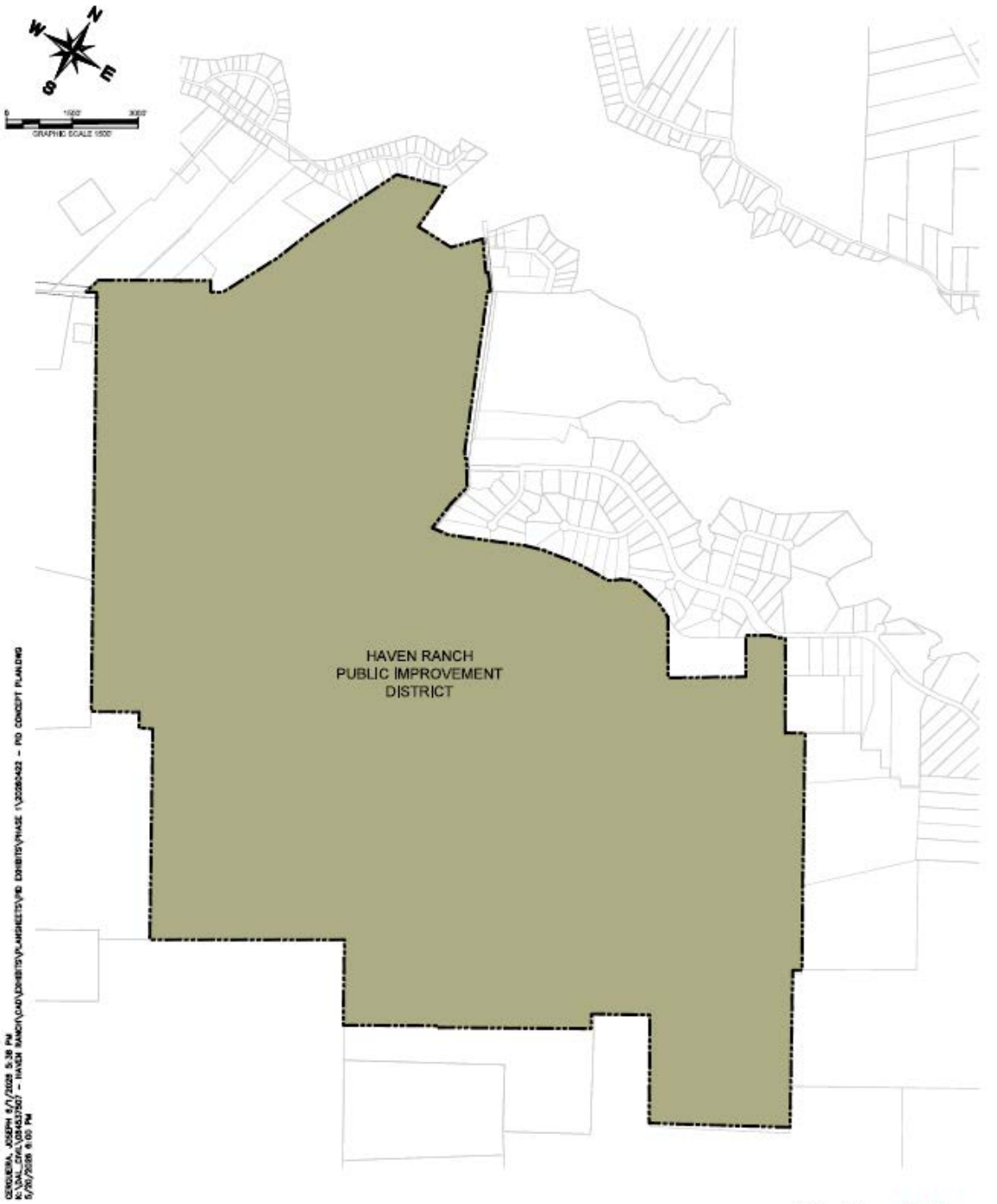
If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an Assessed Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service 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 MAPS

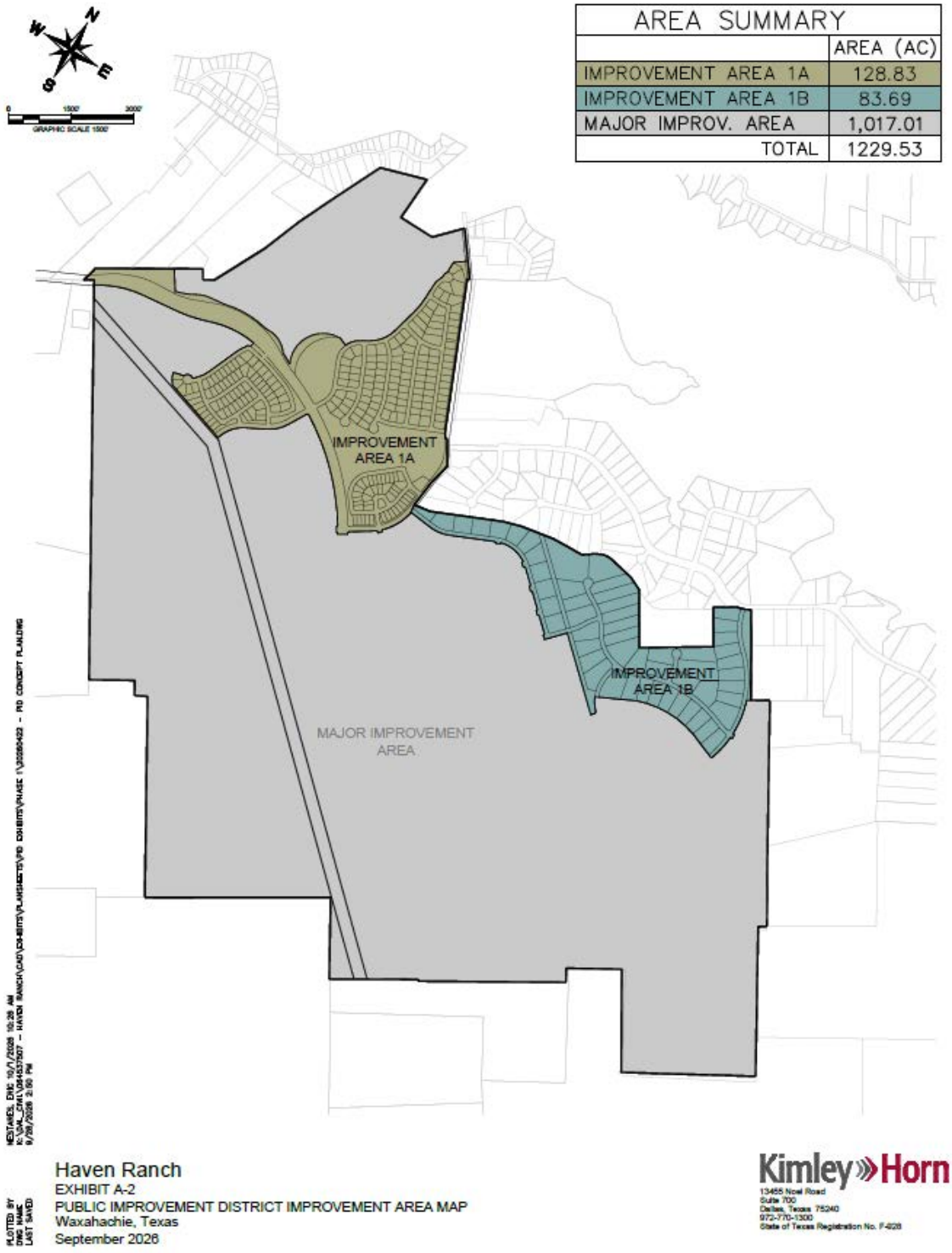
# APPENDIX A-1
## PID BOUNDARY MAP



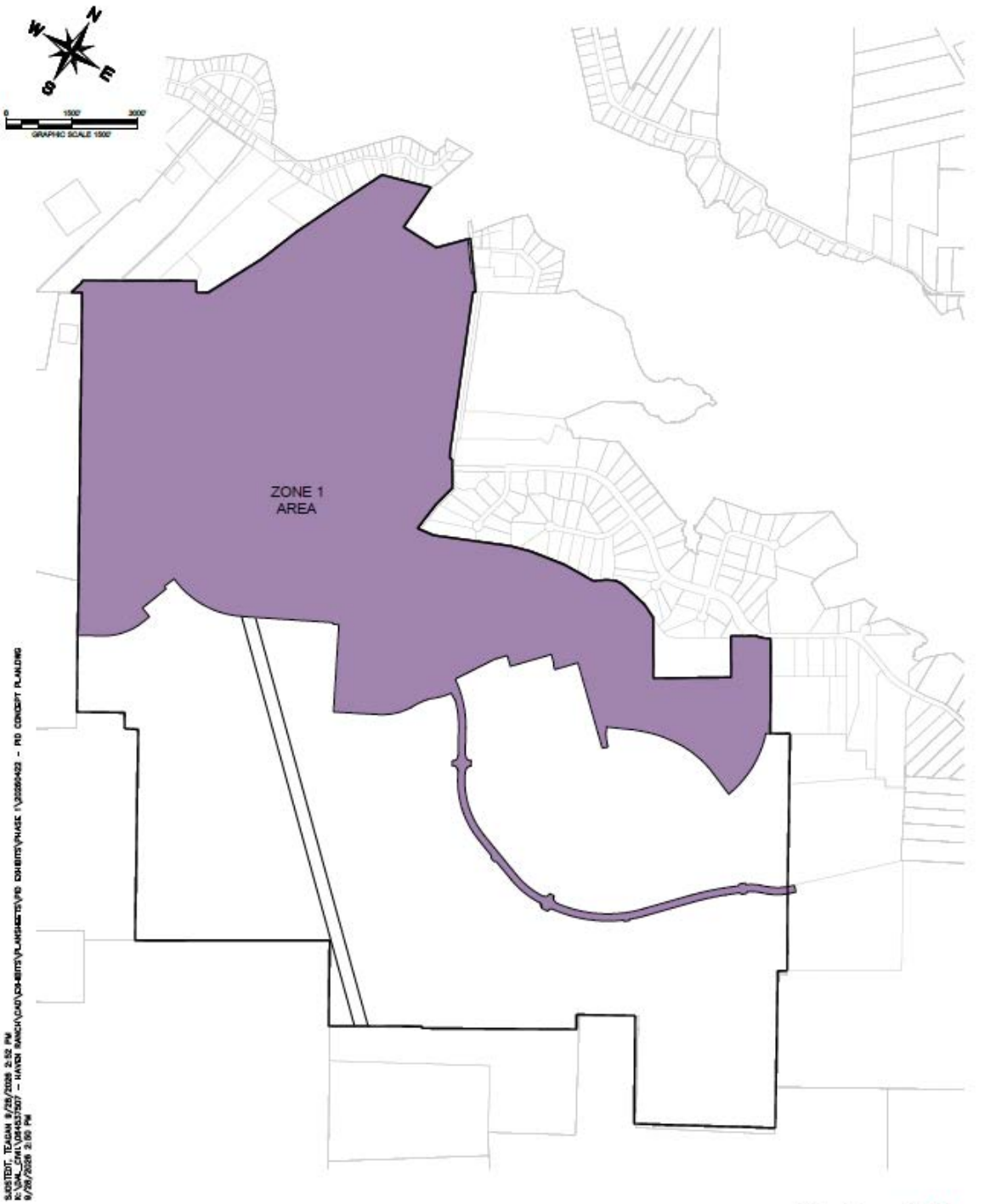

Haven Ranch
EXHIBIT A-1
PUBLIC IMPROVEMENT DISTRICT BOUNDARY MAP
Waxahachie, Texas
June 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928

## APPENDIX A-2
## IMPROVEMENT AREA #1A, IMPROVEMENT AREA #1B & MAJOR IMPROVEMENT AREA MAP



# APPENDIX A-3
## ZONE 1 MAP

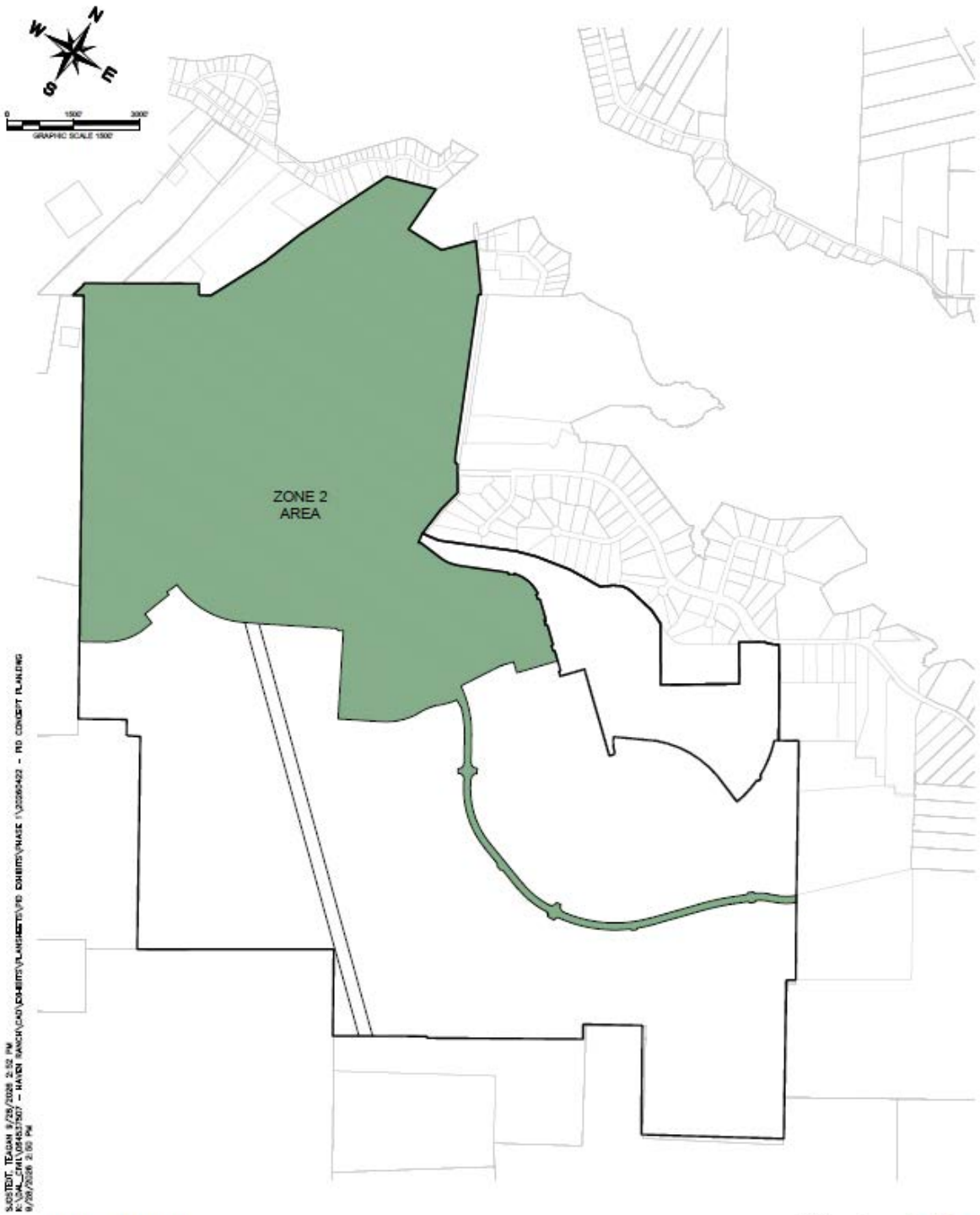



PLOTTED BY: SJOSTEDT, TEAGAN 9/28/2026 2:52 PM
DWG NAME: K:\DAL_CIVIL\045837507 - HAVEN RANCH\CAD\EXHIBITS\PLANNING\PD EXHIBITS\PHASE 1\20260423 - PD CONCEPT PLANLDWG
LAST SAVED: 9/28/2026 2:50 PM

Haven Ranch
EXHIBIT A-4
ZONE 1 BOUNDARY MAP
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928

## APPENDIX A-4
## ZONE 2 MAP




Haven Ranch
EXHIBIT A-5
ZONE 2 BOUNDARY MAP
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928

# APPENDIX B
# ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

**EXHIBIT B - PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST**
**HAVEN RANCH - CITY OF WAXAHACHIE**
**PID ELIGIBLE COST SUMMARY**
**October 5, 2026**

| Phase 1 Authorized Costs | | | Allocation | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Contractor | Total Cost | Phase 1 | Phase 2 | Phase 3 | Phase 4 | Phase 5 | Phase 6 | Phase 7 | Phase 8 | Phase 9 | Phase 10 | Phase 11 |
| | | | 287 | 119 | 135 | 235 | 316 | 171 | 302 | 258 | 279 | 241 | 257 |
| Major Allocation | | | 12.26% | 4.27% | 5.00% | 8.68% | 11.59% | 6.45% | 12.73% | 8.80% | 9.99% | 10.02% | 10.21% |
| Ph 1-4 Allocation | | | 40.58% | 14.12% | 16.56% | 28.74% | | | | | | | |
| Ph 5-11 Allocation | | | | | | | 16.61% | 9.24% | 18.24% | 12.61% | 14.31% | 14.36% | 14.63% |
| Major Sanitary Sewer Zone Allocation (Excludes 1-Ac Lots) | | | 9.71% | 4.39% | 5.15% | 8.94% | 11.93% | 6.63% | 13.10% | 9.05% | 10.28% | 10.31% | 10.51% |
| Zone 2 Sewer Allocation (Excludes 1-Ac Lots) | | | 34.44% | 15.58% | 18.27% | 31.71% | | | | | | | |
| **Water** | | | | | | | | | | | | | |
| Offsite Major | KCK | $ 655,089 | $ 80,305 | $ 27,944 | $ 32,783 | $ 56,882 | $ 75,956 | $ 42,221 | $ 83,409 | $ 57,632 | $ 65,422 | $ 65,631 | $ 66,906 |
| Onsite Major | KCK | $ 2,186,441 | $ 268,026 | $ 93,267 | $ 109,416 | $ 189,852 | $ 253,511 | $ 140,917 | $ 278,387 | $ 192,353 | $ 218,354 | $ 219,052 | $ 223,305 |
| Phase 1 | KCK | $ 2,915,065 | $ 2,915,065 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Offsite Major Oversizing | KCK | $ (104,021) | $ (12,751) | $ (4,437) | $ (5,206) | $ (9,032) | $ (12,061) | $ (6,704) | $ (13,244) | $ (9,151) | $ (10,388) | $ (10,421) | $ (10,624) |
| Onsite Major Oversizing | KCK | $ (796,987) | $ (97,699) | $ (33,997) | $ (39,884) | $ (69,204) | $ (92,408) | $ (51,366) | $ (101,476) | $ (70,115) | $ (79,593) | $ (79,847) | $ (81,398) |
| **Sanitary Sewer** | | | | | | | | | | | | | |
| Onsite Major (Ph 1-4) | KCK | $ 500,027 | $ 172,233 | $ 77,885 | $ 91,370 | $ 158,539 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Phase 1 | KCK | $ 2,238,180 | $ 2,238,180 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| North Force Main (12") + Conduit + Misc (Ph 1-4) | KCK | $ 4,302,720 | $ 1,482,060 | $ 670,195 | $ 786,237 | $ 1,364,228 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| South Force Main (14") (Ph 5-11) | KCK | $ 4,138,815 | $ - | $ - | $ - | $ - | $ 687,627 | $ 382,225 | $ 755,101 | $ 521,740 | $ 592,267 | $ 594,158 | $ 605,697 |
| Gravity Main | KCK | $ 1,276,624 | $ 123,927 | $ 56,040 | $ 65,744 | $ 114,074 | $ 152,325 | $ 84,671 | $ 167,271 | $ 115,577 | $ 131,200 | $ 131,619 | $ 134,175 |
| Lift Station (Ph 1-4) | Rey Mar | $ 2,611,726 | $ 899,602 | $ 406,804 | $ 477,241 | $ 828,078 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Temp Sewer + Misc (Ph 1-4) | KCK | $ 335,925 | $ 115,709 | $ 52,324 | $ 61,384 | $ 106,509 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Gravity Main (Oversizing) | KCK | $ (227,622) | $ (22,096) | $ (9,992) | $ (11,722) | $ (20,339) | $ (27,159) | $ (15,097) | $ (29,824) | $ (20,607) | $ (23,393) | $ (23,468) | $ (23,923) |
| Temp Sewer (Oversizing) (Ph 1-4) | KCK | $ (81,704) | $ (28,143) | $ (12,726) | $ (14,930) | $ (25,905) | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Easement/ROW Acquisition | FWSD | $ 1,893,779 | $ 183,837 | $ 83,132 | $ 97,526 | $ 169,221 | $ 225,962 | $ 125,604 | $ 248,135 | $ 171,450 | $ 194,626 | $ 195,247 | $ 199,039 |
| **Storm** | | | | | | | | | | | | | |
| Phase 1 | KCK | $ 3,557,804 | $ 3,557,804 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Offsite Major | KCK | $ 395,115 | $ 48,435 | $ 16,854 | $ 19,773 | $ 34,308 | $ 45,812 | $ 25,465 | $ 50,308 | $ 34,760 | $ 39,459 | $ 39,585 | $ 40,354 |
| Onsite Major | KCK | $ 1,877,125 | $ 230,109 | $ 80,073 | $ 93,937 | $ 162,994 | $ 217,647 | $ 120,982 | $ 239,004 | $ 165,140 | $ 187,464 | $ 188,062 | $ 191,714 |
| **Paving** | | | | | | | | | | | | | |
| Phase 1 | GTI | $ 5,022,940 | $ 5,022,940 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Public Offsite Major | GTI | $ 2,156,293 | $ 264,331 | $ 91,981 | $ 107,907 | $ 187,234 | $ 250,016 | $ 138,974 | $ 274,549 | $ 189,700 | $ 215,343 | $ 216,031 | $ 220,226 |
| Public Onsite Major | GTI | $ 905,945 | $ 111,056 | $ 38,645 | $ 45,336 | $ 78,665 | $ 105,042 | $ 58,389 | $ 115,349 | $ 79,701 | $ 90,474 | $ 90,763 | $ 92,526 |
| Sidewalks/Ramps (Phase 1) | Ratliff | $ 460,875 | $ 460,875 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Sidewalks/Ramps (Onsite Major) | Ratliff | $ 949,553 | $ 116,402 | $ 40,505 | $ 47,519 | $ 82,451 | $ 110,098 | $ 61,199 | $ 120,901 | $ 83,537 | $ 94,829 | $ 95,132 | $ 96,980 |
| **Earthwork** | | | | | | | | | | | | | |
| Phase 1 (ROW) | FCS | $ 149,689 | $ 149,689 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Phase 1 (Detention Pond Grading) (Ph 1-4) | FCS | $ 132,745 | $ 53,862 | $ 18,743 | $ 21,988 | $ 38,152 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Onsite Major (ROW) | FCS | $ 242,457 | $ 29,722 | $ 10,343 | $ 12,133 | $ 21,053 | $ 28,112 | $ 15,626 | $ 30,871 | $ 21,330 | $ 24,214 | $ 24,291 | $ 24,763 |
| Offsite (E Haven Road ROW) | FCS | $ 114,450 | $ 14,030 | $ 4,882 | $ 5,727 | $ 9,938 | $ 13,270 | $ 7,376 | $ 14,572 | $ 10,069 | $ 11,430 | $ 11,466 | $ 11,689 |
| **Erosion Control** | | | | | | | | | | | | | |
| Phase 1 | Southwest | $ 128,736 | $ 128,736 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Engineering** | | | | | | | | | | | | | |
| Phase 1 | Kimley Horn | $ 1,102,424 | $ 1,102,424 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Major Infrastructure | Kimley Horn | $ 1,210,300 | $ 148,365 | $ 51,628 | $ 60,567 | $ 105,092 | $ 140,331 | $ 78,004 | $ 154,101 | $ 106,476 | $ 120,870 | $ 121,256 | $ 123,610 |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Misc** | | | | | | | | | | | | | | | | |
| Testing (Phase 1) | UES | $ 144,855 | $ 17,757 | $ 6,179 | $ 7,249 | $ 12,578 | $ 16,796 | $ 9,336 | $ 18,444 | $ 12,744 | $ 14,466 | $ 14,513 | $ 14,794 | | | |
| Testing (Haven Ranch Blvd) | UES | $ 77,999 | $ 31,648 | $ 11,013 | $ 12,920 | $ 22,418 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | | |
| Testing (E Haven Road & Offsite Waterline) | UES | $ 23,733 | $ 9,630 | $ 3,351 | $ 3,931 | $ 6,821 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | | |
| Testing (Lift Station) | UES | $ 15,810 | $ - | $ - | $ - | $ - | $ 2,627 | $ 1,460 | $ 2,884 | $ 1,993 | $ 2,262 | $ 2,270 | $ 2,314 | | | |
| Testing (12" Force Main) | UES | $ 32,102 | $ - | $ - | $ - | $ - | $ 5,333 | $ 2,965 | $ 5,857 | $ 4,047 | $ 4,594 | $ 4,608 | $ 4,698 | | | |
| Testing (14" Force Main) | UES | $ 32,102 | $ 3,935 | $ 1,369 | $ 1,606 | $ 2,787 | $ 3,722 | $ 2,069 | $ 4,087 | $ 2,824 | $ 3,206 | $ 3,216 | $ 3,279 | | | |
| Final Geotech (Phase 1) | UES | $ 2,000 | $ 245 | $ 85 | $ 100 | $ 174 | $ 232 | $ 129 | $ 255 | $ 176 | $ 200 | $ 200 | $ 204 | | | |
| Final Geotech (Lift Station) | UES | $ 3,400 | $ 3,400 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | | |
| Final Geotech (Haven Ranch Blvd) | UES | $ 5,500 | $ 674 | $ 235 | $ 275 | $ 478 | $ 638 | $ 354 | $ 700 | $ 484 | $ 549 | $ 551 | $ 562 | | | |
| City Inspection Fees (Phase 1) | City | $ 399,006 | $ 399,006 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | | |
| City Inspection Fees (Major Infrastructure) | City | $ 229,435 | $ 28,125 | $ 9,787 | $ 11,482 | $ 19,922 | $ 26,602 | $ 14,787 | $ 29,213 | $ 20,185 | $ 22,913 | $ 22,986 | $ 23,433 | | | |
| 3rd Party Insepction Fees (E Haven Road) | Kimley Horn | $ 45,000 | $ 5,516 | $ 1,920 | $ 2,252 | $ 3,907 | $ 5,218 | $ 2,900 | $ 5,730 | $ 3,959 | $ 4,494 | $ 4,508 | $ 4,596 | | | |
| City Review Fees (Phase 1) | City | $ 25,000 | $ 25,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | | |
| City Review Fees (Major Infrastructure) | City | $ 25,000 | $ 3,065 | $ 1,066 | $ 1,251 | $ 2,171 | $ 2,899 | $ 1,611 | $ 3,183 | $ 2,199 | $ 2,497 | $ 2,505 | $ 2,553 | | | |
| 3rd Party Acquisition Fees (Major Infrastructure) | Whitman | $ 272,560 | $ 33,412 | $ 11,627 | $ 13,640 | $ 23,667 | $ 31,603 | $ 17,567 | $ 34,704 | $ 23,979 | $ 27,220 | $ 27,307 | $ 27,837 | | | |
| | | | **Phase 1** | **Phase 2** | **Phase 3** | **Phase 4** | **Phase 5** | **Phase 6** | **Phase 7** | **Phase 8** | **Phase 9** | **Phase 10** | **Phase 11** | | | |
| **TOTAL** | | **$ 41,584,009** | **$ 20,318,448** | **$ 1,806,725** | **$ 2,119,554** | **$ 3,677,714** | **$ 2,269,748** | **$ 1,261,665** | **$ 2,492,468** | **$ 1,722,179** | **$ 1,954,978** | **$ 1,961,222** | **$ 1,999,308** | | | |

| **Phase 1 Impact Fee Eligible Costs** | | |
|---|---|---|
| | **Contractor** | **Total Cost** |
| **Water** | | |
| Offsite Major | KCK | $ 655,089 |
| Onsite Major | KCK | $ 1,874,993 |
| **Sanitary Sewer** | | |
| Lift Station (Ph 1-4) | KCK | $ 2,611,726 |
| North Force Main (12") + Conduit + Misc (Ph 1-4) | KCK | $ 4,302,720 |
| South Force Main (14") (Ph 5-11) | KCK | $ 4,138,815 |
| Gravity Main | KCK | $ 1,276,624 |
| Temp Sewer Oversizing (Ph 1-4) | KCK | $ 81,704 |
| **TOTAL IMPACT FEE ELIGIBLE** | | **$ 14,941,671** |

# APPENDIX C
# LEGAL DESCRIPTIONS

# APPENDIX C-1
# PID LEGAL DESCRIPTION

**EXHIBIT "A"**
**LEGAL DESCRIPTION OF THE PROPERTY**

**BEING** a tract of land situated in the William Stewart Survey, Abstract No. 956, the James Young Survey, Abstract No. 1199, the Norman H. Whittenberg Survey, Abstract No. 1128, the Ellis County School Land Survey, Abstract No. 328, the Simon C. White Survey, Abstract No. 1250, the Simon C. White Survey, Abstract No. 1251, the James Riggs Survey, Abstract No. 923, the John R. Lansford Survey, Abstract No. 635, the William Baskins Survey, Abstract No. 1128, and the P.T.I. Co. Survey, Abstract No. 1238, City of Waxahachie, Ellis County, Texas, and being all of a called 456.928 acre tract of land designated as "Tract 1," all of a called 420.642 acre tract of land designated as "Tract 2,' all of a called 50.011 acre tract of land designated as "Tract 3," all of a called 107.789 acre tract of land designated as "Tract 4," all of a called 76.653 acre tract of land designated as "Tract 5," all of a called 104.099 acre tract of land designated as "Tract 7," and all of a called 0.169 acre tract of land designated as "Tract 8" in a Special Warranty Deed to GRBK Edgewood LLC, recorded in Instrument No. 2202337, Official Public Records, Ellis County, Texas (O.P.R.E.C.T.), and being all of Lots 1 through 4, Harrington Acres No. 2, an addition to Ellis County, Texas, according to the plat thereof recorded in Cabinet H, Slide 317, Plat Records, Ellis County, Texas (P.R.E.C.T.), and designated as "Tract 6" in said Special Warranty Deed to GRBK Edgewood LLC, and being all of Lot 3, Block A, Crystal Hills, an addition to the City of Waxahachie, Ellis County, Texas, according to the plat thereof recorded in Cabinet H, Slide 798, P.R.E.C.T., and designated as "Tract 9" in said Special Warranty Deed to GRBK Edgewood LLC,and being more particularly described as follows:

**BEGINNING** at a 1/2" iron rod found at the most southerly corner of said 0.169 acre tract, and being at the most southerly southeast corner of a called 30.962 acre tract of land described in a Warranty Deed to Louis B. Gillespie and wife, Linda L. Gillespie, recorded in Volume 1460, Page 909, O.P.R.E.C.T., and being in the north line of a called 140.0321 acre tract of land described In a Warranty Deed to Patman Farms, recorded in Volume 1633, Page 20, O.P.R.E.C.T., and being in the approximate centerline of Haven Road (a variable width prescriptive right-of-way);

**THENCE** North 15°22'53" East, with the common line of said 0.169 acre tract and said 30.962 acre tract, and along said Haven Road, a distance of 171.32 feet to a 1/2" iron rod with yellow plastic cap stamped "RPLS 4466" found at the most northerly corner of said 0.169 acre tract, being at a southeasterly corner of said 30.962 acre tract, and being in the southwest line of said 104.099 acre tract;

**THENCE** North 30°57'40" West, with the common line of said 104.099 acre tract and said 30.962 acre tract, and continuing along said Haven Road, a distance of 18.46 feet to a disturbed 1/2" iron rod found at the northwest corner of said 104.099 acre tract, and being at an interior corner of said 30.962 acre tract;

**THENCE** North 58°35'56" East, continuing with the common line of said 104.099 acre tract and said 30.962 acre tract, and continuing along said Haven Road, passing at a distance of 441.13 feet, a 1/2" iron rod found at the southeast corner of said 30.962 acre tract, same being the most westerly

southwest corner of a called 37.3328 acre tract of land described in a Warranty Deed to Doug and Lisa Maynard, recorded in Volume 2741, Page 322, O.P.R.E.C.T., and continuing with the northwest line of said 104.099, the northwest line of the aforementioned 456.928 acre tract, and the southeast line of said 37.3328 acre tract, and the southeast line of a called 1.9886 acre tract of land described in a Deed to Doug Owen Maynard and Lisa A. Maynard, recorded in Volume 1175, Page 1035, O.P.R.E.C.T., and along said Haven Road, for a total distance of 1,299.55 feet to a 1/2" iron rod found at the southeast corner of said 1.9886 acre tract, a southwesterly interior corner of said 37.3328 acre tract, and being at a northerly reentrant corner of said 456.928 acre tract;

**THENCE** with the northwesterly lines of said 456.928 acre tract, the following courses and distances:

South 31°13'30" East, a distance of 128.61 feet to a 1/2" iron rod found for corner;

North 59°42'18" East, a distance of 134.06 feet to a disturbed 3/8" iron rod found for corner;

North 26°16'31" East, a distance of 721.94 feet to a 5/8" iron rod with yellow plastic cap stamped "Peloton" found for corner;

North 20°23'23" East, a distance of 502.03 feet to a 5/8" iron rod with yellow plastic cap stamped "Peloton" found for corner;

North 24°07'47" East, a distance of 547.11 feet to a railroad spike found at the northeast corner of the aforementioned 37.3328 acre tract, and being at the common southerly corner of Lot 22 and Lot 23, Lake Shore Acres, an addition to Ellis County, Texas, according to the plat thereof recorded in Cabinet H, Slide 620, P.R.E.C.T.;

**THENCE** North 24°55'40" East, with the southeasterly line of said Lake Shore Acres, passing at a distance of 422.02 feet, a 1/2" iron rod found at the recognized common southerly corner of Lot 18 and Lot 17 of said Lake Shore Acres, and continuing with said southeasterly line for a total distance of 627.70 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set at the recognized common southerly corner of Lot 16 and Lot 15 of said Lake Shore Acres;

**THENCE** North 72°37'54" East, continuing with said southeasterly line, passing at a distance of 375.18 feet, a railroad spike found at the recognized common southerly corner of Lot 11 and Lot 10 of said Lake Shore Acres, and continuing with said southeasterly line for a total distance of 574.61 feet to the southeast corner of Lot 9 of said Lake Shore Acres and the most northerly corner of said 456.928 acre tract, and being in the westerly line of Lake Waxahachie at the northwest corner of a called 6.804 acre tract of land designated as the "Third Tract" in a Deed to Ellis County Water Control and Improvement District No. One, recorded in Volume 452, Page 572, Deed Records, Ellis County, Texas, from which a 5/8" iron rod with yellow plastic cap stamped "Peloton" found bears North 02°48'12" East, a distance of 8.52 feet;

**THENCE** with the common line of said 456.928 acre tract, the aforementioned 50.011 acre tract, and said 6.804 acre tract, the following courses and distances:

South 02°48'12" West, a distance of 548.29 feet to a 5/8" iron rod found for corner;
South 89°16'51" East, a distance of 440.32 feet to a 1/2" iron rod with yellow plastic cap (stamping illegible) found for corner;

North 43°16'00" East, a distance of 404.93 feet to a 5/8" iron rod with yellow plastic cap stamped "Peloton" found at the southeast corner of said 6.804 acre tract, and being a northerly corner of said 50.011 acre tract;

**THENCE** South 37°10'30" East, with the easterly line of said 50.011 acre tract, a distance of 611.70 feet to a mag nail found at an easterly corner of said 50.011 acre tract, and being in the north line of a called 2.335 acre Roadway Dedication, Harrington Road, an addition to the City of Waxahachie, Texas, according to the plat thereof recorded in Cabinet D, Slide 121, P.R.E.C.T.;

**THENCE** South 59°01'00" West, with the north line of said roadway dedication, and continuing with the easterly line of said 50.011 acre tract, a distance of 30.21 feet to a 1/2" iron rod found at the northwest corner of said roadway dedication;

**THENCE** South 23°32'58" East, with the westerly line of said roadway dedication, same being the westerly right-of-way line of said Harrington Road, and continuing with the easterly line of said 50.011 acre tract, passing at a distance of 866.00 feet, a 1/2" iron rod found at the southeast corner of said 50.011 acre tract, and being at a reentrant corner of the aforementioned 456.928 acre tract, and continuing with said westerly right-of-way line and the easterly line of said 456.928 acre tract, passing at a distance of 1,322.17 feet, a 5/8" iron rod found at the northeast corner of Lot 4 of the aforementioned Harrington Acres No. 2, and continuing with said westerly right-of-way line and the easterly line of said Harrington Acres No. 2 for a total distance of 1,835.23 feet to a 1/2" iron rod found at the southwest corner of said roadway dedication;

**THENCE** South 31°03'14" East, continuing with the easterly line of said Harrington Acres No. 2, and with the westerly right-of-way line of said Harrington Road a distance of 87.93 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set at the southeast corner of Lot 1 of said Harrington Acres No. 2;

**THENCE** North 63°30'51" East, a distance of 22.88 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for corner in the approximate centerline of said Harrington Road, and being at a northeasterly corner of said 456.928 acre tract;

**THENCE** with the northeasterly line of said 456.928 acre tract and along said Harrington Road, the following courses and distances:

South 32°06'39" East, a distance of 332.18 feet to a 5/8" iron rod found for corner;

South 13°27'37" West, a distance of 254.40 feet to a disturbed 5/8" iron rod with yellow plastic cap (stamping illegible) found for corner;

South 06°02'06" West, a distance of 351.76 feet to a 5/8" iron rod with yellow plastic cap (stamping illegible) found in the approximate centerline of Harrington Road (a variable width prescriptive right-of-way) at the southwest corner of a called 30-foot right-of-way dedication conveyed on the Final Plat of Crystal Cove Estates, an addition to the City of Waxahachie, Texas, according to the plat thereof recorded in Cabinet E, Slide 115, P.R.E.C.T., same being the most northerly northwest corner of the aforementioned 420.642 acre tract;

**THENCE** with the southeasterly line of said Crystal Cove Estates, the following courses and distances:

North 81°44'25" East, a distance of 200.68 feet to a railroad spike found for corner;

North 66°13'23" East, a distance of 889.21 feet to a 1/2" iron rod found for corner;

North 73°10'46" East, a distance of 232.79 feet to a disturbed 1/2" iron rod found for corner;

North 79°43'40" East, a distance of 402.28 feet to a disturbed 1/2" iron rod found for corner;

North 86°53'18" East, a distance of 236.36 feet to a 1/2" iron rod found for corner;

North 89°15'27" East, a distance of 77.78 feet to a railroad spike found for corner;

North 86°57'04" East, a distance of 78.97 feet to a nail found for corner;

North 53°28'39" East, a distance of 79.07 feet to a point for corner from which a 3/8" iron rod found bears North 60°26'17" West, a distance of 0.41 feet;

North 52°37'30" East, a distance of 67.06 feet to a point for corner from which a railroad spike found bears South 31°27'58" East, a distance of 1.56 feet;

North 63°10'07" East, a distance of 104.55 feet to a 5/8" iron rod with yellow plastic cap stamped "Peloton" found for corner;

North 83°35'04" East, a distance of 73.88 feet to a 5/8" iron rod found for corner;

South 84°20'33" East, a distance of 52.48 feet to a point for corner from which a 5/8" iron rod with yellow plastic cap stamped "Peloton" found bears North 05°40'10" West, a distance of 0.34 feet;

South 78°27'07" East, a distance of 310.48 feet to a 5/8" iron rod with yellow plastic cap stamped "Peloton" found for corner;

South 64°53'57" East, a distance of 176.10 feet to a 5/8" iron rod with yellow plastic cap stamped "Peloton" found for corner in the south line of Lot 33, Block B, of said Crystal

Cove Estates, at a northerly northeast corner of said 420.642 acre tract, and being at the northwest corner of a tract of land described In a Deed to Raymond Echols, recorded in Volume 2576, Page 1741, O.P.R.E.C.T.;

**THENCE** with the common line of said 420.642 acre tract and said Echols tract, the following courses and distances:

South 31°45'26" East, a distance of 690.74 feet to a 1/2" iron rod found for the southwest corner of said Echols tract;

North 57°33'02" East, a distance of 887.83 feet to a 1/2" iron rod found for the southeast corner of said Echols tract, and being at the most northerly northwest corner of the aforementioned 76.653 acre tract, and being at the southwest corner of the aforementioned Lot 3, Block A, Crystal Hills addition;

**THENCE** North 31°51'09" West, with the common line of said Echols tract and said Lot 3, Block A, a distance of 470.95 feet to a point for corner in the south line of Lot 41, Block B, of said Crystal Cove Estates, and being at the northwest corner of said Lot 3, Block A, from which a railroad spike found bears South 58°00'36" West, a distance of 6.39 feet;

**THENCE** North 58°00'36" East, with the common line of said Lot 3, Block A and said Lot 41, Block B, a distance of 283.14 feet to a railroad spike found in the southeast right-of-way line of Hunter Pass (a 60-foot right-of-way), and being at the beginning of a non-tangent curve to the left with a radius of 380.00 feet, a central angle of 22°51'47", and a chord bearing and distance of North 69°21'19" East, 150.63 feet;

**THENCE** in a northeasterly direction, with said non-tangent curve to the left and with said southeast right-of-way line, an arc distance of 151.63 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for corner;

**THENCE** North 57°55'25" East, a distance of 18.34 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for the northeast corner of said Lot 3, Block A, and being at the northwest corner of Lot 2, Block A, of said Crystal Hills addition;

**THENCE** South 32°04'35" East, with the common line of said Lot 3, Block A, and said Lot 2, Block A, a distance of 441.35 feet to a 1/2" iron rod found for the southeast corner of said Lot 3, Block A, and being the southwest corner of said Lot 2, Block A, and being at the most northerly northeast corner of said 76.653 acre tract, and being at the northwest corner of a called 10.0 acre tract of land described in the Warranty Deed to Nita Condor, recorded in Instrument No. 2034598, O.P.R.E.C.T.;

**THENCE** South 31°11'18" East, with the west line of said 10.0 acre tract, a distance of 643.86 feet to a 5/8" iron rod with yellow plastic cap stamped "Peloton" found for the southwest corner of said 10.0 acre tract;

**THENCE** North 58°35'39" East, with the south line of said 10.0 acre tract, a distance of 229.11 feet to a 5/8" iron rod with yellow plastic cap stamped "Peloton" found for the northwest corner of a called 10.0 acre tract of land described in the Warranty Deed to Brian K. and Kimberly Garlitz, recorded in Volume 2809, Page 470, O.P.R.E.C.T., and being at the most easterly northeast corner of said 76.653 acre tract;

**THENCE** South 30°49'14" East, with the common line of said 10.0 acre Garlitz tract, and said 76.653 acre tract, passing at a distance of 571.85 feet, a 5/8" iron rod with yellow plastic cap stamped "TXRCS" found at the southwest corner of said 10.0 acre Garlitz tract, same being the northwest corner of a called 31.549 acre tract of land described in the Deed to Charles B. Williams and Sharon S. Williams, recorded in Volume 2616, Page 1132, O.P.R.E.C.T., and continuing with the common line of said 76.653 acre tract and said 31.549 acre tract for a total distance of 1,743.08 feet to a 1/2" iron rod found for the southwest corner of said 31.549 acre tract, and being at the northwest corner of a called 30.88 acre tract of land designated as "Tract Two, Third Tract" in the Deed to Peggy Lee Hunter and Ann Cheree Fielder, recorded in Instrument No. 2039707, O.P.R.E.C.T.;

**THENCE** South 31°14'02" East, with the common line of said 76.653 acre tract and said 30.88 acre tract, a distance of 958.75 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set at the southwest corner of said 30.88 acre tract, and being at the southeast corner of said 76.653 acre tract, and being in the north line of a called 80 acre tract of land designated as "Tract Two, Second Tract" in the aforementioned Deed to Peggy Lee Hunter and Ann Cheree Fielder;

**THENCE** South 57°18'10" West, with the common line of said 80 acre tract and said 76.653 acre tract, a distance of 105.04 feet to a point at the northwest corner of said 80 acre tract, and being at the northeast corner of the aforementioned 107.789 acre tract, from which a 1/2" iron rod with yellow plastic cap stamped "RPLS 4466" found bears South 31°46'08" East, a distance of 0.69 feet;

**THENCE** South 30°43'26" East, with the common line of said 107.789 acre tract and said 80 acre tract, and continuing with the common line of said 107.789 acre tract and a called 196.181 acre tract of land designated as "Tract One" in the Deed to Simon D. Cannon Testamentary Trust, recorded in Volume 2443, Page 1603, O.P.R.E.C.T., a distance of 1,793.19 feet to a 1/2" iron rod found for the most easterly southeast corner of said 107.789 acre tract, and being at a angle point in the north line of said 196.181 acre tract;

**THENCE** continuing with the common line of said 107.789 acre tract and said 196.181 acre tract, the following courses and distances:

South 59°59'55" West, a distance of 1,607.80 feet to a 5/8" iron pipe found for corner;

North 31°16'56" West, a distance of 1,233.51 feet to a point for corner from which a disturbed 1/2" iron rod found bears North 88°58'37" West, a distance of 0.67 feet;

South 59°19'15" West, a distance of 666.67 feet to a 1/2" iron rod found for corner;

South 30°39'34" East, a distance of 167.38 feet to a 5/8" iron rod with yellow plastic cap stamped "Peloton" found at an angle point in the south line of said 107.789 acre tract, and being at the northeast corner of a called 45.870 acre tract of land designated as "Parcel No. 3" in the Deed to John S. Huffman, recorded in Volume 2614, Page 352, O.P.R.E.C.T.;

**THENCE** with the common line of said 107.789 acre tract and said 45.870 acre tract, the following courses and distances:

South 58°41'31" West, a distance of 1,762.47 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for corner;

North 31°05'19" West, a distance of 19.71 feet to a 5/8" iron rod with yellow plastic cap (illegible stamping) found at the most southerly southeast corner of the aforementioned 420.642 acre tract;

**THENCE** South 58°37'35" West, with the common line of said 420.642 acre tract and said 45.870 acre tract, passing at a distance of 1,035.46 feet, a 1/2" iron rod with yellow plastic cap stamped "RPLS 4466" found for reference, and continuing with said common line for a total distance of 1,063.25 feet to a point for most southerly southwest corner of said 420.642 acre tract, and being at the northwest corner of said 45.870 acre tract, and being in the east line of a called 72.835 acre tract of land described in the Warranty Deed to GKB Ranches LP, recorded in Instrument No. 2132292, O.P.R.E.C.T.;

**THENCE** North 30°55'24" West, with the common line of said 420.642 acre tract and said 72.835 acre tract, a distance of 975.64 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set at the northeast corner of said 72.835 acre tract, and being at the most southerly southeast corner of the aforementioned 456.928 acre tract;

**THENCE** South 58°17'03" West, with the common line of said 456.928 acre tract and said 72.835 acre tract, a distance of 2,219.61 feet to a 1/2" iron rod found for the most southerly southwest corner of said 456.928 acre tract, and being at the southeast corner of a called 170.9708 acre tract of land described in the Warranty Deed to Pinhas Bendayan, recorded in Volume 1357, Page 125, O.P.R.E.C.T.;

**THENCE** with the common line of said 456.928 acre tract and said 170.9708 acre tract, the following courses and distances:

North 30°53'46" West, a distance of 2,404.35 feet to a 1/2" iron rod found for the northeast corner of said 170.9708 acre tract;

South 62°09'35" West, a distance of 156.29 feet to a 1/2" iron rod with yellow plastic cap stamped "RPLS 4466" found for the southeast corner of a called 2.14 acre tract of land described in the Deed to Ellis County Water Control and Improvement District No. 1, recorded in Volume 453, Page 206, Deed Records, Ellis County, Texas;

**THENCE** with the easterly and northerly lines of said 2.14 acre tract, the following courses and distances:

North 31°10'00" West, a distance of 180.67 feet to a point for corner from which a 1/2" iron rod found bears North 64°19'25" East, a distance of 1.94 feet;

South 59°04'11" West, a distance of 547.61 feet to a 1/2" iron rod found for the northwest corner of said 2.14 acre tract, and being at the southwest corner of the aforementioned 104.099 acre tract, and being in the east line of a called 121.7963 acre tract of land described in the Warranty Deed to Pinhas Bendayan, recorded in Volume 1357, Page 145, O.P.R.E.C.T.;

**THENCE** North 30°57'40" West, with the common line of said 104.099 acre tract and said 121.7963 acre tract, and continuing with the common line of said 104.099 acre tract and the aforementioned 140.0321 acre tract, a distance of 4,784.26 feet to a point for the northeast corner of said 140.0321 acre tract, and being at the southeast corner of the aforementioned 0.169 acre tract, from which a 3/8" iron rod found bears South 59°19'54" West, a distance of 0.56 feet;

**THENCE** South 59°19'54" West, with the common line of said 0.169 acre tract and said 140.0321 acre tract, a distance of 123.94 feet to the **POINT OF BEGINNING** and containing 53,558,344 square feet or 1,229.5304 acres of land.

# APPENDIX C-2
# IMPROVEMENT AREA #1A LEGAL DESCRIPTION

**IA #1A**

WHEREAS, GRBK EDGEWOOD LLC, is the sole owner of a tract of land situated in the William Stewart Survey, Abstract No. 956, the James Young Survey, Abstract No. 1199, and the Norman H. Whittenberg Survey, Abstract No. 1128, City of Waxahachie, Ellis County, Texas, and being a portion of a called 456.928 acre tract of land described as "Tract 1", a portion of a called 420.642 acre tract of land described as "Tract 2", a portion of a called 50.011 acre tract of land described as "Tract 3", a portion of a called 104.099 acre tract of land described as "Tract 7," and all of a called 0.169 acre tract of land described as "Tract 8" in a Special Warranty Deed to GRBK Edgewood LLC, recorded in Instrument No. 2202337, Official Public Records, Ellis County, Texas (O.P.R.E.C.T.), and being all of Lots 1 through 4, Harrington Acres No. 2, an addition to Ellis County, Texas, according to the plat thereof recorded in Cabinet H, Slide 317, Plat Records, Ellis County, Texas (P.R.E.C.T.), and being more particularly described as follows:

**BEGINNING** at a 1/2" iron rod found at the most southerly corner of said 0.169 acre tract, and being at the most southerly southeast corner of a called 30.962 acre tract of land described in a Warranty Deed to Louis B. Gillespie and wife, Linda L. Gillespie, recorded in Volume 1460, Page 909, O.P.R.E.C.T., and the southeast corner of a called 0.3805 acre tract of land described in a Special Warranty Deed to Ellis County Fresh Water Supply District No. 3, recorded in Instrument No. 2515922, O.P.R.E.C.T., and being in the north line of a called 140.0321 acre tract of land described in a Warranty Deed to Patman Farms, recorded in Volume 1633, Page 20, O.P.R.E.C.T., in the north line of a called 0.2769 acre tract of land described in a Special Warranty Deed to Ellis County Fresh Water Supply District No. 3, recorded in Instrument No. 2515353, O.P.R.E.C.T., and being in the approximate centerline of East Haven Road (a variable width prescriptive right-of-way);

**THENCE** North 15°22'53" East, with the common line of said 0.169 acre tract, said 30.962 acre tract and said 0.3805 acre tract, and along said East Haven Road, a distance of 171.32 feet to a 1/2" iron rod with yellow plastic cap stamped "RPLS 4466" found at the most northerly corner of said 0.169 acre tract, being at a southeasterly corner of said 30.962 acre tract, and being in the southwest line of said 104.099 acre tract;

**THENCE** North 30°57'40" West, with the common line of said 104.099 acre tract and said 30.962 acre tract, and continuing along said East Haven Road, a distance of 18.46 feet to a disturbed 1/2" iron rod found at the northwest corner of said 104.099 acre tract, and being at an interior corner of said 30.962 acre tract;

**THENCE** North 58°35'56" East, continuing with the common line of said 104.099 acre tract and said 30.962 acre tract, and continuing along said East Haven Road, passing at a distance of 441.13 feet, a 1/2" iron rod found at the southeast corner of said 30.962 acre tract, same being the most westerly southwest corner of a called 37.3328 acre tract of land described in a Warranty Deed to Doug and Lisa Maynard, recorded in Volume 2741, Page 322, O.P.R.E.C.T.,

and continuing with the northwest line of said 104.099 acre tract, the southeast line of said 37.3328 acre tract, and the southeast line of a called 1.9886 acre tract of land described in a Deed to Doug Owen Maynard and Lisa A. Maynard, recorded in Volume 1175, Page 1035, O.P.R.E.C.T., and continuing along said East Haven Road, for a total distance of 955.50 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for corner;

**THENCE** departing the common line of said 104.099 acre tract, the southeast line of said 1.9886 acre tract, and said East Haven Road, and crossing said 104.099 acre tract, said 456.928 acre tract, and said 50.011 acre tract, the following:

South 34°03'13" East, a distance of 270.33 feet to a 5/8" iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 1,000.00 feet, a central angle of 15°03'41", and a chord bearing and distance of North 66°49'39" East, 262.12 feet;

In an easterly direction, with said non-tangent curve to the left, an arc distance of 262.87 feet to a 5/8" iron rod with plastic cap stamped "KHA" set at the beginning of a reverse curve to the right with a radius of 405.00 feet, a central angle of 24°46'48", and a chord bearing and distance of North 71°41'12" East, 173.80 feet;

In an easterly direction, with said reverse curve to the right, an arc distance of 175.16 feet to a 5/8" iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 7,590.00 feet, a central angle of 01°10'05", and a chord bearing and distance of North 83°48'58" East, 154.73 feet;

In an easterly direction, with said non-tangent curve to the left, an arc distance of 154.73 feet to a 5/8" iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 200.00 feet, a central angle of 09°02'58", and a chord bearing and distance of North 79°01'48" East, 31.56 feet;

In an easterly direction, with said non-tangent curve to the left, an arc distance of 31.59 feet to a 5/8" iron rod with plastic cap stamped "KHA" set at the beginning of a reverse curve to the right with a radius of 1,097.50 feet, a central angle of 28°37'12", and a chord bearing and distance of North 88°48'55" East, 542.54 feet;

In an easterly direction, with said reverse curve to the right, an arc distance of 548.22 feet to a 5/8" iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 105.00 feet, a central angle of 21°00'18", and a chord bearing and distance of South 87°38'06" East, 38.28 feet;

In an easterly direction, with said non-tangent curve to the left, an arc distance of 38.49 feet to a 5/8" iron rod with plastic cap stamped "KHA" set at the beginning of a

non-tangent curve to the right with a radius of 355.00 feet, a central angle of 57°41'32", and a chord bearing and distance of South 66°11'12" East, 342.55 feet;

In an easterly direction, with said non-tangent curve to the right, an arc distance of 357.46 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 62°24'13" East, a distance of 152.50 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a non-tangent curve to the right with a radius of 400.00 feet, a central angle of 115°53'05", and a chord bearing and distance of North 31°14'48" East, 678.01 feet;

In a northerly direction, with said non-tangent curve to the right, an arc distance of 809.03 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 68°16'41" East, a distance of 105.15 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a non-tangent curve to the right with a radius of 275.00 feet, a central angle of 36°36'09", and a chord bearing and distance of North 40°01'23" East, 172.71 feet;

In a northerly direction, with said non-tangent curve to the right, an arc distance of 175.68 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 58°19'28" East, a distance of 129.51 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a tangent curve to the left with a radius of 425.00 feet, a central angle of 44°15'49", and a chord bearing and distance of North 36°11'34" East, 320.23 feet;

In a northerly direction, with said tangent curve to the left, an arc distance of 328.33 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 14°03'39" East, a distance of 310.43 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a tangent curve to the left with a radius of 975.00 feet, a central angle of 12°56'45", and a chord bearing and distance of North 07°35'17" East, 219.83 feet;

In a northerly direction, with said tangent curve to the left, an arc distance of 220.30 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 01°06'55" East, a distance of 186.62 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a tangent curve to the right with a radius of

275.00 feet, a central angle of 29°18'36", and a chord bearing and distance of North 15°46'12" East, 139.15 feet;

In a northerly direction, with said tangent curve to the right, an arc distance of 140.68 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for corner;

North 06°24'50" East, a distance of 27.01 feet to a 5/8" iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right with a radius of 59.00 feet, a central angle of 73°38'45", and a chord bearing and distance of North 24°52'32" East, 70.72 feet;

In a northerly direction, with said non-tangent curve to the right, an arc distance of 75.84 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for corner;

North 28°18'05" West, a distance of 25.00 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for corner;

North 00°08'07" East, a distance of 110.14 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for corner;

North 52°49'30" East, a distance of 172.51 feet to a 5/8" iron rod with plastic cap stamped "KHA" set on the east line of said 50.011 acre tract, same being on the westerly line of a called 3.58 acre tract described in a deed to James L. Linville, recorded in Volume 769, Page 436, O.P.R.E.C.T., and being in the approximate centerline of Harrington Road, no record found;

**THENCE** South 37°10'30" East, along the easterly line of said 50.011 acre tract and the westerly line of said 3.58 acre tract, a distance of 218.78 feet to a mag nail found for an ell corner on the easterly line of said 50.011 acre tract, common to the southwest corner of said 3.58 acre tract, same being on the northerly terminus of Harrington Road, a 60 foot wide right of way, as dedicated in Cabinet D, Slide 121, P.R.E.C.T.;

**THENCE** South 59°01'00" West, along the easterly line of said 50.011 acre tract and said northerly terminus, a distance of 30.21 feet to a 1/2" iron rod found for an ell corner on the easterly line of said 50.011 acre tract, same being the northwest corner of said terminus;

**THENCE** South 23°32'58" East, along the easterly line of said 50.011 acre tract, the easterly line of said 456.928 acre tract, and the easterly line of said Harrington Acres #2, and the westerly right of way line of said Harrington Road, passing at a distance of 866.00 feet a 1/2" iron rod found for the southeast corner of said 50.011 tract, common to the southerly most northeast corner of said 456.928 acre tract, continuing a distance of 1,322.17' a 5/8" iron rod found at the northeast corner of said Harrington Acres #2, continuing for a total distance of 1,835.23 feet to a 1/2" iron rod found for corner;

**THENCE** South 31°03'14" East, continuing along the easterly line of said Harrington Acres #2 and the westerly right of way line of said Harrington Road, a distance of 87.93 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for corner in the northerly line of said 456.928 acre tract;

**THENCE** North 63°30'51" East, departing the westerly right of way line of said Harrington Road, and along a northerly line of said 456.928 acre tract, a distance of 22.88 feet to a 5/8" iron rod with plastic cap stamped "KHA" set on the easterly line of said 456.928 acre tract, same being on the westerly line of Crystal Cove Estates, thereof recorded in Cabinet E, Slide 115, P.R.E.C.T., and generally in the centerline of said Harrington Road;

**THENCE** along the easterly line of said 456.928 acre tract, the westerly line of said Crystal Cove Estates, and generally along the centerline of said Harrigton Road, the following:

South 32°06'39" East, a distance of 332.18 feet to a 5/8" iron rod found for corner;

South 13°27'37" West, a distance of 254.40 feet to a 5/8" iron rod with yellow plastic cap "illegible" found for corner;

South 06°02'06" West, a distance of 351.76 feet to a 5/8" iron rod with an illegible yellow plastic cap found for the southwest corner of said Crystal Cove Estates, common to the northwest corner of said 420.642 acre tract;

**THENCE** departing the easterly line of said 456.928 acre tract, and crossing said 420.642 acre tract, said 456.928 acre tract, and said 104.099 acre tract, the following:

South 07°52'46" East, a distance of 113.16 feet to a 5/8" iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right with a radius of 676.00 feet, a central angle of 32°40'50", and a chord bearing and distance of South 27°34'52" West, 380.37 feet;

In a southerly direction, with said non-tangent curve to the right, an arc distance of 385.58 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for corner;

South 01°20'59" East, a distance of 20.87 feet to a 5/8" iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 225.00 feet, a central angle of 01°24'44", and a chord bearing and distance of South 49°52'55" East, 5.55 feet;

In an easterly direction, with said non-tangent curve to the left, an arc distance of 5.55 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for corner;

South 39°24'43" West, a distance of 50.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a non-tangent curve to the right with a radius of 275.00 feet, a central angle of 02°35'33", and a chord bearing and distance of North 49°17'31" West, 12.44 feet;

In a westerly direction, with said non-tangent curve to the right, an arc distance of 12.44 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 88°11'01" West, a distance of 22.38 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a non-tangent curve to the right with a radius of 676.00 feet, a central angle of 06°29'20", and a chord bearing and distance of South 53°57'04" West, 76.52 feet;

In a westerly direction, with said non-tangent curve to the right, an arc distance of 76.56 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 57°11'44" West, a distance of 251.02 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 12°57'32" West, a distance of 21.49 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a non-tangent curve to the right with a radius of 3,056.50 feet, a central angle of 00°17'00", and a chord bearing and distance of South 30°59'45" East, 15.11 feet;

In a southerly direction, with said non-tangent curve to the right, an arc distance of 15.11 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 59°08'45" West, a distance of 120.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 30°57'43" West, a distance of 11.03 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 77°00'36" West, a distance of 20.92 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 31°56'51" West, a distance of 60.01 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 12°15'29" East, a distance of 21.24 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a non-tangent curve to the left with a radius

of 2,936.50 feet, a central angle of 27°03'34", and a chord bearing and distance of North 46°21'20" West, 1,373.99 feet;

In a westerly direction, with said non-tangent curve to the left, an arc distance of 1,386.85 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 74°36'09" West, a distance of 21.08 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 29°14'12" West, a distance of 252.31 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a tangent curve to the right with a radius of 480.00 feet, a central angle of 32°54'31", and a chord bearing and distance of South 45°41'28" West, 271.92 feet;

In a westerly direction, with said tangent curve to the right, an arc distance of 275.69 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 62°08'43" West, a distance of 254.59 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a tangent curve to the left with a radius of 420.00 feet, a central angle of 41°56'08", and a chord bearing and distance of South 41°10'39" West, 300.59 feet;

In a southerly direction, with said tangent curve to the left, an arc distance of 307.40 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 20°12'35" West, a distance of 45.59 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 69°47'25" West, a distance of 60.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 72°51'36" West, a distance of 771.59 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 34°23'29" West, a distance of 95.51 feet to a point for corner;

North 14°41'33" West, a distance of 57.99 feet to a point for corner;

North 75°18'27" East, a distance of 133.20 feet to a point at the beginning of a non-tangent curve to the right with a radius of 59.00 feet, a central angle of 110°22'46", and a chord bearing and distance of North 71°03'34" East, 96.88 feet;

In an easterly direction, with said non-tangent curve to the right, an arc distance of 113.66 feet to a point for corner;

North 87°42'28" East, a distance of 20.91 feet to a point for corner;

North 42°02'29" East, a distance of 54.69 feet to a point at the beginning of a tangent curve to the left with a radius of 425.00 feet, a central angle of 19°40'19", and a chord bearing and distance of North 32°12'20" East, 145.20 feet;

In a northerly direction, with said tangent curve to the left, an arc distance of 145.92 feet to a point for corner;

North 22°22'11" East, a distance of 406.33 feet to a point at the beginning of a tangent curve to the right with a radius of 475.00 feet, a central angle of 14°50'03", and a chord bearing and distance of North 29°47'12" East, 122.64 feet;

In a northerly direction, with said tangent curve to the right, an arc distance of 122.98 feet to a point at the beginning of a non-tangent curve to the right with a radius of 50.00 feet, a central angle of 77°06'00", and a chord bearing and distance of North 51°15'33" East, 62.32 feet;

In an easterly direction, with said non-tangent curve to the right, an arc distance of 67.28 feet to a point for corner;

North 08°18'04" East, a distance of 54.79 feet to a point at the beginning of a non-tangent curve to the left with a radius of 1,167.50 feet, a central angle of 26°18'45", and a chord bearing and distance of South 85°08'24" West, 531.46 feet;

In a westerly direction, with said non-tangent curve to the left, an arc distance of 536.16 feet to a point for corner;

South 71°59'01" West, a distance of 160.82 feet to a point at the beginning of a tangent curve to the right with a radius of 1,432.50 feet, a central angle of 11°17'12", and a chord bearing and distance of South 77°37'38" West, 281.73 feet;

In a westerly direction, with said tangent curve to the right, an arc distance of 282.19 feet to a point for corner;

South 83°16'14" West, a distance of 474.40 feet to a point at the beginning of a tangent curve to the left with a radius of 1,267.50 feet, a central angle of 23°56'19", and a chord bearing and distance of South 71°18'04" West, 525.73 feet;

In a westerly direction, with said tangent curve to the left, an arc distance of 529.57 feet to a point for corner;

South 59°19'54" West, a distance of 66.32 feet a 5/8” iron rod with plastic cap stamped “KHA” set on the westerly line of said 104.099 acre tract, same being on the easterly line of aforesaid 104.0321 acre tract;

**THENCE** North 30°57'40" West, along the westerly line of said 104.099 acre tract and the easterly line of said 140.0321 acre tract, a distance of 60.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for the northeast corner of said 104.099 acre tract, common to the northeast corner of aforesaid 0.2769 acre tract, and the southeast corner of said 0.169 acre tract;

**THENCE** South 59°19'54" West, along the southerly line of said 0.169 acre tract, the northerly line of said 104.099 acre tract and the northerly line of said 0.2769 acre tract, a distance of 123.94 feet to the **POINT OF BEGINNING** and containing 128.830 acres (5,611,842 square feet) of land, more or less.

# APPENDIX C-3
# IMPROVEMENT AREA #1B LEGAL DESCRIPTION

**IA #1B**

WHEREAS, GRBK EDGEWOOD LLC, is the sole owner of a tract of land situated in the William Baskins Survey, Abstract No. 145, the P.T.I CO.Survey, Abstract No. 1238,and the Norman H. Whittenberg Survey, Abstract No. 1128, City of Waxahachie, Ellis County, Texas, and being a portion of a called a called 420.642 acre tract of land described as “Tract 2”, a portion of a called 76.653 acre tract of land described as “Tract 5” in a Special Warranty Deed to GRBK Edgewood LLC, recorded in Instrument No. 2202337, Official Public Records, Ellis County, Texas (O.P.R.E.C.T.), and all of Block A, Lot 3, Crystal Hills, an addition to Ellis County, according to the plat thereof recorded in Cabinet I, Slide 21, of the Plat Records of Ellis County, Texas, and being more particularly described as follows:

**BEGINNING** at a 5/8” iron rod with an illegible yellow plastic cap found for the southwest corner of said Crystal Cove Estates, common to the northwest corner of said 420.642 acre tract, same being on the easterly line of a called 456.928 acre tract of land described as “Tract 1” in said Instrument No. 2202337;

**THENCE** departing the easterly line of said 456.928 acre, and along the southerly line of said Crystal Cove Estates and the northerly line of said 420.642 acre tract, the following:

North 81°44'25" East, a distance of 200.68 feet to a railroad spike found for corner;

North 66°13'23" East, a distance of 889.21 feet to a point for corner, from which, a 1/2” iron rod found for witness bears North 75°22’ East, 0.26 feet;

North 73°10'46" East, a distance of 232.79 feet to a point for corner, from which, a 1/2” iron rod found for witness bears North 22°17’ West, 0.58 feet;

North 79°43'40" East, a distance of 402.28 feet to a point for corner, from which, a 1/2” iron rod found for witness bears North 19°21’ East, 0.27 feet;

North 86°53'18" East, a distance of 236.36 feet to a 1/2” iron rod found for corner;

North 89°15'27" East, a distance of 77.78 feet to a railroad spike found for corner;

North 86°57'04" East, a distance of 78.97 feet to a point for corner, from which a 60D nail found for witness bears North 60°37’ West, 0.23 feet;

North 53°28'39" East, a distance of 79.07 feet to a point for corner, from which, a 3/8” iron rod found for witness bears North 60°26’ West, 0.41 feet;

North 52°37'30" East, a distance of 67.06 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 63°10'07" East, a distance of 104.55 feet to a 5/8” iron rod with plastic cap stamped “Peloton” found for corner;

North 83°35'04" East, a distance of 73.88 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 84°20'33" East, a distance of 52.48 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 78°27'07" East, a distance of 310.48 feet to a 5/8” iron rod with plastic cap stamped “Peloton” found for corner;

South 64°53'57" East, a distance of 176.10 feet to a 5/8” iron rod with plastic cap stamped “Peloton” found for the northwest corner of a called 10.020 acre tract of land, as described in a deed to Raymond Echols, recorded in Volume 2576, Page 1741, O.P.R.E.C.T., and the northerly northeast corner of said 456.928 acre tract;

**THENCE** South 31°45'26" East, departing the southerly line of said Crystal Cove Estates and along the westerly line of sad 10.020 acre tract and the easterly line of said 420.642 acre tract, a distance of 690.74 feet to a 1/2” iron rod found for the southwest corner of said 10.020 acre tract and an ell corner of said 456.928 acre tract;

**THENCE** North 57°33'02" East, along the southerly line of said 10.020 acre tract and the northerly line of said 456.928 acre tract, a distance of 887.83 feet to a 1/2” iron rod found for the southeast corner of said 10.020 acre tract, common to the southerly northeast corner of said 420.642 acre tract, and the northwest corner of said 76.653 acre tract and the southwest corner of said Lot 3, Block A;

**THENCE** North 31°51'09" West, along the easterly line of said 10.020 acre tract and the westerly line of said Lot 3, Block A, a distance of 470.95 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for the northwest corner of said Lot 3, Block A, same being on the southerly line of said Crystal Cove Estates;

**THENCE** North 58°00'36" East, along the southerly line of said Crystal Cove Estates and the northerly line of said Lot 3, Block A, a distance of 284.13 feet to a 5/8” iron rod with plastic cap stamped “KHA” set on the southerly right of way line of Hunter Pass, a 60 foot wide right of way, as dedicated in said final plat of Crystal Cove Estates, same being at the beginning of a non-tangent curve to the left with a radius of 380.00 feet, a central angle of 22°52'35", and a chord bearing and distance of North 69°22'21" East, 150.72 feet;

**THENCE** continuing along the northerly line of said Lot 3, Block A and along the southerly right of way line of said Hunter Pass, and in an easterly direction, with said non-tangent curve to the left, an arc distance of 151.72 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

**THENCE** North 57°56'03" East, continuing along the northerly line of said Lot 3, Block A, and the southerly right of way line of said Hunter Pass, a distance of 17.28 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for the northeast corner of said Lot 3, Block A, common to the northwest corner of Lot 2, Block A, of said Crystal Hills;

**THENCE** South 32°04'35" East, departing the southerly right of way line of said Hunter Pass, and along the easterly line of said Lot 3, Block A and the westerly line of said Lot 2, Block A, a distance of 441.28 feet to a 1/2” iron rod found for southeast corner of said Lot 3, Block A,

common to the southwest corner of said Lot 2, Block A, the northerly most northeast corner of said 76.653 acre tract, and the northwest corner of a called 10.0 acre tract of land as described in a deed to Nita Condor, recorded in Instrument No. 2034598, of the Official Public Records of Ellis County Texas;

**THENCE** South 31°11'18" East, along the easterly line of said 76.653 acre tract and the westerly line of said 10.0 acre tract, a distance of 643.86 feet to a 5/8” iron rod with plastic cap stamped “Peloton” found for the southwest corner of said 10.0 acre tract, common to an ell corner of said 76.653 acre tract;

**THENCE** departing the easterly line of said 76.653 acre tract, and crossing said 76.653 acre tract, and said 420.642 acre tract, the following:

South 58°35'39" West, a distance of 49.02 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a non-tangent curve to the right with a radius of 1,225.00 feet, a central angle of 05°51'13", and a chord bearing and distance of South 16°39'16" East, 125.10 feet;

In a southerly direction, with said non-tangent curve to the right, an arc distance of 125.15 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 57°37'01" East, a distance of 21.49 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 78°08'36" East, a distance of 4.27 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 11°51'24" East, a distance of 50.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 78°08'36" West, a distance of 4.27 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 33°54'13" West, a distance of 21.49 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a non-tangent curve to the right with a radius of 1,225.00 feet, a central angle of 28°52'30", and a chord bearing and distance of South 04°27'06" West, 610.84 feet;

In a southerly direction, with said non-tangent curve to the right, an arc distance of 617.35 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 71°06'39" West, a distance of 50.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 68°43'17" West, a distance of 315.96 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 75°14'11" West, a distance of 132.75 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 81°45'06" West, a distance of 132.74 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 88°16'00" West, a distance of 132.75 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 85°13'06" West, a distance of 132.77 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 78°25'13" West, a distance of 132.77 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 73°12'21" West, a distance of 132.96 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 63°38'18" West, a distance of 500.30 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a non-tangent curve to the left with a radius of 475.00 feet, a central angle of 20°28'42", and a chord bearing and distance of South 35°21'59" East, 168.87 feet;

In a southerly direction, with said non-tangent curve to the left, an arc distance of 169.77 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 45°36'20" East, a distance of 12.35 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 01°30'36" East, a distance of 21.55 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a non-tangent curve to the left with a radius of 1,030.00 feet, a central angle of 02°54'35", and a chord bearing and distance of South 40°42'52" West, 52.30 feet;

In a southerly direction, with said non-tangent curve to the left, an arc distance of 52.31 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 47°40'46" West, a distance of 1,017.78 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 42°19'14" West, a distance of 285.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 47°40'46" West, a distance of 50.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 42°19'14" East, a distance of 4.50 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 02°40'46" West, a distance of 21.21 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 47°40'46" West, a distance of 222.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 87°19'14" West, a distance of 21.21 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 42°19'14" West, a distance of 4.50 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 47°40'46" West, a distance of 50.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 42°19'14" East, a distance of 4.50 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 02°40'46" West, a distance of 21.21 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 47°40'46" West, a distance of 222.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 87°19'14" West, a distance of 21.21 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 42°19'14" West, a distance of 4.50 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 47°40'46" West, a distance of 50.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 42°19'14" East, a distance of 4.50 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 02°40'46" West, a distance of 21.21 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 47°40'46" West, a distance of 222.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 87°00'14" West, a distance of 21.33 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 42°19'14" West, a distance of 10.51 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 47°40'46" West, a distance of 50.00 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 42°19'14" East, a distance of 6.15 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 07°22'01" West, a distance of 19.41 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a non-tangent curve to the left with a radius of 425.00 feet, a central angle of 47°33'06", and a chord bearing and distance of North 81°50'42" West, 342.69 feet;

In a westerly direction, with said non-tangent curve to the left, an arc distance of 352.72 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 16°56'12" West, a distance of 17.70 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a non-tangent curve to the right with a radius of 50.00 feet, a central angle of 03°02'23", and a chord bearing and distance of South 38°59'10" East, 2.65 feet;

In a southerly direction, with said non-tangent curve to the right, an arc distance of 2.65 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 69°16'02" West, a distance of 52.88 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 20°43'58" West, a distance of 2.49 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 67°15'17" West, a distance of 20.64 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 66°13'23" West, a distance of 547.23 feet to a 5/8” iron rod with plastic cap stamped “KHA” set at the beginning of a tangent curve to the right with a radius of 475.00 feet, a central angle of 29°45'22", and a chord bearing and distance of South 81°06'04" West, 243.92 feet;

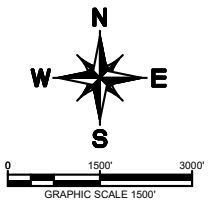
In a westerly direction, with said tangent curve to the right, an arc distance of 246.69 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

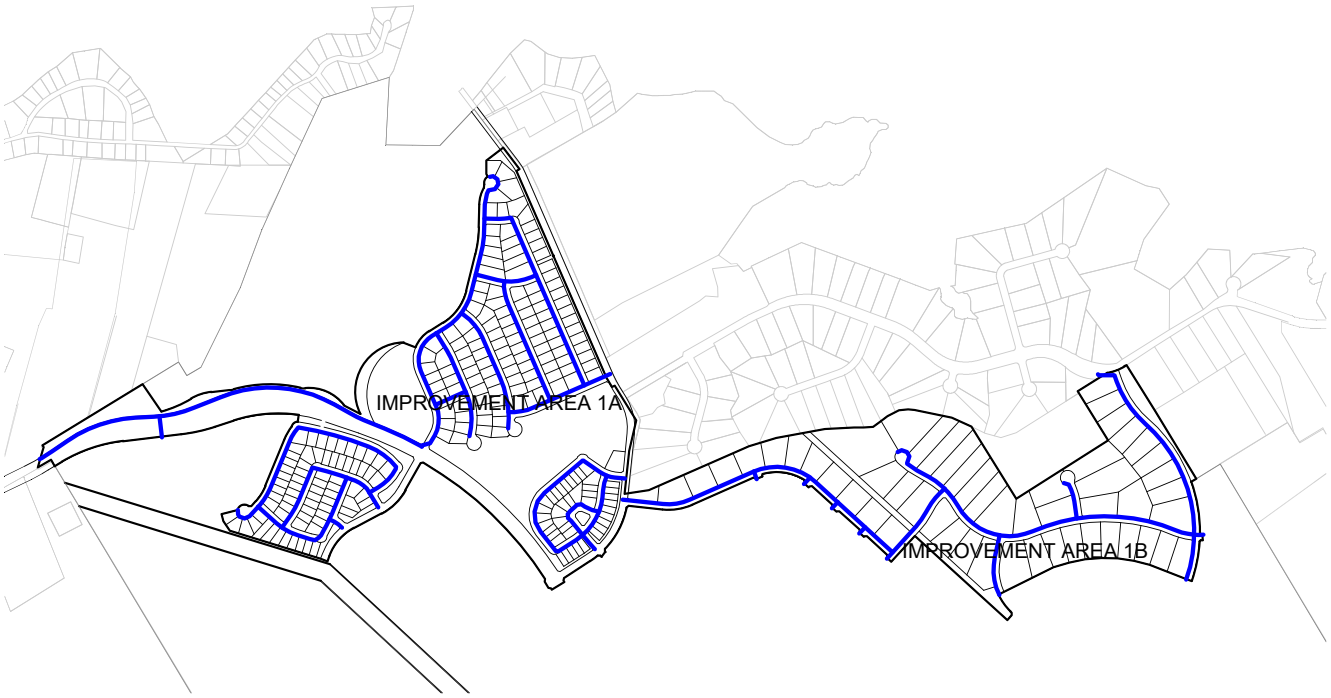
North 84°01'15" West, a distance of 276.36 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

South 53°17'34" West, a distance of 22.05 feet to a 5/8” iron rod with plastic cap stamped “KHA” set for corner;

North 07°52'46" West, a distance of 113.16 feet to the **POINT OF BEGINNING** and containing 83.684 acres (3,645,294 square feet) of land, more or less.

# APPENDIX D
# DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS




# LEGEND

INDICATES LOCATION OF DIRECT PUBLIC WATER IMPROVEMENTS

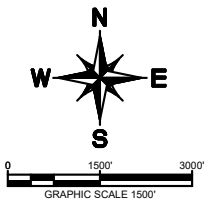
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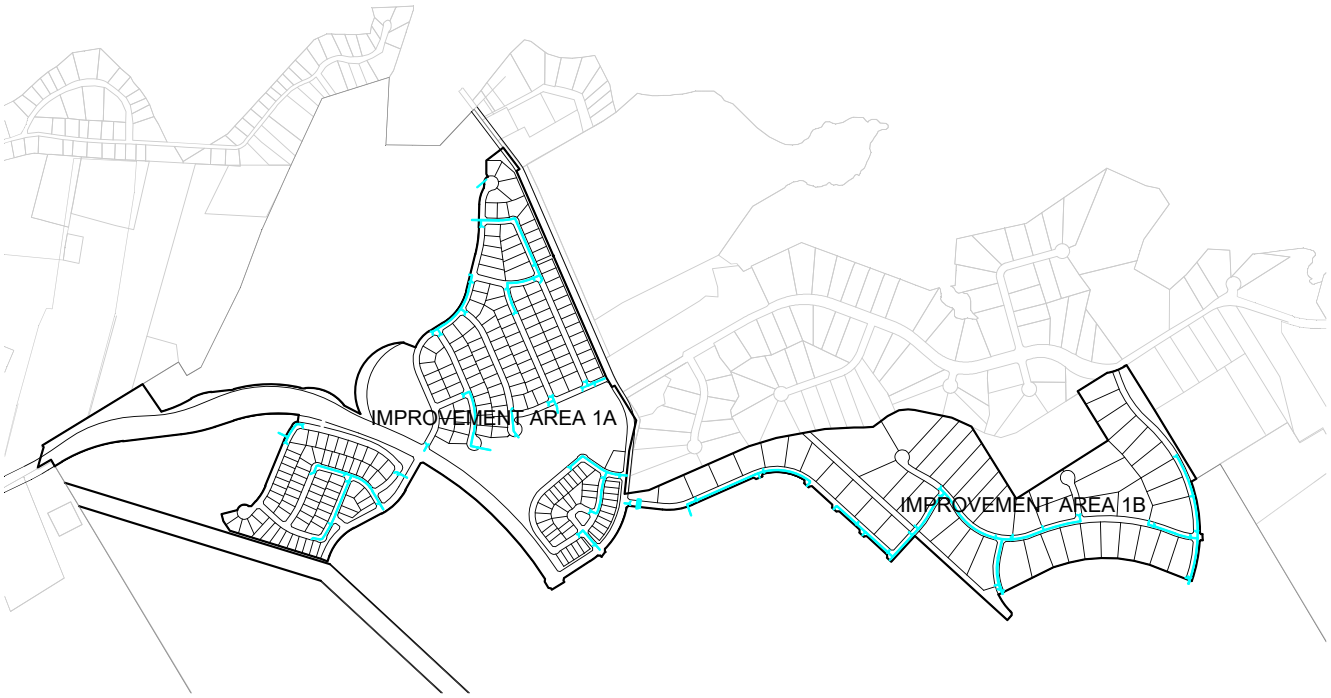
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DWG NAME
LAST SAVED

## Haven Ranch

EXHIBIT C-1
IMPROVEMENT AREAS 1A-1B - WATER
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928




# LEGEND

INDICATES LOCATION OF DIRECT PUBLIC STORM DRAIN IMPROVEMENTS

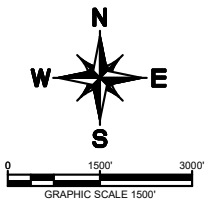
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PLOTTED BY
DWG NAME
LAST SAVED

## Haven Ranch

EXHIBIT C-2
IMPROVEMENT AREAS 1A-1B - STORM DRAIN
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928







# LEGEND

INDICATES LOCATION OF DIRECT PUBLIC ROADWAY IMPROVEMENTS

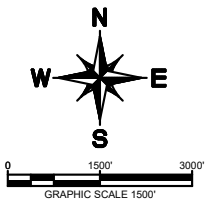
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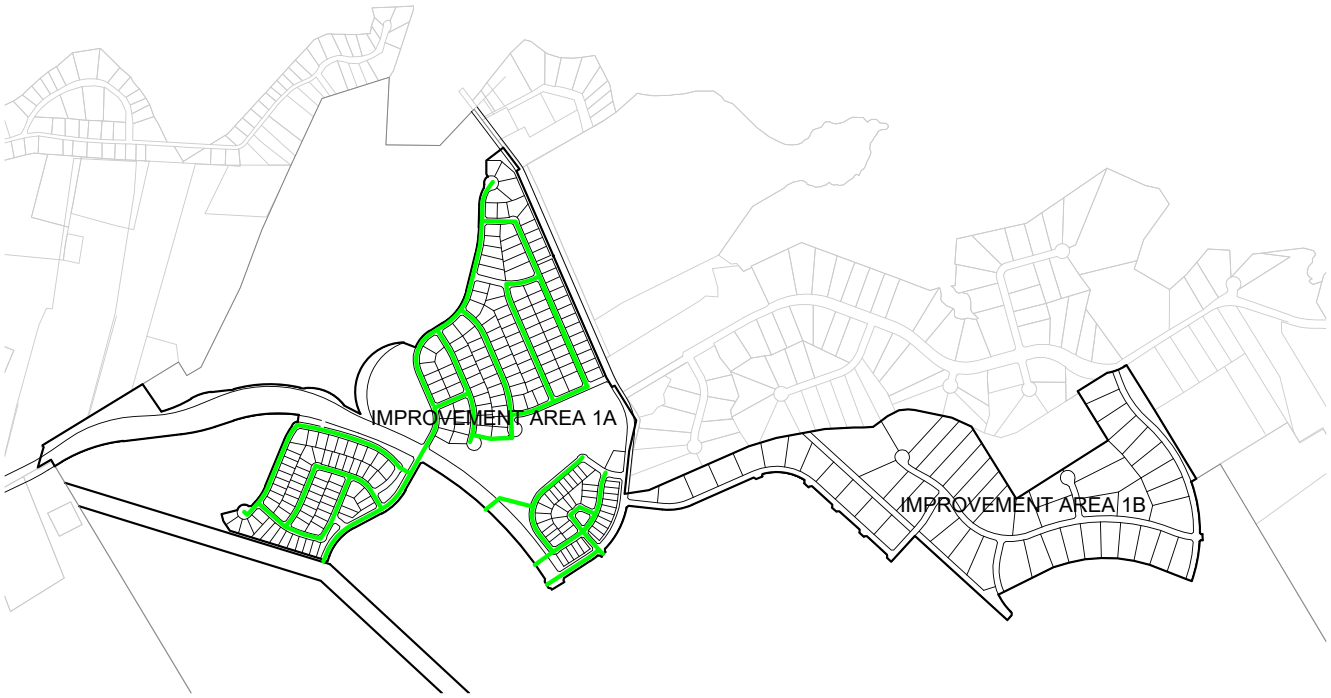
PLOTTED BY
DWG NAME
LAST SAVED

## Haven Ranch

EXHIBIT C-3
IMPROVEMENT AREAS 1A-1B - ROADWAY
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928



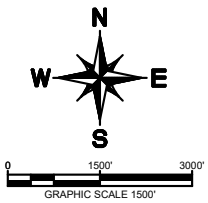

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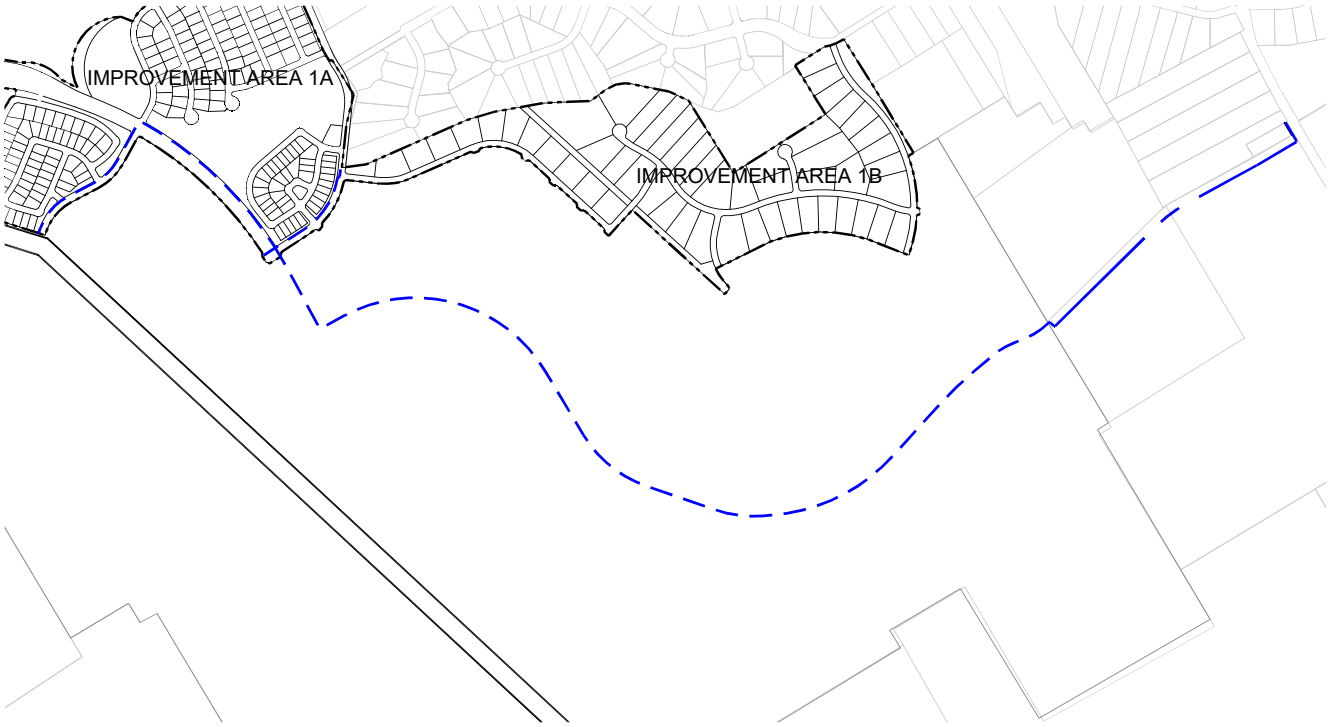
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Haven Ranch
EXHIBIT D-1
IMPROVEMENT AREA 1A - SANITARY SEWER
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928




# LEGEND

INDICATES LOCATION OF MAJOR PUBLIC WATER IMPROVEMENTS

INDICATES LOCATION OF MAJOR OFFSITE WATER IMPROVEMENTS

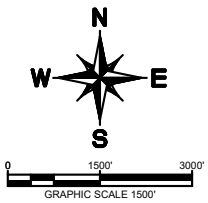
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DWG NAME
LAST SAVED

## Haven Ranch

EXHIBIT E-1
MAJOR IMPROVEMENTS - WATER
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928







# LEGEND

INDICATES LOCATION OF MAJOR PUBLIC STORM DRAIN IMPROVEMENTS

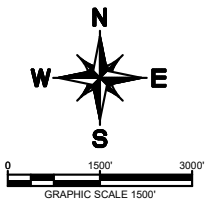
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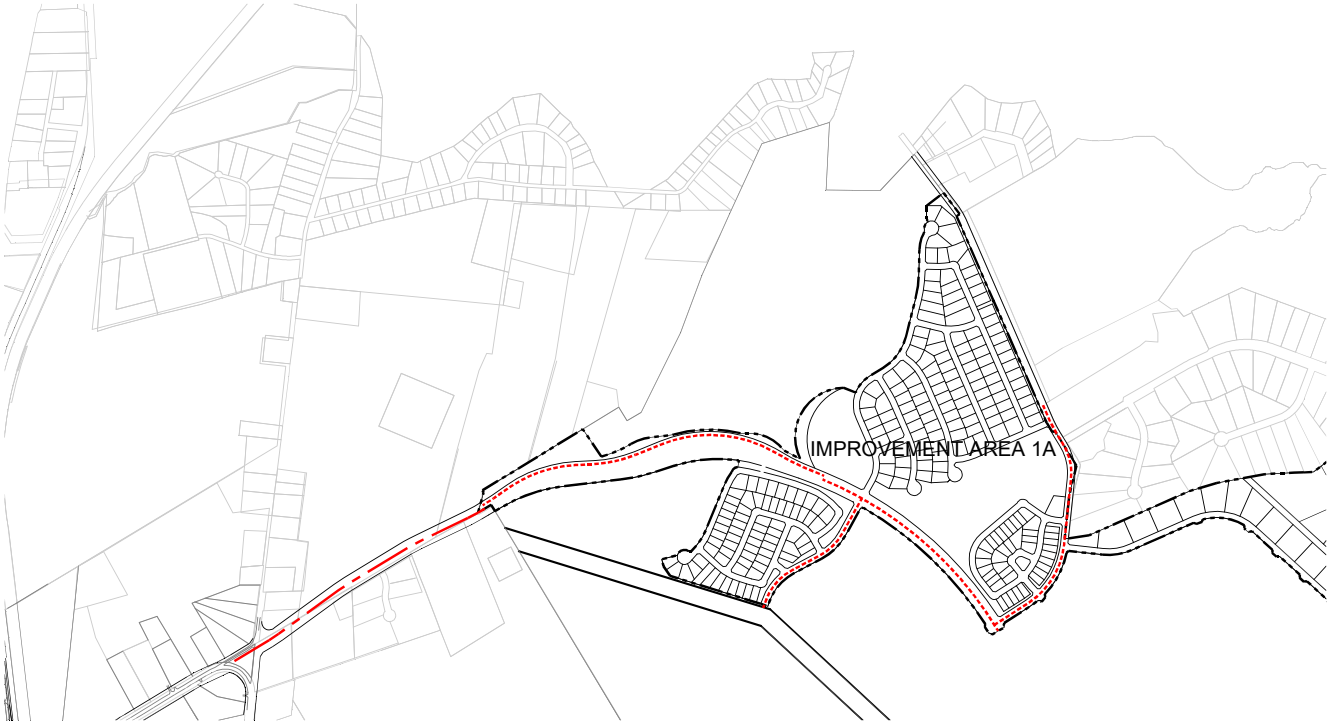
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## Haven Ranch

EXHIBIT E-2
MAJOR IMPROVEMENTS - STORM DRAIN
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928




# LEGEND

INDICATES LOCATION OF MAJOR PUBLIC ROADWAY IMPROVEMENTS

INDICATES LOCATION OF MAJOR OFFSITE ROADWAY IMPROVEMENTS

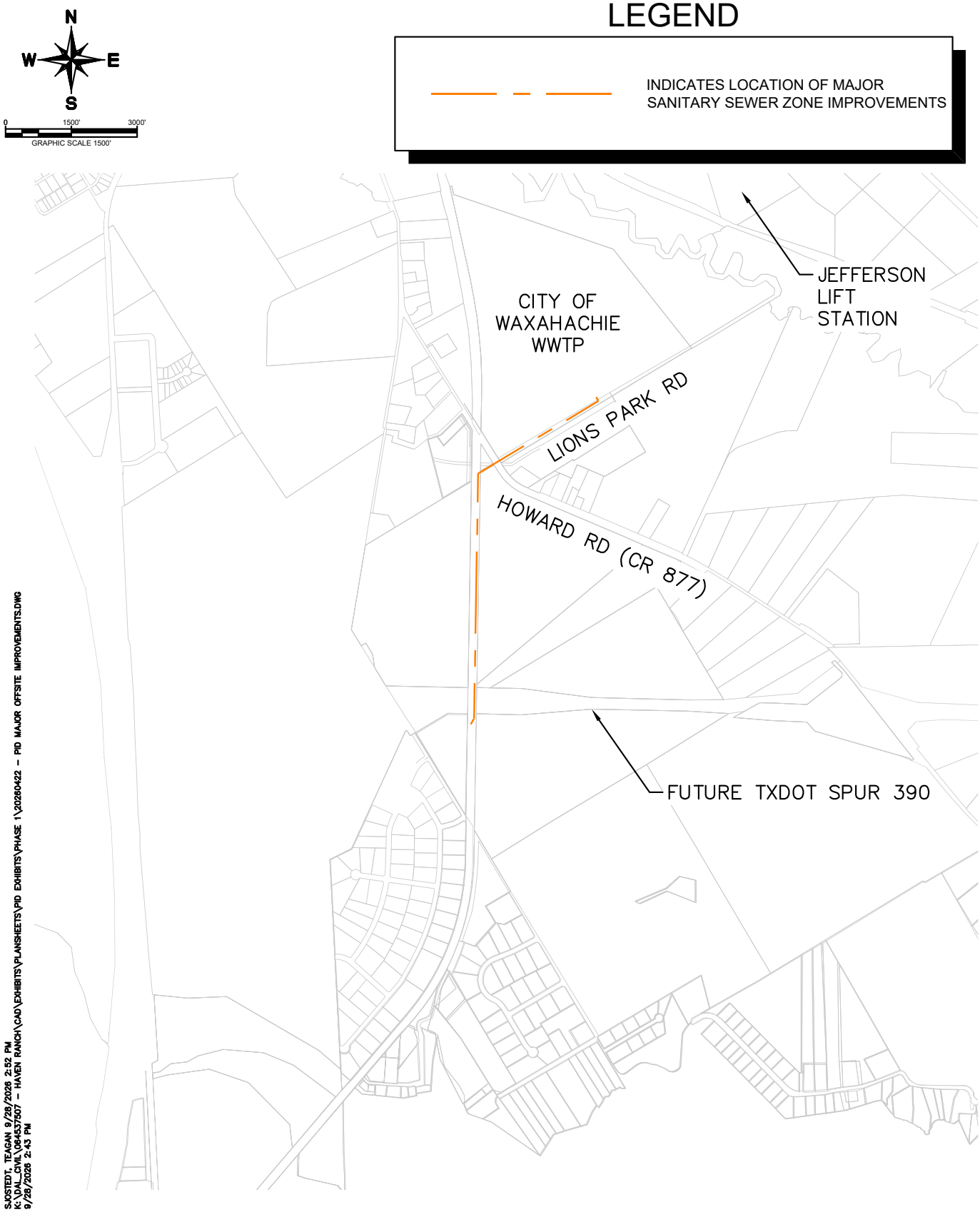
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PLOTTED BY
DWG NAME
LAST SAVED

## Haven Ranch

EXHIBIT E-3
MAJOR IMPROVEMENTS - ROADWAY
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928



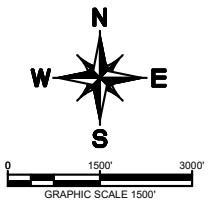

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DWG NAME
LAST SAVED

# Haven Ranch

EXHIBIT F-1
MAJOR SANITARY SEWER ZONE IMPROVEMENTS
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928







# LEGEND

INDICATES LOCATION OF ZONE 1
PUBLIC STORM DRAIN IMPROVEMENTS

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DWG NAME
LAST SAVED

## Haven Ranch

EXHIBIT G-1
ZONE 1 IMPROVEMENTS - STORM DRAIN
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928

# LEGEND

INDICATES LOCATION OF ZONE 2 SANITARY SEWER IMPROVEMENTS

INDICATES LOCATION THAT BENEFITS PHASE 5-11

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GRAPHIC SCALE 1500'




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PLOTTED BY
DWG NAME
LAST SAVED

Haven Ranch
EXHIBIT H-1
ZONE 2 SANITARY SEWER IMPROVEMENTS
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928

# LEGEND

INDICATES LOCATION OF ZONE 2 SANITARY SEWER IMPROVEMENTS

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GRAPHIC SCALE 1500'




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PLOTTED BY
DWG NAME
LAST SAVED

Haven Ranch
EXHIBIT H-2
ZONE 2 SANITARY SEWER IMPROVEMENTS
Waxahachie, Texas
September 2026

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928

# APPENDIX E
# ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE EQUIVALENTS

## Appendix E

For purposes of calculating and allocating the Assessments, the Parcels within the District have been classified in one of five Lot Types.

**"Lot Type 1"** means Lots identified as such on an Assessment Roll, typically single-family Lots typically with a size of approximately one acre.

**"Lot Type 2"** means Lots identified as such on an Assessment Roll, typically single-family Lots typically with a width of approximately 80 feet.

**"Lot Type 3"** means Lots identified as such on an Assessment Roll, typically single-family Lots typically with a width of approximately 60 feet.

**"Lot Type 4"** means Lots identified as such on an Assessment Roll, typically single-family Lots typically with a width of approximately 50 feet.

**"Commercial"** means property within Phase 2 Commercial.

### A) Proposed Development

Table E-1 shows the proposed Lot Types and proposed commercial development to be developed within the PID.

**Table E-1**
**Proposed Development within the PID**

| Proposed Development | Quantity | Measurement |
|---|---|---|
| Lot Type 1 (One Acre Lot) | 53 | Units |
| Lot Type 2 (80 Ft Lot) | 892 | Units |
| Lot Type 3 (60 Ft Lot) | 908 | Units |
| Lot Type 4 (50 Ft Lot) | 747 | Units |
| Commercial | 45 | 1,000 Sq Ft |
| **Total** | **2,645** | |

Table E-2 shows the proposed Lot Types to be developed within Improvement Area #1A.

**Table E-2**
**Proposed Development within Improvement Area #1A**

| Proposed Development | Quantity | Measurement |
|---|---|---|
| Lot Type 2 (80 Ft Lot) | 133 | Units |
| Lot Type 3 (60 Ft Lot) | 61 | Units |
| Lot Type 4 (50 Ft Lot) | 40 | Units |
| **Total** | **234** | **Units** |

Table E-3 shows the proposed Lot Types to be developed within Improvement Area #1B.

**Table E-3**
**Proposed Development within Improvement Area #1B**

| Proposed Development | Quantity | Measurement |
|---|---|---|
| Lot Type 1 (One Acre Lot) | 53 | Units |
| **Total** | **53** | **Units** |

Table E-4 shows the proposed Lot Types and commercial development to be developed within the Major Improvement Area.

**Table E-4**
**Proposed Development within the Major Improvement Area**

| Proposed Development | Quantity | Measurement |
|---|---|---|
| Lot Type 1 (One Acre Lot) | 0 | Units |
| Lot Type 2 (80 Ft Lot) | 759 | Units |
| Lot Type 3 (60 Ft Lot) | 847 | Units |
| Lot Type 4 (50 Ft Lot) | 707 | Units |
| Commercial | 45 | 1,000 Sq Ft |
| **Total** | **2,358** | |

**B) Calculation of Equivalent Units**

As explained under Section V, for purpose of this Service and Assessment Plan, the City Council has determined that the Budgeted Costs of the Improvement Area #1A Projects to be financed with the Improvement Area #1A-1B Bonds shall be allocated to the Improvement Area #1A Assessed Property by spreading the entire Improvement Area #1A Assessment across the Parcels of Improvement Area #1A Assessed Property based on the estimated Equivalent Units.

As explained under Section V, for purpose of this Service and Assessment Plan, the City Council has determined that the Budgeted Costs of the Improvement Area #1B Projects to be financed with the Improvement Area #1A-1B Bonds shall be allocated to the Improvement Area #1B Assessed Property by spreading the entire Improvement Area #1B Assessment across the Parcels of Improvement Area #1B Assessed Property based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Assessed Property on the basis of the average value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Improvement Area #1A Assessments and Improvement Area #1B Assessment on Parcels similarly benefited. In determining the average value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 60 Ft Lots, 50 Ft Lots, etc.); (ii) current and projected values; (iii) the costs of the Authorized Improvements; and (iv) the ability of different property types to proportionally utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Assessed Property based on average value is best accomplished by creating classifications of benefited Parcels based on the Lot Types. These classifications for Assessed Property range from Lot Type 1 (One Acre Lot) representing the highest value to Lot Type 4 (50 Ft Lot) representing the lowest value for Lots are set forth in Table E-5. Assessments are allocated to each Lot Type on the basis of the average home value for each class of Lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of Lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (One Acre Lot) to 1.0 and the Equivalent Unit factor for Lot Type 4 (50 Ft Lot) to 0.60. Commercial property benefits from certain Authorized Improvements but is not Assessed Property.

**Table E-5**
**Equivalent Unit Factors**

| Lot Type | Estimated Average Value | Equivalent Unit Factor | |
|---|---|---|---|
| Lot Type 1 (One Acre Lot) | $585,000 | 1.00 | Per dwelling unit |
| Lot Type 2 (80 Ft Lot) | $485,000 | 0.83 | Per dwelling unit |
| Lot Type 3 (60 Ft Lot) | $410,000 | 0.70 | Per dwelling unit |
| Lot Type 4 (50 Ft Lot) | $350,000 | 0.60 | Per dwelling unit |
| Commercial | $185,000 | 0.32 | Per 1,000 Sq Ft |

The total Equivalent Units for the PID are shown in Table E-6 as calculated based on the Equivalent Unit factors shown in Table E-5, estimated Lot Types and number of units estimated to be built within the PID.

**Table E-6**
**Equivalent Units – PID**

| Lot Type | No. of units | Equivalent Unit Factor | Total Equivalent Units |
|---|---|---|---|
| Lot Type 1 (One Acre Lot) | 53 | 1.00 | 53.00 |
| Lot Type 2 (80 Ft Lot) | 892 | 0.83 | 740.36 |
| Lot Type 3 (60 Ft Lot) | 908 | 0.70 | 635.60 |
| Lot Type 4 (50 Ft Lot) | 747 | 0.60 | 448.20 |
| Commercial | 45 | 0.32 | 14.40 |
| **Total** | **2,645** | | **1,891.56** |

The total Equivalent Units for Improvement Area #1A are shown in Table E-7 on the following page as calculated based on the Equivalent Unit factors shown in Table E-5, estimated Lot Types and number of units estimated to be built within Improvement Area #1A.

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**Table E-7**
**Equivalent Units – Improvement Area #1A**

| Lot Type | No. of units | Equivalent Unit Factor | Total Equivalent Units |
|---|---|---|---|
| Lot Type 2 (80 Ft Lot) | 133 | 0.83 | 110.39 |
| Lot Type 3 (60 Ft Lot) | 61 | 0.70 | 42.70 |
| Lot Type 4 (50 Ft Lot) | 40 | 0.60 | 24.00 |
| **Total** | **234** | | **177.09** |

The total Equivalent Units for Improvement Area #1B are shown in Table E-8 below as calculated based on the Equivalent Unit factors shown in Table E-5, estimated Lot Types and number of units estimated to be built within the Improvement Area #1B.

**Table E-8**
**Equivalent Units – Improvement Area #1B**

| Lot Type | No. of units | Equivalent Unit Factor | Total Equivalent Units |
|---|---|---|---|
| Lot Type 1 (One Acre Lot) | 53 | 1.00 | 53.00 |
| **Total** | **53** | | **53.00** |

The total Equivalent Units for the Major Improvement Area is shown in Table E-9 as calculated based on the Equivalent Unit factors shown in Table E-5, estimated Lot Types and number of units estimated to be built within the Major Improvement Area.

**Table E-9**
**Equivalent Units – Major Improvement Area**

| Lot Type | No. of units | Equivalent Unit Factor | Total Equivalent Units |
|---|---|---|---|
| Lot Type 2 (80 Ft Lot) | 759 | 0.83 | 629.97 |
| Lot Type 3 (60 Ft Lot) | 847 | 0.70 | 592.90 |
| Lot Type 4 (50 Ft Lot) | 707 | 0.60 | 424.20 |
| Commercial | 45 | 0.32 | 14.40 |
| **Total** | **2,358** | | **1,661.47** |

## C) Allocation of Assessments to Lots within Improvement Area #1A

The total Improvement Area #1A Assessment to be allocated on all Parcels within the Improvement Area #1A, is $8,662,000. As shown in Table E-7, there are a total of 177.09 Equivalent Units in Improvement Area #1A, resulting in an Improvement Area #1A Assessment per Equivalent Unit of $48,912.98 (i.e., $8,662,000 ÷ 177.09 = $48,912.98).

Table E-10 sets forth the Improvement Area #1A Assessment per dwelling unit within Improvement Area #1A.

**Table E-10**
**Assessment Per Unit - Improvement Area #1A**

| Lot Type | Planned No. of Units | Assessment per Equivalent Unit | Equivalent Unit Factor | Assessment per Unit | | Total Assessments |
|---|---|---|---|---|---|---|
| Lot Type 2 (80 Ft Lot) | 133 | $48,912.98 | 0.83 | $40,597.78 | per dwelling unit | $5,399,504 |
| Lot Type 3 (60 Ft Lot) | 61 | $48,912.98 | 0.70 | $34,239.09 | per dwelling unit | $2,088,584 |
| Lot Type 4 (50 Ft Lot) | 40 | $48,912.98 | 0.60 | $29,347.79 | per dwelling unit | $1,173,912 |
| **Total** | | | | | | **$8,662,000** |

The projected leverage is calculated based on the estimated land values, finished lot values and home values for each unit in Improvement Area #1A is shown in Table E-11.

**Table E-11**
**Projected Leverage – Improvement Area #1A**

| Lot Type | Planned No. of Units | Estimated Finished Lot Value per Unit | Projected Value per Unit | Assessment per Unit | Leverage (Lot Value) | Leverage (Value per Unit) |
|---|---|---|---|---|---|---|
| Lot Type 2 (80 Ft Lot) | 133 | $92,000 | $485,000 | $40,597.78 | 2.27 | 11.95 |
| Lot Type 3 (60 Ft Lot) | 61 | $75,950 | $410,000 | $34,239.09 | 2.22 | 11.97 |
| Lot Type 4 (50 Ft Lot) | 40 | $67,650 | $350,000 | $29,347.79 | 2.31 | 11.93 |

The projected tax rate equivalent is calculated based on the estimated finished lot values and projected average value per unit in Improvement Area #1A is shown in Table E-12 below.

**Table E-12**
**Estimated Tax Rate Equivalents – Improvement Area #1A**

| Lot Type | Planned No. of Units | Estimated Finished Lot Value per Unit | Projected Value per Unit | Projected Average Annual Installment per Unit | Tax Rate Equivalent (per $100 Lot Value) | Tax Rate Equivalent (per $100 Value) |
|---|---|---|---|---|---|---|
| Lot Type 2 (80 Ft Lot) | 133 | $92,000 | $485,000 | $3,297 | $3.58 | $0.68 |
| Lot Type 3 (60 Ft Lot) | 61 | $75,950 | $410,000 | $2,780 | $3.66 | $0.68 |
| Lot Type 4 (50 Ft Lot) | 40 | $67,650 | $350,000 | $2,383 | $3.52 | $0.68 |

The Improvement Area #1A Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1A is shown on the Improvement Area #1A Assessment Roll, attached as Appendix G, and no Improvement Area #1A Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

**D) Allocation of Assessments to Lots within Improvement Area #1B**

The total Improvement Area #1B Assessment to be allocated on all Parcels within the Improvement Area #1b, is $2,458,000. As shown in Table E-8, there are a total of 53.00 Equivalent Units in Improvement Area #1B, resulting in an Improvement Area #1B Assessment per Equivalent Unit of $46,377.36 (i.e., $2,458,000 ÷ 53.00 = $46,377.36).

Table E-13 sets forth the Improvement Area #1B Assessment per dwelling unit within Improvement Area #1B.

**Table E-13**
**Assessment Per Unit - Improvement Area #1B**

| Lot Type | Planned No. of Units | Assessment per Equivalent Unit | Equivalent Unit Factor | Assessment per Unit | | Total Assessments |
|---|---|---|---|---|---|---|
| Lot Type 1 (Acre Lot) | 53 | $46,377.36 | 1.00 | $46,377.36 | per dwelling unit | $2,458,000 |
| **Total** | | | | | | **$2,458,000** |

The projected leverage is calculated based on the estimated land values, finished lot values and home values for each unit in Improvement Area #1B is shown in Table E-14 below.

**Table E-14**
**Projected Leverage – Improvement Area #1B**

| Lot Type | Planned No. of Units | Estimated Finished Lot Value per Unit | Projected Value per Unit | Assessment per Unit | Leverage (Lot Value) | Leverage (Value per Unit) |
|---|---|---|---|---|---|---|
| Lot Type 1 (Acre Lot) | 53 | $106,700 | $585,000 | $46,377.36 | 2.30 | 12.61 |

The projected tax rate equivalent is calculated based on the estimated finished lot values and projected average value per unit in Improvement Area #1B is shown in Table E-15.

**Table E-15**
**Estimated Tax Rate Equivalents – Improvement Area #1B**

| Lot Type | Planned No. of Units | Estimated Finished Lot Value per Unit | Projected Value per Unit | Projected Average Annual Installment per Unit | Tax Rate Equivalent (per $100 Lot Value) | Tax Rate Equivalent (per $100 Value) |
|---|---|---|---|---|---|---|
| Lot Type 1 (Acre Lot) | 53 | $106,700 | $585,000 | $3,969 | $3.72 | $0.68 |

The Improvement Area #1B Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1B is shown on the Improvement Area #1B Assessment Roll, attached as Appendix H, and no Improvement Area #1B Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

# APPENDIX F
# PID ASSESSMENT NOTICE

AFTER RECORDING RETURN TO:

_____
_____
_____
_____
_____][1]

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF WAXAHACHIE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
PROPERTY ADDRESS

**LOT TYPE _____ PRINCIPAL ASSESSMENT: $_____**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Waxahachie, 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 ***Haven Ranch 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 Ellis County.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF ELLIS §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Ellis County.

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 ELLIS §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this_____ , 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Ellis County.

# APPENDIX G
# PROPOSED IMPROVEMENT AREA #1A ASSESSMENT ROLL

**Appendix G-1**

**Proposed Improvement Area #1A Assessment Roll**

| | |
|---|---|
| **Parcel** | **All Parcels** |
| **Assessment** | **$8,662,000** |
| **Equivalent Units** | **177.09** |

| Year[1] | Bond Principal[2] | Bond Interest[2] | Administrative Expenses[3] | Capitalized Interest | Additional Interest | Total Annual Installment[3] |
|---|---|---|---|---|---|---|
| 9/30/2027 | $230,000 | $389,790 | $40,000 | $0 | $43,310 | $703,100 |
| 9/30/2028 | $115,000 | $505,920 | $40,800 | $0 | $42,160 | $703,880 |
| 9/30/2029 | $121,000 | $499,020 | $41,616 | $0 | $41,585 | $703,221 |
| 9/30/2030 | $128,000 | $491,760 | $42,448 | $0 | $40,980 | $703,188 |
| 9/30/2031 | $136,000 | $484,080 | $43,297 | $0 | $40,340 | $703,717 |
| 9/30/2032 | $144,000 | $475,920 | $44,163 | $0 | $39,660 | $703,743 |
| 9/30/2033 | $152,000 | $467,280 | $45,046 | $0 | $38,940 | $703,266 |
| 9/30/2034 | $161,000 | $458,160 | $45,947 | $0 | $38,180 | $703,287 |
| 9/30/2035 | $171,000 | $448,500 | $46,866 | $0 | $37,375 | $703,741 |
| 9/30/2036 | $181,000 | $438,240 | $47,804 | $0 | $36,520 | $703,564 |
| 9/30/2037 | $192,000 | $427,380 | $48,760 | $0 | $35,615 | $703,755 |
| 9/30/2038 | $203,000 | $415,860 | $49,735 | $0 | $34,655 | $703,250 |
| 9/30/2039 | $215,000 | $403,680 | $50,730 | $0 | $33,640 | $703,050 |
| 9/30/2040 | $228,000 | $390,780 | $51,744 | $0 | $32,565 | $703,089 |
| 9/30/2041 | $242,000 | $377,100 | $52,779 | $0 | $31,425 | $703,304 |
| 9/30/2042 | $257,000 | $362,580 | $53,835 | $0 | $30,215 | $703,630 |
| 9/30/2043 | $272,000 | $347,160 | $54,911 | $0 | $28,930 | $703,001 |
| 9/30/2044 | $289,000 | $330,840 | $56,010 | $0 | $27,570 | $703,420 |
| 9/30/2045 | $307,000 | $313,500 | $57,130 | $0 | $26,125 | $703,755 |
| 9/30/2046 | $325,000 | $295,080 | $58,272 | $0 | $24,590 | $702,942 |
| 9/30/2047 | $345,000 | $275,580 | $59,438 | $0 | $22,965 | $702,983 |
| 9/30/2048 | $367,000 | $254,880 | $60,627 | $0 | $21,240 | $703,747 |
| 9/30/2049 | $389,000 | $232,860 | $61,839 | $0 | $19,405 | $703,104 |
| 9/30/2050 | $413,000 | $209,520 | $63,076 | $0 | $17,460 | $703,056 |
| 9/30/2051 | $439,000 | $184,740 | $64,337 | $0 | $15,395 | $703,472 |
| 9/30/2052 | $466,000 | $158,400 | $65,624 | $0 | $13,200 | $703,224 |
| 9/30/2053 | $495,000 | $130,440 | $66,937 | $0 | $10,870 | $703,247 |
| 9/30/2054 | $526,000 | $100,740 | $68,275 | $0 | $8,395 | $703,410 |
| 9/30/2055 | $559,000 | $69,180 | $69,641 | $0 | $5,765 | $703,586 |
| 9/30/2056 | $594,000 | $35,640 | $71,034 | $0 | $2,970 | $703,644 |
| **Total** | **$8,662,000** | **$9,974,610** | **$1,622,723** | **$0** | **$842,045** | **$21,101,378** |

1 – The dates represent the fiscal year end for the Improvement Area #1A-1B Bonds. Annual Installments can be prorated in the same manner as property taxes.

2 - Represents the principal and interest on the Improvement Area #1A portion of the Improvement Area #1A-1B Bonds. Interest is 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 G-2**

**Proposed Improvement Area #1A Assessment Roll by Lot Type**

| | |
|---|---|
| **Lot Type** | **Lot Type 2 (80 Ft Lot)** |
| **Assessment** | **$40,597.78** |
| **Equivalent Units** | **0.83** |

| Year[1] | Bond Principal[2] | Bond Interest[2] | Administrative Expenses[3] | Capitalized Interest | Additional Interest | Total Annual Installment[3] |
|---|---|---|---|---|---|---|
| 9/30/2027 | $1,078 | $1,827 | $187 | $0 | $203 | $3,295 |
| 9/30/2028 | $539 | $2,371 | $191 | $0 | $198 | $3,299 |
| 9/30/2029 | $567 | $2,339 | $195 | $0 | $195 | $3,296 |
| 9/30/2030 | $600 | $2,305 | $199 | $0 | $192 | $3,296 |
| 9/30/2031 | $637 | $2,269 | $203 | $0 | $189 | $3,298 |
| 9/30/2032 | $675 | $2,231 | $207 | $0 | $186 | $3,298 |
| 9/30/2033 | $712 | $2,190 | $211 | $0 | $183 | $3,296 |
| 9/30/2034 | $755 | $2,147 | $215 | $0 | $179 | $3,296 |
| 9/30/2035 | $801 | $2,102 | $220 | $0 | $175 | $3,298 |
| 9/30/2036 | $848 | $2,054 | $224 | $0 | $171 | $3,298 |
| 9/30/2037 | $900 | $2,003 | $229 | $0 | $167 | $3,298 |
| 9/30/2038 | $951 | $1,949 | $233 | $0 | $162 | $3,296 |
| 9/30/2039 | $1,008 | $1,892 | $238 | $0 | $158 | $3,295 |
| 9/30/2040 | $1,069 | $1,832 | $243 | $0 | $153 | $3,295 |
| 9/30/2041 | $1,134 | $1,767 | $247 | $0 | $147 | $3,296 |
| 9/30/2042 | $1,205 | $1,699 | $252 | $0 | $142 | $3,298 |
| 9/30/2043 | $1,275 | $1,627 | $257 | $0 | $136 | $3,295 |
| 9/30/2044 | $1,355 | $1,551 | $263 | $0 | $129 | $3,297 |
| 9/30/2045 | $1,439 | $1,469 | $268 | $0 | $122 | $3,298 |
| 9/30/2046 | $1,523 | $1,383 | $273 | $0 | $115 | $3,295 |
| 9/30/2047 | $1,617 | $1,292 | $279 | $0 | $108 | $3,295 |
| 9/30/2048 | $1,720 | $1,195 | $284 | $0 | $100 | $3,298 |
| 9/30/2049 | $1,823 | $1,091 | $290 | $0 | $91 | $3,295 |
| 9/30/2050 | $1,936 | $982 | $296 | $0 | $82 | $3,295 |
| 9/30/2051 | $2,058 | $866 | $302 | $0 | $72 | $3,297 |
| 9/30/2052 | $2,184 | $742 | $308 | $0 | $62 | $3,296 |
| 9/30/2053 | $2,320 | $611 | $314 | $0 | $51 | $3,296 |
| 9/30/2054 | $2,465 | $472 | $320 | $0 | $39 | $3,297 |
| 9/30/2055 | $2,620 | $324 | $326 | $0 | $27 | $3,298 |
| 9/30/2056 | $2,784 | $167 | $333 | $0 | $14 | $3,298 |
| **Total** | **$40,598** | **$46,750** | **$7,606** | **$0** | **$3,947** | **$98,900** |

1 – The dates represent the fiscal year end for the Improvement Area #1A-1B Bonds. Annual Installments can be prorated in the same manner as property taxes.

2 - Represents the principal and interest on the Improvement Area #1A portion of the Improvement Area #1A-1B Bonds. Interest is 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 G-3

### Proposed Improvement Area #1A Assessment Roll by Lot Type

| | |
|---|---|
| **Lot Type** | **Lot Type 3 (60 Ft Lot)** |
| **Assessment** | **$34,239.09** |
| **Equivalent Units** | **0.70** |

| Year[1] | Bond Principal[2] | Bond Interest[2] | Administrative Expenses[3] | Capitalized Interest | Additional Interest | Total Annual Installment[3] |
|---|---|---|---|---|---|---|
| 9/30/2027 | $909 | $1,541 | $158 | $0 | $171 | $2,779 |
| 9/30/2028 | $455 | $2,000 | $161 | $0 | $167 | $2,782 |
| 9/30/2029 | $478 | $1,973 | $164 | $0 | $164 | $2,780 |
| 9/30/2030 | $506 | $1,944 | $168 | $0 | $162 | $2,780 |
| 9/30/2031 | $538 | $1,913 | $171 | $0 | $159 | $2,782 |
| 9/30/2032 | $569 | $1,881 | $175 | $0 | $157 | $2,782 |
| 9/30/2033 | $601 | $1,847 | $178 | $0 | $154 | $2,780 |
| 9/30/2034 | $636 | $1,811 | $182 | $0 | $151 | $2,780 |
| 9/30/2035 | $676 | $1,773 | $185 | $0 | $148 | $2,782 |
| 9/30/2036 | $715 | $1,732 | $189 | $0 | $144 | $2,781 |
| 9/30/2037 | $759 | $1,689 | $193 | $0 | $141 | $2,782 |
| 9/30/2038 | $802 | $1,644 | $197 | $0 | $137 | $2,780 |
| 9/30/2039 | $850 | $1,596 | $201 | $0 | $133 | $2,779 |
| 9/30/2040 | $901 | $1,545 | $205 | $0 | $129 | $2,779 |
| 9/30/2041 | $957 | $1,491 | $209 | $0 | $124 | $2,780 |
| 9/30/2042 | $1,016 | $1,433 | $213 | $0 | $119 | $2,781 |
| 9/30/2043 | $1,075 | $1,372 | $217 | $0 | $114 | $2,779 |
| 9/30/2044 | $1,142 | $1,308 | $221 | $0 | $109 | $2,780 |
| 9/30/2045 | $1,214 | $1,239 | $226 | $0 | $103 | $2,782 |
| 9/30/2046 | $1,285 | $1,166 | $230 | $0 | $97 | $2,779 |
| 9/30/2047 | $1,364 | $1,089 | $235 | $0 | $91 | $2,779 |
| 9/30/2048 | $1,451 | $1,007 | $240 | $0 | $84 | $2,782 |
| 9/30/2049 | $1,538 | $920 | $244 | $0 | $77 | $2,779 |
| 9/30/2050 | $1,633 | $828 | $249 | $0 | $69 | $2,779 |
| 9/30/2051 | $1,735 | $730 | $254 | $0 | $61 | $2,781 |
| 9/30/2052 | $1,842 | $626 | $259 | $0 | $52 | $2,780 |
| 9/30/2053 | $1,957 | $516 | $265 | $0 | $43 | $2,780 |
| 9/30/2054 | $2,079 | $398 | $270 | $0 | $33 | $2,780 |
| 9/30/2055 | $2,210 | $273 | $275 | $0 | $23 | $2,781 |
| 9/30/2056 | $2,348 | $141 | $281 | $0 | $12 | $2,781 |
| **Total** | **$34,239** | **$39,428** | **$6,414** | **$0** | **$3,328** | **$83,409** |

1 – The dates represent the fiscal year end for the Improvement Area #1A-1B Bonds. Annual Installments can be prorated in the same manner as property taxes.

2 - Represents the principal and interest on the Improvement Area #1A portion of the Improvement Area #1A-1B Bonds. Interest is 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 G-4

### Proposed Improvement Area #1A Assessment Roll by Lot Type

| | |
|---|---|
| **Lot Type** | **Lot Type 4 (50 Ft Lot)** |
| **Assessment** | **$29,347.79** |
| **Equivalent Units** | **0.60** |

| Year[1] | Bond Principal[2] | Bond Interest[2] | Administrative Expenses[3] | Capitalized Interest | Additional Interest | Total Annual Installment[3] |
|---|---|---|---|---|---|---|
| 9/30/2027 | $779 | $1,321 | $136 | $0 | $147 | $2,382 |
| 9/30/2028 | $390 | $1,714 | $138 | $0 | $143 | $2,385 |
| 9/30/2029 | $410 | $1,691 | $141 | $0 | $141 | $2,383 |
| 9/30/2030 | $434 | $1,666 | $144 | $0 | $139 | $2,382 |
| 9/30/2031 | $461 | $1,640 | $147 | $0 | $137 | $2,384 |
| 9/30/2032 | $488 | $1,612 | $150 | $0 | $134 | $2,384 |
| 9/30/2033 | $515 | $1,583 | $153 | $0 | $132 | $2,383 |
| 9/30/2034 | $545 | $1,552 | $156 | $0 | $129 | $2,383 |
| 9/30/2035 | $579 | $1,520 | $159 | $0 | $127 | $2,384 |
| 9/30/2036 | $613 | $1,485 | $162 | $0 | $124 | $2,384 |
| 9/30/2037 | $651 | $1,448 | $165 | $0 | $121 | $2,384 |
| 9/30/2038 | $688 | $1,409 | $169 | $0 | $117 | $2,383 |
| 9/30/2039 | $728 | $1,368 | $172 | $0 | $114 | $2,382 |
| 9/30/2040 | $772 | $1,324 | $175 | $0 | $110 | $2,382 |
| 9/30/2041 | $820 | $1,278 | $179 | $0 | $106 | $2,383 |
| 9/30/2042 | $871 | $1,228 | $182 | $0 | $102 | $2,384 |
| 9/30/2043 | $922 | $1,176 | $186 | $0 | $98 | $2,382 |
| 9/30/2044 | $979 | $1,121 | $190 | $0 | $93 | $2,383 |
| 9/30/2045 | $1,040 | $1,062 | $194 | $0 | $89 | $2,384 |
| 9/30/2046 | $1,101 | $1,000 | $197 | $0 | $83 | $2,382 |
| 9/30/2047 | $1,169 | $934 | $201 | $0 | $78 | $2,382 |
| 9/30/2048 | $1,243 | $864 | $205 | $0 | $72 | $2,384 |
| 9/30/2049 | $1,318 | $789 | $210 | $0 | $66 | $2,382 |
| 9/30/2050 | $1,399 | $710 | $214 | $0 | $59 | $2,382 |
| 9/30/2051 | $1,487 | $626 | $218 | $0 | $52 | $2,383 |
| 9/30/2052 | $1,579 | $537 | $222 | $0 | $45 | $2,383 |
| 9/30/2053 | $1,677 | $442 | $227 | $0 | $37 | $2,383 |
| 9/30/2054 | $1,782 | $341 | $231 | $0 | $28 | $2,383 |
| 9/30/2055 | $1,894 | $234 | $236 | $0 | $20 | $2,384 |
| 9/30/2056 | $2,013 | $121 | $241 | $0 | $10 | $2,384 |
| **Total** | **$29,348** | **$33,795** | **$5,498** | **$0** | **$2,853** | **$71,494** |

1 – The dates represent the fiscal year end for the Improvement Area #1A-1B Bonds. Annual Installments can be prorated in the same manner as property taxes.

2 - Represents the principal and interest on the Improvement Area #1A portion of the Improvement Area #1A-1B Bonds. Interest is 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
# PROPOSED IMPROVEMENT AREA #1B ASSESSMENT ROLL

**Appendix H-1**

**Proposed Improvement Area #1B Assessment Roll**

| | |
|---|---|
| **Parcel** | **All Parcels** |
| **Assessment** | **$2,458,000** |
| **Equivalent Units** | **53.00** |

| Year[1] | Bond Principal[2] | Bond Interest[2] | Administrative Expenses[3] | Capitalized Interest | Additional Interest | Total Annual Installment[3] |
|---|---|---|---|---|---|---|
| 9/30/2027 | $67,000 | $110,610 | $20,000 | $0 | $12,290 | $209,900 |
| 9/30/2028 | $35,000 | $143,460 | $20,400 | $0 | $11,955 | $210,815 |
| 9/30/2029 | $36,000 | $141,360 | $20,808 | $0 | $11,780 | $209,948 |
| 9/30/2030 | $38,000 | $139,200 | $21,224 | $0 | $11,600 | $210,024 |
| 9/30/2031 | $40,000 | $136,920 | $21,649 | $0 | $11,410 | $209,979 |
| 9/30/2032 | $42,000 | $134,520 | $22,082 | $0 | $11,210 | $209,812 |
| 9/30/2033 | $45,000 | $132,000 | $22,523 | $0 | $11,000 | $210,523 |
| 9/30/2034 | $47,000 | $129,300 | $22,974 | $0 | $10,775 | $210,049 |
| 9/30/2035 | $50,000 | $126,480 | $23,433 | $0 | $10,540 | $210,453 |
| 9/30/2036 | $53,000 | $123,480 | $23,902 | $0 | $10,290 | $210,672 |
| 9/30/2037 | $56,000 | $120,300 | $24,380 | $0 | $10,025 | $210,705 |
| 9/30/2038 | $59,000 | $116,940 | $24,867 | $0 | $9,745 | $210,552 |
| 9/30/2039 | $62,000 | $113,400 | $25,365 | $0 | $9,450 | $210,215 |
| 9/30/2040 | $66,000 | $109,680 | $25,872 | $0 | $9,140 | $210,692 |
| 9/30/2041 | $69,000 | $105,720 | $26,390 | $0 | $8,810 | $209,920 |
| 9/30/2042 | $73,000 | $101,580 | $26,917 | $0 | $8,465 | $209,962 |
| 9/30/2043 | $78,000 | $97,200 | $27,456 | $0 | $8,100 | $210,756 |
| 9/30/2044 | $82,000 | $92,520 | $28,005 | $0 | $7,710 | $210,235 |
| 9/30/2045 | $87,000 | $87,600 | $28,565 | $0 | $7,300 | $210,465 |
| 9/30/2046 | $92,000 | $82,380 | $29,136 | $0 | $6,865 | $210,381 |
| 9/30/2047 | $97,000 | $76,860 | $29,719 | $0 | $6,405 | $209,984 |
| 9/30/2048 | $103,000 | $71,040 | $30,313 | $0 | $5,920 | $210,273 |
| 9/30/2049 | $109,000 | $64,860 | $30,920 | $0 | $5,405 | $210,185 |
| 9/30/2050 | $116,000 | $58,320 | $31,538 | $0 | $4,860 | $210,718 |
| 9/30/2051 | $123,000 | $51,360 | $32,169 | $0 | $4,280 | $210,809 |
| 9/30/2052 | $130,000 | $43,980 | $32,812 | $0 | $3,665 | $210,457 |
| 9/30/2053 | $138,000 | $36,180 | $33,468 | $0 | $3,015 | $210,663 |
| 9/30/2054 | $146,000 | $27,900 | $34,138 | $0 | $2,325 | $210,363 |
| 9/30/2055 | $155,000 | $19,140 | $34,820 | $0 | $1,595 | $210,555 |
| 9/30/2056 | $164,000 | $9,840 | $35,517 | $0 | $820 | $210,177 |
| **Total** | **$2,458,000** | **$2,804,130** | **$811,362** | **$0** | **$236,750** | **$6,310,242** |

1 – The dates represent the fiscal year end for the Improvement Area #1A-1B Bonds. Annual Installments can be prorated in the same manner as property taxes.

2 - Represents the principal and interest on the Improvement Area #1B portion of the Improvement Area #1A-1B Bonds. Interest is 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 #1B Assessment Roll by Lot Type**

| | |
|---|---|
| **Lot Type** | **Lot Type 1 (Acre Lot)** |
| **Assessment** | **$46,377.36** |
| **Equivalent Units** | **1.00** |

| Year[1] | Bond Principal[2] | Bond Interest[2] | Administrative Expenses[3] | Capitalized Interest | Additional Interest | Total Annual Installment[3] |
|---|---|---|---|---|---|---|
| 2027 | $1,264 | $2,087 | $377 | $0 | $232 | $3,960 |
| 2028 | $660 | $2,707 | $385 | $0 | $226 | $3,978 |
| 2029 | $679 | $2,667 | $393 | $0 | $222 | $3,961 |
| 2030 | $717 | $2,626 | $400 | $0 | $219 | $3,963 |
| 2031 | $755 | $2,583 | $408 | $0 | $215 | $3,962 |
| 2032 | $792 | $2,538 | $417 | $0 | $212 | $3,959 |
| 2033 | $849 | $2,491 | $425 | $0 | $208 | $3,972 |
| 2034 | $887 | $2,440 | $433 | $0 | $203 | $3,963 |
| 2035 | $943 | $2,386 | $442 | $0 | $199 | $3,971 |
| 2036 | $1,000 | $2,330 | $451 | $0 | $194 | $3,975 |
| 2037 | $1,057 | $2,270 | $460 | $0 | $189 | $3,976 |
| 2038 | $1,113 | $2,206 | $469 | $0 | $184 | $3,973 |
| 2039 | $1,170 | $2,140 | $479 | $0 | $178 | $3,966 |
| 2040 | $1,245 | $2,069 | $488 | $0 | $172 | $3,975 |
| 2041 | $1,302 | $1,995 | $498 | $0 | $166 | $3,961 |
| 2042 | $1,377 | $1,917 | $508 | $0 | $160 | $3,962 |
| 2043 | $1,472 | $1,834 | $518 | $0 | $153 | $3,977 |
| 2044 | $1,547 | $1,746 | $528 | $0 | $145 | $3,967 |
| 2045 | $1,642 | $1,653 | $539 | $0 | $138 | $3,971 |
| 2046 | $1,736 | $1,554 | $550 | $0 | $130 | $3,969 |
| 2047 | $1,830 | $1,450 | $561 | $0 | $121 | $3,962 |
| 2048 | $1,943 | $1,340 | $572 | $0 | $112 | $3,967 |
| 2049 | $2,057 | $1,224 | $583 | $0 | $102 | $3,966 |
| 2050 | $2,189 | $1,100 | $595 | $0 | $92 | $3,976 |
| 2051 | $2,321 | $969 | $607 | $0 | $81 | $3,978 |
| 2052 | $2,453 | $830 | $619 | $0 | $69 | $3,971 |
| 2053 | $2,604 | $683 | $631 | $0 | $57 | $3,975 |
| 2054 | $2,755 | $526 | $644 | $0 | $44 | $3,969 |
| 2055 | $2,925 | $361 | $657 | $0 | $30 | $3,973 |
| 2056 | $3,094 | $186 | $670 | $0 | $15 | $3,966 |
| **Total** | **$46,377** | **$52,908** | **$15,309** | **$0** | **$4,467** | **$119,061** |

1 – The dates represent the fiscal year end for the Improvement Area #1A-1B Bonds. Annual Installments can be prorated in the same manner as property taxes.

2 - Represents the principal and interest on the Improvement Area #1B portion of the Improvement Area #1A-1B Bonds. Interest is 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.

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**APPENDIX D**

**FORM OF OPINION OF BOND COUNSEL**

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## *PROPOSED FORM OF OPINION OF BOND COUNSEL*

*AN OPINION IN SUBSTANTIALLY THE FOLLOWING FORM WILL BE DELIVERED BY MCCALL, PARKHURST & HORTON L.L.P., BOND COUNSEL, UPON THE DELIVERY OF THE BONDS, ASSUMING NO MATERIAL CHANGES IN FACTS OR LAW.*

[ISSUE DATE]

**CITY OF WAXAHACHIE, TEXAS**
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026**
**(HAVEN RANCH PUBLIC IMPROVEMENT DISTRICT**
**IMPROVEMENT AREA #1A-1B PROJECT)**

**IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____**

---

**AS BOND COUNSEL** for the City of Waxahachie, Texas (the "Issuer"), we have examined into the legality and validity of the issue of the bonds described above (the "Bonds"), which bear interest from the date specified in the text of the Bonds, until maturity or prior redemption, at the rates and payable on the dates as stated in the text of the Bonds, and maturing and subject to redemption on the dates specified in the text of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") and the Trust Indenture (as defined below).

**WE HAVE EXAMINED** the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the Issuer and other pertinent instruments furnished by the Issuer relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Issuer upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

**BASED ON SAID EXAMINATION, IT IS OUR OPINION** that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to governmental immunity, bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the Issuer which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Indenture of Trust for the Bonds between the Issuer and UMB Bank, N.A., dated as of December 1, 2026 (the "Trust Indenture"), (ii) the covenants and agreements in the Trust Indenture constitute valid and binding obligations of the Issuer, (iii) the Bonds constitute valid and legally binding special obligations of the Issuer secured as Bonds, on a parity with other outstanding bonds, under

the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.

**THE ISSUER** has also reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

**THE REGISTERED OWNERS** of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

**IT IS FURTHER OUR OPINION**, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance by the Issuer with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed and refinanced therewith. In expressing the aforementioned opinions, we have relied on certain representations and covenants regarding the use and investment of the proceeds of the Bonds. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

**EXCEPT AS STATED ABOVE**, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

**WE CALL YOUR ATTENTION TO THE FACT** that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

**OUR OPINIONS ARE BASED ON EXISTING LAW**, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a

guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

**WE EXPRESS NO OPINION** as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

**OUR SOLE ENGAGEMENT** in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the Issuer's Limited Offering Memorandum prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,

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**APPENDIX E-1**

**FORM OF CITY DISCLOSURE AGREEMENT**

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**CITY OF WAXAHACHIE, TEXAS,**
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026**
**(HAVEN RANCH PUBLIC IMPROVEMENT DISTRICT**
**IMPROVEMENT AREA #1A-1B 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 Waxahachie, 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 (Haven Ranch Public Improvement District Improvement Area #1A-1B 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:

"Administrative Expenses" shall have the meaning assigned to such term in the Indenture.

"Administrator" shall have the meaning assigned to such term in the Indenture. The initial Administrator is MuniCap, Inc.

"Annual Collections Report" shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Annual Collections Report Filing Date" shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

"Annual Financial Statements" shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

"Annual Financials Filing Date" shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is twelve (12) months after the end of the Issuer's Fiscal Year. The Annual Financials Filing Date is currently September 30.

"Annual Information Filing Date" shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer's Fiscal Year. The Annual Information Filing Date is currently March 31.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Annual Service Plan Update" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to term in the Indenture.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Collections Reporting Date" shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

"Delinquency Date" shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

"Developer" shall mean GRBK Edgewood, LLC, a Texas limited liability company.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of December 1, 2026, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

"Disclosure Representative" shall mean the Finance Director of the Issuer or his or her designee or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean 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 Haven Ranch Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access system currently available on the internet at http://emma.msrb.org.

"Filing Date" means, collectively, an Annual Financials Filing Date, an Annual Information Filing Date and an Annual Collections Report Filing Date, or, individually, as the context requires, an Annual Financials Filing Date, an Annual Information Filing Date or an Annual Collections Report Filing Date.

"Final Assessment Payment Date" shall mean the calendar day preceding the Delinquency Date.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the Issuer's fiscal year, currently the twelve-month period from October 1 through September 30.

"Improvement Area #1A" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #1B" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #1A-1B" shall mean collectively, Improvement Area #1A and Improvement Area #1B.

"Listed Events" shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

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

"Refunding Bonds" shall have the meaning assigned to such term in the Indenture.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Tax Year" means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

"Trust Estate" shall have the meaning assigned to such term in the Indenture.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 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 caused to be provided the Annual Financial Information to the MSRB not later than the Annual Information Filing Date; and

(ii) The Issuer shall provide or caused to be provided audited Annual Financial Statements to the MSRB not later than the Annual Financials Filing Date, or if audited Annual Financial Statements are not available by the Annual Financials Filing Date, unaudited Annual Financial Statements, provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement.

In each case, the Annual Financial Information and Annual Financial Statements may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Information Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten (10) days prior to the applicable Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as applicable, to the Dissemination Agent together with written direction to file such Annual Financial Information or Annual Financial Statements with the MSRB. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten (10) days from receipt of such Annual Financial Information or Annual Financial Statements from the Issuer, but in no event later than the applicable Filing Date for such Fiscal Year.

If by the fifth (5th) day before the applicable Filing Date, the Dissemination Agent has not received a copy of the Annual Financial Information or Annual Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Financial Information or Annual Financial Statements pursuant to subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Financial Information or Annual Financial Statements, as applicable, no later than two (2) Business Days prior to the applicable Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Financial Information by the Annual Information Filing Date or the Annual Financial Statements by the Annual Financials Filing Date, as applicable, state the date by which the Annual Financial Information or Annual Financial Statements for such year will be provided and instruct the Dissemination Agent in writing to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Financial Information, Annual Financial Statements or the notice of failure to file, as applicable, to the MSRB, no later than the applicable Filing Date; provided further, however, that in the event the Disclosure

Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the applicable Filing Date.

(c) The Dissemination Agent, pursuant to written direction, shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information and the Annual Financial Statements on the dates required in subsection (a);

(ii) on behalf of the Issuer, file the Annual Financial Information and the Annual Financial Statements containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and the Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer stating that the Annual Financial Information or Annual Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content of Annual Financial Information and Annual Financial Statements.

(a) *Annual Financial Information*. The Annual Financial Information for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Information Filing Date, the following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date(s), the interest rate(s), the original aggregate principal amount(s), the principal amount(s) remaining Outstanding, and the total interest amount due on the aggregate principal amount Outstanding;

(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments; and

(C) The assets and liabilities of the Trust Estate;

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Section 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the Fiscal Year to which the information being reported relates;

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update; and

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) *Annual Financial Statements*. The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited Annual Financial Statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If the audited Annual Financial Statements of the Issuer are not available by the Annual Financials Filing Date, the Issuer shall provide unaudited Annual Financial Statements of the Issuer no later than the Annual Financials Filing Date and audited Annual Financial Statements when and if available.

(c) See Exhibit B hereto for a form for submitting the information set forth in subsection 4(a) above. The Issuer has designated MuniCap, Inc. as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference. The Dissemination Agent has no duty or obligation to determine whether or not the information contained in any completed forms containing financial information and operating data as shown in Exhibit B provided to it has been accurately completed and shall only be required to file the forms as completed and provided to it by either the Administrator or the Issuer.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Financial Information, if such Annual Collections Report is available when the Annual Financial Information is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from the date of receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date, the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection 5(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will

not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB, no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, and stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the applicable Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning on the first (1st) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the Issuer shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or

determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the Bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within Improvement Area #1A-1B 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 in writing to immediately file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written direction of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the Listed Event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Statements for the Fiscal Year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Dissemination Agent (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction against all costs, fees, expenses and liabilities for such actions) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure 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 property owners in Improvement Area #1A-1B, 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 reasonable costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Financial Information or the Annual Financial Statements in accordance with Sections 3(a) and 3(b), respectively, or the Annual Collections Report in accordance with Section 5(a), the Dissemination Agent shall not be responsible for the failure to submit the Annual Financial Information, the Annual Financial Statements, or the Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

The Issuer, the Administrator and the Dissemination Agent agree that the legal expenses of the Dissemination Agent, which it is expressly entitled to be paid under this paragraph 12(a), are expenses which may be paid from the Administrative Expenses.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Administrative Expenses collected from the property owners in Improvement Area #1A-1B, against any losses, expenses or liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted

to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

The Issuer, the Administrator and the Dissemination Agent agree that the legal expenses of the Administrator, which it is expressly entitled to be paid under this paragraph 12(b), are expenses which may be paid from the Administrative Expenses.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision,

covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Administrative Expenses component of the Annual Installments collected from the property owners in Improvement Area #1A-1B, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #1A-1B, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications**.** The Dissemination Agent and the Administrator each respectively make the following representation and verifications pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or Administrator, as applicable, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

a. Not a Sanctioned Company. The Dissemination Agent and Administrator each respectively represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent, Administrator and each of their respective parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

b. No Boycott of Israel. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

c. No Discrimination Against Firearm Entities. The Dissemination Agent and the Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

d. No Boycott of Energy Companies. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties.

Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement.

Submitted herewith is a completed Form 1295 in connection with the Administrator's participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Issuer hereby confirms receipt of the Form 1295 from the Administrator and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Notice. Any written notice required to be given or made hereunder among or between any of the Issuer, the Trustee, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such

notice. Failure of any party to this Disclosure Agreement to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such under this Disclosure Agreement.

| | |
|---|---|
| If to the Trustee: | UMB Bank, N.A.<br>Attn: Corporate Trust Administration<br>5910 N. Central Expressway, Suite 1900<br>Dallas, Texas 75206 |
| If to the Dissemination Agent: | HTS Continuing Disclosure Services<br>Attn: Tanya Calvit<br>717 North Harwood Street, Suite 3400<br>Dallas, Texas 75201<br>E-mail: Tanya.calvit@hilltopsecurities.com |
| If to Administrator: | MuniCap, Inc.<br>600 E. John Carpenter Freeway, Suite 150<br>Irving, Texas 75062<br>E-mail: TXPID@municap.com |
| With a copy to: | Attn: Keenan Rice<br>PO Box #119<br>Simpsonville, Maryland 21150<br>E-mail: Keenan.rice@municap.com |
| If to the Issuer: | City of Waxahachie<br>Attn: Finance Director<br>408 S. Rogers St.<br>Waxahachie, Texas 75165<br>E-mail: ctustison@waxahachietx.gov |
| If to Participating Underwriter: | FMSbonds, Inc.<br>5 Cowboys Way, Suite 300-25<br>Frisco, Texas 75034<br>E-mail: Tdavenport@fmsbonds.com |

SECTION 22. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 23. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

*[Signatures to follow]*

CITY OF WAXAHACHIE, TEXAS

By: _____
Mayor

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 COLLECTIONS REPORT]**
**[AUDITED/UNAUDITED FINANCIAL STATEMENTS]**

| | |
|---|---|
| Name of Issuer: | City of Waxahachie, Texas |
| Name of Bond Issue: | Special Assessment Revenue Bonds, Series 2026 (Haven Ranch Public Improvement District Improvement Area #1A-1B Project) (the "Bonds") |
| CUSIP Nos. | [insert CUSIP NOs.] |
| Date of Delivery: | _____, 20__ |

NOTICE IS HEREBY GIVEN that the City of Waxahachie, Texas (the "Issuer"), has not provided [an Annual Financial Information][an Annual Collections Report][audited/unaudited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of 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][the Annual Collections Report][audited/unaudited financial statements] will be filed by _____.

Dated:_____

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
on behalf of the City of Waxahachie, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Waxahachie, Texas

**EXHIBIT B**

**CITY OF WAXAHACHIE, TEXAS,**
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026**
**(HAVEN RANCH PUBLIC IMPROVEMENT DISTRICT**
**IMPROVEMENT AREA #1A-1B 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: 717 North Harwood Street, Suite 3400
City: Dallas, Texas 75201
Telephone: (___) ___-____
Contact Person: Attn: _____

**Section 4(a)(i)(A)**

**BONDS OUTSTANDING**

| Maturity Date | Interest Rate | Original Principal Amount | Outstanding Principal Amount | Outstanding Interest Amount |
|---|---|---|---|---|
| | | | | – |
| | | | | – |
| | | **Total** | | |

**Section 4(a)(i)(B)**

**INVESTMENTS**

| Fund/ Account Name | Investment Description | Par Value(1) | Book Value(1) | Market Value(1) |
|---|---|---|---|---|
| | | | | |
| | | | | |

(1) As such information is provided by the Trustee.

*Excluding audited financial statements of the Issuer

**Section 4(a)(i)(C)**

## ASSETS AND LIABILITIES OF TRUST ESTATE

| Cash Position of Trust Estate for statements dated September 30, 20[__] | | |
|---|---|---|
| [List of Funds/Accounts Held Under Indenture] | Amount In the Fund | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total | | A |
| | | |
| Bond Principal Amount Outstanding | | B |
| Outstanding Assessment Amount to be collected | | C |
| | | |
| **Net Position of Trust Estate and Outstanding Bonds and Assessments** | | A-B+C |

September 30, 20[__] Trust Statements: ☐ Audited ☐ Unaudited

Accounting Type: ☐ Cash ☐ Accrual ☐ Modified Accrual

**Section 4(a)(ii)**

**FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR**

**Debt Service Requirements on the Bonds**

| Year Ending (September 30) | Principal | Interest | Total |
|---|---|---|---|

**Top [Five] Assessment Payers in Improvement Area #1A-1B [(1)]**

| Property Owner | No. of Parcels/Lots | Percentage of Parcels/Lots | Outstanding Assessments | Percentage of Total Assessments |
|---|---|---|---|---|

[(1)] Does not include those owing less than one percent (1%) of total Assessments.

**Assessed Value of Improvement Area #1A-1B of the District**

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #1A-1B of the District is approximately $[AMOUNT] according to the Ellis County Central Appraisal District.

## Foreclosure History Related to the Assessments for the Past Five Fiscal Years

| Fiscal Year Ended (9/30) | Delinquent Assessment Amount not in Foreclosure Proceedings | Parcels in Foreclosure Proceedings | Delinquent Assessment Amount in Foreclosure Proceedings | Foreclosure Sales | Foreclosure Proceeds Received |
|---|---|---|---|---|---|
| | $ | | $ | | $ |
| 20__ | | | | | |
| 20__ | | | | | |
| 20__ | | | | | |
| 20__ | | | | | |

[insert any necessary footnotes]

## Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

| Fiscal Year Ended (9/30) | Total Annual Installment Billed | Parcels Levied[1] | Delinquent Amount as of 3/1 | Delinquent % as of 3/1 | Delinquent Amount as of 9/1 | Delinquent % as of 9/1 | Total Annual Installments Collected[2] |
|---|---|---|---|---|---|---|---|
| | $ | | $ | % | $ | % | $ |
| 20__ | | | | | | | |
| 20__ | | | | | | | |
| 20__ | | | | | | | |
| 20__ | | | | | | | |

[1] Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

[2] [Does/does not] include interest and penalties.

## Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

| Fiscal Year Ended (9/30) | Delinquent % as of 9/1 | Parcel Numbers |
|---|---|---|
| 20__ | % | |
| 20__ | | |

## History of Prepayment of Assessments for the Past Five Fiscal Years

| Fiscal Year Ended (9/30) | Number of Prepayments | Amount of Prepayments | Bond Call Date | Amount of Bonds Redeemed |
|---|---|---|---|---|
| | | $ | | $ |
| 20__ | | | | |
| 20__ | | | | |
| 20__ | | | | |
| 20__ | | | | |

[insert any necessary footnotes]

## ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)

[Insert a line item for each applicable listing]

**EXHIBIT C**

**CITY OF WAXAHACHIE, TEXAS,**
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026**
**(HAVEN RANCH PUBLIC IMPROVEMENT DISTRICT**
**IMPROVEMENT AREA #1A-1B 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: 717 North Harwood Street, Suite 3400
City: Dallas, Texas 75201
Telephone: (___) ___-____
Contact Person: Attn: _____

**SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE AGREEMENT**

**Foreclosure History Related To The Annual Installments**[(1)]

| Succeeding Fiscal Year | Delinquent Annual Installment Amount not in Foreclosure Proceedings | Parcels in Foreclosure Proceedings | Delinquent Annual Installment Amount in Foreclosure Proceedings | Foreclosure Sales | Foreclosure Proceeds Received |
|---|---|---|---|---|---|
| 20__ | $ | | $ | | $ |

(i) Period covered includes October 1, 20__ through March 1, 20__.

**Collection and Delinquency of Annual Installments** [1]

| Succeeding Fiscal Year 20__ | Total Annual Installments Levied $ | Parcels Levied[2] | Delinquent Amount as of 3/1 $ | Delinquent % as of 3/1 % | Total Annual Installments Collected[3] $ |
|---|---|---|---|---|---|

[1] Period covered includes October 1, 20__ through March 1, 20__.

[2] Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

[3] [Does/does not] include interest and penalties.

**Prepayment of Assessments**[1]

| Succeeding Fiscal Year | Number of Prepayments | Amount of Prepayments $ | Bond Call Date | Amount of Bonds Redeemed $ |
|---|---|---|---|---|

[1] Period covered includes October 1, 20__ through March 1, 20__.

## EXHIBIT D

## BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES[1]

| Date | Delinquency Clock (Days) | Activity |
|---|---|---|
| January 31 | | Assessments are due. |
| February 1 | 1 | Assessments delinquent if not received. |
| February 15 | 15 | Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.<br><br>Issuer and/or Administrator should be aware of actual and specific delinquencies.<br><br>Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year.<br><br>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.<br><br>Trustee pays bond interest payments to Owners. |
| April 1 | 59/60 | At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency.<br><br>Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of a draw on the Reserve Fund and, following receipt of such notice, |

[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.

| | | |
|---|---|---|
| | | Dissemination Agent to notify MSRB of such draw on the Reserve Fund. |
| **July 1** | **152/153** | **Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the County Tax Assessor/Collector procedures.** [2]<br><br>**Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.**<br><br>**Issuer notifies Trustee and Dissemination Agent in writing of the commencement of preliminary foreclosure activity.**<br><br>If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.<br><br>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).<br><br>**Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures**.<br><br>**Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners**.<br><br>If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.<br><br>Trustee pays bond interest and principal payments to Owners. |

[2] If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

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.

**APPENDIX E-2**

**FORM OF DEVELOPER DISCLOSURE AGREEMENT**

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**CITY OF WAXAHACHIE, TEXAS,**
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026**
**(HAVEN RANCH PUBLIC IMPROVEMENT DISTRICT**
**IMPROVEMENT AREA #1A-1B 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 GRBK Edgewood, LLC, a Texas limited liability company (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:

"Administrative Expenses" shall have the meaning assigned to such term in the Indenture.

"Administrator" shall have the meaning assigned to such term in the Indenture. The Issuer has selected MuniCap, Inc., as the initial Administrator.

"Affiliate" shall mean an entity that owns property within Improvement Area #1A-1B of the District and is controlled by, controls, or is under common control with the Developer, including any Homebuilder.

"Amenities" shall mean the Primary Amenity Center, the Community Amenities, the Community Trails, Haven Park and the Haven Park Improvements, as each such term is defined in the Limited Offering Memorandum.

"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 GRBK Edgewood, LLC, a Texas limited liability company, its successors and assigns, including any Affiliate of the Developer and each other Person, through assignment, who assumes the obligations, requirements, or covenants to construct the Improvement Area #1A-1B Projects and/or the Amenities, and their successors and assigns.

"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 Haven Ranch 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 an Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

"Improvement Area #1A" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #1A Projects" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #1B" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #1B Projects" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #1A-1B" shall mean collectively, Improvement Area #1A and Improvement Area #1B.

"Improvement Area #1A-1B Projects" shall mean collectively, Improvement Area #1A Projects and Improvement Area #1B Projects.

"Issuer" shall mean the City of Waxahachie, Texas.

"Limited Offering Memorandum" shall mean the Limited Offering Memorandum relating to the Bonds.

"Listed Events" shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

"Lot Purchase Agreement" shall mean, with respect to lots or land within Improvement Area #1A-1B 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 Area #1A-1B.

"Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party's obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until a Significant Homebuilder Acknowledgement (as defined herein) with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any recommended changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any recommended changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly Information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and direct the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, with a copy to each Reporting Party, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event

that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereto.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1A-1B on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #1A-1B to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area #1A-1B, including the Improvement Area #1A-1B Projects or Amenities;

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of Improvement Area #1A-1B undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within Improvement Area #1A-1B owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of $1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of development of Improvement Area #1A-1B, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Developer;

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof; and

(x) Early termination of or material default by a Homebuilder under a Lot Purchase Agreement.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1A-1B on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #1A-1B 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 legal structure, 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 Area #1A-1B Projects or Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1A-1B Projects or Amenities in substantially the form attached as Exhibit E (the "Developer Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent 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 Area #1A-1B 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 Acknowledgement with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership of real property, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of a Reporting Party under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Reporting Party, including their respective affiliates and/or successors and assigns, no longer owns 29 or more single family residential lots within Improvement Area #1A-1B, 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 Area #1A-1B, 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. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each Reporting Party of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of a Reporting Party, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Issuer may be made without the Issuer's prior written consent.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent a Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, such Reporting Party shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements

comprising substantive contents of all disclosures provided on their behalf by a Reporting Party provided hereunder.

SECTION 12. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the 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 Area #1A-1B, 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 Area #1A-1B, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Reporting Parties, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof

of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

| | |
|---|---|
| If to Developer: | GRBK Edgewood, LLC<br>Attn: Brian Hunnicut<br>5501 Headquarters Drive, Suite 300W<br>Plano, Texas 75024<br>E-mail: bhunnicutt@greenbrickpartners.com |
| With a copy to: | Winstead PC<br>Attn: Sarah Landiak<br>2728 N. Harwood St., Ste. 500<br>Dallas, Texas 75201<br>E-mail: slandiak@winstead.com |
| If to the Trustee: | UMB Bank, N.A.<br>Attn: Corporate Trust Administration<br>5910 N. Central Expressway, Suite 1900<br>Dallas, Texas 75206 |
| If to the Dissemination Agent: | HTS Continuing Disclosure Services<br>Attn: Tanya Calvit<br>717 North Harwood Street, Suite 3400<br>Dallas, Texas 75201<br>E-mail: Tanya.calvit@hilltopsecurities.com |
| If to Administrator: | MuniCap, Inc.<br>600 E. John Carpenter Freeway, Suite 150<br>Irving, Texas 75062<br>E-mail: TXPID@municap.com |
| With a copy to: | Attn: Keenan Rice<br>PO Box #119<br>Simpsonville, Maryland 21150<br>E-mail: Keenan.rice@municap.com |
| If to the Issuer: | City of Waxahachie<br>Attn: Finance Director<br>408 S. Rogers St.<br>Waxahachie, Texas 75165<br>E-mail: ctustison@waxahachietx.gov |
| If to Participating Underwriter: | FMSbonds, Inc.<br>5 Cowboys Way, Suite 300-25<br>Frisco, Texas 75034<br>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 for Hilltop Securities Inc.
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

GRBK EDGEWOOD LLC,
a Texas limited liability company

By: _____
Its: _____

MUNICAP, INC.,
Administrator

By: _____
Name: _____
Title: _____

**EXHIBIT A**

**CITY OF WAXAHACHIE, TEXAS,**
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026**
**(HAVEN RANCH PUBLIC IMPROVEMENT DISTRICT**
**IMPROVEMENT AREA #1A-1B PROJECT)**

**DEVELOPER QUARTERLY REPORT**
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT
Name: [DISSEMINATION AGENT]
Address:
City:
Telephone:
Contact Person: Attn:

**I. Expenditures Paid from Accounts under Indenture**

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #1A-1B PROJECTS: $_____

2. Of the budgeted costs for Improvement Area #1A-1B Projects shown in the Service and Assessment Plan:

    a. Actual costs drawn from the Improvement Area #1A Bond Improvement Account: $_____
    b. Actual costs drawn from the Improvement Area #1B Bond Improvement Account: $_____

**II. Status of Improvement Area #1A-1B Projects**

Projected/actual completion date of the Improvement Area #1A-1B Projects

1. [Actual/Expected] date of completion of the Improvement Area #1A-1B Projects: [_____]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [_____]

**III. Unit Mix in Improvement Area #1A-1B**

| **Product Type** | **Number of Units** |
|---|---|
| Single Family __' | |
| Single Family __' | |

## IV. Lot Status in Improvement Area #1A-1B

Of the 287 lots in Improvement Area #1A-1B, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 287
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 #1A-1B (if incomplete): _____

## V. Ownership of Lots/Units in Improvement Area #1A-1B

PLANNED LOTS IN IMPROVEMENT AREA #1A-1B: 287

Of the 287 lots in Improvement Area #1A-1B:

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 #1A-1B

PLANNED HOMES IN IMPROVEMENT AREA #1A-1B: 287

Of the 287 homes planned for Improvement Area #1A-1B:

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]

[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.

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**? _____
   a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[2]
   b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[2]

## VII. Amenities

TOTAL [EXPECTED/ACTUAL] COSTS OF AMENITIES[3]: $[_____]

Of the $[_____] [expected/actual] costs of the Amenities:

1. Amount spent as of Quarterly Ending Date: $[_____]
2. [Actual/Expected] completion date of Amenities: [_____]

## VIII. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so,

[3] Amenities means _shall mean the Primary Amenity Center, the Community Amenities, the Community Trails, Haven Park and the Haven Park Improvements, as each such term is defined in the Limited Offering Memorandum.

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 Waxahachie, Texas |
| Name of Bond Issue: | Special Assessment Revenue Bonds, Series 2026 (Haven Ranch Public Improvement District Improvement Area #1A-1B Project) (the "Bonds") |
| CUSIP Numbers: | [insert CUSIP Numbers] |
| Date of Delivery: | _____, 20__ |

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[1]"] ["Significant Homebuilder"]) has not provided the [Quarterly Information][Quarterly Report] [the [Quarterly Information][Quarterly Report] was not filed in a timely manner due to [_____]] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer related to such Bonds, by and among GRBK Edgewood, LLC, a Texas limited liability company (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 Waxahachie, Texas

[1] If applicable, replace with applicable successor(s)/assign(s).

**EXHIBIT C**

**TERMINATION NOTICE**

[DATE]

| | |
|---|---|
| Name of Issuer: | City of Waxahachie, Texas |
| Name of Bond Issue: | Special Assessment Revenue Bonds, Series 2026 (Haven Ranch Public Improvement District Improvement Area #1A-1B 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 Waxahachie, Texas
408 S. Rogers St.
Waxahachie, Texas 75165

GRBK Edgewood LLC
5501 Headquarters Drive, Suite 300W
Plano, Texas 75024

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[1]"] ["Significant Homebuilder"]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Bonds, thereby terminating such party's reporting obligations under the Continuing Disclosure Agreement of Developer related to such Bonds, by and among GRBK Edgewood, LLC, a Texas limited liability company (the "Developer"), 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 Waxahachie, Texas |
| Name of Bond Issue: | Special Assessment Revenue Bonds, Series 2026 (Haven Ranch Public Improvement District Improvement Area #1A-1B Project) |
| CUSIP Numbers: | [insert CUSIP Numbers] |
| Quarterly Ending Date: | _____, 20__ |

Re: Quarterly Report for Haven Ranch Public Improvement District – Improvement Area #1A-1B

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among GRBK Edgewood, LLC, a Texas limited liability company[1] (the "Developer"), 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.

GRBK Edgewood LLC,
a Texas limited liability company

By: _____
Its: _____

[OR

SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)

By:_____
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: Haven Ranch Public Improvement District – Improvement Area #1A-1B – Continuing Disclosure Obligation**

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Improvement Area #1A-1B Projects (as those terms are defined in the Disclosure Agreement of Developer (as defined herein)) within Improvement Area #1A-1B of the Haven Ranch Public Improvement District (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the "Disclosure Agreement of Developer") by and among GRBK Edgewood, LLC, a Texas limited liability company (the "Developer"), MuniCap, Inc. (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the "Dissemination Agent"), with respect to the "City of Waxahachie, Texas, Special Assessment Revenue Bonds, Series 2026 (Haven Ranch Public Improvement District Improvement Area #1A-1B Project)," any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1A-1B Projects is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

GRBK Edgewood LLC,
a Texas limited liability company

By: _____
Its: _____

Acknowledged by:
**[INSERT ASSIGNEE NAME]**
By: _____
Title: _____

**EXHIBIT F**

**FORM OF SIGNIFICANT HOMEBUILDER ACKNOWLEDGEMENT**

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

**Re: Haven Ranch Public Improvement District – Improvement Area #1A-1B – Continuing Disclosure Obligation**

Dear _____,

As of _____, 20__, you own ____ lots within Improvement Area #1A-1B of Haven Ranch Public Improvement District (the "District"). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer related to the herein defined Bonds (the "Disclosure Agreement of Developer") by and among GRBK Edgewood, LLC, a Texas limited liability company (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 Waxahachie, Texas, Special Assessment Revenue Bonds, Series 2026 (Haven Ranch Public Improvement District Improvement Area #1A-1B Project)" (the "Bonds") any entity that owns 29 or more of the single family residential lots within Improvement Area #1A-1B of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d) and 4(b) of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

GRBK Edgewood LLC,
a Texas limited liability company

By: _____
Its: _____

Acknowledged by:
**[INSERT ASSIGNEE NAME]**
By: _____
Title" _____

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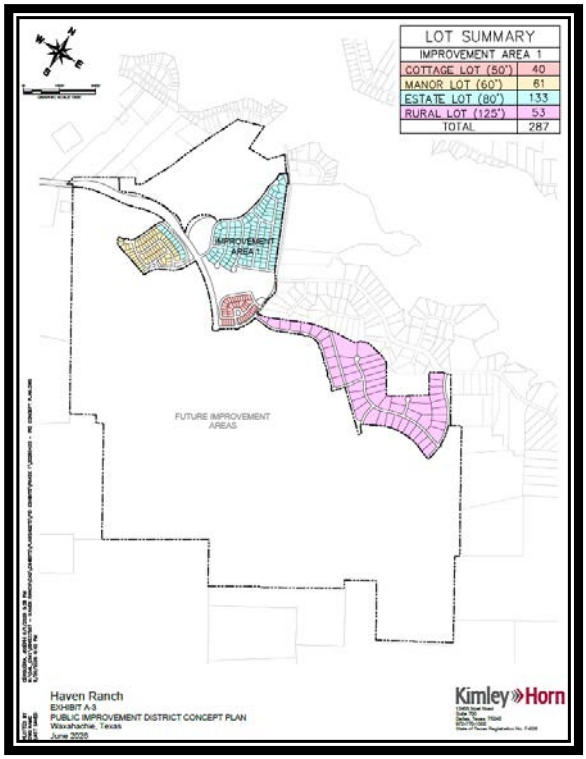
**APPENDIX F**

**APPRAISAL**

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# APPRAISAL REPORT

**PROJECT # A26-0729-05**




**HAVEN RANCH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1**
**212.52 ACRES CONTAINING 287 RESIDENTIAL LOTS**
**WAXAHACHIE ETJ (EXTRATERRITORIAL JURISDICTION), ELLIS COUNTY, TX 75165**

**FOR:**

**FMSBONDS, INC.**
**5 COWBOYS WAY, SUITE 300-25**
**75165, FRISCO, TEXAS 75034**

**RETROSPECTIVE EFFECTIVE DATE OF APPRAISAL:**
**SEPTEMBER 1, 2026 (DATE OF SUBSTANTIAL COMPLETION) FOR 287 RESIDENTIAL LOTS**

**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**

**October 23, 2026**

**Mr. R.R "Tripp" Davenport, III**
Director
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
tdavenport@fmsbonds.com

SUBJECT: Retrospective Market Value "Upon Completion" Appraisal
Haven Ranch Public Improvement District Improvement Area #1,
Waxahachie ETJ, Ellis County, Texas

Mr. Davenport,

At your request, we have inspected and appraised the above-referenced property. The purpose of the appraisal is to develop an opinion of retrospective market value of the Fee Simple interest of the 287 residential lots located in Haven Ranch Public Improvement District Improvement Area #1 (referred to as Haven Ranch PID IA #1). Haven Ranch PID IA #1 has a total of 212.52-acres consisting of the following:

Retrospective Market Value "Upon Completion" as of **September 1, 2026 for 287 detached residential improved lots on approximately 212.52 acres. The improved lots are at a minimum as follows:**

- **40 lots with 5,500 square feet,**
- **61 lots with 7,000 square feet,**
- **133 lots with 9,200 square feet, and**
- **53 lots with 43,560 square feet**

The client for the assignment is FMSbonds, Inc. The intended users are FMSbonds, Inc. and the City of Waxahachie. 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 Waxahachie or Ellis County, nor is it the basis of a determination of the benefit of any constructed or installed public improvements will have on properties within Haven Ranch PID IA #1.

At Substantial Completion, which was on September 1, 2026, the subject property consists of the infrastructure necessary to provide residential streets, drainage, and utilities to the individual lots within Haven Ranch PID IA #1. The Haven Ranch PID IA #1 comprises 212.52 acres. Development of the subject property is governed by a Development Agreement, dated November 13, 2023, between the City of Waxahachie and GRBK Edgewood, LLC, of which the Development Agreement allows single-family residential development at the subject property.

Per the developer (GRBK Edgewood, LLC), Haven Ranch PID IA #1 is comprised of a total of approximately 212.52 acres of land with a final estimated build-out of 40 detached single-family residential 5,500 square foot lots, 61 detached single-family residential 7,000 square foot lots, 133 detached single-family residential 9,200 square foot lots, and 53 detached single-family residential 43,560 square foot lots, totaling 287 improved residential lots located in Waxahachie ETJ, Ellis County, Texas. The overall PID will be developed in multiple phases, however, the subject property of this assignment - Haven Ranch PID IA #1 - will be developed in one phase.

*Haven Ranch Public Improvement District Improvement Area* #1

Within IA #1, The minimum lot depth for 5,500 square foot lots, 7,000 square foot lots, and 9,200 square foot lots will be 100' in depth. The minimum lot depth for 43,560 square foot lots will be 200' in depth. The four lot types may have different market values with identical characteristics. We have considered any difference in market value based on lot depth is negligible, and other attributes, such as overall situs of the PID, are more important to the market value consideration of a single lot.

The focus of our appraisal of the Haven Ranch PID IA #1 are as follows:

A. Typical Lot Regulations and Dimensions.

| | Area Regulations | | | | Minimum Setbacks (ft) | | | Building Regulations | |
|---|---|---|---|---|---|---|---|---|---|
| Lot Type | Lot Area (min sf) | Lot Width[1] (min ft) | Lot Depth (min ft) | Lot Coverage (max) | Front Yard[2] | Rear Yard | Side Yard[3] (interior /corner) | Dwelling Unit Size[4] (min sf) | Height (max feet) |
| Rural | 43,560 | 125 | 200 | 45% | 40 | 30 | 20/35 | 2,200 | 40 |
| Estate | 9,200 | 80 | 100 | 55% | 25[4] | 20 | 10/15 | 1,800 | 40 |
| Manor | 7,000 | 60 | 100 | 55% | 25 | 15 | 5/10 | 1,400 | 40 |
| Cottage | 5,500 | 50 | 100 | 57% | 20 | 15 | 5/10 | 1,200 | 40 |

| Haven Ranch PID; IA #1 | | | | | | |
|---|---|---|---|---|---|---|
| **Area Type** | **Size (Acres)** | **5,500-SF Lot Type** | **7,000-SF Lot Type** | **9,200-SF Lot Type** | **43,560-SF Lot Type** | **Total Lots Appraised** |
| ***IA #1*** | *212.52* | *40* | *61* | *133* | *53* | *287* |
| **Total** | 212.52 | **40** | **61** | **133** | **53** | **287** |

*Note: Minimum lot dimensions may vary throughout Haven Ranch PID IA #1, although all lots are required to meet or exceed the established minimum lot area standard.*

*Example: If it's a 5,500-SF lot and the width is 50', then the minimum lot depth would be 110'. If the width is 55', then the minimum lot depth would be 100'.*

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 retrospective Effective Date 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 market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications provided by the engineering plans published by Kimley Horn as of June 1, 2026, for 287 improved residential lots in Haven Ranch PID IA #1.
- All information relative to the property located within Haven Ranch PID IA #1 including land areas, lot totals, lot sizes, and other pertinent data that was provided by GRBK Edgewood, LLC (Owner/Developer), Kimley Horn (Professional Engineers/Surveyors), the City of Waxahachie, and the Ellis Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with a completion date of September 1, 2026; therefore, this report contains a retrospective opinion of value. Considering this, we have assumed that the market conditions as discussed and considered within this report will be similar on the retrospective valuation date. Further, we cannot be held responsible for unforeseeable global events that alter market conditions prior to the retrospective Effective Date.

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.

*Haven Ranch Public Improvement District Improvement Area* #1

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 conclusion as of the Substantial Completion Date is as follows:

| HAVEN RANCH PID IA #1, WAXAHACHIE, ELLIS COUNTY, TX | | | | | |
|---|---|---|---|---|---|
| **Total Lots** | **Square Feet (SF)** | **Retail Price/Lot** | **Completion Date** | **Price/SF ($/SF)** | **Total Retail Value ($)** |
| 40 | 5,500 SF | $67,650 | September 1, 2026 | $12.30/SF | $2,706,000 |
| 61 | 7,000 SF | $75,950 | September 1, 2026 | $10.85/SF | $4,632,950 |
| 133 | 9,200 SF | $92,000 | September 1, 2026 | $10.00/SF | $12,236,000 |
| 53 | 43,560 SF | $106,700 | September 1, 2026 | $2.45/SF | $5,655,100 |
| ***287*** | | | | | ***$25,230,050*** |

**After considering discount cash flows, our final value conclusion "Upon Completion" is shown below:**

| INCOME APPROACH VALUE INDICATION | |
|---|---|
| ***Fee Simple Interest, Complete September 1, 2026*** | |
| **Haven Ranch PID**<br>***287 Improved Lots in IA #1*** | ***$21,957,000 ($76,500/Lot)*** |

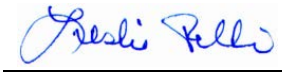
Attached is our Appraisal Report which summarizes the investigation and analyses undertaken in arriving at our value conclusion. Should you have any questions, please contact our office.

Respectfully submitted,

Peyco Southwest Realty



*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** | **Haven Ranch PID; Improvement Area #1** |
|---|---|
| Property Type | Master-Planned Community |
| Location | East of the intersection of US 77 and FM 55 |
| City, County, State, Zip | Waxahachie ETJ, Ellis County, TX 75165 |
| Legal Descriptions (Ellis AD) | Multiple legal descriptions |
| Owner of Record | GRBK Edgewood, LLC |
| Census Tract | 0611.00 |
| Tax ID's – Ellis AD | Various Tax ID's |
| Total Land Area | 212.52-AC - Total Land Area (Per Engineer) |
| Total Lots | 40 - 5,500-SF Lots in Improvement Area #1<br>61 - 7,000-SF Lots in Improvement Area #1<br>133 - 9,200-SF Lots in Improvement Area #1<br>53 - 43,560-SF Lots in Improvement Area #1 |
| Topography | Gently Sloping |
| FEMA Flood Zones | Unshaded Zone X |
| FEMA Panel | 48139C0330F |
| FEMA Map Date | 6/3/2013 |
| Utilities | |
| Water | City of Waxahachie |
| Sewer | City of Waxahachie |
| Electric | Oncor |
| Natural Gas | Atmos |
| Zoning (City of Waxahachie) | Development Agreement |
| | |
| Future Land Use | Single-Family Residential Subdivision |
| Highest & Best Use | Single-Family Residential Subdivision |
| | |
| Final Value Conclusion | **$21,957,000 ($76,500/Lot) Effective Date of September 1, 2026, for 287 Improved Residential Lots in Improvement Area #1 on 212.52 Acres** |
| | |
| Exposure Period | 6-12 Months |
| Marketing Period | 6-12 Months |
| Date of Inspection | August 18, 2026 |
| Date of Valuation | September 1, 2026 |
| Report Date | October 23, 2026 |

## *CERTIFICATION*

We certify that, to the best of our knowledge and belief that:

(1) The statements of fact contained in this report are true and correct.

(2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

(3) We have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.

(4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

(5) Our compensation for completing this assignment is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.

(6) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

(7) 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 and Leslie Tolliver.

(8) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.

(9) None of the signatories have previously performed services as an appraiser or in any other capacity, other than that specifically stated, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.

(10) James L. Maibach 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*
*State Certified General Real Estate Appraiser*
*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 problem to be solved is:**

- Determine the *retrospective market value* with a substantial completion date of September 1, 2026 for the Fee Simple interest of 287 improved single-family residential lots in Haven Ranch PID IA #1 with a minimum square footage as such:
  - **40 lots with 5,500 square feet,**
  - **61 lots with 7,000 square feet,**
  - **133 lots with 9,200 square feet, and**
  - **53 lots with 43,560 square feet**

The definition of market value[1] utilized herein is as follows:

**Market Value** is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite for a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice, in a manner necessary to produce a credible result.

1 The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, Washington, D.C.: Appraisal Standards Board (2020-2021), DEFINITIONS

This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The value set forth herein was determined after consideration and appropriate application and analysis by three approaches to value i.e., the Cost Approach, the Income (Subdivision Development) Approach, and the Sales Comparison Approach.

As part of this appraisal, we completed a thorough investigation and analysis of the data considered pertinent to valuing the subject property.

**Property Identification**
The property has been identified using the following sources:

- Public records – Ellis Appraisal District (EAD)
- Legal descriptions
- Deed Records –Ellis County
- Haven Ranch PID IA #1 Plat Maps by Kimley Horn, Professional Engineers

**Type and Extent of Data Researched**
The following information was reviewed in preparing this report:

- Public record data
  - 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.
  - Information provided by the client
  - Plat Maps from Kimley Horn, Professional Engineers
  - Estimated development costs provided by Kimley Horn, the Professional Engineers
  - Conversations with developers and homebuilders in DFW market
  - Development Agreement for Haven Ranch PID IA #1 between the City of Waxahachie and GRBK Edgewood, LLC dated November 13, 2023.
  - City of Waxahachie Zoning, signed Development Agreement.

## 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:

- 287 Improved Single-Family Residential Lots (5,500-SF, 7,000-SF, 9,200-SF, and 43,560-SF) in IA #1

**Improved Detached Single-Family Residential Lots in Haven Ranch PID IA #1 (287 Improved Residential Lots)**

***Cost Approach***
The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Cost figures are obtained from the developer and engineer and compared to cost figures on competing developments. A developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project. The overall PID is being developed in multiple phases and not all major improvements are in place, *the Cost Approach is not the most appropriate and thus was not utilized* for the 287 Improved Residential Lots in Haven Ranch PID IA #1.

***Income (Subdivision Development) Approach***

In the Income Capitalization Approach, the retail value of the residential lots is estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. Since sales of individual lots to an end-user homeowner is exceedingly rare in tract home subdivisions in this market, the value of an individual retail lot is effectively the same value of a portion of lots to a homebuilder because homebuilders tend to be the exclusive buyers of vacant developed lots from land developers. In addition, discussions with developers and homebuilders as well as review of contracts indicate that lots are typically received by the builders on a takedown schedule with annual price escalations of approximately 6%-8% so the lots are not released in bulk to the home builders. The indicated value by the Income (Subdivision) Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problem to be solved in this assignment is to determine the bulk sale value of 287 improved residential lots, as of the date of Substantial Completion (Retrospective Effective Date), *the Income (Subdivision Development) Approach is appropriate and was developed.*

***Sales Comparison Approach***

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed by the appraisers*. Use of the approaches for the valuation of the improved lots in Haven Ranch PID IA #1 is summarized on the following page:

| ***Approach*** | ***Applicability to Subject*** | ***Use in Assignment*** |
|---|---|---|
| **Cost Approach** | *Not Appropriate for the VDLs Since the Subject Property is Developed in Multiple Phases.* | *Not Utilized* |
| **Income (Subdivision Development) Approach** | *Appropriate in Determining Residential Subdivision Value* | *Utilized* |
| **Sales Comparison Approach** | *Aspects Used in Subdivision Valuation to Determine Retail Market Value of the 5,500-SF, 7,000-SF, 9,200-SF Lots, and 43,560-SF Lots* | *Partially Utilized* |

**COMPETENCY OF THE APPRAISER**

James L. Maibach, C.P.M. is a State Certified General Real Estate Appraiser according to the Texas Appraiser Licensing and Certification Board and has appraised numerous properties similar to the subject since 1993. The appraiser also manages, through his commercial real estate management company, approximately 2.25 million SF of which 60% is industrial warehouse, 20% is Class B and C office and 20% in retail product in Tarrant, Dallas, and Johnson counties. Mr. Maibach has been personally involved in over 135 residential development projects as a broker, developer, bank director, and zoning consultant in the past 35 years. Leslie Tolliver is a State Certified General Real Estate Appraiser who has appraised numerous properties similar to the subject. Jordan Tyler is a Licensed Residential Appraiser and Brandon Lawson is an Appraiser Trainee and has 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 Waxahachie ETJ, Ellis 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 Retrospective Effective Date of Substantial Completion. The client and intended user is FMSbonds, Inc. The City of Waxahachie 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 Waxahachie 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 23, 2026.** The initial draft of this appraisal report was completed on **September 4, 2026.**

**RETROSPECTIVE EFFECTIVE DATE OF THE APPRAISAL**
The descriptions, analyses, and conclusions of this report for the designated Market Values of the subject property are applicable as of **September 1, 2026,** which was the date of Substantial Completion. Brandon Lawson inspected the subject property on **August 18, 2026**. James L. 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, and 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**
The subject property is currently owned by GRBK Edgewood, LLC. The subject property is within a larger parcel (Account# 192730) which was deeded to GRBK Edgewood, LLC on January 18, 2022 from David L. Hargrove. The purchase price was not disclosed to the appraisers. This sale appears to be arms-length.

**LEGAL DESCRIPTIONS**

The subject property is within multiple tracts of land with legal descriptions as follows:

- 1199 956 J J YOUNG WM STEWART 104.120 ACRES
- 328 E C SCHOOL LAND 506.833 ACRES
- 145 WM BASKINS; 635 J R LANGFORD; 923 J RIGGS; 1128 WHITTENBERG 600.991 ACRES
- LOT 4 HARRINGTON ACRES #2 4.185 AC
- LOT 3 HARRINGTON ACRES #2 3.125 AC
- LOT 2 HARRINGTON ACRES #2 2.065 AC
- LOT 1 HARRINGTON ACRES #2 1.017 AC
- LOT 1 HARRINGTON ACRES 1.0000 AC
- LOT 2 HARRINGTON ACRES 1.0000 AC
- LOT 3 HARRINGTON ACRES 1.0000 AC
- LOT 4 HARRINGTON ACRES 1.0000 AC

**PENDING TRANSACTIONS TO BUILDERS**

The land within IA #1 is owned by GRBK Edgewood, LLC. IA #1 has one pending sale contract as of the effective date of this report. The Purchase and Sale Agreement, dated June 18, 2026, was between GRBK Edgewood, LLC (Sellers) and CLH20, LLC (Buyer) for approximately 133 single-family residential lots in IA #1 consisting of 9,200-SF and 53 single-family residential lots in IA #1 consisting of 43,560-SF. Under the contract terms, CLH20, LLC will acquire the 9,200-SF lots for $12,103,000 ($91,000/lot) and $5,777,000 ($109,000/lot) for the 43,560-SF lots. The agreed-upon sales prices aligned with market values for comparable residential lots, and the transaction appears to be arms-length. The are no sales contracts for the 5,500-SF and 7,000-SF lots. Per the client, the 5,500-SF lots and the 7,000-SF lots will be transferred to Trophy Signature Homes upon completion, which is an affiliate of GRBK Edgewood, LLC.

The chart below shows the breakdown of the subject's lots. The Retrospective Substantial Completion Date for IA #1 was September 1, 2026:

| **Haven Ranch PID; IA #1** | | | | | | |
|---|---|---|---|---|---|---|
| **Area Type** | **Size (Acres)** | **5,500-SF Lot Type** | **7,000-SF Lot Type** | **9,200-SF Lot Type** | **43,560-SF Lot Type** | **Total Lots Appraised** |
| ***IA #1*** | *212.52* | *40* | *61* | *133* | *53* | *287* |
| **Total** | 212.52 | **40** | **61** | **133** | **53** | **287** |

*Haven Ranch Public Improvement District Improvement Area* #1

The Purchase and Sales Agreement we were provided by the Developer GRBK Edgewood, LLC, for the 9,200-SF lots and the 43,560-SF lots and the provided takedown schedules were utilized for our analysis. There are no contracts for the 5,500-SF lots or the 7,000-SF lots, therefore they were not included within the takedown schedule. The quarterly takedowns below are projected for the improved residential lots within Haven Ranch PID IA #1.

| Projected Quarterly Takedown Summary - Haven Ranch IA #1 | | | | | | | |
|---|---|---|---|---|---|---|---|
| *Lot Type* | *Sep-2026* | *Dec-2026* | *Mar-2027* | *Jun-2027* | *Sep-2027* | *Dec-2027* | *Mar-2028* |
| 9,200-SF | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| 43,560-SF | 6 | 4 | 4 | 4 | 4 | 4 | 4 |
| **Total** | **18** | **16** | **16** | **16** | **16** | **16** | **16** |

▼
▼

| Projected Quarterly Takedown Summary - Haven Ranch IA #1 | | | | | | | |
|---|---|---|---|---|---|---|---|
| *Lot Type* | *Jun-2028* | *Sep-2028* | *Dec-2028* | *Mar-2029* | *Jun-2029* | *Sep-2029* | **TOTAL** |
| 9,200-SF | 12 | 12 | 12 | 12 | 1 | - | **133** |
| 43,560-SF | 4 | 4 | 4 | 4 | 4 | 3 | **53** |
| **Total** | **16** | **16** | **16** | **16** | **5** | **3** | **186** |

As seen in the previous table, sales are expected to begin in September 2026 for the 9,200-SF lots and the 43,560-SF lots. The sell out date for the 9,200-SF lots are expected to sell out in June 2029 and the 43,560-SF lots are expected to sell out in November 2029. There are currently no lot contracts for the 5,500-SF lots or the 7,000-SF lot type, therefore they were not included within the takedown schedule.

## Real Estate Taxes

*Ellis Appraisal District*

Real estate tax assessments are administered by the Ellis Appraisal District (EAD) 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 current tax year are shown in the following table which include taxes due in 2026 to Ellis County, Waxahachie ISD, Ec ESD #6, and Ellis County Lat Road. The current combined tax rate for those entities is **1.517592 per $100 assessed** as shown in the table below:

| Projected Property Taxes - 2026 | |
|---|---|
| **Entity** | **Rate** |
| Ellis County | 0.255778 |
| Waxahachie ISD | 1.168100 |
| Ec ESD #6 | 0.075500 |
| Ellis County Lat Road | 0.018214 |
| **Total** | **1.517592** |

The estimated tax burden for the subject property – which is undeveloped land – is $29,866.29**, which was heavily reduced due to an Agricultural Exemption**. A table of the property taxes for the subject is shown below:

| TAXES (ELLIS AD - 2026) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **ID** | **Owner** | **Size (AC)** | **Improvement Market Value** | **Land Market Value** | **Exemption** | **Value Limitation Adj.** | **Assessed Value** | **Estimated Taxes** |
| 192730 | GRBK Edgewood, LLC | 104.1200 | $ 124,556 | $ 1,275,470 | $ 1,241,723 | $ 120,878 | $ 37,425 | $ 567.96 |
| 183003 | GRBK Edgewood, LLC | 506.8330 | $ - | $ 6,352,497 | $ 4,685,485 | $ - | $ 1,667,012 | $ 25,298.44 |
| 180774 | GRBK Edgewood, LLC | 600.9910 | $ - | $ 7,362,140 | $ 7,284,913 | $ - | $ 77,227 | $ 1,171.99 |
| 289477 | GRBK Edgewood, LLC | 4.1850 | $ - | $ 51,266 | $ - | $ - | $ 51,266 | $ 778.01 |
| 289476 | GRBK Edgewood, LLC | 3.1250 | $ - | $ 38,281 | $ - | $ - | $ 38,281 | $ 580.95 |
| 289474 | GRBK Edgewood, LLC | 2.0650 | $ - | $ 25,296 | $ - | $ - | $ 25,296 | $ 383.89 |
| 289475 | GRBK Edgewood, LLC | 1.0170 | $ - | $ 12,458 | $ - | $ - | $ 12,458 | $ 189.06 |
| 236610 | GRBK Edgewood, LLC | 1.0000 | $ - | $ 116,000 | $ - | $ 101,600 | $ 14,400 | $ 218.53 |
| 236611 | GRBK Edgewood, LLC | 1.0000 | $ - | $ 116,000 | | $ 101,600 | $ 14,400 | $ 218.53 |
| 236612 | GRBK Edgewood, LLC | 1.0000 | $ - | $ 116,000 | | $ 101,600 | $ 14,400 | $ 218.53 |
| 236613 | GRBK Edgewood, LLC | 1.0000 | $ - | $ 88,001 | | $ 72,161 | $ 15,840 | $ 240.39 |
| **Total Combined:** | | **1226.3360** | **$124,556.00** | **$15,553,409** | **$ 13,212,121** | **$497,839** | **$1,968,005** | **$29,866.29** |

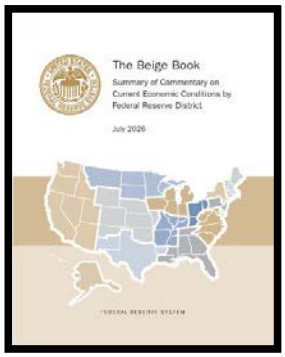
The market value that Ellis Appraisal District has determined **$15,553,409 which is $12,683/AC or $0.29/SF** – would lead to a tax burden of **$236,037** without exemptions. When the property is redeveloped into a residential use, there may be rollback taxes due to the municipal entities. We have not considered the effect of rollback taxes herein and that is beyond the scope of work of this report.

When construction is complete on 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.*

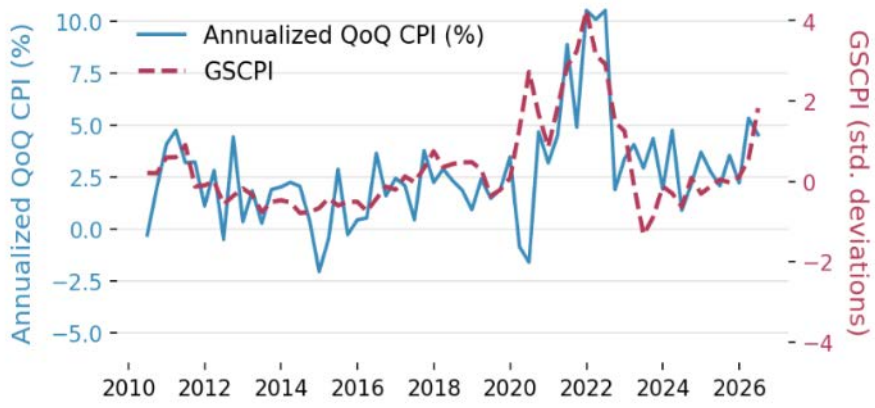
*The 10-year Treasury yield—a critical benchmark for mortgage rates—held steady in June, falling only 1 basis point from 4.45% at the end of May down to 4.44% at the end of June. Mortgage rates also held mostly steady, falling 4 basis points in June from 6.53% to 6.49%. This could begin to fall if declining oil prices improve the inflation outlook.*

***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.*

Figure 1

**GLOBAL SUPPLY CHAIN PRESSURE DRIVING RECENT INFLATION**




**Note:** The CPI shown here is the annualized quarter-over-quarter percent change in the index.

**Source**: Federal Reserve Bank of New York (GSCPI) and the U.S. Bureau of Labor Statistics, accessed via FRED (CPI)

***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.*

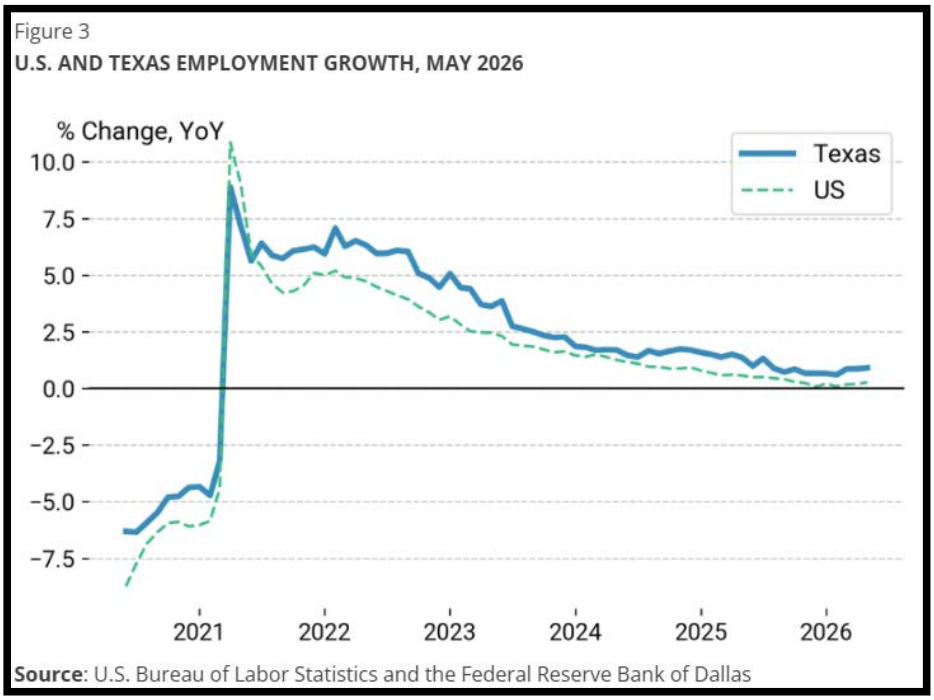



***Federal Reserve Policy***

- *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.*

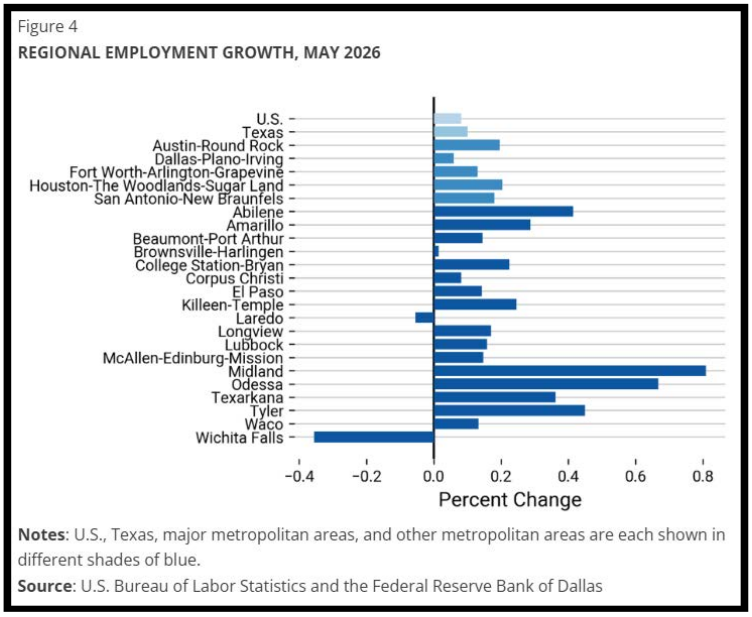
***Texas Economic Indicators***

*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.*

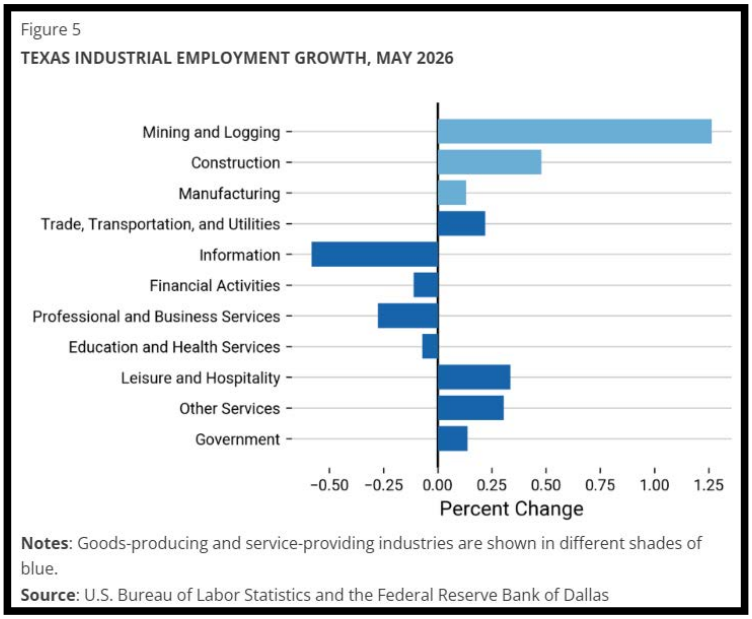


***Employment***

*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.*

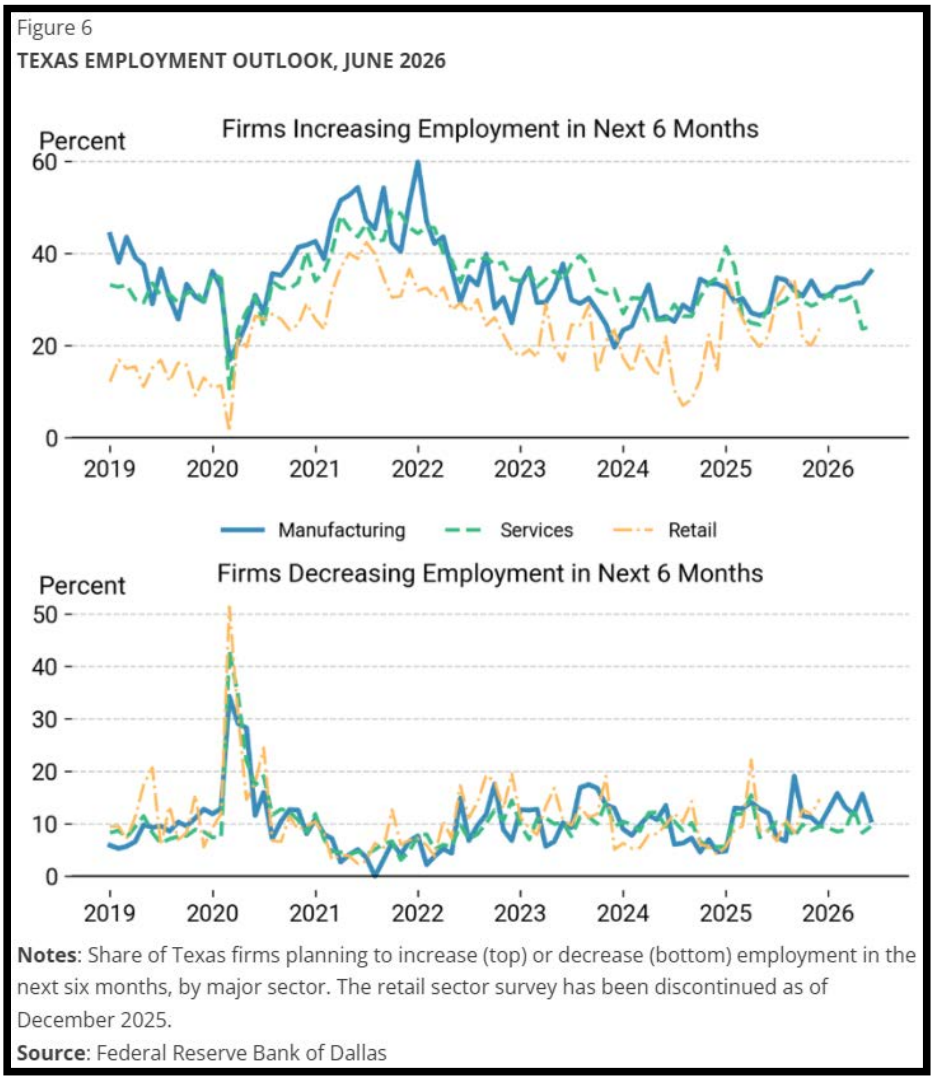



*The industrial composition of job growth in Texas showed sizeable gains in the goods-producing industries, likely due in part to the heightened oil prices (see Figure 5). Service-providing industries remained mixed, though the tech industry (Information) experienced disproportionately large job losses.*



***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.*

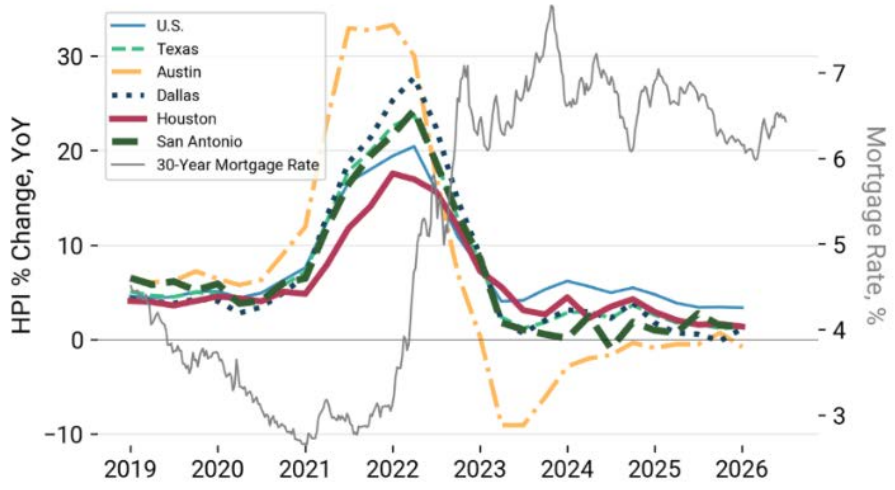


***Housing and Mortgage Rates***

*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.*

Figure 7

**HOUSE PRICE GROWTH AND MORTGAGE RATES THROUGH JUNE 2026**




**Notes**: House price index data is provided through 1Q2026, and mortgage rate data is provided through the end of May. The house price index provided by the Federal Housing Finance Agency (FHFA) highlights the relationship between mortgage rates and house prices. For more detailed insights on the Texas housing market, visit our monthly *Texas Housing Insight* report.

**Source**: FHFA and Freddie Mac, accessed via FRED

*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.*

Figure 8

**INTEREST RATES AND THE MORTGAGE SPREAD, JUNE UPDATE**




**Notes**: The mortgage spread is defined as the 30-year mortgage rate minus 10-year Treasury yield. Its typical range is 1.5 percent to 1.75 percent (150 to 175 basis points).
**Source**: Freddie Mac, Board of Governors of the Federal Reserve, and author's calculations; data accessed via FRED

**TEXAS HOUSING INSIGHT (EXCERPTS)**
**Texas A&M University – Texas Real Estate Research Center**
Yanling Mayer (July 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**

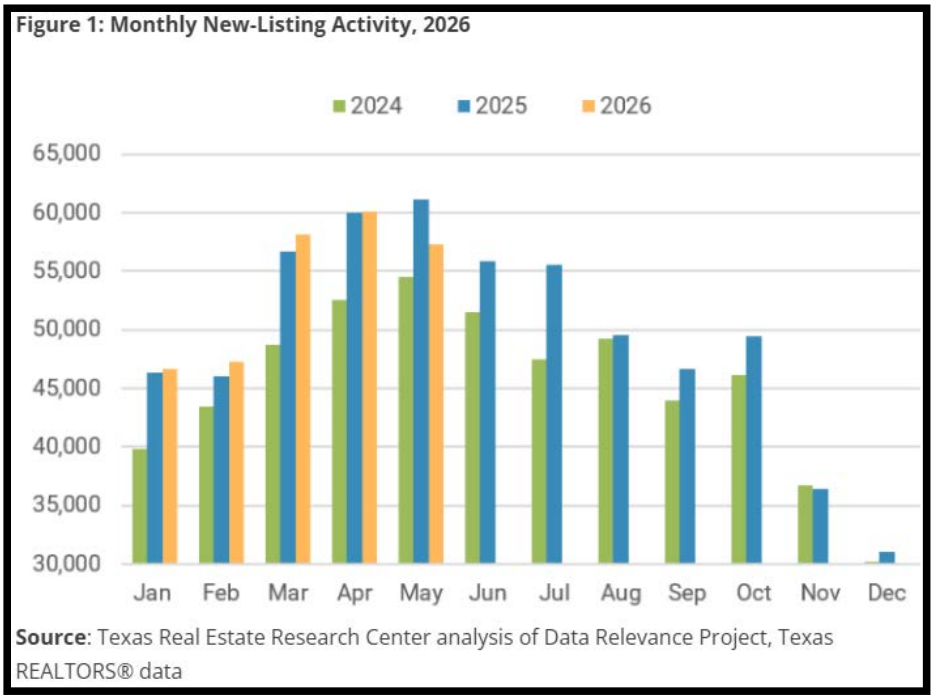
| Sales Activity | May-2024 | May-2025 | May-2026 |
|---|---|---|---|
| Average Days on Market | 53 | 60 | 64 |
| Turnover Rate | 27.1% | 22.0% | 22.8% |
| Median Seller Price Cuts | $9,900 | $11,600 | $12,000 |
| Median Sale-to-List Price Ratio | 97.4% | 96.6% | 96.6% |

| 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

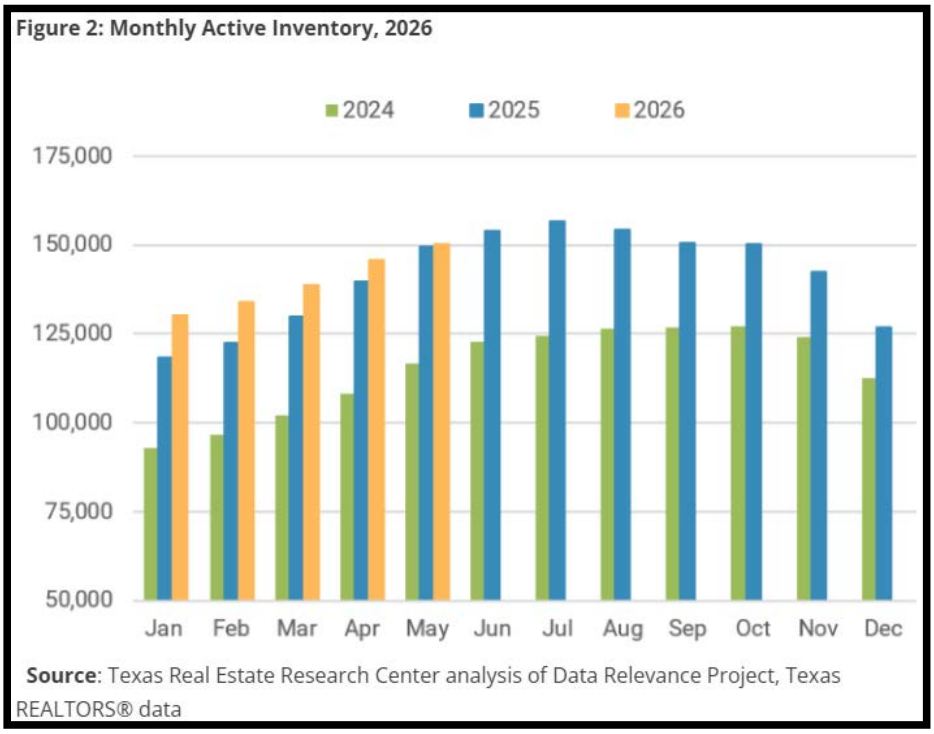
- *In May, homes spent an average of 64 days on the market (DoM) before selling. Although marketing times remained longer than a year ago, the YoY gap continued to narrow.*
- *The inventory turnover ratio showed signs of stabilization. For the second consecutive month, the turnover ratio is no longer 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***



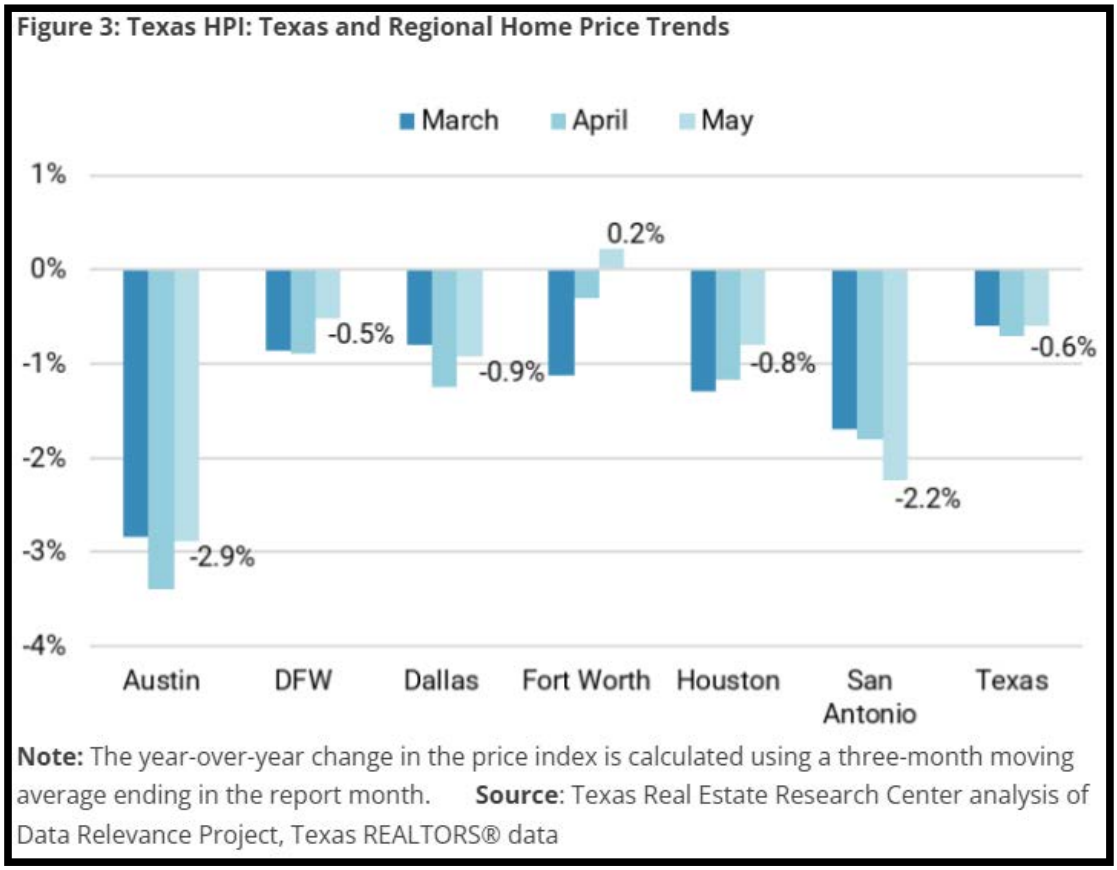

- *Statewide, new listings declined 4.7% from April to May. This MoM decrease contrasts with typical seasonal patterns, as May historically represents the peak period for new listing activity.*
- *Reflecting this unexpected seasonal softness, new listings were down 6.3% YoY. YTD (January through May), 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% |

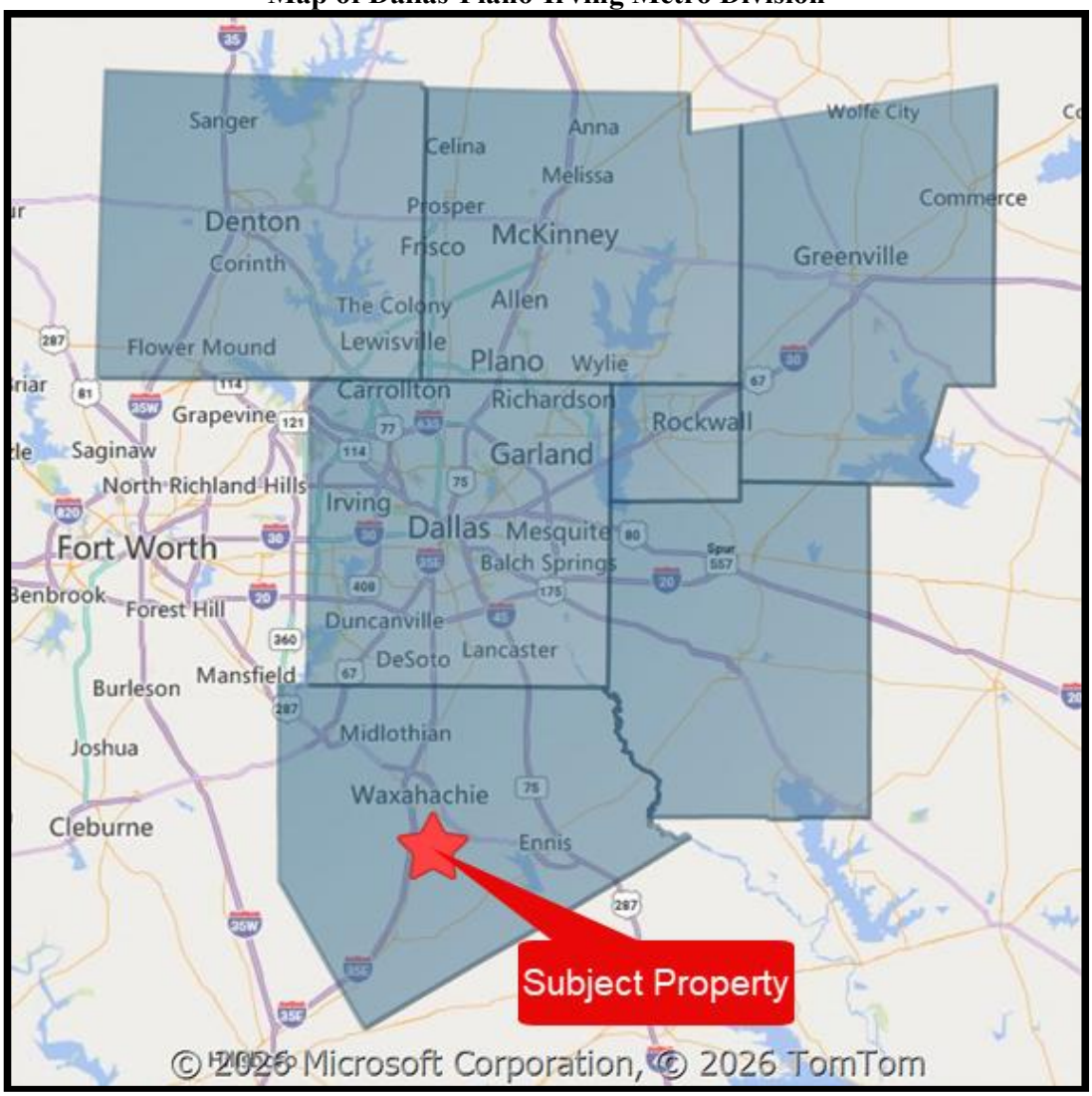
**Note:** Permit value is builder estimated construction cost of the residential structure, not including land acquisition cost.
**Source:** Survey of New Construction of U.S. Census Bureau

**DALLAS – PLANO - IRVING METRO DIVISION QUARTERLY HOUSING REPORT (EXCERPTS)**
**Texas A&M University – Texas Real Estate Research Center**
(Second Quarter, 2026)

***Executive Summary***

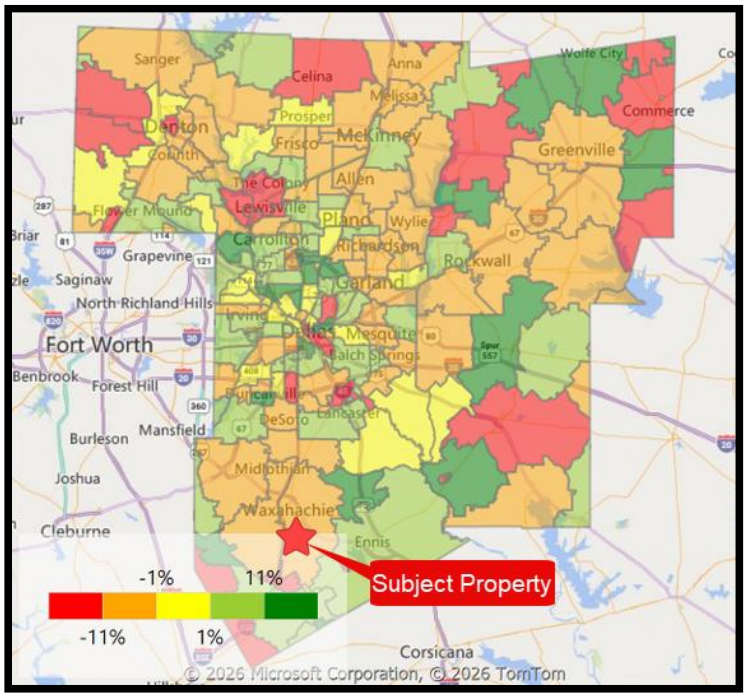
- *Metro area sales volume increased 3.1% to 18,542 transactions. Median price decreased 1.2% year-over-year to $415,000.*
- *2026 Q2 months inventory for all residential properties fell 3.5% year-over-year to 4.8 months.*
- *Metro area residential property listings decreased 2.5% year-over year to 25,209 active listings.*

**Map of Dallas-Plano-Irving Metro Division**



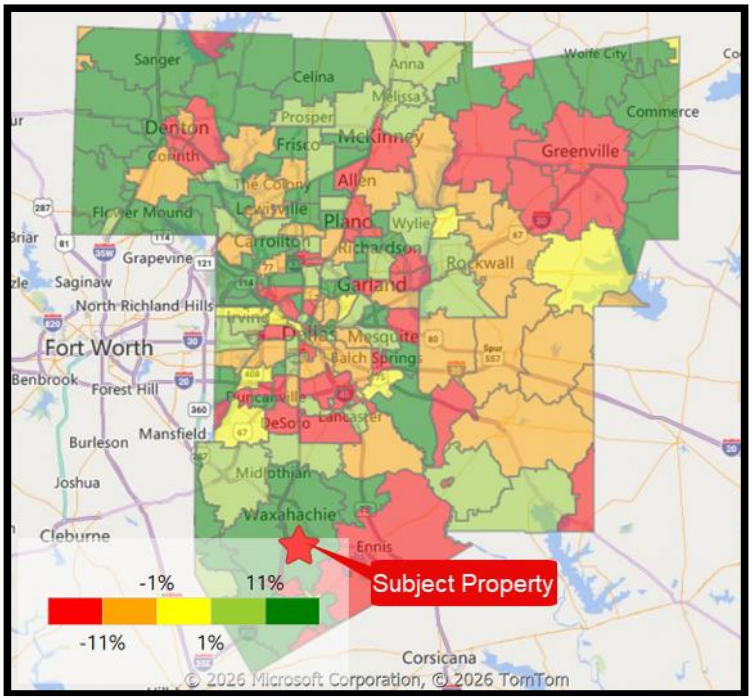
**Median Price Change (YoY)**

*According to TREC, median sale price change year-over-year (YoY) near Haven Ranch PID IA* #1 *have decreased between -1% and -11%.*



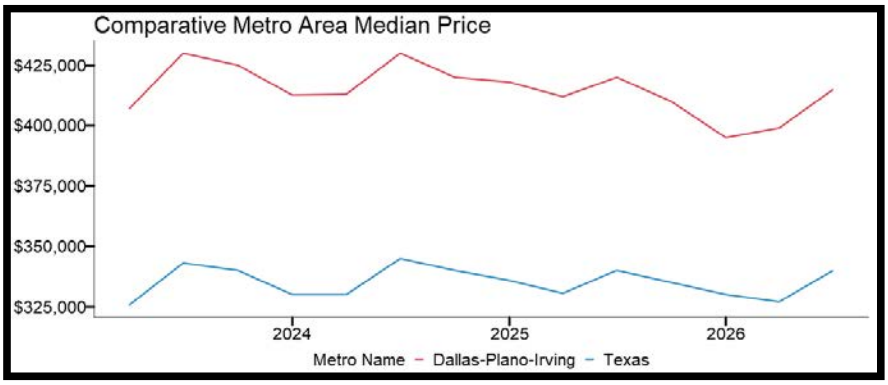

**Sales Volume Change (YoY)**

*According to TREC, sales volume change year-over-year (YoY) near Haven Ranch PID IA* #1 *increased more than 11%.*

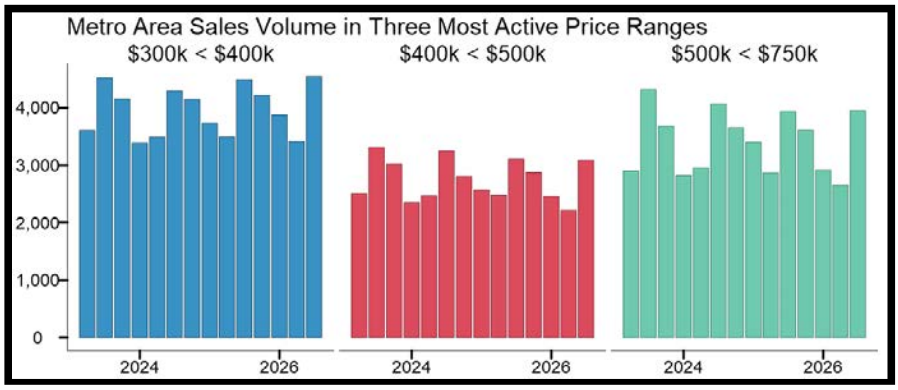


*Haven Ranch Public Improvement District Improvement Area* #1

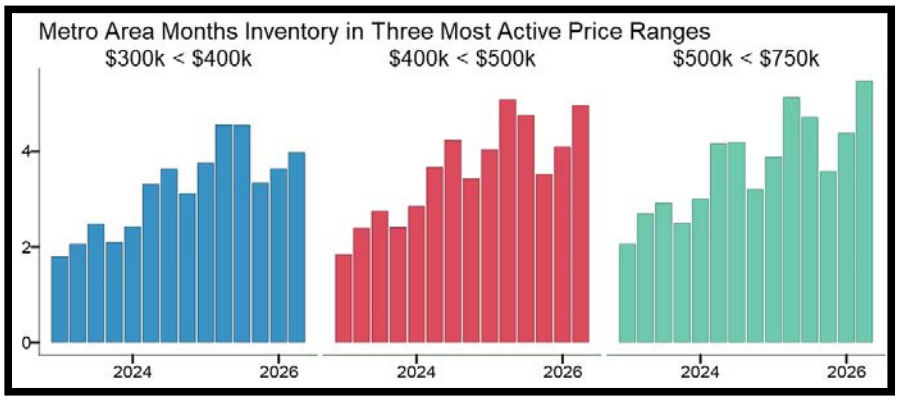
*Median price in the Dallas-Plano Irving metro decreased by approximately 1.2% year-over-year, from $420,000 to $415,000. Metro area price exceeded the statewide median price of $340,000 by $75,000 as shown in the following chart:*




*2026 Q2 total sales volume increased by approximately 3.1% year-over-year, from 17,988 to 18,542. Sales of homes between $300k and $400k did not change, while homes between $500k and $750k did not change, and homes between $400k and $500k did not change as shown in the following graph:*



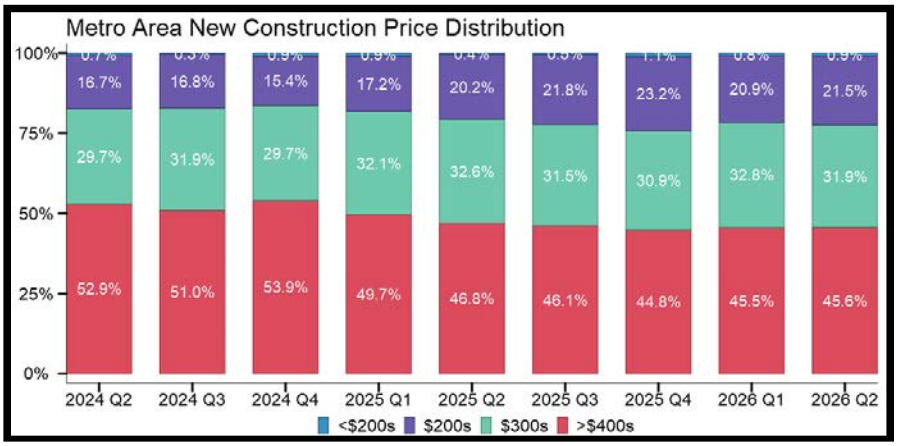

*Metro area months inventory decreased year-over-year from 4.97 to 4.79 months. Homes between $300k and $400k did not change, while homes between $500k and $750k did not change and homes between $400k and $500k did not change as shown in the following graph:*



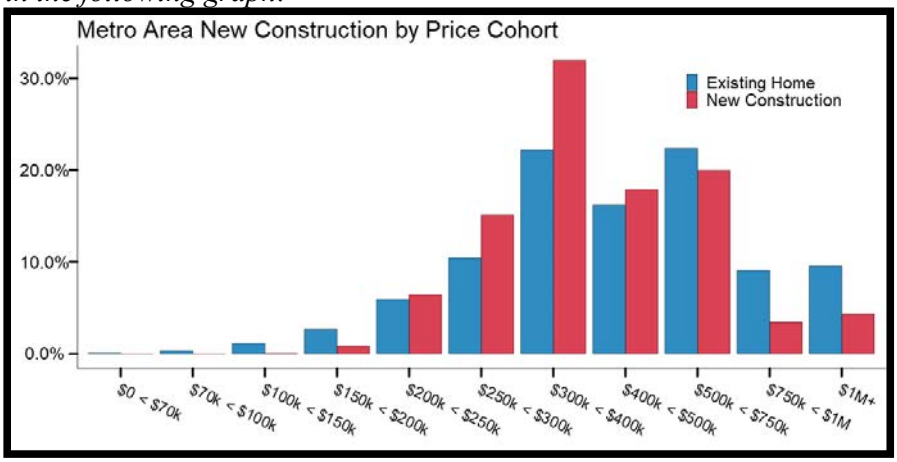
*Average days to sell throughout the metro area increased from 87 to 91 days, an increase of 4.6% year over-year. Average days to sell for homes between $300k and $400k remained stagnant compared with the same quarter last year as shown in the following graph:*




*Homes in the $400s and above fell to 45.6% of single-family new construction sales through the MLS. The second most active price range was homes in the $300s, which fell from 32.6% to 32% year-over-year as shown in the following graph:*




*In the latest quarter, the average price was $479,509 for new homes sold through the MLS, a decrease over last year's figure of $480,719. Average price for existing homes was $578,305, a decrease over last year's figure of $583,829 as shown in the following graph:*



*The following chart shows the housing metrics for Ellis County:*

Ellis County

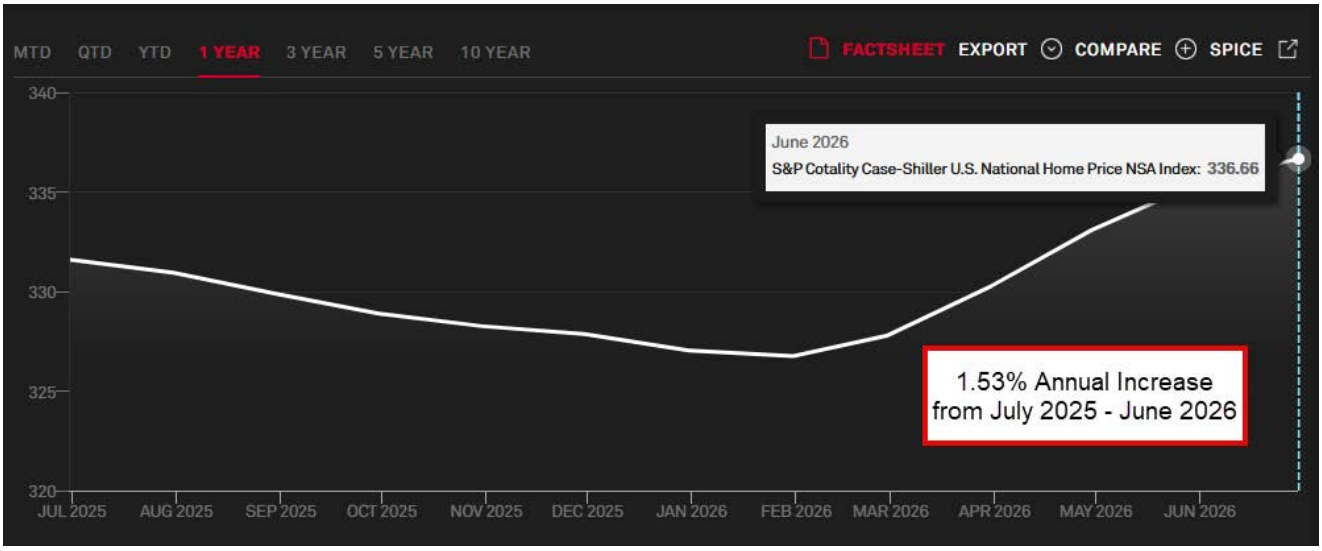
| Price Cohort | Closed Sales | YoY% | % Sales | Median Price | YoY% | Median Price PSF | YoY% | Active Listings | Months Inventory | Median Square Feet | Median Year Built |
|---|---|---|---|---|---|---|---|---|---|---|---|
| $0 < $70k | 2 | 0% | 0% | *** | *** | *** | *** | 0 | 0.0 | *** | *** |
| $70k < $100k | 3 | 0% | 0% | *** | *** | *** | *** | 0 | 0.0 | *** | *** |
| $100k < $150k | 4 | 0% | 0% | *** | *** | *** | *** | 4 | 2.7 | *** | *** |
| $150k < $200k | 23 | 0% | 2% | $177,500 | 0% | $149.00 | 0% | 19 | 3.3 | 1,232 | 1955 |
| $200k < $250k | 45 | 0% | 4% | $225,000 | 0% | $157.88 | 0% | 49 | 3.0 | 1,442 | 2018 |
| $250k < $300k | 113 | 0% | 11% | $275,000 | 0% | $173.82 | 0% | 98 | 3.0 | 1,567 | 2009 |
| $300k < $400k | 316 | 0% | 29% | $346,440 | 0% | $177.68 | 0% | 256 | 3.1 | 1,948 | 2017 |
| $400k < $500k | 243 | 0% | 23% | $445,285 | 0% | $178.50 | 0% | 290 | 4.2 | 2,497 | 2024 |
| $500k < $750k | 270 | 0% | 25% | $575,000 | 0% | $196.23 | 0% | 458 | 6.0 | 2,977 | 2024 |
| $750k < $1M | 42 | 0% | 4% | $805,990 | 0% | $242.97 | 0% | 110 | 9.6 | 3,350 | 2020 |
| $1M+ | 11 | 0% | 1% | $1,313,000 | 0% | $297.83 | 0% | 52 | 12.7 | 4,294 | 2014 |

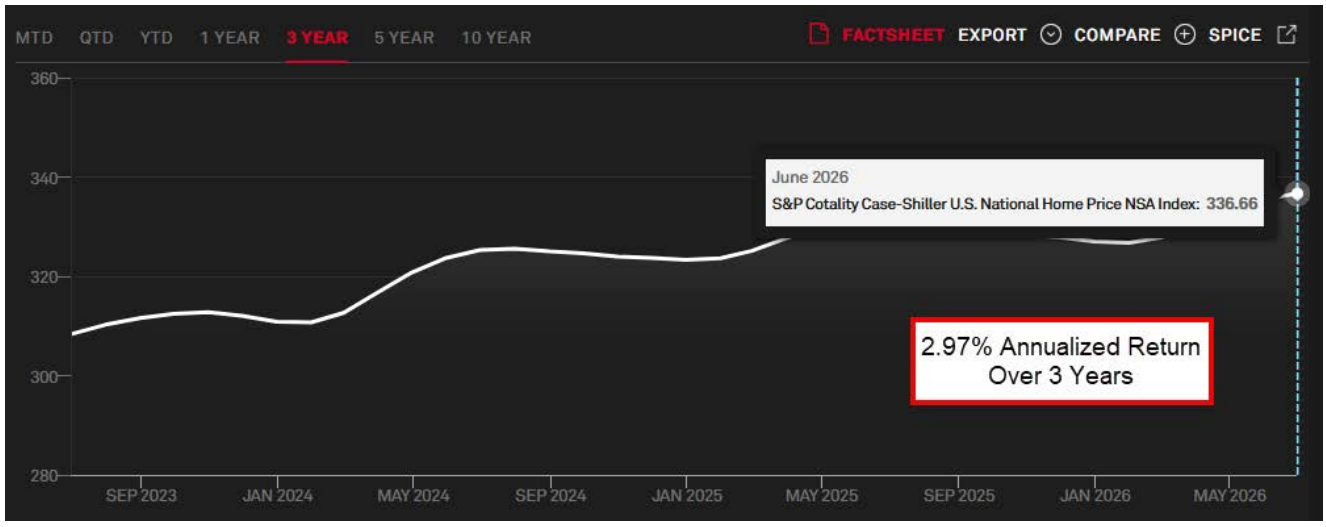
*** Not displayed when fewer than five sales

## S&P CORELOGIC CASE-SHILLER INDEX

***June 2026***

Data reported from the Standard & Poor Dow Jones Indices (1-year and 3-year graphs shown below) from end of June 2026 showed that home prices nationally were up 1.53% YoY while the Dallas Metropolitan decreased -0.66% (Dallas Metro). Prices have retreated in mostly the southern states; however, the northern region has remained steady compared to the national average.



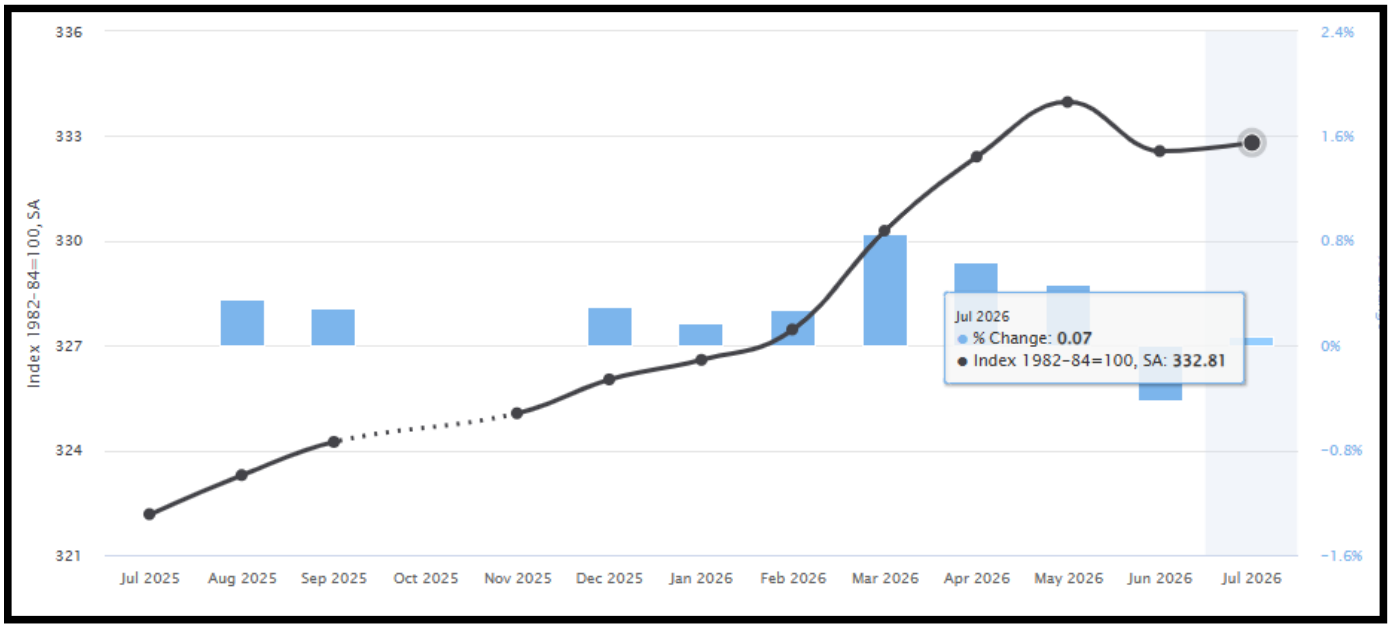

| Metropolitan Area | June 2026 Level | June / May Change (%) | May / April Change (%) | 1-Year Change (%) |
|---|---|---|---|---|
| Dallas | 297.16 | 0.31% | 1.01% | -0.66% |
| Composite-10 | 373.49 | 0.52% | 0.95% | 2.94% |
| Composite-20 | 350.20 | 0.43% | 0.89% | 2.10% |
| U.S. National | 336.66 | 0.37% | 0.70% | 1.52% |

*Sources: S&P Dow Jones Indices and Cotality*
*Data through June 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)***

*The U.S. consumer price index rose 0.1% from June to July, in line with expectations and a rebound from June's 0.4% decline. Relative to a year ago, the headline CPI was up 3.4% in July, down from 3.5% in June. Falling energy prices again restrained the print, with the CPI for energy sliding 1.5% and gasoline down 2.9%. Food inflation was mild at 0.1%. Core CPI, excluding food and energy, rose 0.22%, up from a flat June reading. The 12-month rate for core CPI fell from 2.6% to 2.5%.*

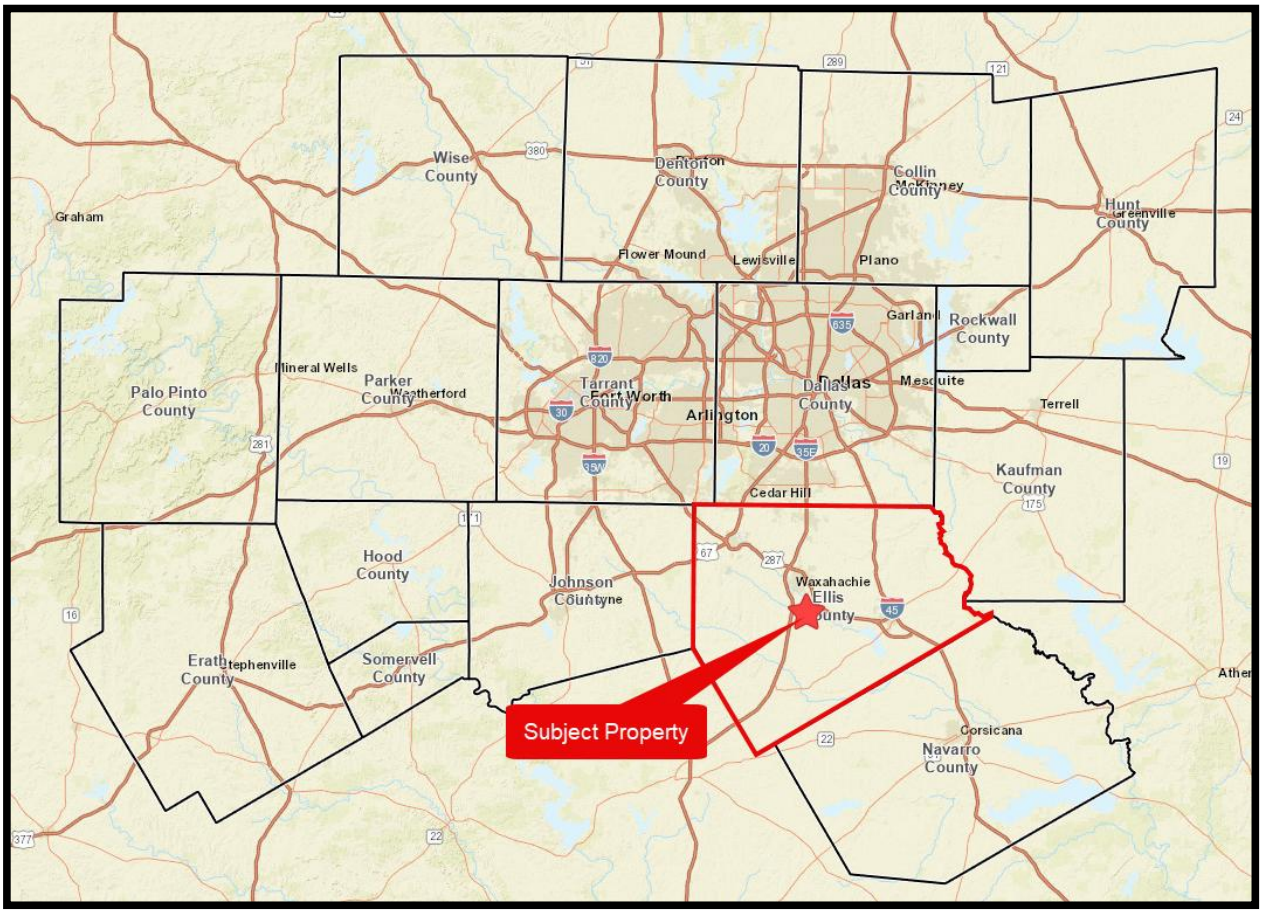
## REGIONAL ANALYSIS

The subject is located in Ellis County within the Dallas-Plano-Irving Metropolitan Statistical Area (MSA), often combined with the Fort Worth-Arlington-Grapevine MSA, and more commonly referred to as the Metroplex (DFW), which encompasses parts of 16 counties and contains 23 cities with populations over 50,000 in North Central Texas. As reported by the North Central Texas Council of Governments (NCTCOG), 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

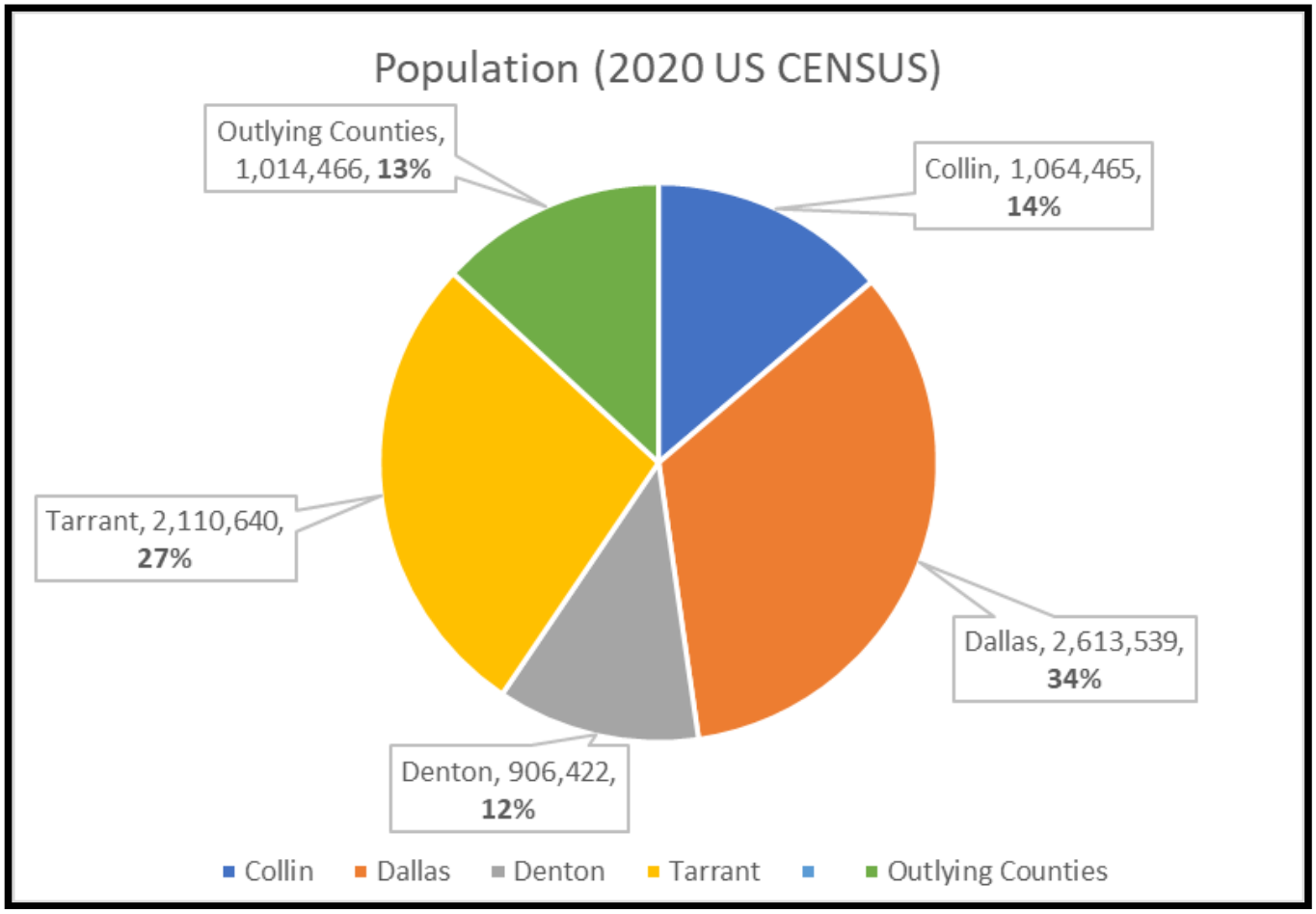
*Red Lines Showing Ellis County Boundary*



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 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, Palo Pinto etc. add up to another 1,014,476 residents. The subject property is in the central area of Ellis County.

**PIE CHART OF POPULATION PERCENTAGES IN DFW METROPLEX**



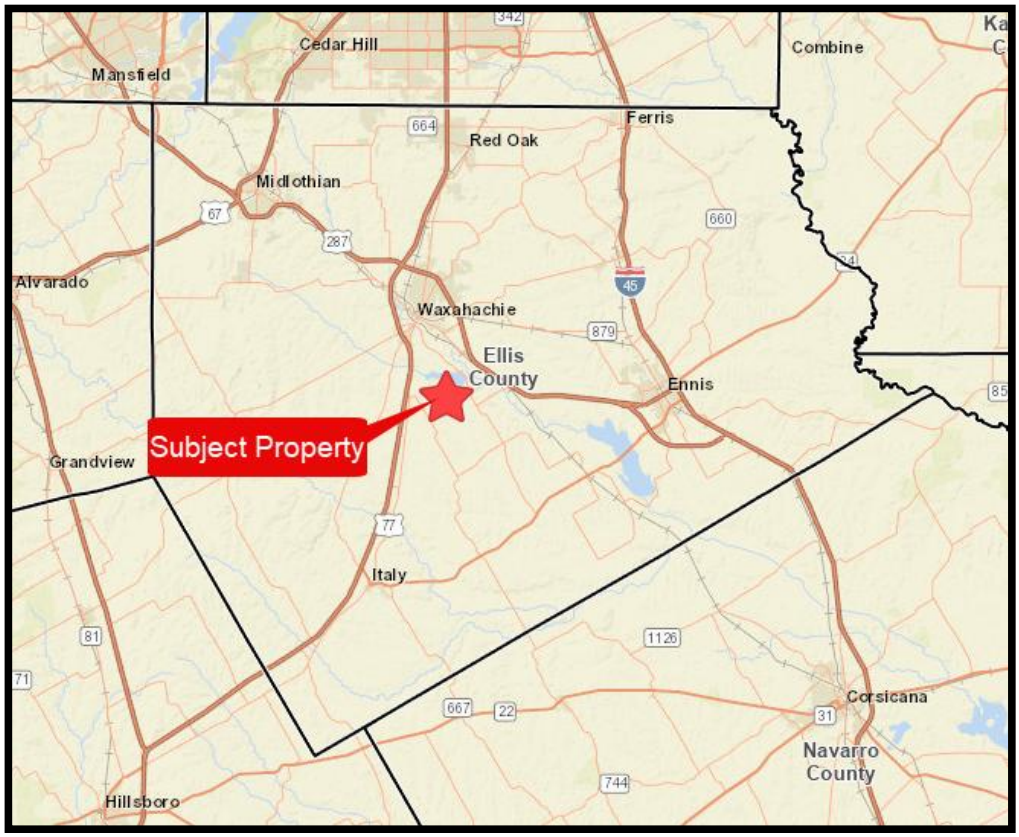
## ELLIS COUNTY OVERVIEW

Ellis County, located just south of Dallas County in north-central Texas, has experienced significant population growth in recent years, with estimates ranging from 232,000 to over 240,000 residents as of 2024–2025. The county covers approximately 952 square miles, the majority of which is land, and includes a mix of suburban, rural, and small-city communities such as Waxahachie, Ennis, Midlothian, and Red Oak. The median age is in the mid-30s, reflecting a balanced and steadily growing workforce. Housing growth has been strong, with more than 81,000 housing units and a high owner-occupancy rate of roughly 76%, supported by a median home value in the $300,000–$350,000 range. Residential development continues across the county, driven by its proximity to the Dallas–Fort Worth metroplex, expanding infrastructure, and availability of developable land.

Ellis County's economy is supported by a diverse mix of employment sectors, including manufacturing, logistics, construction, retail, healthcare, and education. Labor force participation is strong at around 68%, and the county benefits from multiple major transportation corridors, including Interstate 35E, Interstate 45, U.S. Highways 67, 77, and 287, which enhance regional connectivity and support commuter access to the broader metroplex. Average commute times are approximately 30 minutes, with most residents traveling by personal vehicle. Continued population growth, steady employment expansion, and ongoing residential construction contribute to a stable and competitive housing market, supporting favorable conditions for subdivision development and long-term residential demand.

## MAP OF ELLIS COUNTY

*Subject Located in central Ellis County*



## CITY OF WAXAHACHIE OVERVIEW

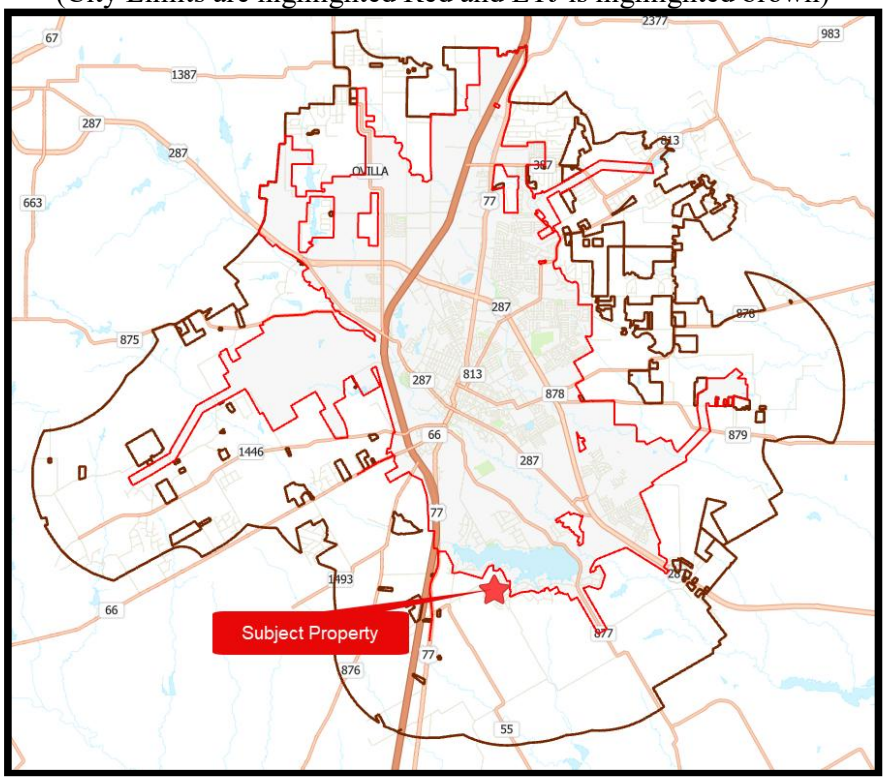
Waxahachie is a rapidly growing city located in central Ellis County, approximately 30 miles south of downtown Dallas along Interstate 35E. The city's population is estimated at approximately 50,090 residents as of 2025, reflecting continued strong growth as one of the fastest-expanding communities in the southern Dallas-Fort Worth metroplex. The community spans roughly 50 square miles and features a blend of historic neighborhoods, master-planned residential developments, and expanding suburban growth corridors. The median age is approximately 33 years, indicating a relatively young population and a growing workforce. Housing is supported by a healthy owner-occupancy rate of approximately 60.3%, and the median value of owner-occupied homes is approximately $336,500, reflecting sustained residential demand and ongoing development activity.

The local economy is supported by a diverse mix of healthcare, education, manufacturing, logistics, retail, and professional services employment. Approximately 68.3% of residents participate in the civilian labor force. Waxahachie benefits from its strategic location along Interstate 35E, providing direct access to Dallas and major employment centers throughout the region, while also serving as a commercial and governmental hub for Ellis County. Average commute times are approximately 26 minutes, consistent with suburban communities in the southern portion of the Metroplex. Continued investment in infrastructure, new housing developments, and commercial growth has strengthened the city's economic outlook. Waxahachie's strong population growth, expanding employment base, and ongoing residential construction contribute to a stable and competitive housing market, creating favorable conditions for future subdivision development and long-term residential demand

## MAP OF THE CITY OF WAXAHACHIE

Subject Located in South Waxahachie ETJ

(City Limits are highlighted Red and ETJ is highlighted brown)

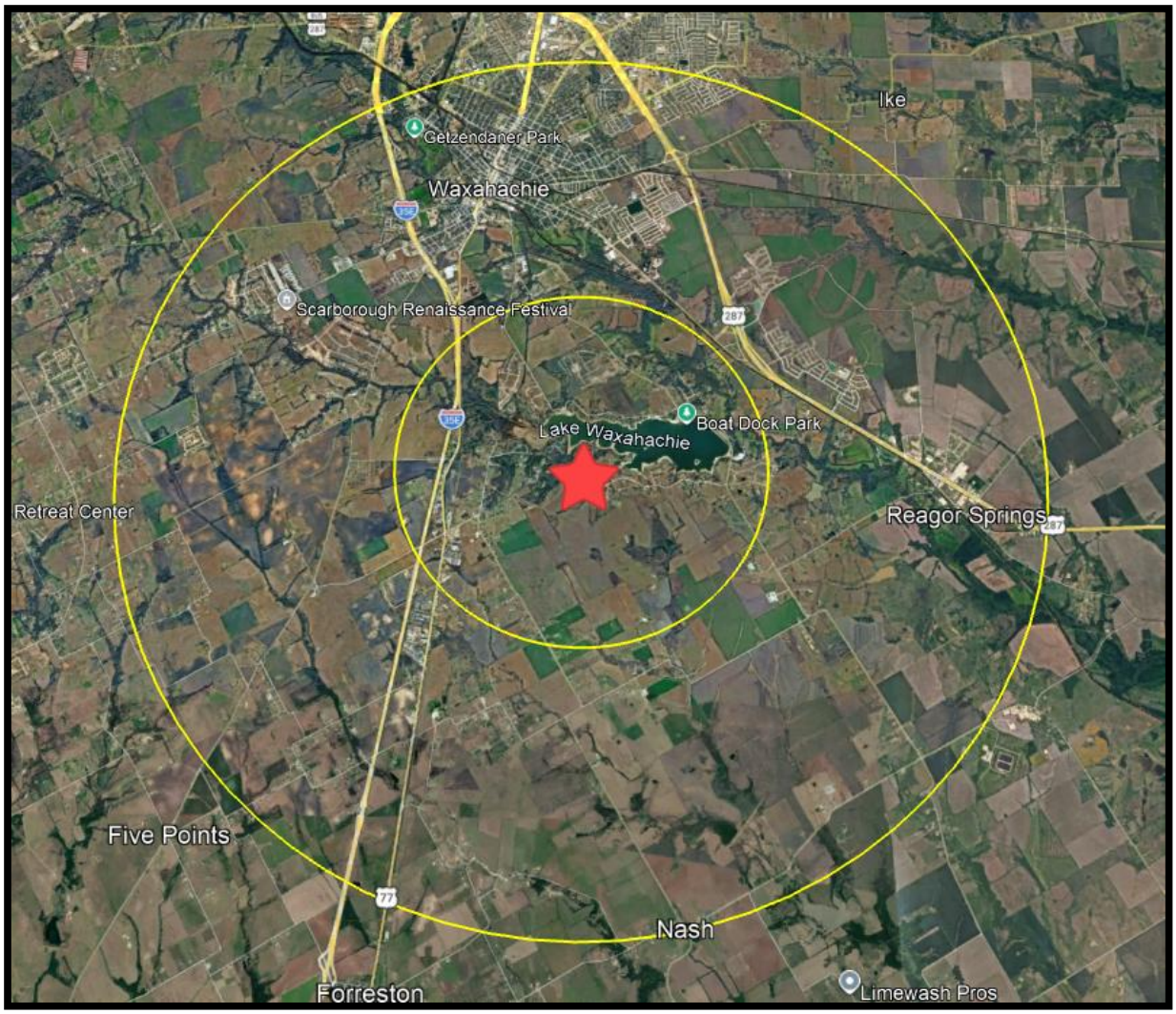


## NEIGHBORHOOD ANALYSIS

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. The Haven Ranch PID IA #1 is located within the Waxahachie ETJ, Ellis County, Texas and is within the Waxahachie ISD.

## NEIGHBORHOOD MAP

*Geographic radii of 2 and 5 miles indicating the approximate neighborhood boundaries around the Subject*

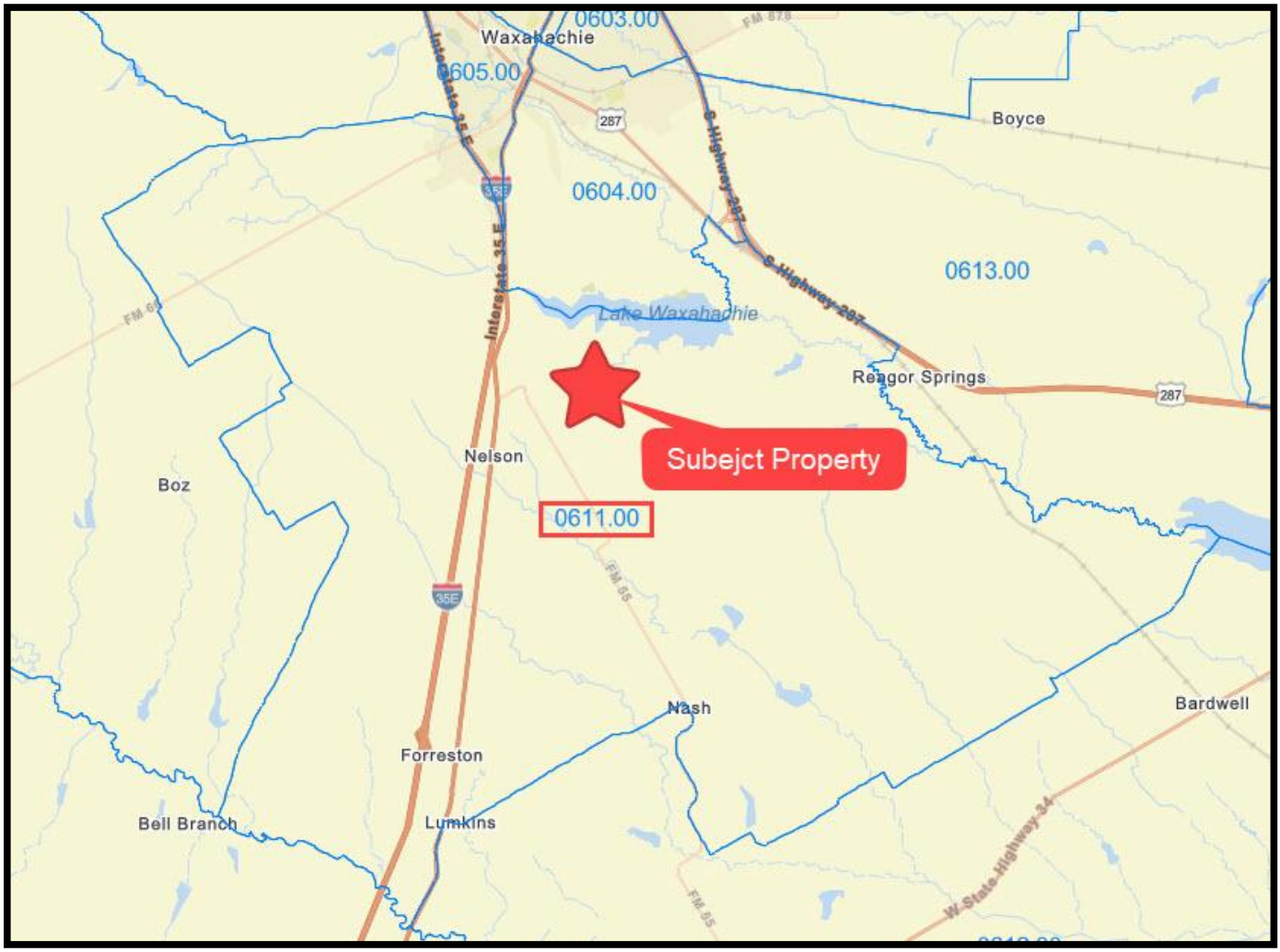



| | 2 Miles | 5 Miles |
|---|---|---|
| **North** | Lions Park Road | Mustang Creek Drive |
| **East** | Quiet Water Way | Old Church Road |
| **South** | Farm-to-Market Road 55 | Holder Road |
| **West** | Bigham Road | Greathouse Road |

## NEIGHBORHOOD DEMOGRAPHICS

The subject is located in census tract 0611.00 with the census report shown on the following page. The census tract report for 0611.00 indicates 5,550 people reside in the tract and income levels are in the middle tier with estimated median family incomes of $121,100. Within census tract 0611.00, approximately 78% of housing units are owner-occupied with 11% being renter-occupied and 6% being vacant. These housing and demographic statistics indicate middle class residents who tend to live in 15-25-year-old single-family homes.

**Census Tract 0611.00 Map**



## Tract 0611.00 Census Report

2026 FFIEC Geocode Census Report

Address:
MSA:19124-DALLAS-PLANO-IRVING, TX
State:48-TEXAS
County:139-ELLIS COUNTY
Tract Code:0611.00

### 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 | $87,391 |
| Tract Median Family Income % | 98.95 |
| Tract Population | 5550 |
| Owner-Occupied Units | 1452 |
| 1- to 4- Family Units | 1765 |

### 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 | 8.82 |
| Tract Median Family Income % | 98.95 |
| 2020 Tract Median Family Income | $87,391 |
| 2020 Tract Median Household Income | $78,108 |

### Census Population Information

| | |
|---|---|
| Tract Population | 5550 |
| Number of Families | 1361 |
| Number of Households | 1650 |

### Census Housing Information

| | |
|---|---|
| Total Housing Units | 1765 |
| 1- to 4- Family Units | 1765 |
| Median House Age (Years) | 33 |
| Owner-Occupied Units | 1452 |
| Renter Occupied Units | 198 |
| Owner Occupied 1- to 4- Family Units | 1452 |
| Inside Principal City? | NO |
| Vacant Units | 115 |

## DEMOGRAPHIC SUMMARY

Analytics from CoStar of the area is provided below. Within a 10-mile radius of the subject there are 76,771 people, which represents a 5.10% annual increase in population since 2020 and highlights growth that has occurred in this portion of the DFW Metroplex. The population growth is expected to continue at a slower pace in the coming years and grow another 3.4% in the next five years. The Median household income in the 10-mile radius is $85,358.

**Population**

| | 2 miles | 5 miles | 10 miles |
|---|---|---|---|
| 2020 Population | 1,571 | 17,499 | 61,255 |
| 2025 Population | 1,880 | 21,725 | 76,771 |
| 2030 Population Projection | 2,185 | 25,371 | 89,751 |
| Annual Growth 2020-2025 | 3.9% | 4.8% | 5.1% |
| Annual Growth 2025-2030 | 3.2% | 3.4% | 3.4% |
| Median Age | 42.2 | 36.4 | 37 |
| Bachelor's Degree or Higher | 21% | 18% | 25% |
| U.S. Armed Forces | 0 | 1 | 79 |

**Income**

| | 2 miles | 5 miles | 10 miles |
|---|---|---|---|
| Avg Household Income | $106,510 | $88,553 | $105,062 |
| Median Household Income | $74,582 | $68,662 | $85,358 |
| < $25,000 | 96 | 1,087 | 2,384 |
| $25,000 - 50,000 | 97 | 1,295 | 3,733 |
| $50,000 - 75,000 | 147 | 1,669 | 5,505 |
| $75,000 - 100,000 | 36 | 1,037 | 4,022 |
| $100,000 - 125,000 | 71 | 721 | 3,145 |
| $125,000 - 150,000 | 41 | 460 | 2,382 |
| $150,000 - 200,000 | 127 | 817 | 3,260 |
| $200,000+ | 61 | 378 | 2,146 |

## EMPLOYMENT DATA

A table of the 2, 5, and 10-mile radius employment figures are shown below. The numbers highlight the area's diverse economy with more employees in the area surrounding the subject in service-producing industries and goods-producing industries.

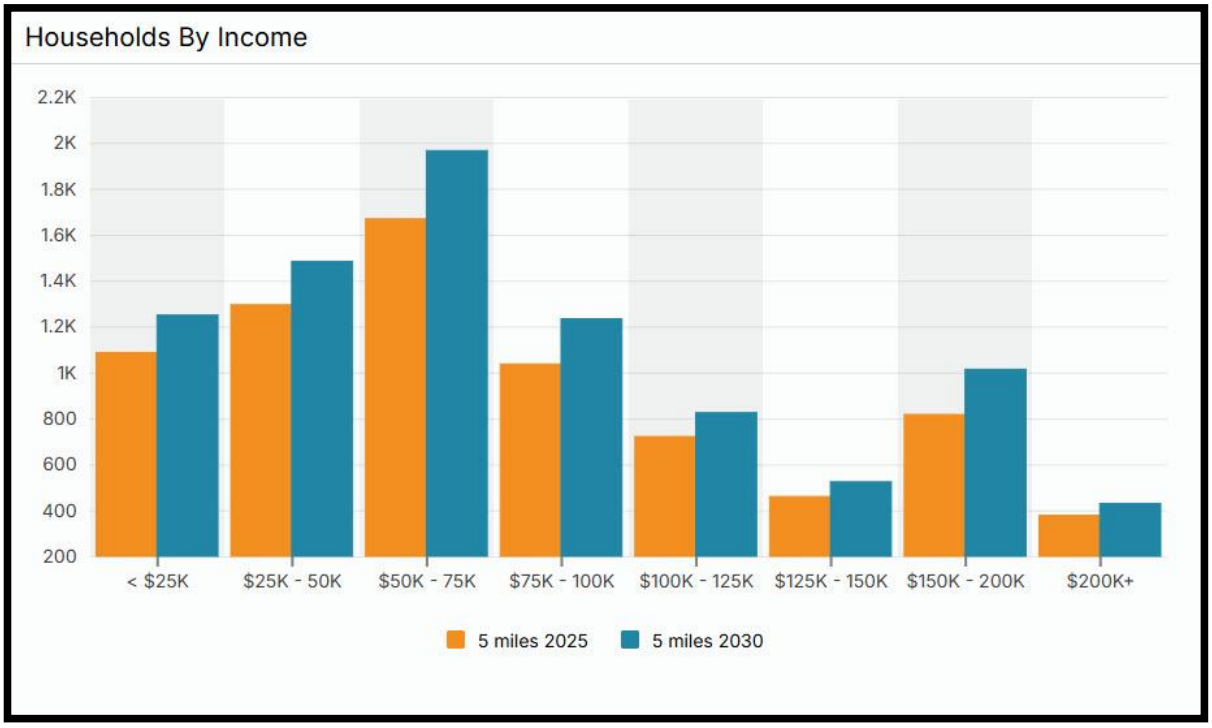
Daytime Employment

| Radius | 2 miles | | 5 miles | | 10 miles | |
|---|---|---|---|---|---|---|
| | Employees | Businesses | Employees | Businesses | Employees | Businesses |
| **Service-Producing Industri...** | **115** | **23** | **7,145** | **812** | **20,076** | **2,351** |
| Trade Transportation & Uti... | 58 | 11 | 721 | 135 | 3,530 | 367 |
| Information | 5 | 1 | 97 | 13 | 352 | 40 |
| Financial Activities | 0 | 0 | 314 | 78 | 1,187 | 279 |
| Professional & Business S... | 10 | 3 | 737 | 131 | 1,626 | 287 |
| Education & Health Services | 7 | 1 | 2,600 | 214 | 7,059 | 759 |
| Leisure & Hospitality | 18 | 3 | 1,147 | 77 | 3,603 | 235 |
| Other Services | 17 | 4 | 445 | 116 | 1,344 | 306 |
| Public Administration | 0 | 0 | 1,084 | 48 | 1,375 | 78 |
| **Goods-Producing Industries** | **19** | **4** | **1,149** | **125** | **3,767** | **315** |
| Natural Resources & Mining | 0 | 0 | 21 | 7 | 62 | 16 |
| Construction | 11 | 3 | 580 | 79 | 1,148 | 214 |
| Manufacturing | 8 | 1 | 548 | 39 | 2,557 | 85 |
| **Total Daytime Employment** | **134** | **27** | **8,294** | **937** | **23,843** | **2,666** |

**CoStar Analytics – Map of Median Household Income**

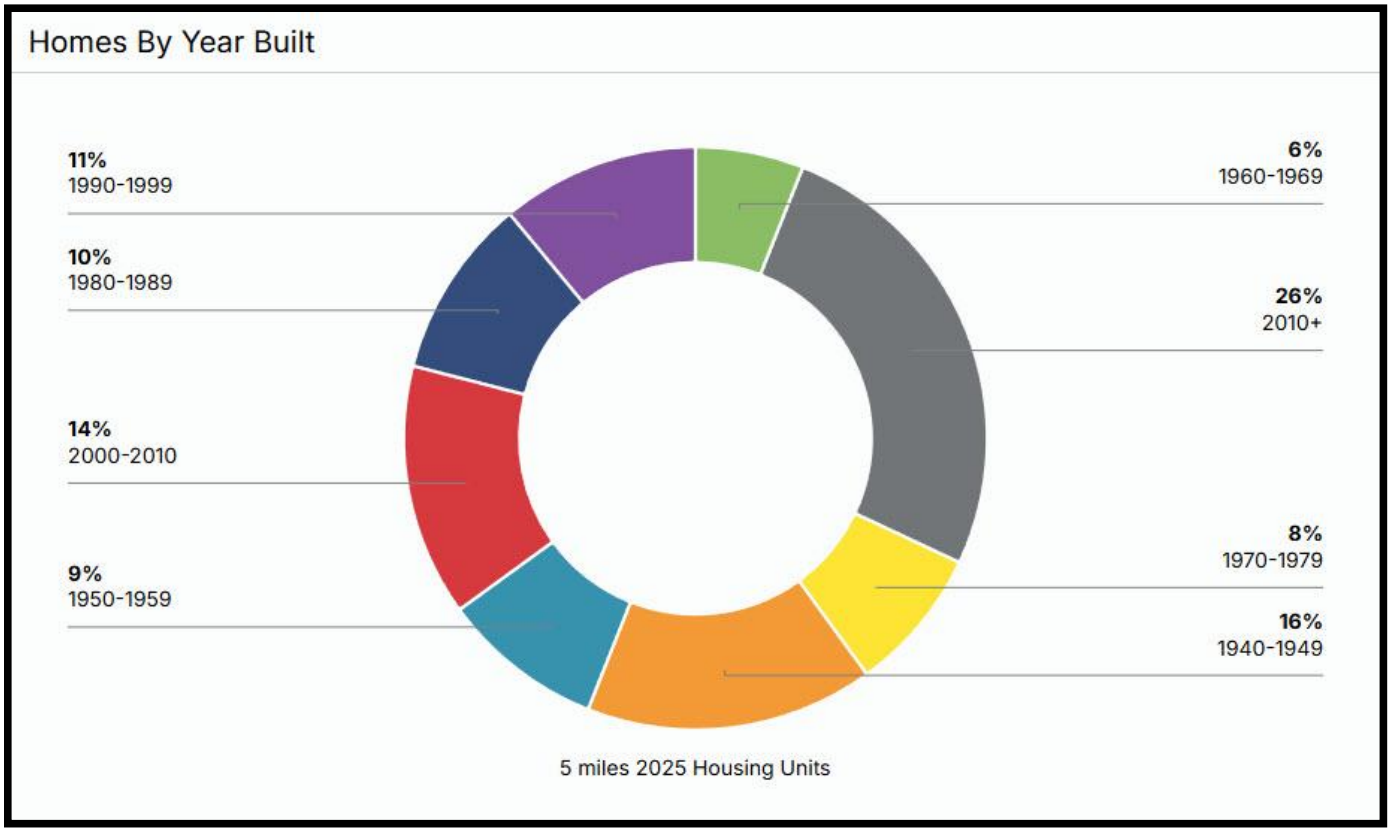
As indicated by the map below, median incomes in the vicinity of the subject property are above $106k. Median incomes in the DFW metroplex tend to be higher in suburban areas outside the population centers in Dallas. This is especially true in areas south of Dallas where affluent communities have concentrated for the past few decades.



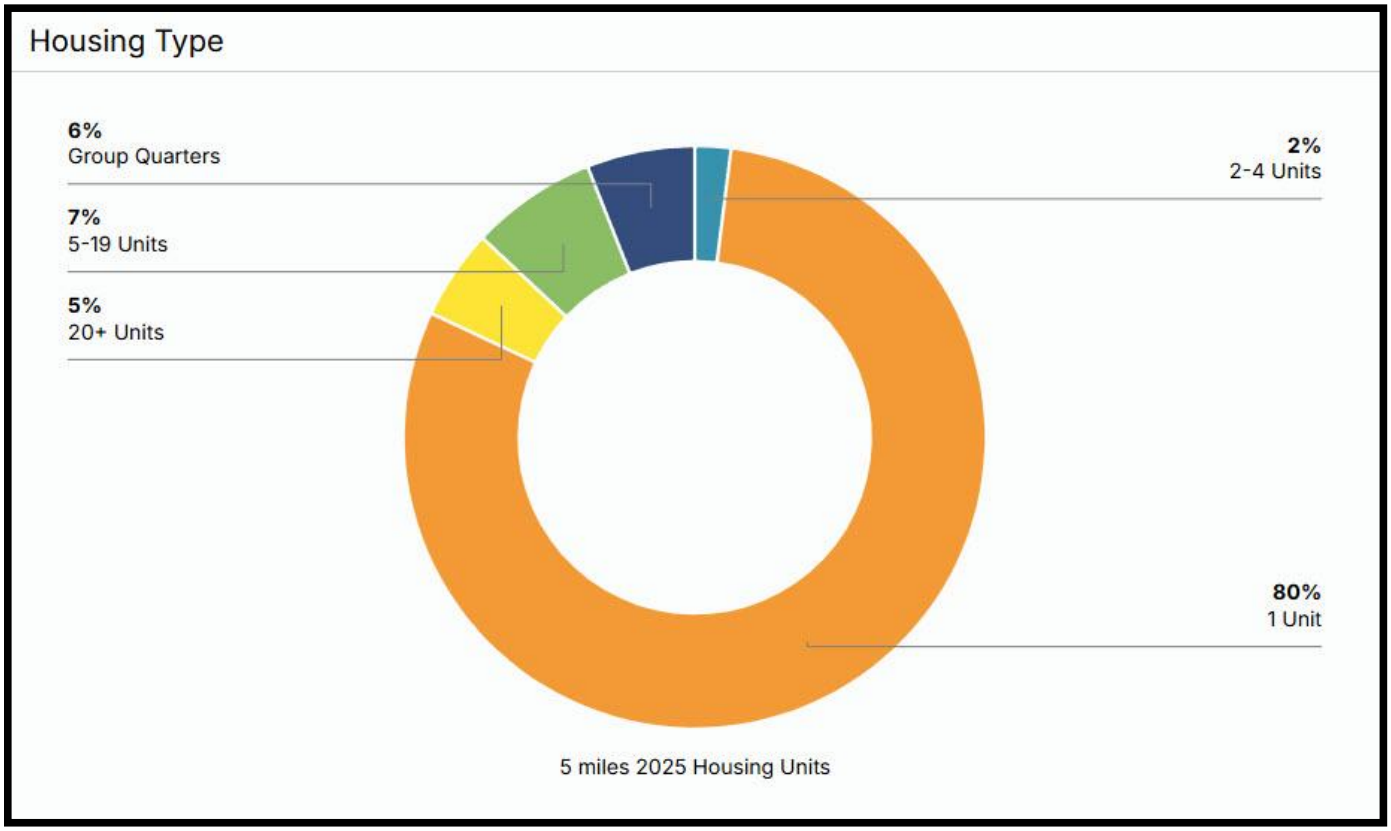
**CoStar Analytics – Housing Statistics**

Most housing in the area (40%) are homes that were built after 2000. This is consistent with the growth stage of the surrounding area which has experienced numerous residential subdivision developments in recent years.



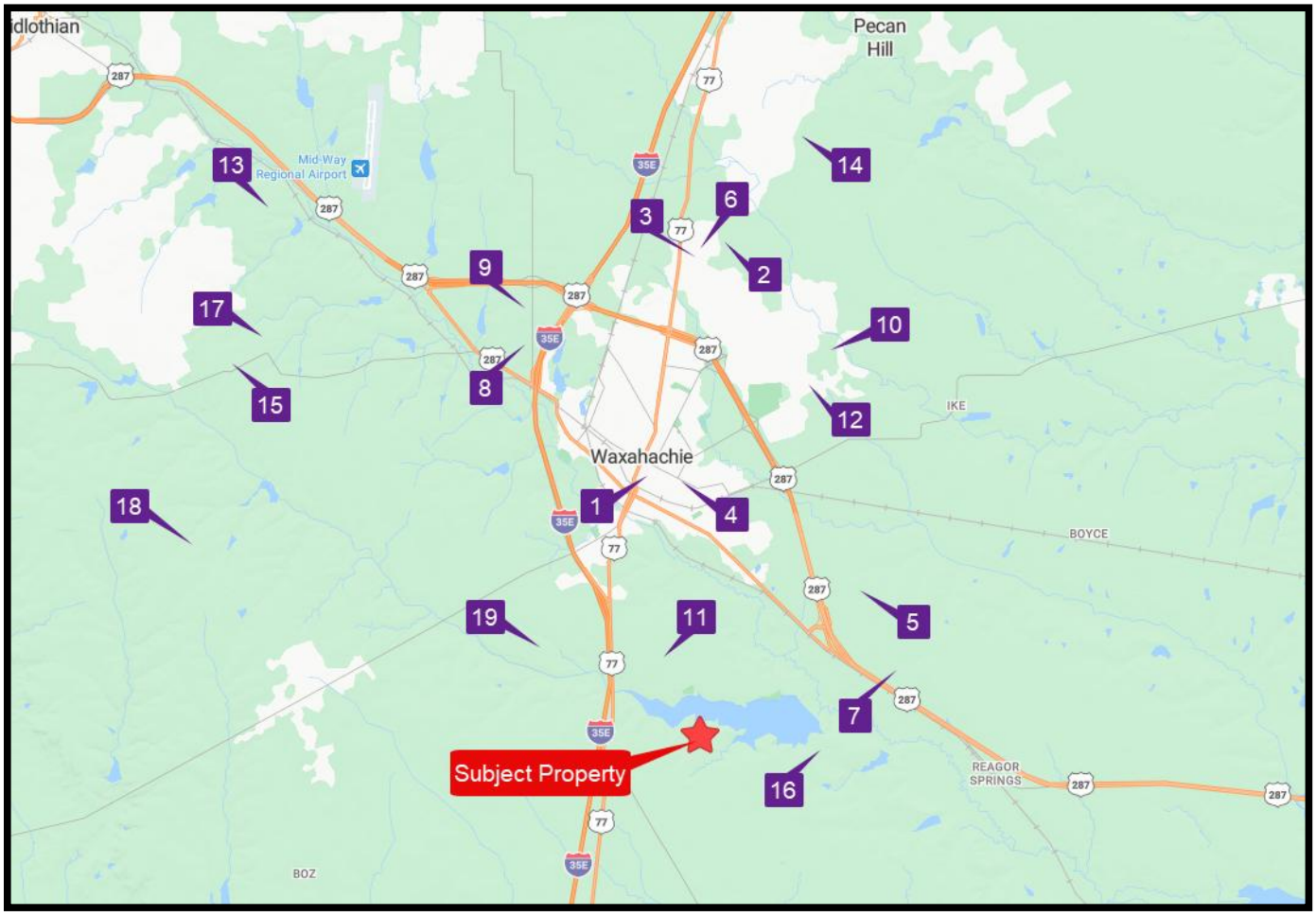
**CoStar Analytics – Housing Statistics**

In addition, the vast majority (80%) of housing in the 5-mile radius consists of single unit housing stock. The subject property is being developed with detached single-family housing that is consistent with the surrounding area.



**Map of Notable Nearby Developing Residential Subdivisions**

A map of notable built-out, developing, and planning single-family residential subdivisions is shown below which highlights the similar and conforming uses around the subject property.




| *MAP KEY* | | | |
|---|---|---|---|
| *1* | Bradbury Addition | *11* | Tuscan Estates (Waxahachie) |
| *2* | Dove Hollow (Waxahachie) | *12* | Willow Springs (Waxahachie) |
| *3* | North Grove/The Retreat | *13* | Mayes Estates |
| *4* | Town Addition (Waxahachie) | *14* | Estates of Hidden Creek |
| *5* | Myrtle Creek | *15* | Hartson Estates |
| *6* | North Grove/Oaks | *16* | Lakeway Estates (Waxahachie) |
| *7* | Saddlebrook Estates (Waxahachie)/SF | 17 | Oak Creek Ranch |
| 8 | Sheppards Place | 18 | Peaks at Lone Elm (Waxahachie) |
| 9 | Ridge Crossing (Waxahachie) | 19 | Waterfall Ranch Estates |
| 10 | Sunrise at Garden Valley | - | |

## ABSORPTION ANALYSIS

### RESIDENTIAL ANALYSIS

The subject property is Haven Ranch PID IA #1 which consists of approximately 212.52 acres in Ellis County being developed into detached single-family lots for residential use. The property is owned and being developed by GRBK Edgewood, LLC.

When analyzing the financially feasible and maximally productive use of the site, uses that are both physically possible and legally permissible must be considered. An important factor affecting the development of the subject is the surrounding land usage. For the subject property, the primary potential use is single-family residential development as that conforms to recent land development in the Waxahachie ETJ. The neighborhood is best described as the area east of the US Highway 77 and FM 55 intersection. The neighborhood is mainly residential and commercial uses, however to the south of the subject, there are still agricultural uses. US Highway 77 runs north/south and has several community commercial uses.

Since the recession in 2008, the residential real estate market in this area of North Texas has continuously improved, and the Waxahachie ETJ has experienced this consistent population growth. Low interest rates persisted nationally in 2020 and 2021, and the markets rose significantly, but in 2022-2025 and into the early part of 2026 we have seen higher interest rates as the Fed seeks to combat inflation. 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 like Waxahachie ETJ is expected to remain strong. Those end-user homebuyers in Haven Ranch PID IA #1 are expected to be middle-to-upper income earners as the average home price for finished single-family homes in the community is expected to be $350,000 for the 5,500-SF Lots, $410,000 for the 7,000-SF lots, $485,000 for the 9,200-SF lots, and $585,000 for the 43,560-SF lots.

Demand for vacant developed lots (VDLs) for home builders is currently dampening; along with material and labor shortages have continued into 2026 according to the Texas Real Estate Research Center. However, developable residential land in DFW with good access to Dallas is in high demand with developments moving even further away from the Dallas CBD and highly developed areas of Dallas where vacant land is scarce after decades of growth. The subject property–Haven Ranch PID IA #1–is removed from the large Central Business Districts in the Metroplex but relatively near areas of Ellis 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 by September 1, 2026, 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.

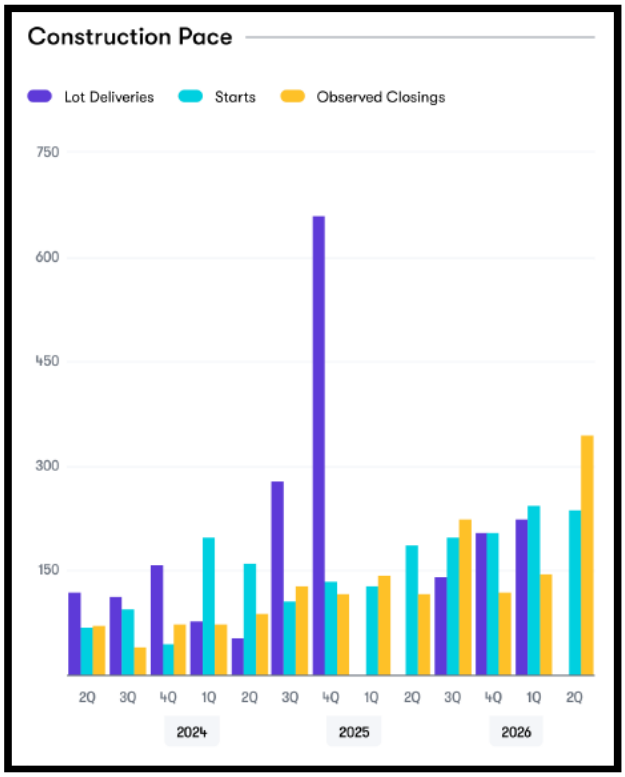
*Note: Zonda's search functionality is limited to lot types categorized on a per-front-foot basis. We have applied the 50' lots for the 5,500-SF lots absorption analysis, the 60' lots for the 7,000-SF lots absorption analysis, the 80' lots for the 9,200-SF lots absorption analysis, and the 125' lots for the 43,560-SF lots absorption analysis:*

We determined a 10-mile radius around the subject property is suitable for our absorption analysis as the competitive supply of lots is within this area. Further, we examined residential communities with lot widths between 45'-150'.

The construction pace data indicates a market shifting toward tighter lot conditions, with VDL deliveries slowing while builder activity and buyer absorption remain elevated. Quarterly VDL deliveries decreased from 226 in 1Q 2026 to zero in 2Q 2026, and annual deliveries declined 39.04% year over year to 573 lots. In contrast, quarterly starts remained strong at 238 homes, up 26.60% from 2Q 2025, while annual starts increased 57.75% to 885 homes. Observed closings accelerated considerably, with quarterly closings rising from 119 in 2Q 2025 to 346 in 2Q 2026, an increase of 190.76%. Annual closings also climbed 64.83% to 839 homes, indicating that absorption has strengthened materially relative to new lot deliveries. The construction pace chart reinforces this improving balance: VDL inventory and months of supply continue to trend downward, while starts and closings remain comparatively elevated. This suggests that builders are consuming existing finished-lot inventory at a faster rate than new supply is being delivered. Overall, the combination of strong building activity, accelerating closings and reduced lot deliveries points to a market that is moving from excess finished-lot availability toward tighter supply conditions.

**Construction & Supply**

| | 2Q 2025 | 3Q 2025 | 4Q 2025 | 1Q 2026 | 2Q 2026 | 2Q 2025 VS 2Q 2026 |
|---|---|---|---|---|---|---|
| **Pace** | | | | | | |
| Quarterly VDL Deliveries | 0 | 142 | 205 | 226 | 0 | - |
| Annual VDL Deliveries | 940 | 802 | 347 | 573 | 573 | -39.04% |
| Quarterly Starts | 188 | 198 | 205 | 244 | 238 | 26.60% |
| Annual Starts | 561 | 652 | 721 | 835 | 885 | 57.75% |
| Quarterly Observed Closings | 119 | 226 | 121 | 146 | 346 | 190.76% |
| Annual Observed Closings | 509 | 606 | 610 | 612 | 839 | 64.83% |

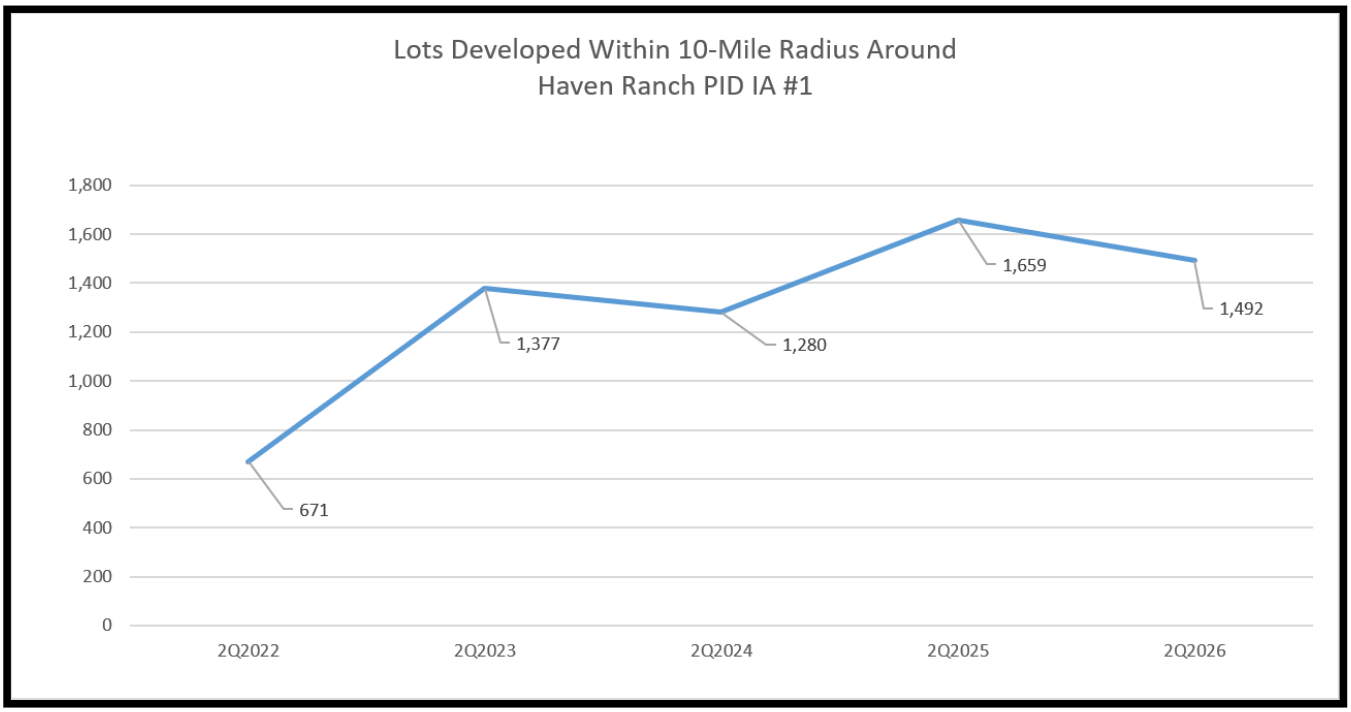


**DEFINED SUBMARKET AREA**

According to Zonda, the selected area absorbed the following number of 45'-150' lots year-over-year from 2Q2022 to 2Q2026:

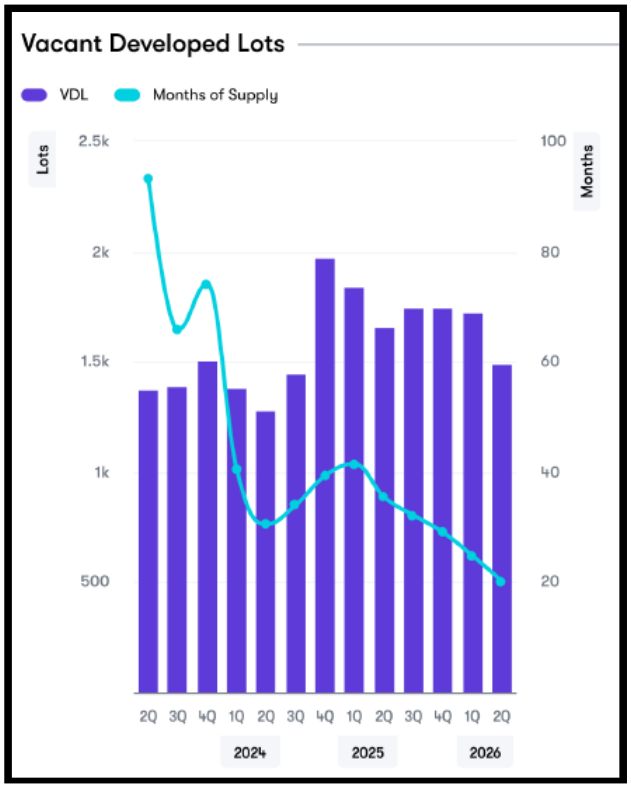
- 2Q2022 – 671 lots absorbed
- 2Q2023 – 1,377 lots absorbed
- 2Q2024 – 1,280 lots absorbed
- 2Q2025 – 1,659 lots absorbed
- 2Q2026 – 1,492 lots absorbed

From 2022-2026, the *annual average* of lots absorbed was 1,296 (6,479÷5). Utilizing the more recent 24-month absorption of lots (2Q2024 to 2Q2026), the annual average of lots absorbed increased to 1,477 (4,431÷3) lots in the area.



**COMPETITIVE SUPPLY (LOT INVENTORY)**

The Vacant Developed Lots (VDL) chart indicates that the supply of ready-to-build lots has declined substantially over the past year, moving toward a more balanced relationship with demand. VDL inventory decreased from 1,659 lots in 2Q 2025 to 1,492 lots in 2Q 2026, a decline of 10.1%, while VDL months of supply fell from 35.49 to 20.23 months, a much larger reduction of 43.0%. The sharp improvement in months of supply reflects stronger absorption, supported by annual starts increasing 57.8% to 885 homes and annual observed closings rising 64.8% to 839 homes. The chart visually shows a gradual decline in lot inventory through early 2026, with the months-of-supply line falling more rapidly before reaching its lowest point in the latest quarter. With quarterly starts remaining elevated at 238 homes while observed closings accelerated to 346 homes, the available lot supply is being absorbed faster despite no new quarterly VDL deliveries in 2Q 2026. Overall, the combination of declining inventory, improving absorption and materially lower months of supply indicates a notable tightening in the vacant developed lot market.




Thus, the total lot supply is considered to be **below** supply level for a significantly developing market. *Also, taking into consideration that new developments require a typical 12-to-18-month construction period, with increasing demand and declining lot supply, along with developers and builders speculating an increase in demand it appears that additional lot product in the submarket is feasible at the current time.* This corresponds to discussions we had with DFW homebuilders who state there is a scarcity of vacant developed lots currently on the market which is pushing prices higher.

Having considered the supply of lots in the market, it is now prudent to examine the absorption history of specific competing subdivisions in the subject's market area with similar lot features and amenities relative to the subject to determine the projected absorption of the subject's proposed lots.

**ABSORPTION ANALYSIS – 5,500-SF, 7,000-SF, 9,200-SF, AND 43,560-SF LOTS**

The similarities considered to be most important are lot size, home price range, and amenity features. The tables that follow detail the active subdivisions that are considered to compete with the subject's lots. All data is per Zonda as of 2Q2026.

*Note: Zonda's search functionality is limited to lot types categorized on a per-front-foot basis. We have applied the 50' lots for the 5,500-SF absorption analysis, the 60' lots for the 7,000-SF absorption analysis, the 80' lots for the 9,200-SF absorption analysis, and the 125' lots for the 43,560-SF absorption analysis:*

***50'-60's Lots (5,500-SF lots & 7,000-SF lots)***

For the 50' and 60' lots, we included data for lots within a 10-mile radius and included lots 50'-60' in our analysis. Data on 50' and 60' lots is relatively plentiful in this area. We selected eight comparable absorption schedules at nearby communities which are shown below:

| Subdivision | Size (Foot Front) | Available Lots | Starts | Months | Available Supply (Months) | Starts /Month |
|---|---|---|---|---|---|---|
| Bradbury Addition | 50' | 0 | 2 | 12 | 0.0 | **0.2** |
| Dove Hollow (Waxahachie) | 50'-60' | 3 | 180 | 12 | 0.2 | **15.0** |
| North Grove/The Retreat | 50'-60' | 30 | 26 | 12 | 13.8 | **2.2** |
| Town Addition (Waxahachie) | 55' | 2 | 2 | 12 | 12.0 | **0.2** |
| Myrtle Creek | 60' | 123 | 75 | 12 | 19.7 | **6.3** |
| North Grove/Oaks | 60' | 78 | 27 | 12 | 34.7 | **2.3** |
| Saddlebrook Estates (Waxahachie)/SF | 60' | 8 | 169 | 12 | 0.6 | **14.1** |
| Sheppards Place | 60' | 17 | 26 | 12 | 7.8 | **2.2** |
| ***AVERAGE*** | | ***32.6*** | ***63.4*** | ***12.0*** | ***11.1*** | ***5.3*** |

Our analysis indicates Starts/Month is between 0.2 and 15.0 with an average of 5.3 starts/month and a median of 2.2 starts/month. We similarly weighed and considered **the subject property's 5,500-SF and 7,000-SF lots would likely absorb 5 lots/month, or approximately 15 lots per quarter.**

***80' Lots (9,200-SF Lots)***

For the 80' lots, we included data for lots within a 10-mile radius and included lots 70'-80' in our analysis. Data on 80' lots is relatively plentiful in this area. We selected seven comparable absorption schedules at nearby communities which are shown below:

| Subdivision | Size (Foot Front) | Available Lots | Starts | Months | Available Supply (Months) | Starts /Month |
|---|---|---|---|---|---|---|
| Dove Hollow (Waxahachie) | 70' | 25 | 30 | 12 | 10.0 | **2.5** |
| Ridge Crossing (Waxahachie) | 70' | 29 | 37 | 12 | 9.4 | **3.1** |
| Saddlebrook Estates (Waxahachie)/SF | 70' | 64 | 49 | 12 | 15.7 | **4.1** |
| Myrtle Creek | 71'-80' | 39 | 58 | 12 | 8.1 | **4.8** |
| Sunrise at Garden Valley | 75' | 58 | 18 | 12 | 38.7 | **1.5** |
| Tuscan Estates (Waxahachie) | 80' | 25 | 9 | 12 | 33.3 | **0.8** |
| Willow Springs (Waxahachie) | 80' | 49 | 17 | 12 | 34.6 | **1.4** |
| ***AVERAGE*** | | ***56.3*** | ***33.2*** | ***12.0*** | ***24.1*** | ***2.8*** |

Our analysis indicates Starts/Month is between 0.8 and 4.8 with an average of 2.6 starts/month with a median of 2.5 starts/month. We similarly weighted and considered **the subject property's 9,200-SF lots would likely absorb 3 lots/month, or approximately 9 lots per quarter.**

***125' Lots (43,560-SF Lots)***

For the 125' lots, we included data for lots within a 10-mile radius and included lots 108'-150' in our analysis. Lots between 108'-130' had few to no starts therefore our data begins with 138' lots shown in the chart below. Data on 125' lots is plentiful in this area. We selected seven comparable absorption schedules at nearby communities which are shown below:

| Subdivision | Size (Foot Front) | Available Lots | Starts | Months | Available Supply (Months) | Starts /Month |
|---|---|---|---|---|---|---|
| Mayes Estates | 138' | 11 | 4 | 12 | 33.0 | **0.3** |
| Estates of Hidden Creek | 150' | 40 | 10 | 12 | 48.0 | **0.8** |
| Hartson Estates | 150' | 19 | 21 | 12 | 10.9 | **1.8** |
| Lakeway Estates (Waxahachie) | 150' | 21 | 30 | 12 | 8.4 | **2.5** |
| Oak Creek Ranch | 150' | 5 | 9 | 12 | 6.7 | **0.8** |
| Peaks at Lone Elm (Waxahachie) | 150' | 137 | 8 | 12 | 205.5 | **0.7** |
| Waterfall Ranch Estates | 150' | 84 | 42 | 12 | 24.0 | **3.5** |
| ***AVERAGE*** | | ***40.4*** | ***20.5*** | ***12.0*** | ***42.3*** | ***1.7*** |

Our analysis indicates Starts/Month is between 0.3 and 3.5 with an average of 1.5 starts/month with a median of 0.8 starts/month. We similarly weighted and considered **the subject property's 43,560-SF lots would likely absorb 2 lots/month, or approximately 6 lots per quarter.**

**Absorption Summary Projection: 5,500-SF and 7,000-SF Lots**
Based on the preceding, we estimate that lots in the subject property's development will sell 15 lots/quarter for 50' and 60' lots (5,500-SF and 7,000-SF) with absorption beginning September 1, 2026. An Absorption Summary Projection for the 5,500-SF and 7,000-SF lot types is shown in the table below for the 101 lots in Haven Ranch PID IA #1.

*Note: The 9,200-SF and 43,560-SF lots are discussed in the takedown summary earlier in this report. The 5,500-SF and 7,000-SF lots are not part of the takedown within the purchase and sale agreement therefore we utilized the absorption analysis for the 5,500-SF and 7,000-SF lots as shown below:*

*Note: Typically, quarters start in January, April, July, and October. We are utilizing the takedown schedule of the purchase and sale agreement provided by the developer as our projected quarterly absorption for the 5,500-SF and the 7,000-SF lots.*

| **Projected Quarterly Absorption Summary - Haven Ranch PID IA #1** | | | | | | |
|---|---|---|---|---|---|---|
| *Lot Type* | *Sep-2026* | *Dec-2026* | *Mar-2027* | *Jun-2027* | *Sep-2027* | **TOTAL** |
| 5,500-SF | 5 | 15 | 15 | 5 | - | **40** |
| 7,000-SF | 5 | 15 | 15 | 15 | 11 | **61** |
| **Total** | **10** | **30** | **30** | **20** | **11** | **101** |

**The total absorption period for the 5,500-SF lots is expected to be 8 months (40 lots ÷ 5 lots/month), and lots are expected to sell out in June 2027. The total absorption period for the 7,000-SF lots is expected to be 13 months (61 lots ÷ 5 lots/month), and lots are expected to sell out in December 2027.**

## SUBJECT PROPERTY ANALYSIS

Haven Ranch PID IA #1 represents a total of 212.52 acres (9,257,371-SF) currently being developed as follows:

- Haven Ranch PID IA #1 will consist of 40 5,500 square foot lots, 61 7,000 square foot lots, 133 9,200 square foot lots, and 53 43,560 square foot lots with a total of 287 improved residential lots on approximately 212.52 acres.

The following chart shows a breakdown of Haven Ranch PID IA #1

| Haven Ranch PID; IA #1 | | | | | | |
|---|---|---|---|---|---|---|
| **Area Type** | **Size (Acres)** | **5,500-SF Lot Type** | **7,000-SF Lot Type** | **9,200-SF Lot Type** | **43,560-SF Lot Type** | **Total Lots Appraised** |
| ***IA #1*** | *212.52* | *40* | *61* | *133* | *53* | *287* |
| **Total** | 212.52 | **40** | **61** | **133** | **53** | **287** |

Haven Ranch PID IA #1 is owned and being developed by GRBK Edgewood, LLC. Haven Ranch PID IA #1 is located in central Ellis County in the DFW Metroplex. The area surrounding the subject property is a mix of residential, commercial, and agricultural uses and has been developed with large master-planned communities that are generally suitable for middle- to upper-income households.

Access to the subject property is considered average as it will be located east of the US Highway 77 and FM 55 intersection. Generally, the main retail and commercial options near the subject site are found along US Highway 77 or within the City Limits of Waxahachie.

Based on research and discussion with the development team, the price point of homes in the subject's community will be $350,000 for the 5,500-SF Lots, $410,000 for the 7,000-SF lots, $485,000 for the 9,200-SF lots, $585,000 for the 43,560-SF lots, which should be a desirable price point for middle- to upper- income homebuyers looking for a quiet community outside of major cities in the DFW metroplex, but with the amenities of a planned residential community.

*Haven Ranch Public Improvement District Improvement Area* #1

We were provided with the following Opinion of Probable Cost (OPC) tables by Kimley Horn Professional Engineers, for the 287 Lots in Haven Ranch PID IA #1:

**EXHIBIT B - PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST**
**HAVEN RANCH - CITY OF WAXAHACHIE**
**PID ELIGIBLE COST SUMMARY**
**June 1, 2026**

| Phase 1 Authorized Costs | | | Allocation | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Contractor | Total Cost | Phase 1 | Phase 2 | Phase 3 | Phase 4 | Phase 5 | Phase 6 | Phase 7 | Phase 8 | Phase 9 | Phase 10 | Phase 11 |
| | | | 287 | 119 | 185 | 235 | 316 | 171 | 302 | 258 | 279 | 241 | 207 |
| Major Allocation | | | 12.28% | 4.26% | 7.02% | 8.67% | 11.57% | 6.44% | 12.75% | 8.76% | 9.96% | 10.03% | 8.26% |
| Major Zone 1 Allocation | | | 38.11% | 13.21% | 21.77% | 26.90% | | | | | | | |
| Major Zone 2 Allocation | | | | | | | 17.07% | 9.50% | 18.81% | 12.93% | 14.70% | 14.80% | 12.19% |
| **Water** | | | | | | | | | | | | | |
| Phase 1 | KCK | $ 2,915,065 | $ 2,915,065 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Sanitary Sewer** | | | | | | | | | | | | | |
| Phase 1 | KCK | $ 2,238,180 | $ 2,238,180 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Onsite Major | KCK | $ 500,027 | $ 190,575 | $ 66,039 | $ 108,881 | $ 134,532 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Lift Station | Rey Mar | $ 2,611,726 | $ 995,408 | $ 344,933 | $ 568,702 | $ 702,683 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Force Main (12") + Conduit | KCK | $ 4,153,957 | $ 1,583,198 | $ 548,618 | $ 904,522 | $ 1,117,619 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Force Main (14") | KCK | $ 3,956,703 | $ - | $ - | $ - | $ - | $ 675,572 | $ 375,777 | $ 744,313 | $ 511,600 | $ 581,512 | $ 585,487 | $ 482,442 |
| Easement/ROW Acquisition | FWSD | $ 1,893,779 | $ 232,548 | $ 80,584 | $ 132,861 | $ 164,161 | $ 219,168 | $ 121,909 | $ 241,469 | $ 165,972 | $ 188,653 | $ 189,942 | $ 156,513 |
| **Storm** | | | | | | | | | | | | | |
| Phase 1 | KCK | $ 3,555,964 | $ 3,555,964 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Offsite Major | KCK | $ 395,115 | $ 48,518 | $ 16,813 | $ 27,720 | $ 34,250 | $ 45,727 | $ 25,435 | $ 50,380 | $ 34,628 | $ 39,360 | $ 39,629 | $ 32,655 |
| Onsite Major | KCK | $ 1,877,125 | $ 230,503 | $ 79,875 | $ 131,692 | $ 162,718 | $ 217,240 | $ 120,837 | $ 239,345 | $ 164,513 | $ 186,994 | $ 188,272 | $ 155,137 |
| **Paving** | | | | | | | | | | | | | |
| Phase 1 | GTI | $ 5,136,280 | $ 5,136,280 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Public Offsite Major | GTI | $ 2,156,293 | $ 264,784 | $ 91,754 | $ 151,278 | $ 186,917 | $ 249,548 | $ 138,808 | $ 274,941 | $ 188,979 | $ 214,804 | $ 216,272 | $ 178,209 |
| Public Onsite Major | GTI | $ 905,945 | $ 111,246 | $ 38,550 | $ 63,558 | $ 78,531 | $ 104,845 | $ 58,319 | $ 115,514 | $ 79,398 | $ 90,248 | $ 90,864 | $ 74,873 |
| Sidewalks/Ramps (Phase 1) | Ratliff | $ 460,875 | $ 460,875 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Sidewalks/Ramps (Onsite Major) | Ratliff | $ 949,553 | $ 116,601 | $ 40,405 | $ 66,617 | $ 82,312 | $ 109,892 | $ 61,126 | $ 121,074 | $ 83,219 | $ 94,592 | $ 95,238 | $ 78,477 |
| **Earthwork** | | | | | | | | | | | | | |
| Phase 1 (ROW) | FCS | $ 282,434 | $ 282,434 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Onsite Major (ROW) | FCS | $ 242,457 | $ 29,773 | $ 10,317 | $ 17,010 | $ 21,017 | $ 28,060 | $ 15,608 | $ 30,915 | $ 21,249 | $ 24,153 | $ 24,318 | $ 20,038 |
| Offsite (E Haven Road ROW) | FCS | $ 114,450 | $ 14,054 | $ 4,870 | $ 8,029 | $ 9,921 | $ 13,245 | $ 7,368 | $ 14,593 | $ 10,030 | $ 11,401 | $ 11,479 | $ 9,459 |
| **Erosion Control** | | | | | | | | | | | | | |
| Phase 1 | Southwest | $ 128,736 | $ 128,736 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Engineering** | | | | | | | | | | | | | |
| Phase 1 | Kimley Horn | $ 1,102,424 | $ 1,102,424 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Major Infrastructure | Kimley Horn | $ 1,210,300 | $ 148,620 | $ 51,500 | $ 84,910 | $ 104,914 | $ 140,068 | $ 77,911 | $ 154,321 | $ 106,072 | $ 120,567 | $ 121,391 | $ 100,026 |
| **Misc** | | | | | | | | | | | | | |
| Testing (Phase 1) | UES | $ 144,855 | $ 17,788 | $ 6,164 | $ 10,163 | $ 12,557 | $ 16,764 | $ 9,325 | $ 18,470 | $ 12,695 | $ 14,430 | $ 14,529 | $ 11,972 |
| Testing (Haven Ranch Blvd) | UES | $ 77,999 | $ 29,728 | $ 10,301 | $ 16,984 | $ 20,986 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Testing (E Haven Road & Offsite Waterline) | UES | $ 23,733 | $ 9,045 | $ 3,134 | $ 5,168 | $ 6,385 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Testing (Lift Station) | UES | $ 15,810 | $ - | $ - | $ - | $ - | $ 2,699 | $ 1,502 | $ 2,974 | $ 2,044 | $ 2,324 | $ 2,339 | $ 1,928 |
| Testing (12" Force Main) | UES | $ 32,102 | $ - | $ - | $ - | $ - | $ 5,481 | $ 3,049 | $ 6,039 | $ 4,151 | $ 4,718 | $ 4,750 | $ 3,914 |
| Testing (14" Force Main) | UES | $ 32,102 | $ 3,942 | $ 1,366 | $ 2,252 | $ 2,783 | $ 3,715 | $ 2,066 | $ 4,093 | $ 2,813 | $ 3,198 | $ 3,220 | $ 2,653 |
| Final Geotech (Phase 1) | UES | $ 2,000 | $ 246 | $ 85 | $ 140 | $ 173 | $ 231 | $ 129 | $ 255 | $ 175 | $ 199 | $ 201 | $ 165 |
| Final Geotech (Lift Station) | UES | $ 3,400 | $ 3,400 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Final Geotech (Haven Ranch Blvd) | UES | $ 5,500 | $ 675 | $ 234 | $ 386 | $ 477 | $ 637 | $ 354 | $ 701 | $ 482 | $ 548 | $ 552 | $ 455 |
| City Inspection Fees (Phase 1) | City | $ 399,006 | $ 48,996 | $ 16,978 | $ 27,993 | $ 34,588 | $ 46,177 | $ 25,685 | $ 50,876 | $ 34,969 | $ 39,748 | $ 40,020 | $ 32,976 |
| City Inspection Fees (Major Infrastructure) | City | $ 229,435 | $ 229,435 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 3rd Party Insepction Fees (E Haven Road) | Kimley Horn | $ 45,000 | $ 5,526 | $ 1,915 | $ 3,157 | $ 3,901 | $ 5,208 | $ 2,897 | $ 5,738 | $ 3,944 | $ 4,483 | $ 4,513 | $ 3,719 |
| City Review Fees (Phase 1) | City | $ 25,000 | $ 25,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| City Review Fees (Major Infrastructure) | City | $ 25,000 | $ 3,070 | $ 1,064 | $ 1,754 | $ 2,167 | $ 2,893 | $ 1,609 | $ 3,188 | $ 2,191 | $ 2,490 | $ 2,507 | $ 2,066 |
| 3rd Party Acquisition Fees (Major Infrastructure) | Whitman | $ 272,560 | $ 33,469 | $ 11,598 | $ 19,122 | $ 23,627 | $ 31,543 | $ 17,546 | $ 34,753 | $ 23,887 | $ 27,152 | $ 27,337 | $ 22,526 |
| | | | Phase 1 | Phase 2 | Phase 3 | Phase 4 | Phase 5 | Phase 6 | Phase 7 | Phase 8 | Phase 9 | Phase 10 | Phase 11 |
| **TOTAL** | | $ 38,120,889 | $ 20,196,107 | $ 1,427,098 | $ 2,352,897 | $ 2,907,220 | $ 1,918,715 | $ 1,067,258 | $ 2,113,950 | $ 1,453,012 | $ 1,651,571 | $ 1,662,860 | $ 1,370,201 |

| Phase 1 Impact Fee Eligible Costs | | |
|---|---|---|
| | Contractor | Total Cost |
| **Water** | | |
| Offsite Major | KCK | $ 766,616 |
| Onsite Major | KCK | $ 2,176,863 |
| **Sanitary Sewer** | | |
| Offsite Gravity | KCK | $ 1,130,804 |
| Temp Offsite Gravity | KCK | $ 328,100 |
| Temp Offsite Gravity Misc | KCK | $ 7,825 |
| **TOTAL IMPACT FEE ELIGIBLE** | | $ 4,410,209 |

The above-mentioned Budgeted Costs are provided by Kimley Horn, the Professional Engineers. The figures shown in the previous table may be revised in Annual Service Plan Updates and may be reallocated between line items upon approval by the City so long as the total Authorized Improvements amount and the benefit allocation does not change.

*The preceding general descriptions of the subject's characteristics are based on review of available maps and data sources, as well as our physical on-site observations. Please refer to copies of the maps, photographs, and renderings for a visual perspective of the subject's physical characteristics.*

**ACCESSIBILITY, FRONTAGE, AND STREETS**

The subject property will be primarily accessed by Highway 77, which is a north/south bound highway as well as FM 55 which is outside the city limits of Waxahachie and transverses west of the subject property.

A map from TXDOT and a table from CoStar are shown below which highlight traffic counts in the vicinity shown on the following map. Notably, Highway 77 runs to the west of the property and has roughly 3,400 average daily vehicles and FM 55 runs to the west of the property and has over 2,300 average daily vehicles.

**TXDOT Traffic Web Viewer**




Traffic

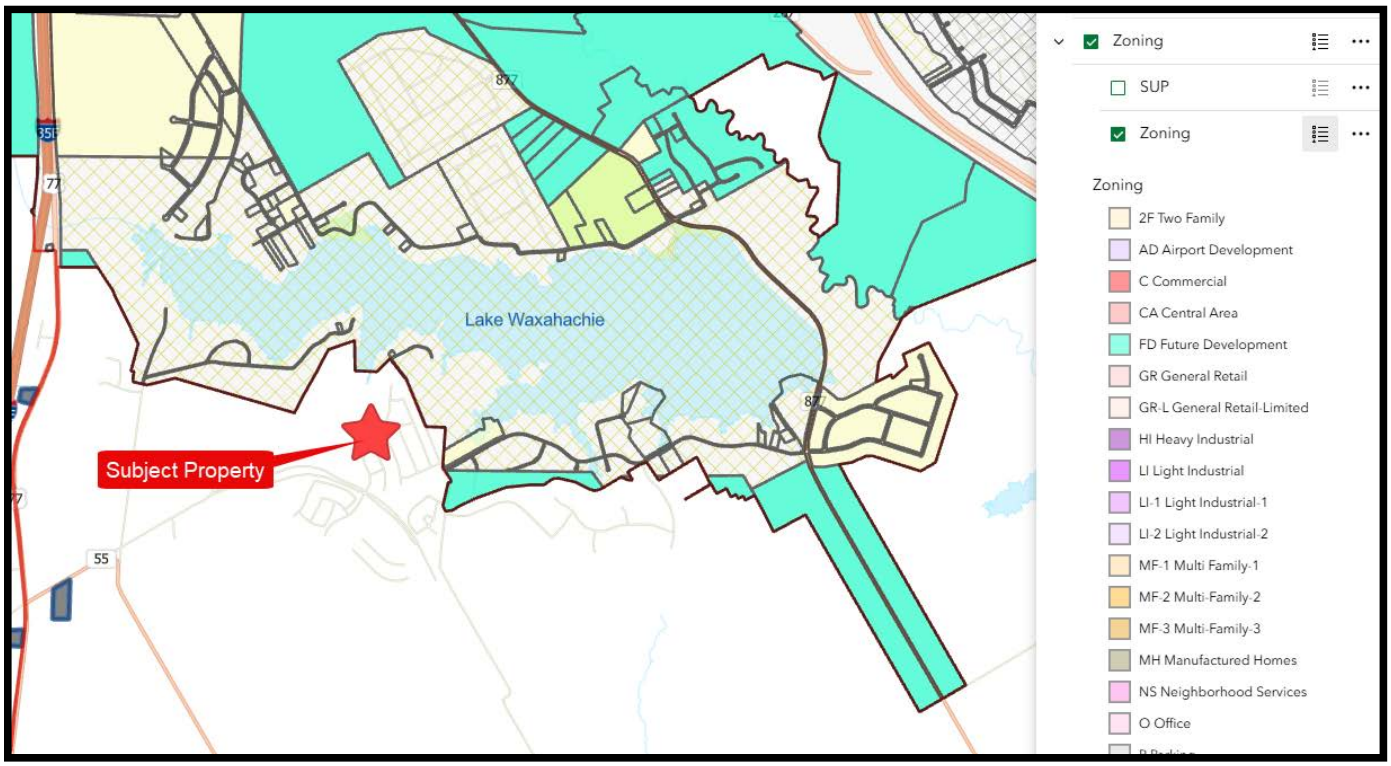
| Collection Street | Cross Street | Traffic Volume | Count Year |
|---|---|---|---|
| | E Haven Rd NW | 1,815 | 2026 |
| Chisholm Trl | E Haven Rd S | 1,042 | 2026 |
| I 35E | I 35E N | 55,132 | 2026 |
| I 35E | I 35E S | 45,802 | 2026 |
| Lakeshore Dr | FM 877 E | 243 | 2026 |
| Bigham Rd | I- 35 E | 386 | 2026 |
| | Hwy 77 N | 6,975 | 2026 |
| Lakeshore Dr | FM 877 NE | 435 | 2026 |
| Old Howard Rd | Hunter Pass SE | 41 | 2026 |
| Old Italy Rd | Willowcrest Dr SE | 616 | 2026 |

**ZONING AND RESTRICTIONS**

Per The City of Waxahachie, Haven Ranch PID IA #1 is located in Ellis County outside of the city limits of Waxahachie and located within the Waxahachie ETJ; however, Haven Ranch PID is under a Development Agreement with the City of Waxahachie. The development agreement gives the subject property entitlement rights.

The City of Waxahachie Zoning Map is shown below and is narrowed in on the subject property area:

**CITY OF WAXAHACHIE ZONING MAP**



**TOPOGRAPHY**

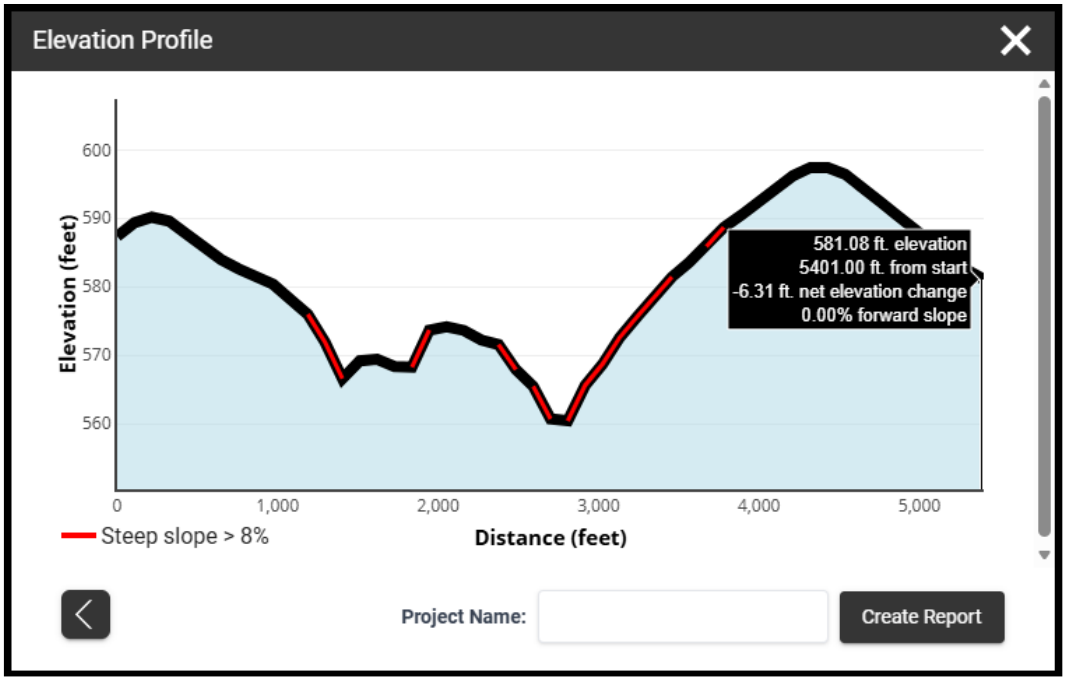
The topography of the subject property is described as gently sloping and earthwork has begun as of the date of inspection. As of the substantial completion date, September 1, 2026, these topographic maps showing the contours will be out-of-date as the site will be in the process of being improved for single-family lots with streets, storm sewer, and utilities. Topographic information is provided by the North Central Texas Council of Governments and Texas A&M Forest Service.

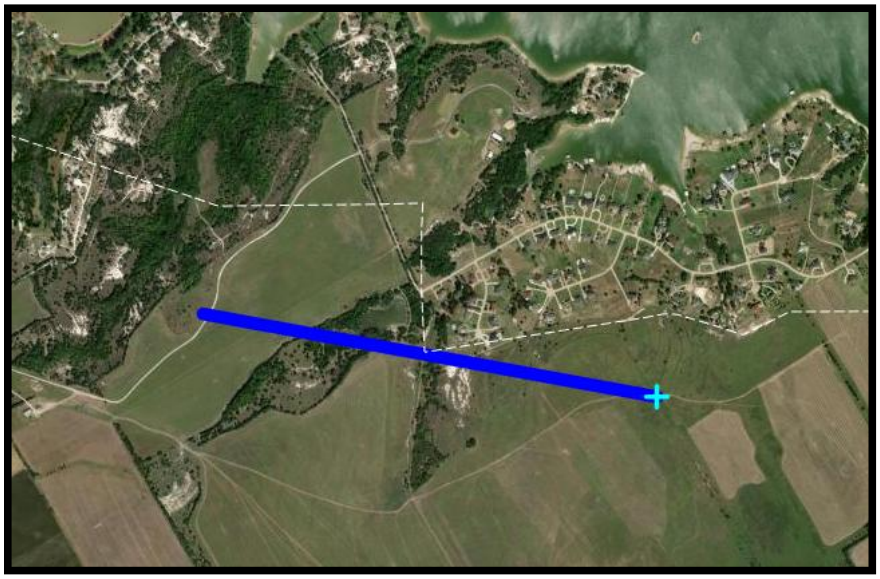
**TOPOGRAPHIC MAP**

*Contours At 10'; Bold at 100'*



**TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY**

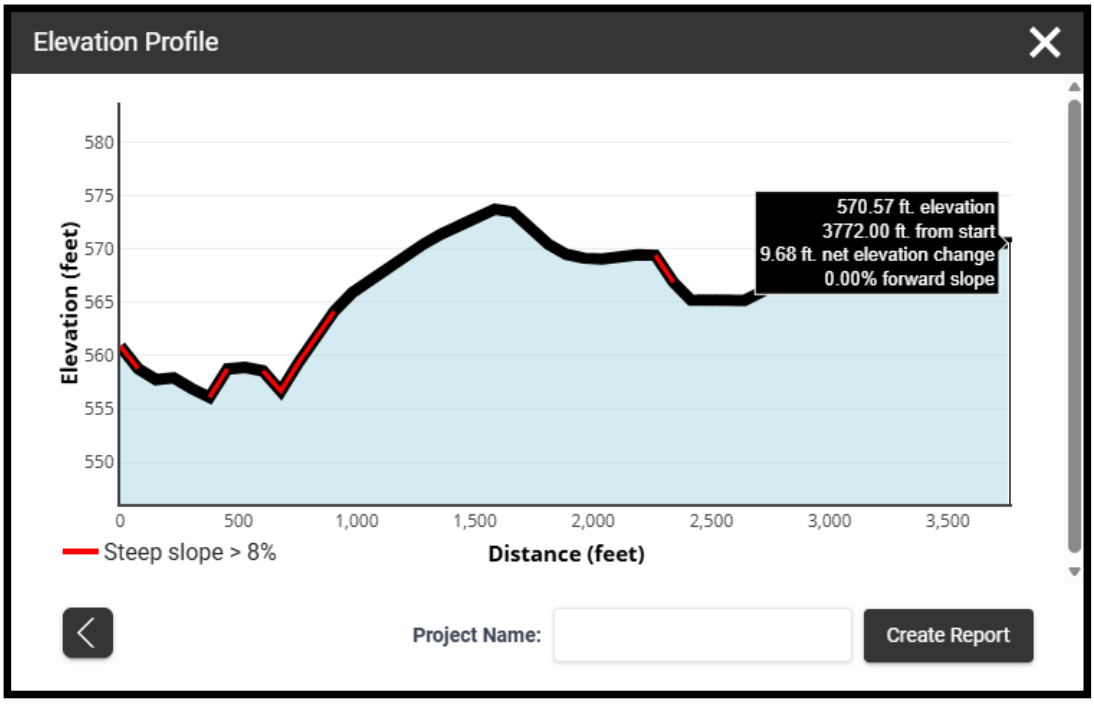


**General Slope of the Property Moving from East to West**

- *Note that measurements <u>are in feet</u>*
- *Elevation profile is represented along illustrated axis*
- *Property slopes east to west with approximately 6.31 feet of variation over approximately 5,401 feet of run*

**TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY**







**General Slope of the Property Moving from South to North**

- *Note that measurements <u>are in feet</u>*
- *Elevation profile is represented along illustrated axis*
- *Property slopes south to north with approximately 9.68 feet of variation over approximately 3,772 feet of run*

**SOIL AND SUB-SOIL CONDITIONS**

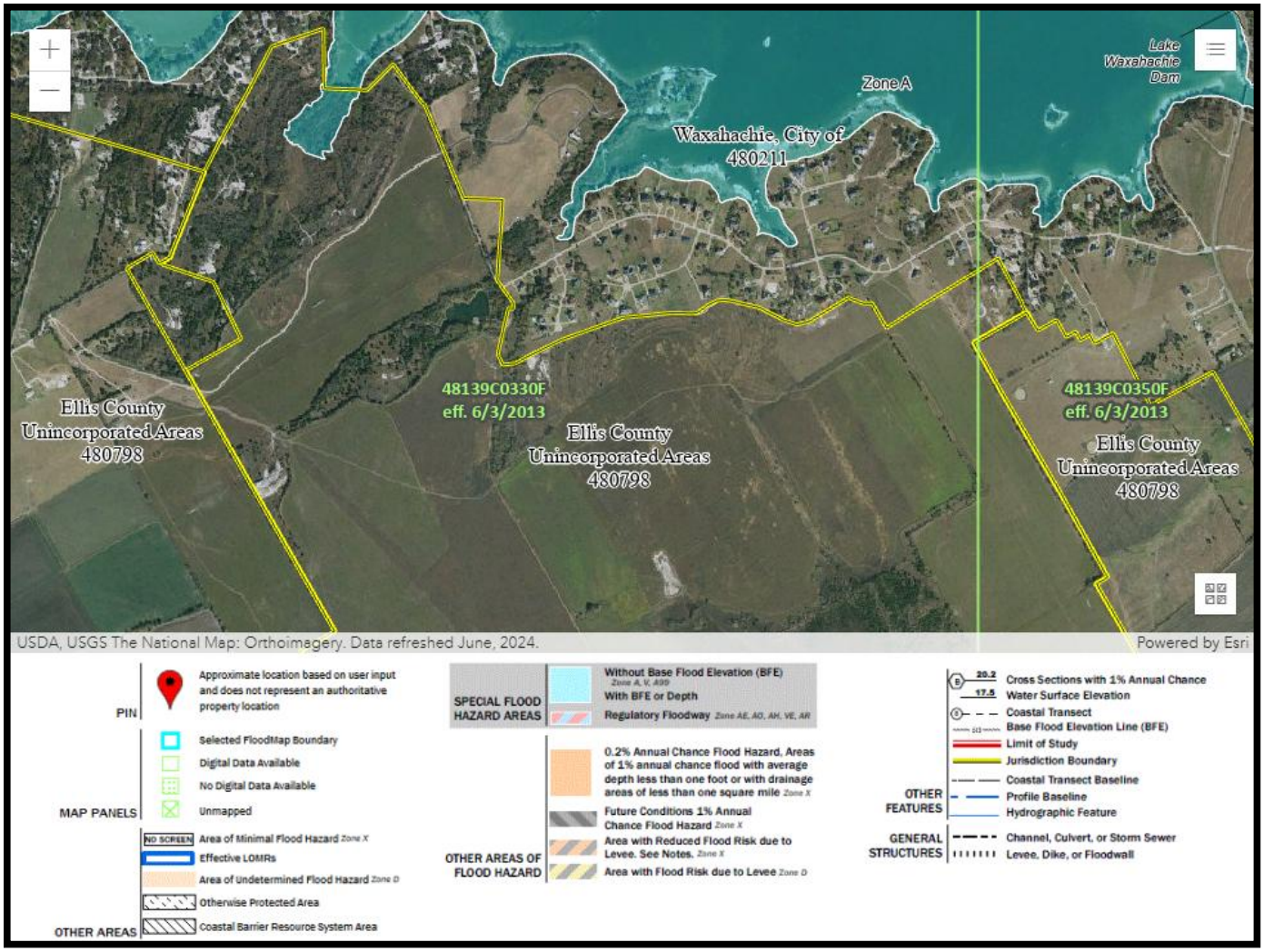
No soil engineer's report was available to the appraisers and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement to be constructed. As of the report date, the developer has begun excavation and earthwork. 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.

**FEMA FLOOD ZONE**

Haven Ranch PID IA #1 is within Unshaded Zone X according to Map 48139C0330F, effective June 3, 2013. Per the provided Site Map, the improvements will be developed within Unshaded Zone X. Development within Unshaded Zone X does not appear to be detrimental to the development of the subject property.

*Note: Please use concept plan maps and surveys provided by Kimley Horn, the Professional Engineers for PID boundaries.*

**FLOODPLAIN MAP**



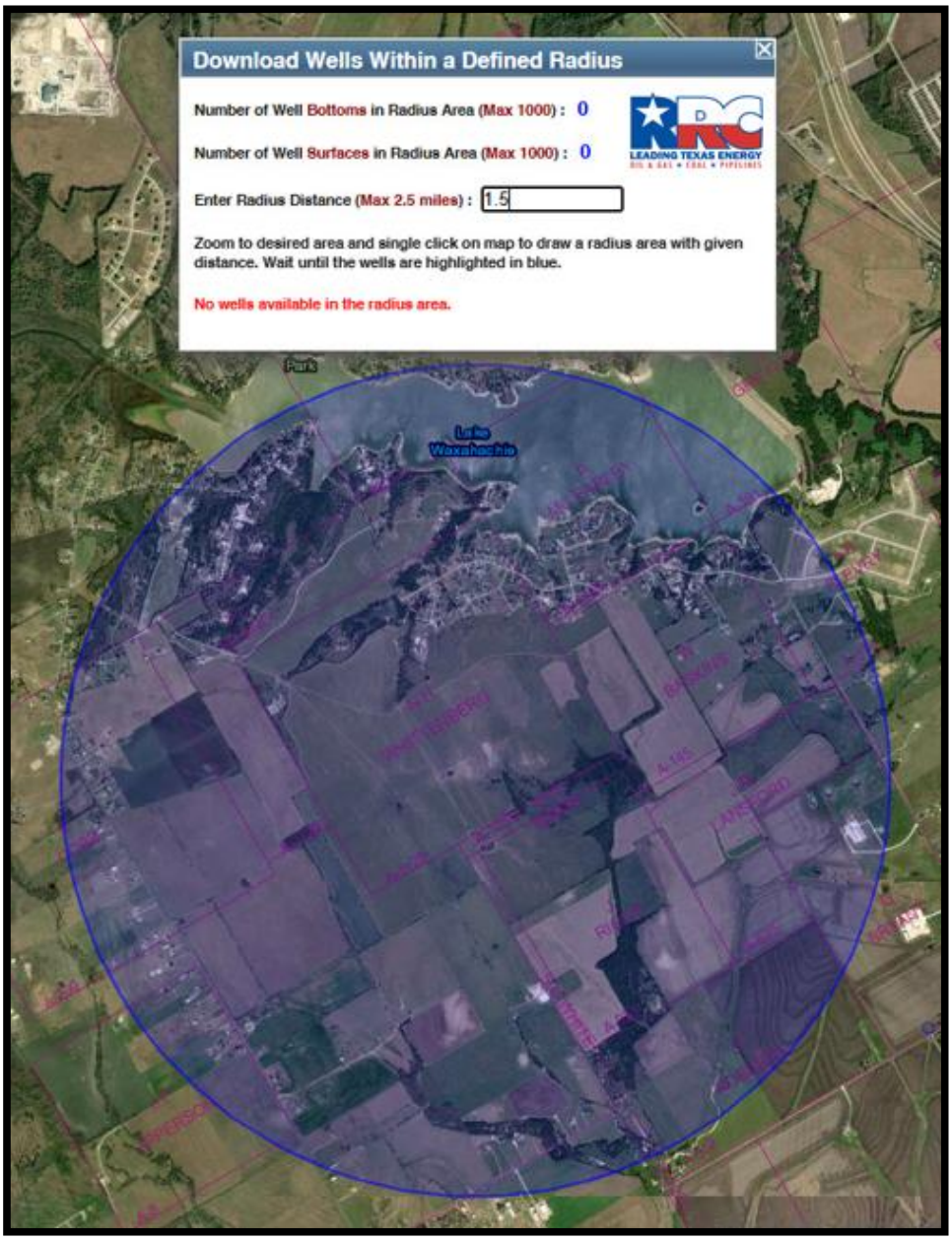
**UTILITIES**

Electricity to the property will be maintained by Oncor and natural gas will be maintained by Atmos. Water and Sewer will be provided by the City of Waxahachie. The subject property is served by the Waxahachie Police Department and Waxahachie Fire Department for fire and medical services. Telephone, fiber-optic, and internet are available through AT&T, Spectrum, T-Mobile, Optimum, and Nextlink.

**EASEMENTS/ENCROACHMENTS**

Based on the plat map provided by Kimley Horn, Professional Engineers, and our physical site visit, and review of available maps of the surrounding area it is reasonable to suspect that there are typical setbacks and easements that exist on the property which have been approved by the City of Waxahachie. 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 a survey be provided that indicates detrimental easements or encroachments.

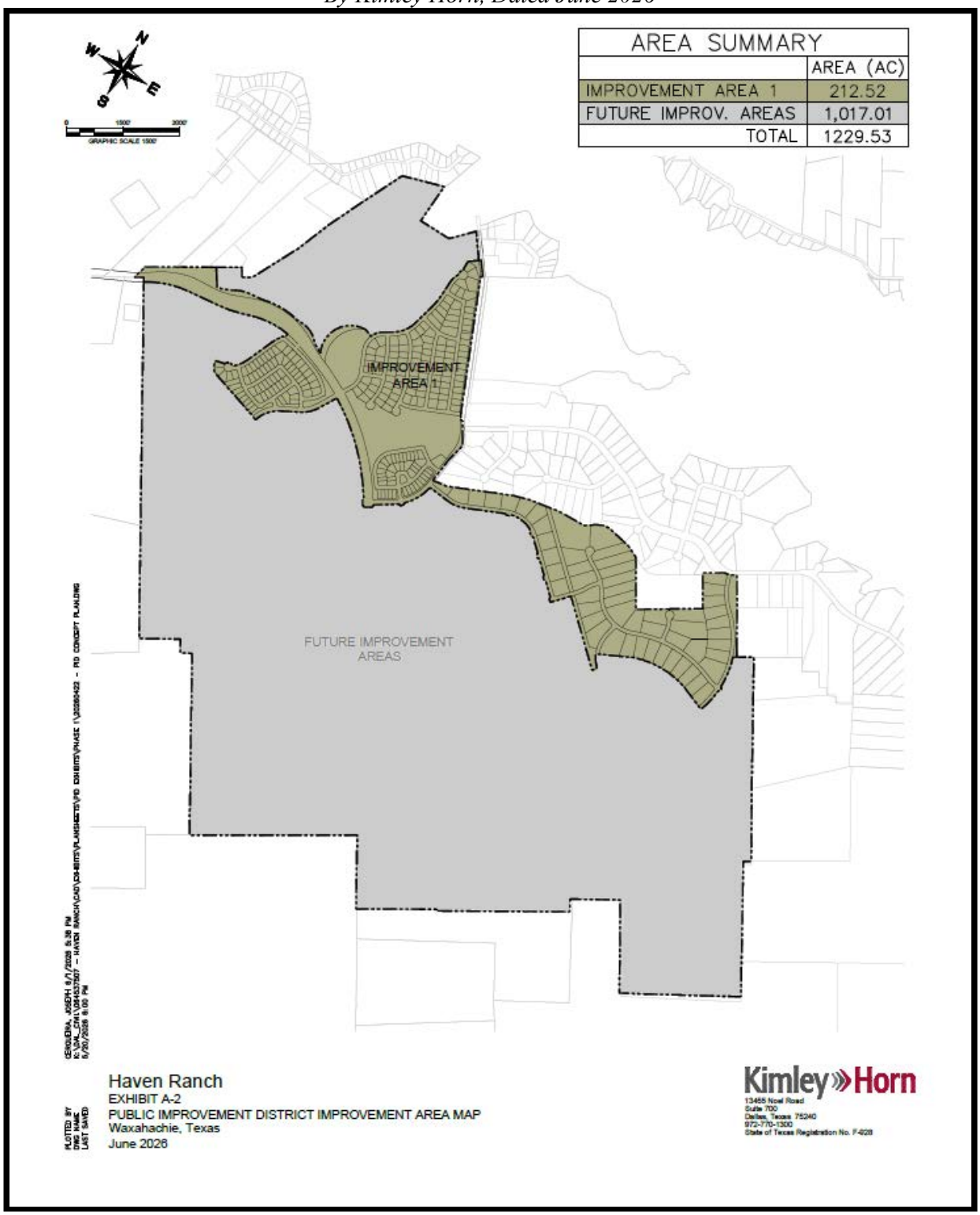
**OIL AND GAS WELLS**
**Texas Railroad Commission**




*There are 0 well bottom sites and 0 well surface sites within 1.5 mile from the subject property according to the above referenced map from the Texas Railroad Commission. The subject site does not appear to be encumbered by any detrimental restrictions due to the proximity to surface or subsurface well locations because this area of North Texas is minimally active in mineral extraction.*

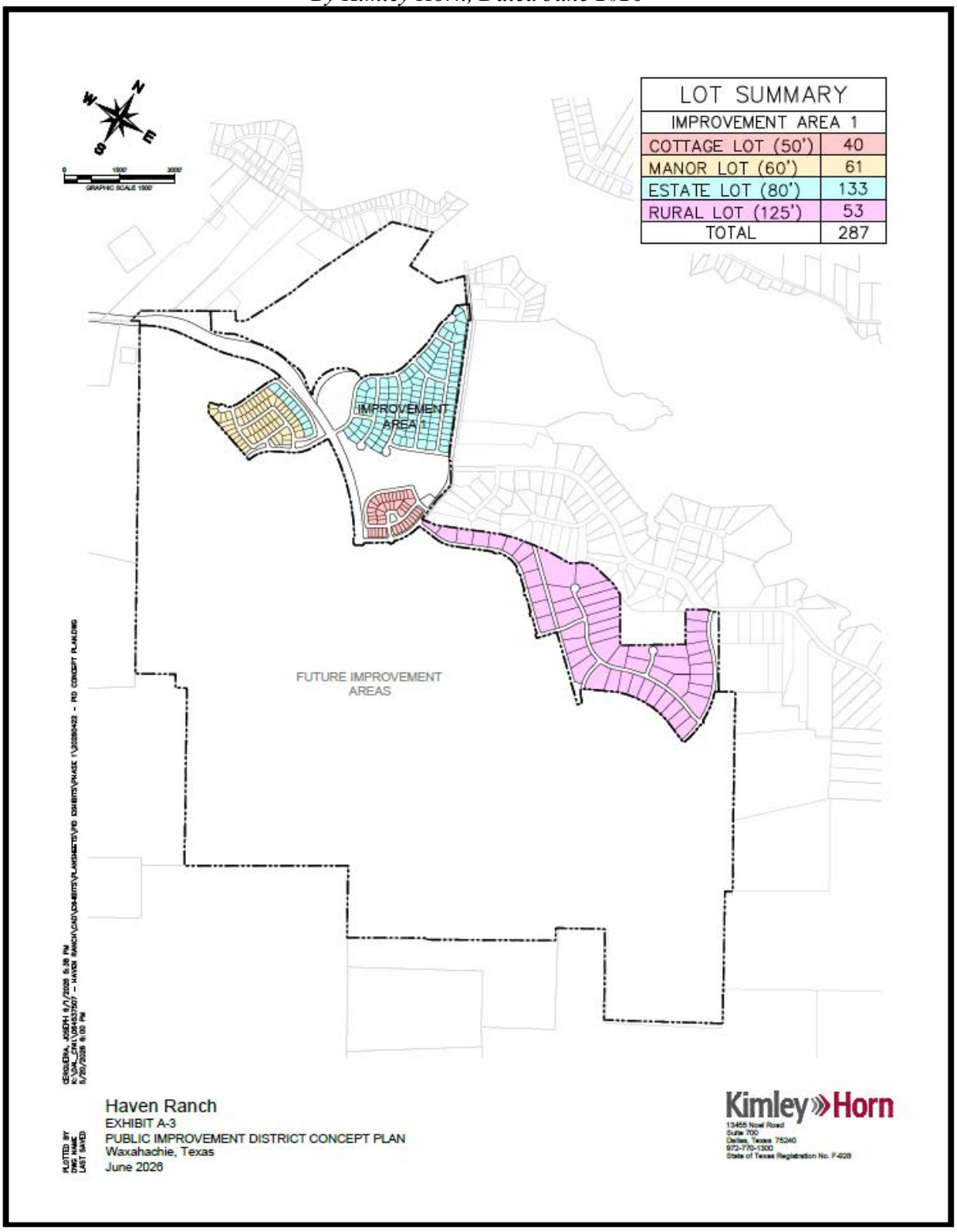
**HAVEN RANCH PID IA #1 EXHIBIT**

*By Kimley Horn, Dated June 2026*



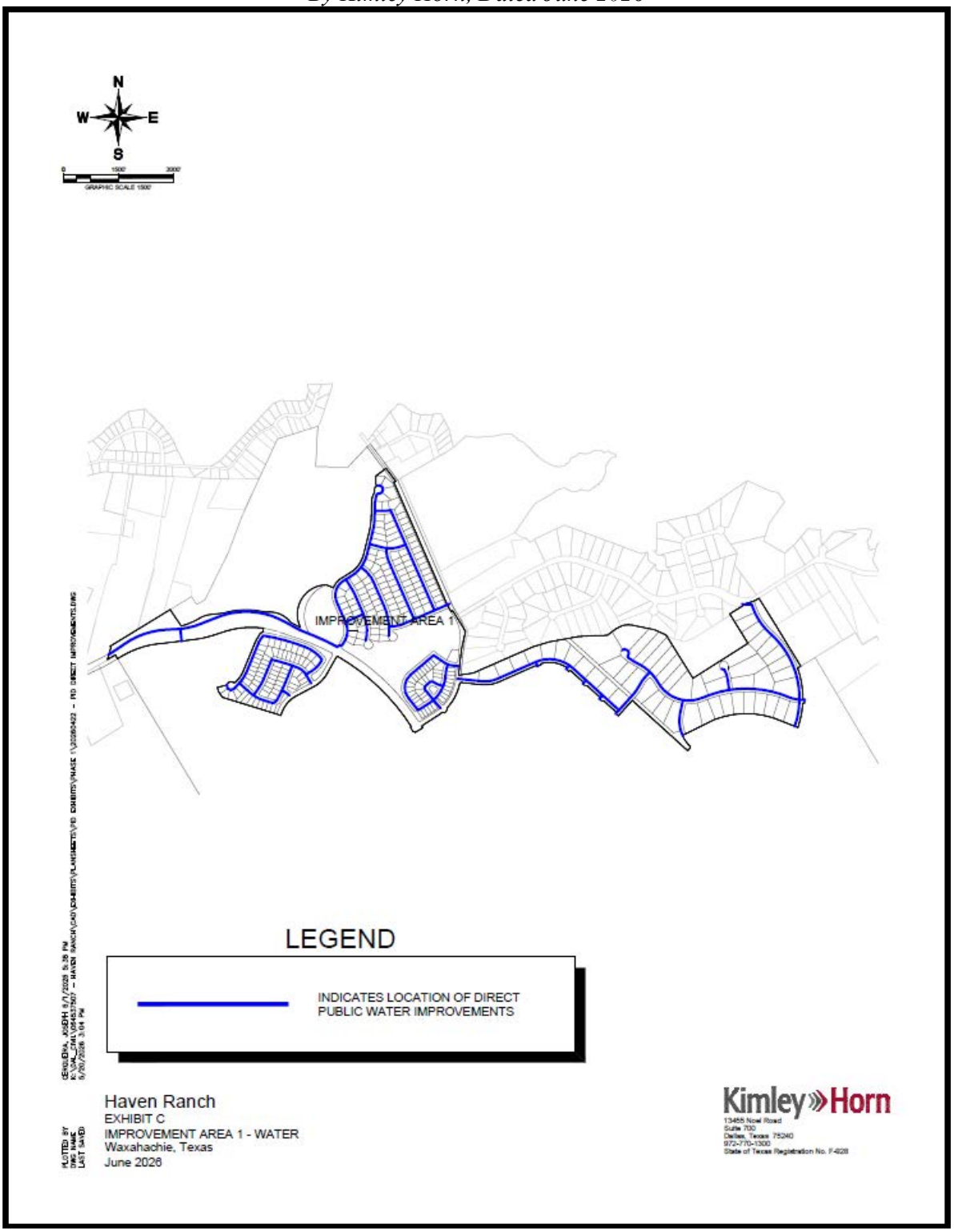
**HAVEN RANCH PID IA #1 CONCEPT PLAN EXHIBIT**

*By Kimley Horn, Dated June 2026*



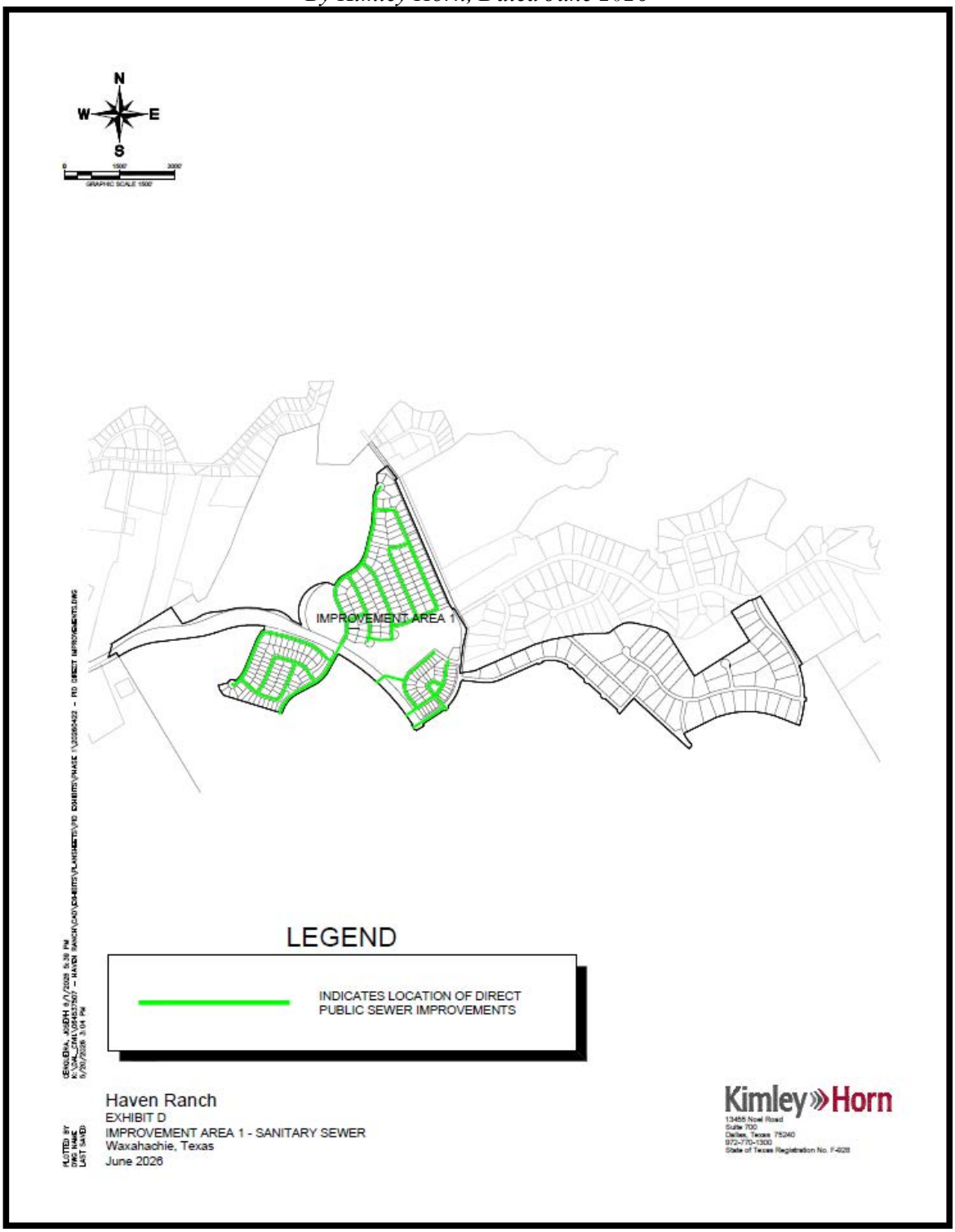
**HAVEN RANCH PID IA #1 WATER IMPROVEMENTS EXHIBIT**

*By Kimley Horn, Dated June 2026*



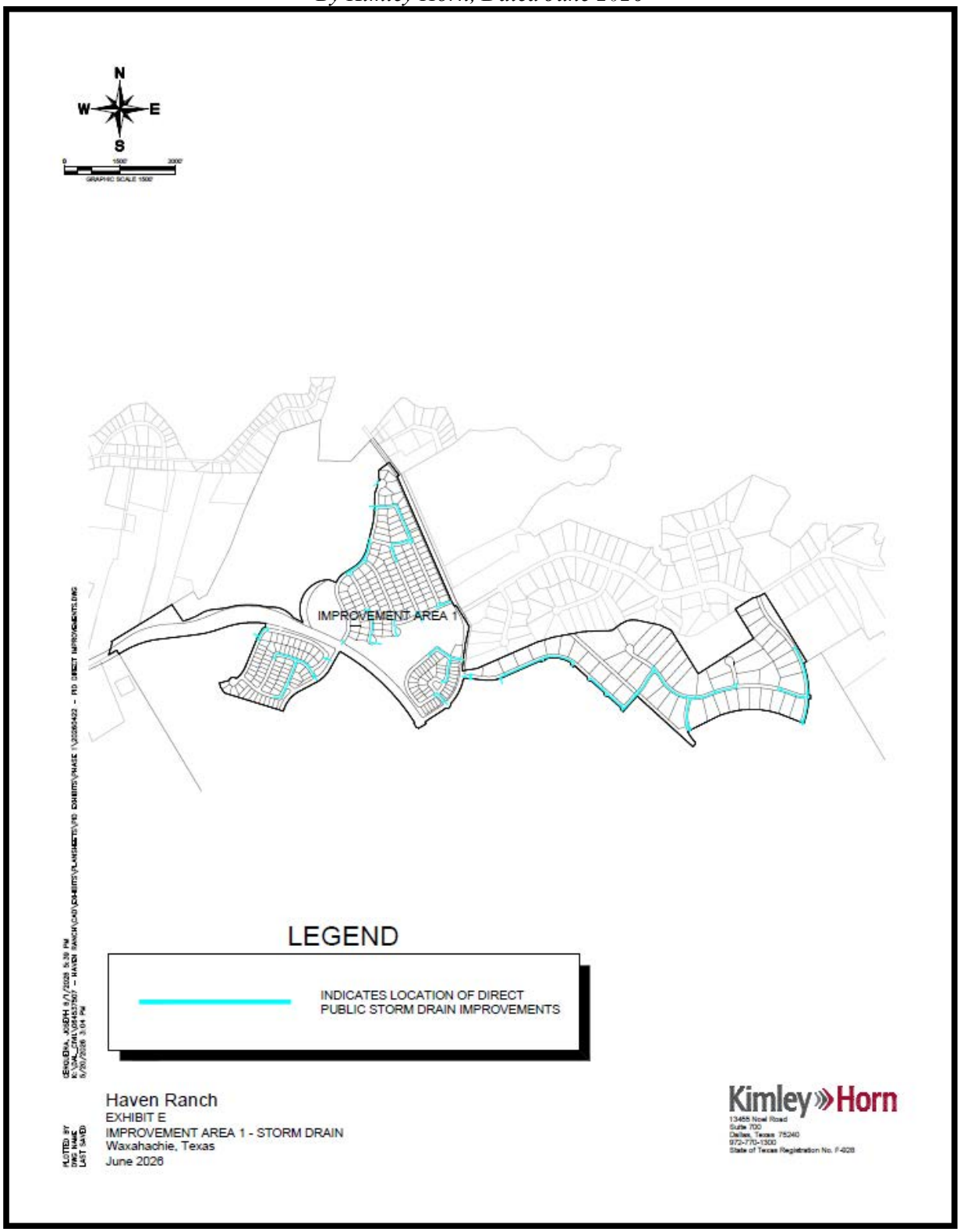
**HAVEN RANCH PID IA #1 SEWER IMPROVEMENTS EXHIBIT**

*By Kimley Horn, Dated June 2026*



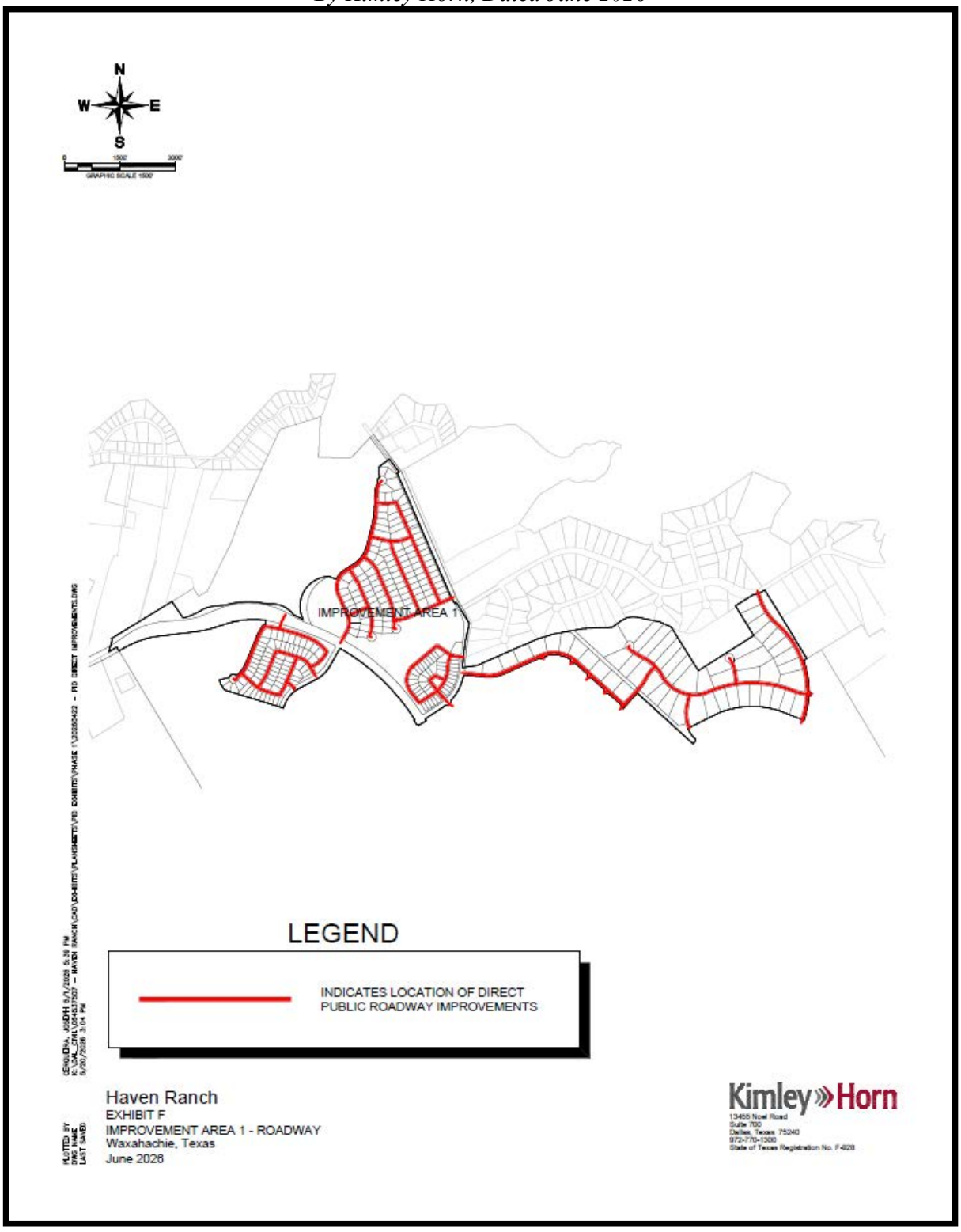
**HAVEN RANCH PID IA #1 STORM DRAIN IMPROVEMENTS EXHIBIT**

*By Kimley Horn, Dated June 2026*



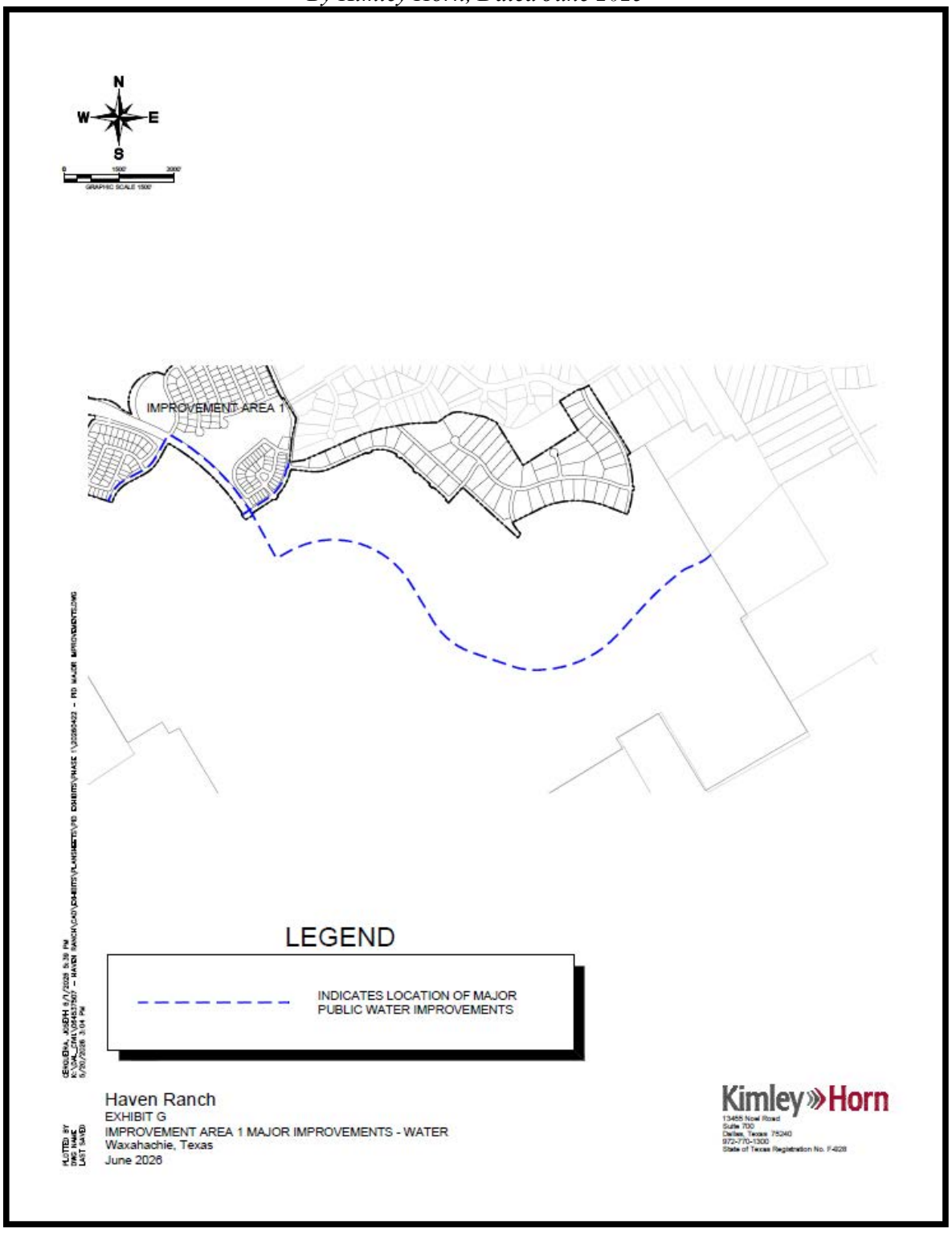
**HAVEN RANCH PID IA #1 ROADWAY IMPROVEMENTS EXHIBIT**

*By Kimley Horn, Dated June 2026*



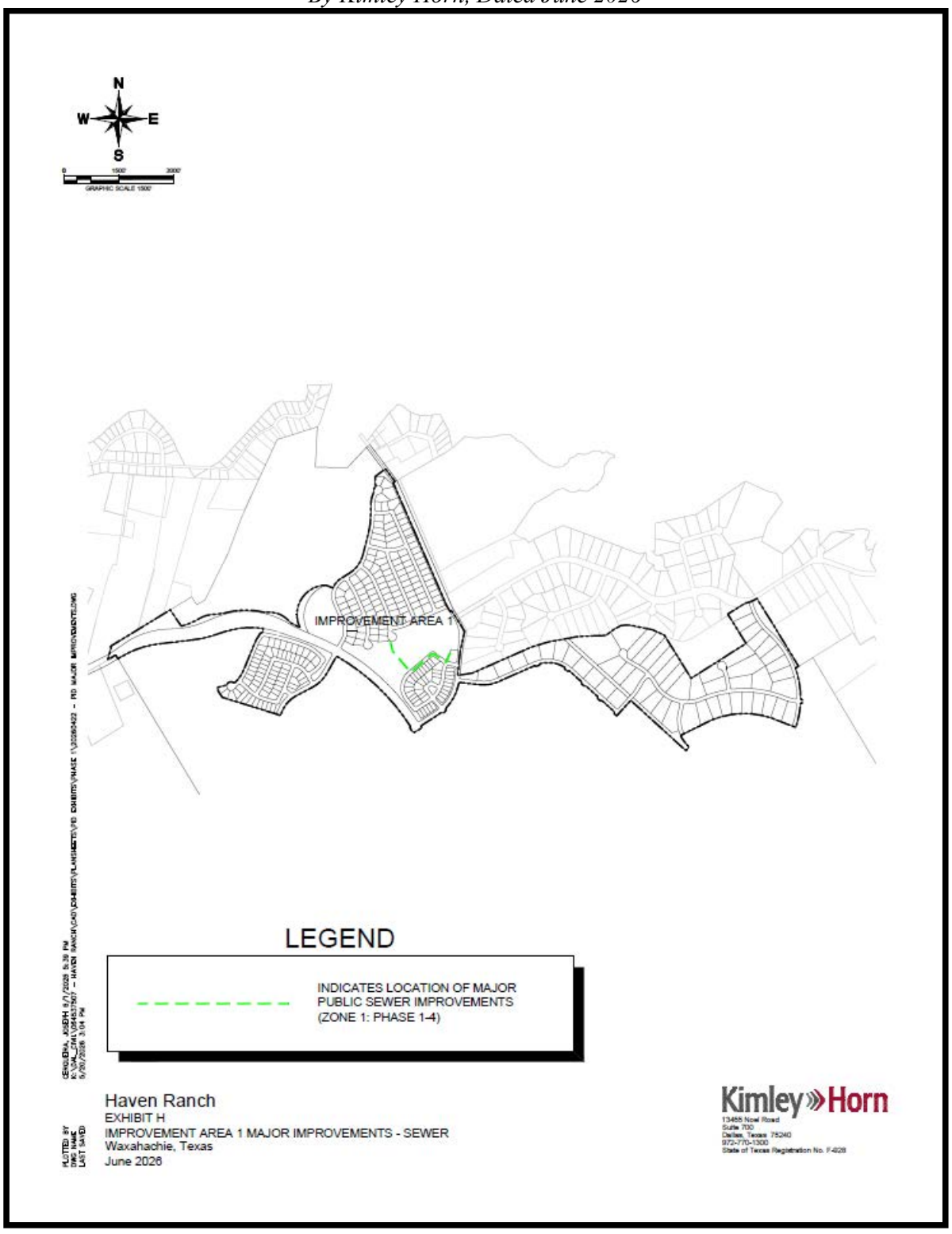
**HAVEN RANCH PID IA #1 MAJOR WATER IMPROVEMENTS EXHIBIT**

*By Kimley Horn, Dated June 2025*



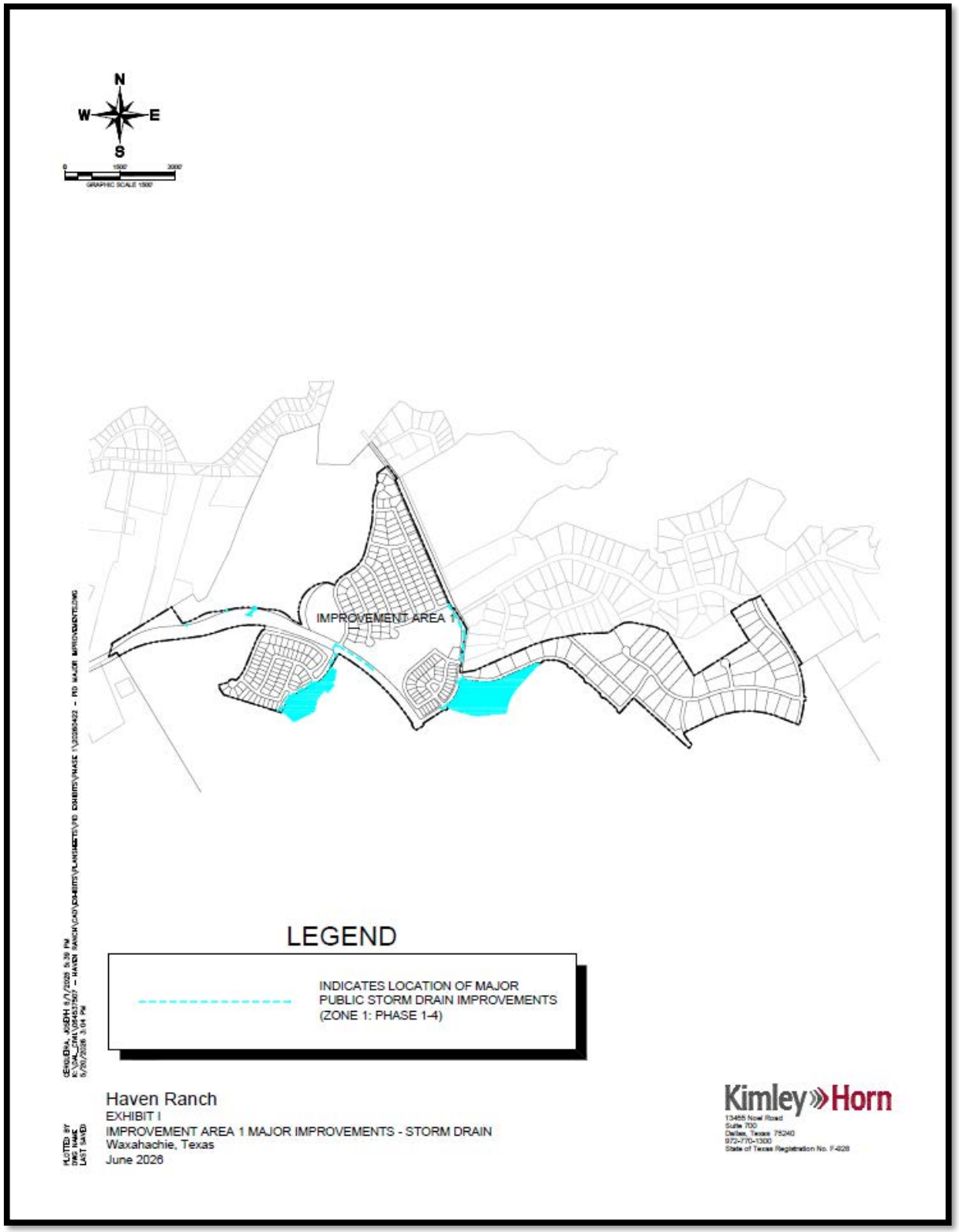
**HAVEN RANCH PID IA #1 MAJOR SEWER IMPROVEMENTS EXHIBIT**

*By Kimley Horn, Dated June 2026*



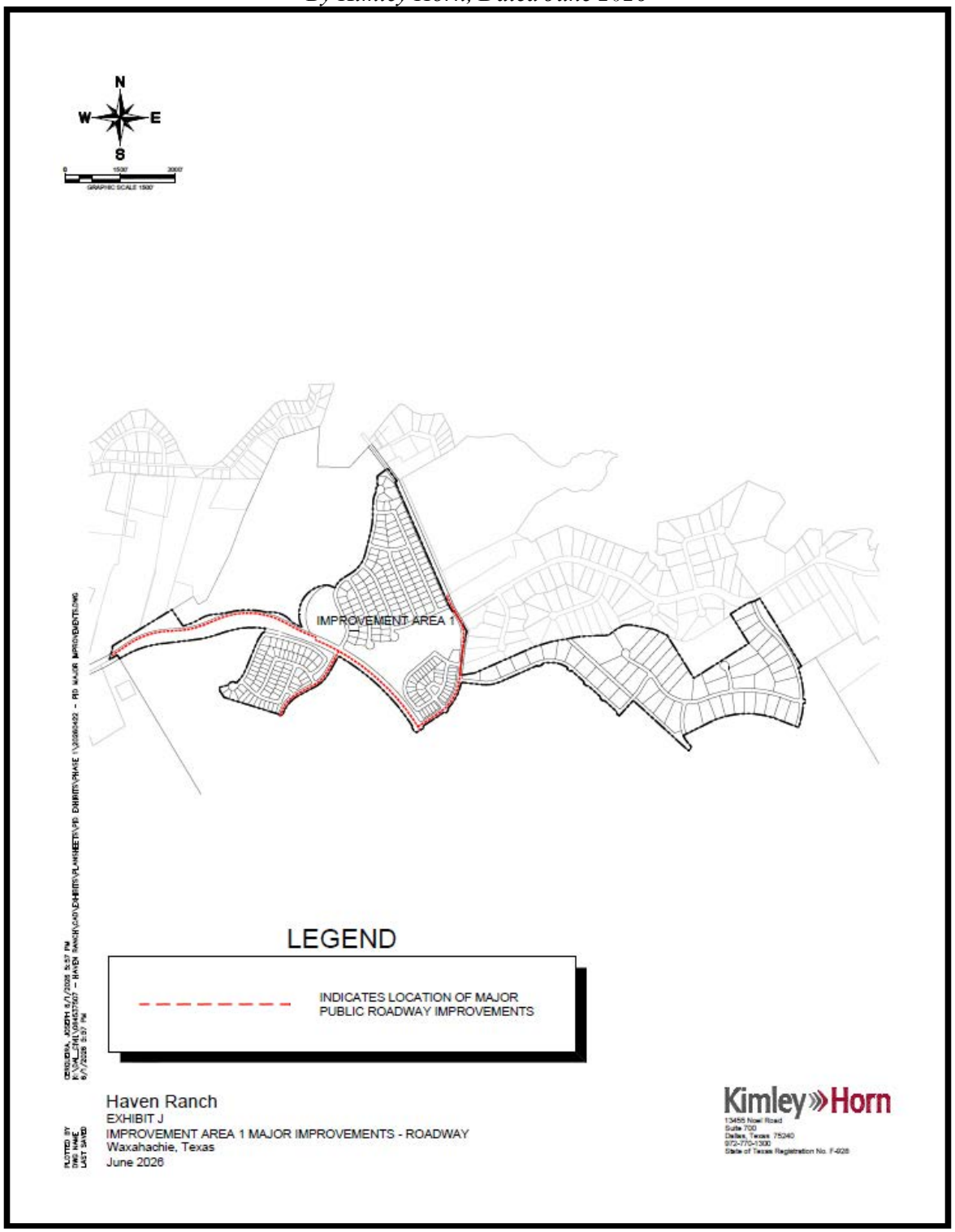
**HAVEN RANCH PID IA #1 MAJOR STORM DRAIN IMPROVEMENTS EXHIBIT**

*By Kimley Horn, Dated June 2026*



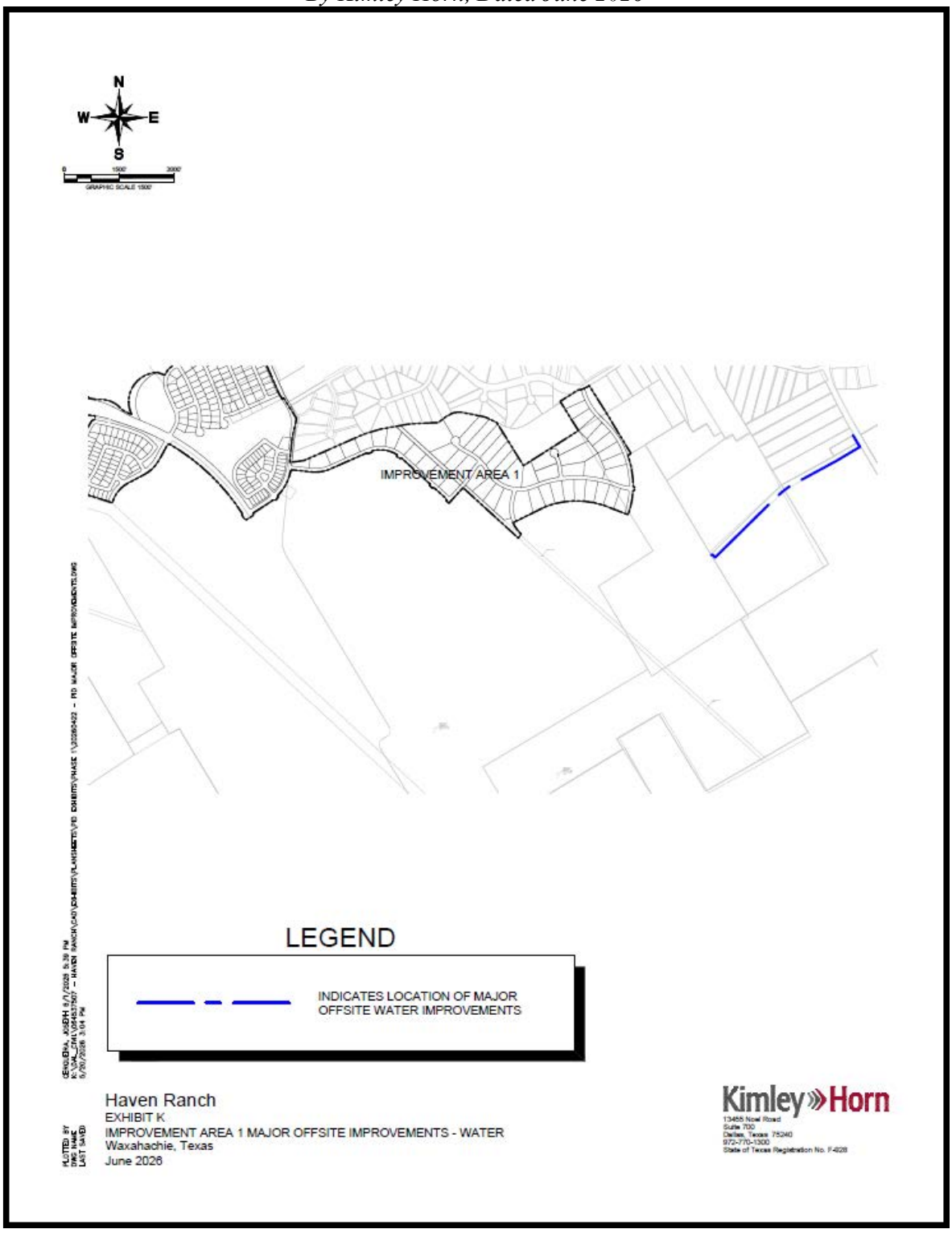
**HAVEN RANCH PID IA #1 MAJOR ROADWAY IMPROVEMENTS EXHIBIT**

*By Kimley Horn, Dated June 2026*



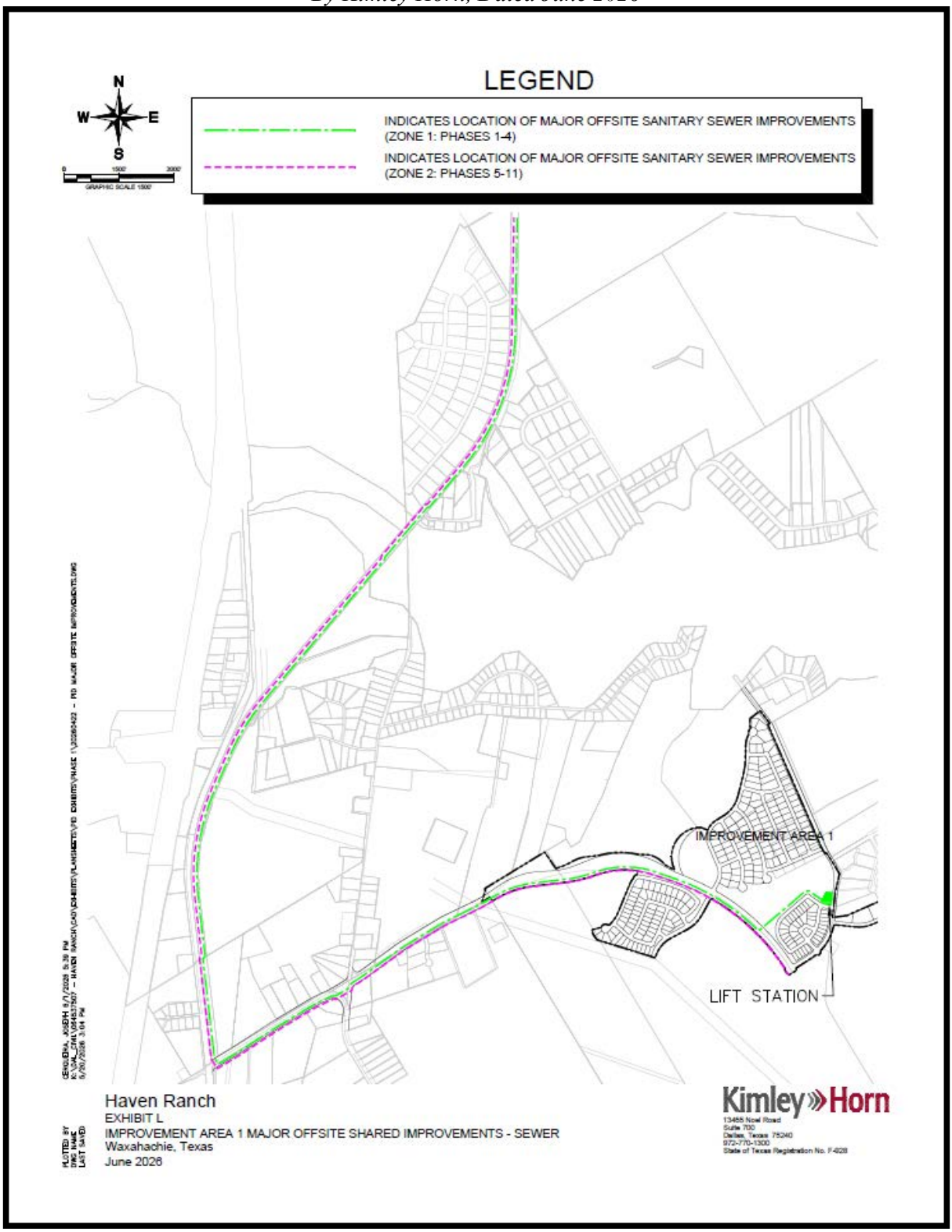
**HAVEN RANCH PID IA #1 MAJOR OFFSITE WATER IMPROVEMENTS EXHIBIT**

*By Kimley Horn, Dated June 2026*



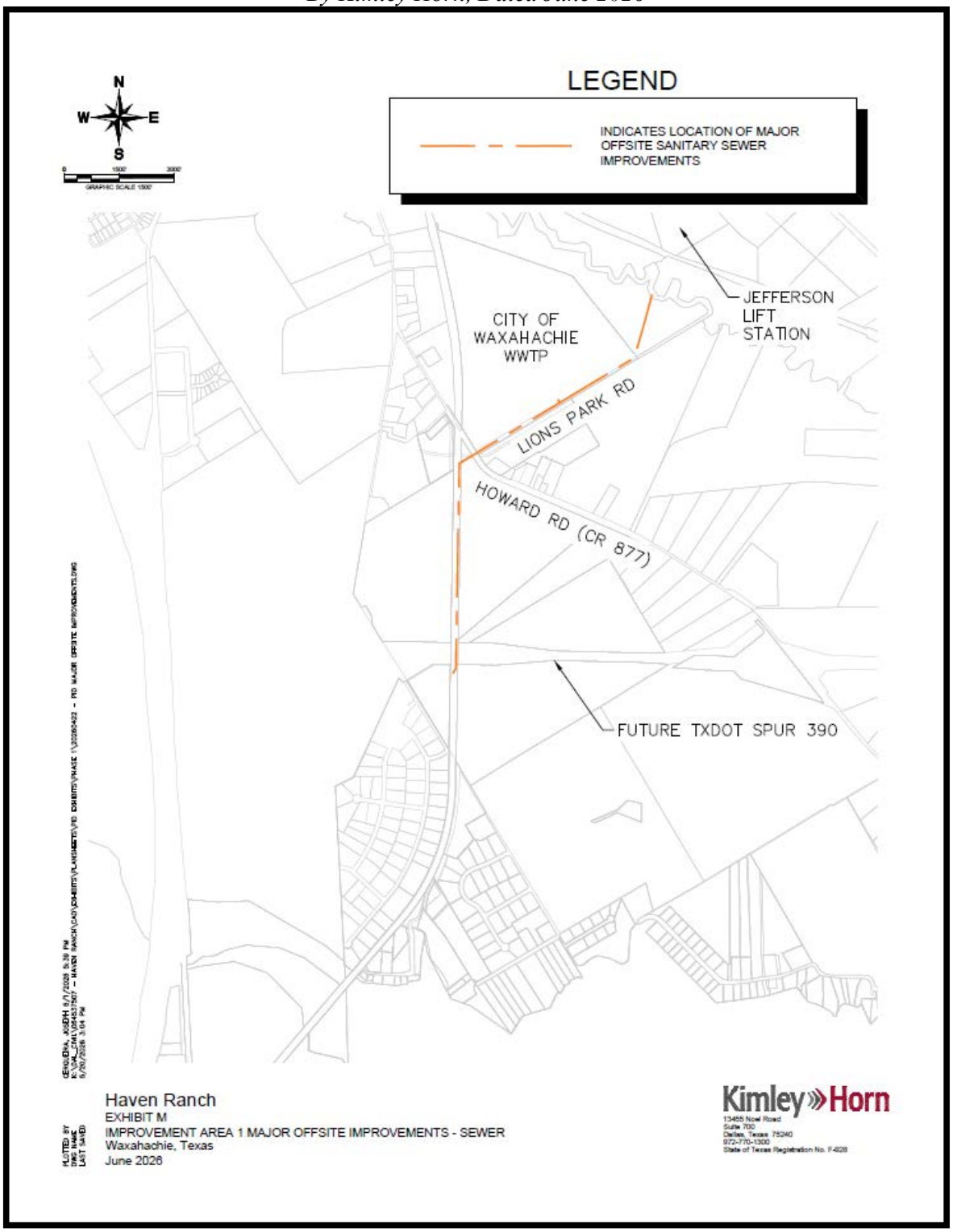
**HAVEN RANCH PID IA #1 MAJOR OFFSITE SANITARY SEWER IMPROVEMENTS EXHIBIT**

*By Kimley Horn, Dated June 2026*



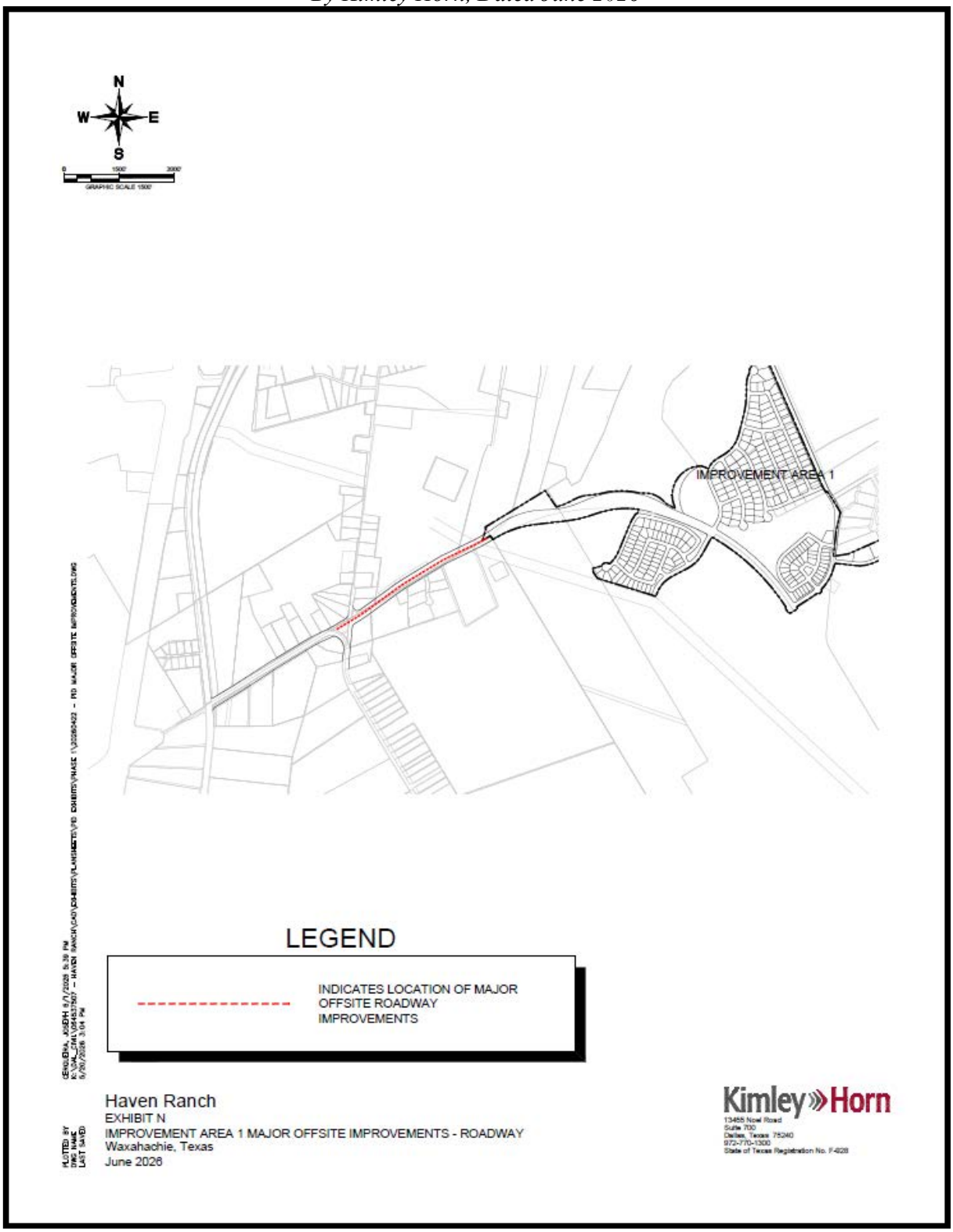
**HAVEN RANCH PID IA #1 MAJOR OFFSITE SANITARY SEWER IMPROVEMENTS EXHIBIT**

*By Kimley Horn, Dated June 2026*



**HAVEN RANCH PID IA #1 MAJOR OFFSITE ROADWAY IMPROVEMENTS EXHIBIT**

*By Kimley Horn, Dated June 2026*



**PROPERTY PHOTOGRAPHS**


Subject Property


Subject Property


Subject Property


Subject Property


Subject Property


Subject Property

**PROPERTY PHOTOGRAPHS**



Subject Property



Subject Property

## HIGHEST AND BST 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 Effective Date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, is found to be:

a. Legally Permissible
b. Physically Possible
c. Financially Feasible
d. Maximally Productive

The definition, immediately above, applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

There are two distinct types of highest and best use, that being the highest and best use as if the site were vacant, and the highest and best use as improved. Both use determinations require consideration of the physical, legal, financial feasibility and maximal productivity for the site and improvements.

## HIGHEST AND BEST USE ANALYSIS

### Highest and Best Use "As-Vacant"

**Legally Permissible**
The subject property is within the Waxahachie ETJ and is governed by a Development Agreement, dated November 13, 2023, between the City of Waxahachie and GRBK Edgewood, LLC. The Development Agreement for the subject property we are evaluating allows for detached single-family residential uses and sets forth requirements and standards for residential development for the subject property.

No private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal which would further restrict development.

Given surrounding land use patterns in the area, based on what is legally permissible with the designated zoning classification, detached single-family residential use is given further consideration in determining the highest and best use of the site as vacant.

**Physically Possible**
Considering the subject's physical characteristics including jurisdiction, location, size, shape, and availability of utilities, the site is capable of numerous uses which are physically possible without being constrained by the property itself.

**Financially Feasible**
For the proposed improvements to be economically feasible, they must align with surrounding land uses. Financial feasibility requires that the project generate a net return within a reasonable timeframe. The area around the

subject property features a mix of residential, commercial, and agricultural uses. Over the past decade, development in this region—particularly south of Dallas and Fort Worth—has accelerated significantly due to sustained demand. As a result, developers and homebuilders have expanded into Ellis County, introducing middle- to upper-class housing. Based on a review of current listings, homes priced between $350,000 and $585,000 are expected to be in demand within Haven Ranch PID IA #1.

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 2025; 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 and the continual development of neighborhoods in Ellis County has created increased demand for homes in the area. Coupled with increasing movement into DFW, and southward in the Metroplex in particular, it is our opinion that the highest and best use of the property "As-Vacant" would be for the development of single-family residential community. Thus, the highest and best use of the property "As-Vacant" is for development of detached, single-family residential uses.

**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 detached, single-family residential uses.

We believe that the **most probable buyer** would be a developer of large single-family communities or a large homebuilder who is active in the DFW Metroplex market.

## VALUATION – IA #1

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. Use of the approaches in this assignment is summarized as follows:

| ***Approach*** | ***Applicability to Subject*** | ***Use in Assignment*** |
|---|---|---|
| **Cost Approach** | *Not Appropriate for the VDLs Since the Subject Property is Developed in Multiple Phases.* | *Not Utilized* |
| **Income (Subdivision Development) Approach** | *Appropriate in Determining Residential Subdivision Value* | *Utilized* |
| **Sales Comparison Approach** | *Aspects Used in Subdivision Valuation to Determine Retail Market Value of the 5,500-SF, 7,000-SF, 9,200-SF Lots, and 43,560-SF Lots* | *Partially Utilized* |

**Residential Subdivision (287 Improved Lots)**

***Cost Approach***

The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project. The subject property will be multiple phases of the development and major improvements are not in place, therefore, *the Cost Approach is not appropriate and thus was not utilized* for the 287 Improved Residential Lots in Haven Ranch PID IA #1.

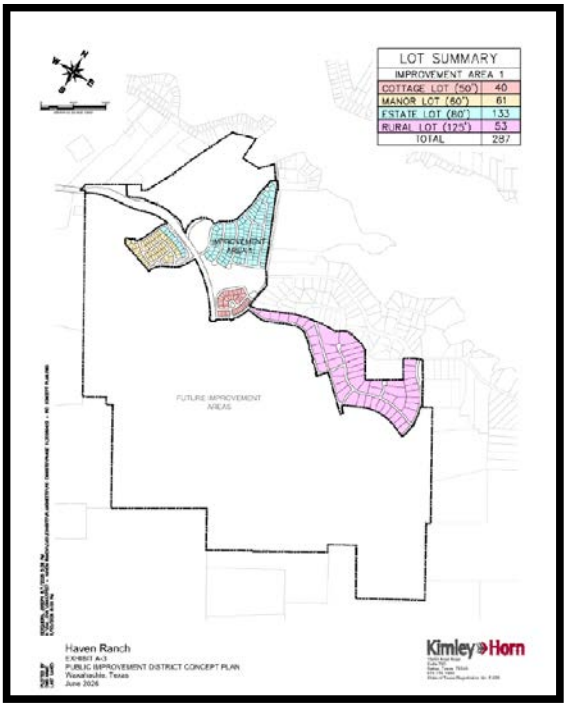
***Income (Subdivision Development) Approach***

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problem to be solved in this assignment is to determine the bulk sale value of 287 lots, as of the Retrospective Effective Date of September 1, 2026, which is based on the Substantial Completion Date, *the Income (Subdivision Development) Approach is appropriate and was fully developed.*

***Sales Comparison Approach***

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed by the appraisers*. Aspects of the Sales Comparison Approach were utilized to determine the retail value of the improved lots for analysis within the Income (Subdivision Development) Approach.

## INCOME (SUBDIVISION DEVELOPMENT) APPROACH – IMPROVED RESIDENTIAL LOTS




*NOTE: IA #1 comprises of 287 improved residential lots completed as vacant developed lots (VDLs) with a Retrospective Effective Date of September 1, 2026.*

Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. The income methodology applied in subdivision analysis has been adapted to simulate what occurs in a bulk sale where one buyer purchases a group of lots at a discount. It provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

In order to complete the analysis, the appraisers:

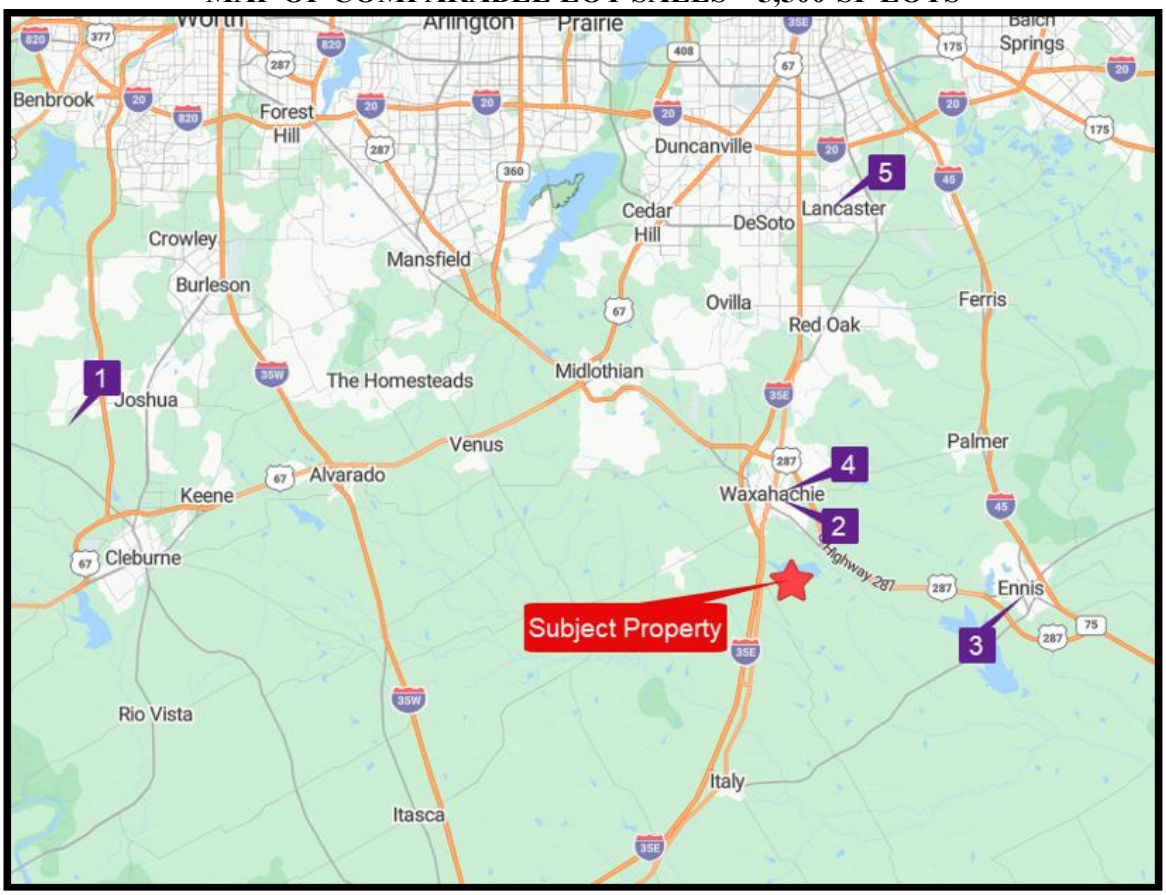
- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales costs over the absorption period
- Estimated the appropriate discount rate necessary to undertake the risks associate with the project
- Utilized discount cash flow (DCF) analysis to determine the present value of future cash flows realized by selling the lots at market prices over time

We utilized the following unit of comparison which is the measure most commonly found in the market:

***Sales Price Per Square Foot*** *– Obtained by dividing sale price by the square footage of the lot*

Following is our analysis of the 5,500-SF, 7,000-SF, 9,200-SF, and 43,560-SF lots for Haven Ranch PID IA #1.

**MAP OF COMPARABLE LOT SALES – 5,500-SF LOTS**




**Subject: Haven Ranch PID IA #1, Waxahachie ETJ, Ellis County, TX 75165**

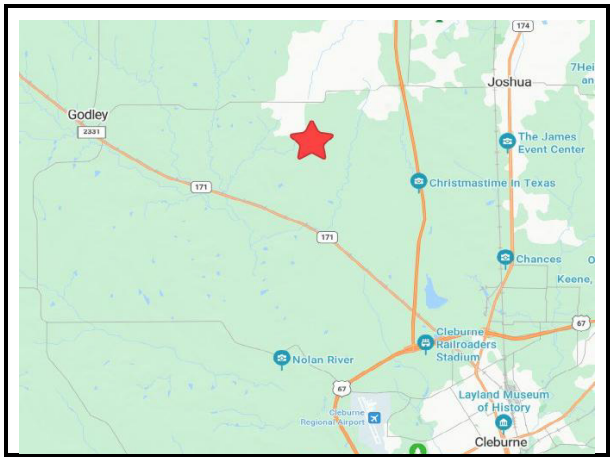
We selected the best and most recent comparable lot sales for our analysis of the 5,500-SF lots. Our five comparable sales are shown below:

| SUMMARY OF LOT SALES - 5,500-SF LOTS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Sale** | **Subdivision** | **City** | **ISD** | **Contract Date** | **Sale Date** | **Base Lot Price** | **Square Feet (SF)** | ***$/SF*** |
| 1 | Joshua Farms MMD | Cleburne | Godley | Sept-2024 | In-Contract | $62,500 | 6,000 | *$ 10.42* |
| 2 | 205 Thompson | Waxahachie | Waxahachie | June-2026 | Closed | $65,000 | 5,837 | *$ 11.14* |
| 3 | 403 W Lampasas | Ennis | Ennis | June-2024 | Closed | $70,000 | 5,750 | *$ 12.17* |
| 4 | Willow Creek | Waxahachie | Waxahachie | Nov-2025 | Closed | $66,000 | 6,229 | *$ 10.60* |
| 5 | Pleasant Run Estates | Lancaster | Lancaster | June-2024 | Closed | $72,000 | 6,403 | *$ 11.24* |
| **Subject** | **Haven Ranch PID, IA #1** | **Waxahachie ETJ** | **Waxahachie** | - | - | - | **5,500** | - |

## SALE COMPARABLE 1 – 5,500-SF LOTS



Comparable 1 Aerial



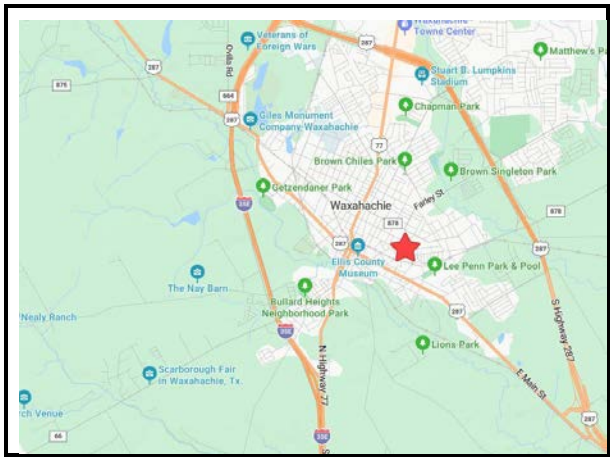

Comparable 1 Map

| 5,500-SF Sale Comparable 1 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Joshua Farms MMD | | | |
| Property Class | Residential Lot | | | |
| Address | Northeast quadrant of County Road 905 and County Road 1010, Cleburne | | | |
| County | Johnson | | | |
| Property Type | Residential / Multiple Units | | | |
| **Site Information** | | | | |
| Site Size | 6,000 | SF | 0.14 | Acres |
| Zoning Code | Development Agreement | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | All available | | | |
| **Transaction Information** | | | | |
| Sale Status | In-Contract | | | |
| Sale/Contract Date | September-2024 | | | |
| Seller | Silo Mills Investment I, LLC | | | |
| Buyer | Landsea Homes of Texas | | | |
| Sale Price | $62,500 | | | |
| **Price per SF Land** | **$10.42** | | | |

## SALE COMPARABLE 2 – 5,500-SF LOTS




Comparable 2 Aerial



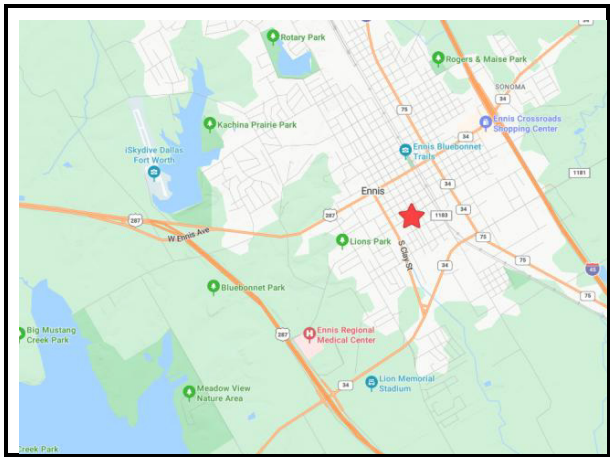

Comparable 2 Map

| 5,500-SF Sale Comparable 2 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | 205 Thompson | | | |
| Property Class | Residential Lot | | | |
| Address | 205 Thompson Street, Waxahachie | | | |
| County | Ellis | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 5,837 | SF | 0.13 | Acres |
| Zoning Code | SF-2 / Single Family | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, and Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | June - 2026 | | | |
| Seller | Earn Learn LLC | | | |
| Buyer | Network Roofing & Const LLC | | | |
| Sale Price | $65,000 | | | |
| **Price per SF Land** | **$11.14** | | | |

## SALE COMPARABLE 3 – 5,500-SF LOTS




Comparable 3 Aerial



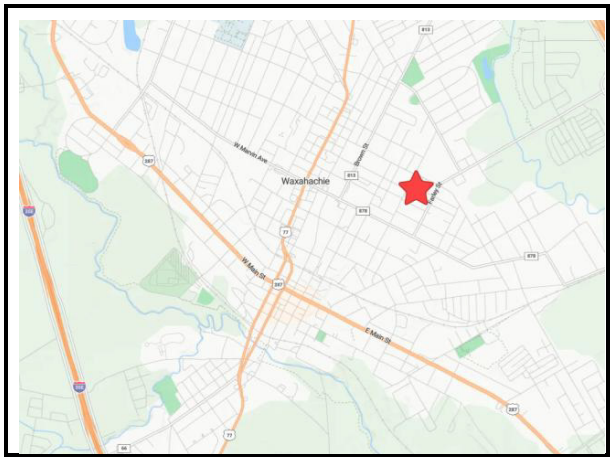

Comparable 3 Map

| 5,500-SF Sale Comparable 3 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | 403 W Lampasas | | | |
| Property Class | Residential Lot | | | |
| Address | 403 W Lampasas Street, Ennis | | | |
| County | Ellis | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 5,750 | SF | 0.13 | Acres |
| Zoning Code | NC-D / Neighborhood Duplex | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, and Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | June-2024 | | | |
| Seller | Wildwood Restoration | | | |
| Buyer | RCD Inv LLC | | | |
| Sale Price | $70,000 | | | |
| **Price per SF Land** | **$12.17** | | | |

## SALE COMPARABLE 4 – 5,500-SF LOTS



Comparable 4 Aerial



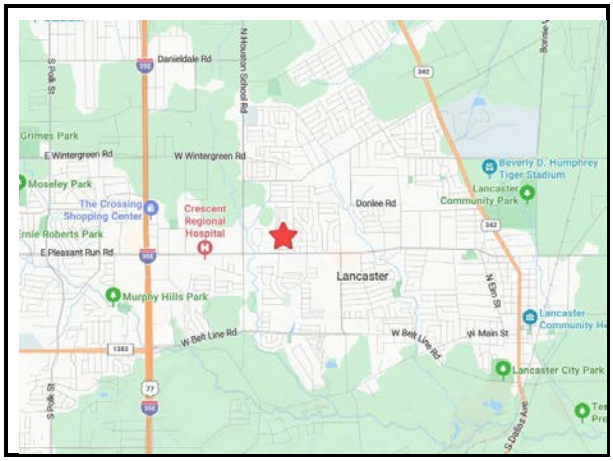
Comparable 4 Map

| 5,500-SF Sale Comparable 4 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Willow Creek | | | |
| Property Class | Residential Lot | | | |
| Address | TBD Rosa Street, Waxahachie | | | |
| County | Ellis | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 6,229 | SF | 0.14 | Acres |
| Zoning Code | Single-Family 2 | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | Novemeber-2025 | | | |
| Seller | VZMZ Properties, LLC and Jackie Junger Biddy | | | |
| Buyer | Rodolfo Carrillo | | | |
| Sale Price | $66,000 | | | |
| **Price per SF Land** | **$10.60** | | | |

## SALE COMPARABLE 5 – 5,500-SF LOTS




Comparable 5 Aerial




Comparable 5 Map

| 5,500-SF Sale Comparable 5 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Pleasant Run Estates | | | |
| Property Class | Residential Lot | | | |
| Address | 1820 Apollo Lane, Lancaster | | | |
| County | Dallas | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 6,403 | SF | 0.15 | Acres |
| Zoning Code | Planned Development | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | June-2024 | | | |
| Seller | Clarence Wooten | | | |
| Buyer | Julio Lara | | | |
| Sale Price | $72,000 | | | |
| **Price per SF Land** | **$11.24** | | | |

## SALES ADJUSTMENT COMPARISON GRID – 5,500-SF LOTS

| *Address:* | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 |
|---|---|---|---|---|---|---|
| | Haven Ranch PID, IA #1 | Joshua Farms MMD | 205 Thompson | 403 W Lampasas | Willow Creek | Pleasant Run Estates |
| | Waxahachie ETJ | Cleburne | Waxahachie | Ennis | Waxahachie | Lancaster |
| *Transactional Adjustments* | | | | | | |
| **Sales Price/SF** | | $10.42 | $11.14 | $12.17 | $10.60 | $11.24 |
| **Rights Conveyed** | | 0% | 0% | 0% | 0% | 0% |
| **Sales Price/SF** | | $10.42 | $11.14 | $12.17 | $10.60 | $11.24 |
| **Financing Terms** | | 0% | 0% | 0% | 0% | 0% |
| **Sales Price/SF** | | $10.42 | $11.14 | $12.17 | $10.60 | $11.24 |
| **Conditions of Sale** | | 0% | 0% | 0% | 0% | 0% |
| **Sales Price/SF** | | $10.42 | $11.14 | $12.17 | $10.60 | $11.24 |
| **Expenditures After Purchase** | | 0% | 0% | 0% | 0% | 0% |
| **Sales Price/SF** | | $10.42 | $11.14 | $12.17 | $10.60 | $11.24 |
| **Time/Market Conditions** | | +4% | 0% | +5% | +2% | +5% |
| **ADJUSTED Price/SF:** | | $10.83 | $11.14 | $12.78 | $10.81 | $11.81 |
| *Physical Adjustments* | | | | | | |
| **Location/Access** | Waxahachie ETJ, East of the intersection of US 77 and FM 55 | +4% | 0% | +3% | 0% | -4% |
| **Amenities** | swimming pool, playground, community building, sports court, trails, and green space | +2% | +5% | +5% | +5% | +5% |
| **Size** | 5,500-SF | 0% | 0% | 0% | +2% | +3% |
| **Utilities** | All Available | 0% | +2% | +2% | +2% | +2% |
| **Zoning** | Development Agreement | 0% | 0% | 0% | 0% | 0% |
| ***Total Net Physical Adj. After Transactional Adj.*** | | +6% | +7% | +10% | +9% | +6% |
| **ADJUSTED Price/SF:** | | $11.48 | $11.92 | $14.06 | $11.78 | $12.52 |
| **SUMMARY OF COMPARABLE VALUES** | | | | | | |
| **Value Range/SF** | | **$11.48** | **to** | **$14.06** | | |
| **Average Value/SF** | | | **$12.35** | | | |
| **Median Value/SF** | | | **$11.92** | | | |
| **Size** | | | **5,500-SF** | | | |
| **Unit Value Indication** | | | **$12.30/SF** | | | |
| **Overall Value Indication** | | | **$67,650** | | | |
| ***Rounded*** | | | **$67,650** | | | |

## ANALYSIS OF ADJUSTMENTS – 5,500-SF LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $10.42 to $12.17 per square foot (SF) with the sales ranging from 5,750-SF to 6,403-SF 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 2020-2026 but now appears to be cooling following an interest rate decrease by the Federal Reserve that has lowered mortgage rates by 4 basis points to 6.67% as of August 2026. Price increased from 2020-2026 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 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 Ellis 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, 2024, 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 0% and +5% for Market Conditions depending on the sale date.

**Physical Adjustments**

***Location/Access***

The subject property is located within the Waxahachie ETJ in Ellis County near the modestly expanding quasi-suburban sprawl of residential neighborhoods south of Dallas. Development in the subject's area has been moderate and consistent throughout the decades. The subject is located east of US Highway 77 and FM 55 intersection directly south of Lake Waxahachie. The area around the subject is primarily residential development and agricultural land. Also in the area are municipal uses and commercial uses along US Highway 77, which runs west of the subject. Accessibility is considered average for this area.

The subject property resides in the Waxahachie ISD which has a "B" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. We have made the following adjustments for Location/Access:

- Sale 1: Inferior; Located in Cleburne, within the Godley ISD which has a "C" rating and considered to be an inferior ISD, and has inferior access to commercial uses; Adjusted +4%
- Sale 2: Similar; Located in Waxahachie, within the Waxahachie ISD which has a "B" rating and considered to be a similar ISD, with similar access to commercial uses; Adjusted 0%
- Sale 3: Inferior; Located in Ennis, within the Ennis ISD which has a "C" rating and considered to be an inferior ISD, and has inferior access to commercial uses; Adjusted +3%
- Sale 4: Similar; Located in Waxahachie, within the Waxahachie ISD which has a "B" rating and considered to be a similar ISD, with similar access to commercial uses; Adjusted 0%
- Sale 5: Superior; Located in Lancaster, within the Lancaster ISD which has a "B" rating and considered to be a similar ISD, however has superior access to commercial uses; Adjusted -4%

***Amenities***

The subject property's amenities will consist of a swimming pool, playground, community building, sports court, trails, and green space. According to the site visit, earthwork on the site is underway. The subject's amenities are considered average for a master planned community the size of Haven Ranch PID IA #1. We have made the following adjustments for Amenities:

- Sale 1: Inferior; Joshua Farms MMD, which has inferior quality amenities consisting of pool, pavilion, beer garden, parks, and a playground. While this comparable offers some similar amenities, it offers lower quality amenities compared to the subject, therefore making it inferior overall; Adjusted +2%
- Sale 2: Inferior; 205 Thompson, which does not have any amenities; Adjusted +5%
- Sale 3: Inferior; 403 W Lampasas, which does not have any amenities; Adjusted +5%
- Sale 4: Inferior; Willow Creek, which does not have any amenities; Adjusted +5%
- Sale 5: Inferior; Pleasant Run Estates which does not have any amenities; Adjusted +5%

***Size***

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (square frontage). Sales 1, 2, and 3 range from 5,750-SF to 6,000-SF lot types that can accommodate a similar building pad, so no adjustment is made for size to those comparable sales. Sale 4 is a 6,229-SF lot that can accommodate a larger building pad, so an adjustment of +2% is made for Size. Sale 5 is a 6,403-SF lot that can also accommodate a larger building pad, so an adjustment of +3% is made for Size.

***Utilities***
The subject property's improved lots will each have access to electric, water, sewer, and gas. Sales 2-5 will have access to electric, water, and sewer but no gas. Therefore, an adjustment of +2% is made for Utilities to those comparable sales. Sale 1 has similar utilities to the subject; thus no adjustment is necessary.

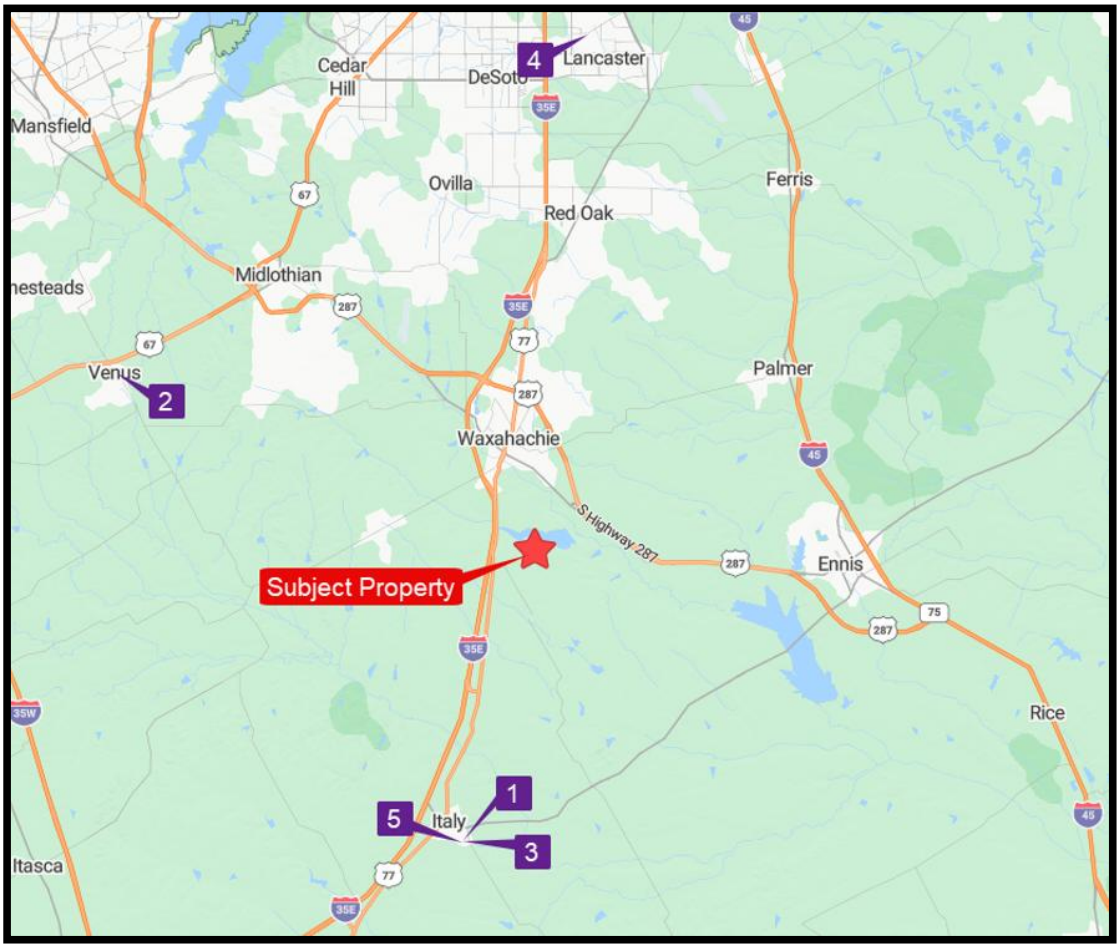
***Zoning***
Development of the subject property is governed by a Development Agreement, dated November 13, 2023, between the City of Waxahachie and GRBK Edgewood, LLC, of which the Development Agreement allows single-family residential development at the subject property. The subject property is outside the city limits of Waxahachie and within the Waxahachie ETJ. Each of the comparable sales are in similar developments or have single-family zoning that would allow for similar lots; thus, no adjustment is made for zoning.

**Conclusion for 5,500-SF Lots** – The 5,500-SF Lot Sales have an adjusted range of $11.48/SF to $14.06/SF with an average of $12.35/SF and a median of $11.92/SF. 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 5,500-SF lots is $12.30/SF, or $67,650/Lot.**

| Lot Type | Total Lots | Completion Date | Concluded Retail Value Per Lot |
|---|---|---|---|
| 5,500-SF Detached Lots | 40 | September 1, 2026 | $67,650 |

*Next, we will analyze the retail market value of the 7,000-SF improved residential lots within Haven Ranch PID IA #1.*

**MAP OF COMPARABLE LOT SALES – 7,000-SF LOTS**




**Subject: Haven Ranch PID IA #1, Waxahachie ETJ, Ellis County, TX 75165**

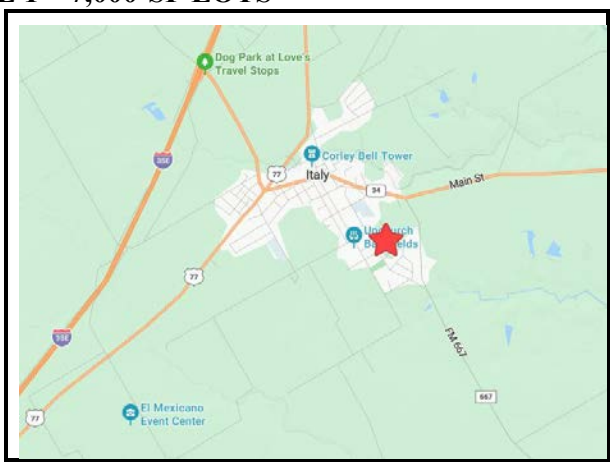
We selected the best and most recent comparable lot sales for our analysis of the 7,000-SF lots. Our five comparable sales are shown below:

| SUMMARY OF LOT SALES - 7,000-SF LOTS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Sale** | **Subdivision** | **City** | **ISD** | **Contract Date** | **Sale Date** | **Base Lot Price** | **Square Feet (SF)** | ***$/SF*** |
| 1 | Gladiator Estates | Italy | Italy | Mar-2024 | Closed | $75,000 | 6,795 | *$ 11.04* |
| 2 | Original Venus | Venus | Venus | Oct-2024 | Closed | $50,000 | 7,013 | *$ 7.13* |
| 3 | Gladiator Estates | Italy | Italy | Jan-2024 | Closed | $75,000 | 6,882 | *$ 10.90* |
| 4 | Wellington Park North | Lancaster | Lancaster | Jun-2025 | Closed | $51,000 | 7,236 | *$ 7.05* |
| 5 | Gladiator Estates | Italy | Italy | Mar-2024 | Closed | $75,000 | 6,882 | *$ 10.90* |
| **Subject** | **Haven Ranch PID, IA #1** | **Waxahachie ETJ** | **Waxahachie** | - | - | - | **7,000** | - |

## SALE COMPARABLE 1 – 7,000-SF LOTS




Comparable 1 Aerial



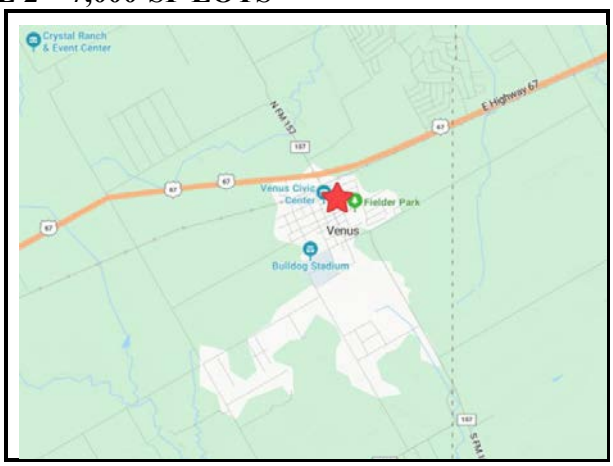

Comparable 1 Map

| 7,000-SF Sale Comparable 1 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Gladiator Estates | | | |
| Property Class | Residential Lot | | | |
| Address | 407 Lora Sue Court, Italy | | | |
| County | Ellis | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 6,795 | SF | 0.16 | Acres |
| Zoning Code | No zoning /Outside City Limits | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | March-2024 | | | |
| Seller | Bridge Homes LLC | | | |
| Buyer | Mollie Postma | | | |
| Sale Price | $75,000 | | | |
| **Price per SF Land** | **$11.04** | | | |

## SALE COMPARABLE 2 – 7,000-SF LOTS




Comparable 2 Aerial



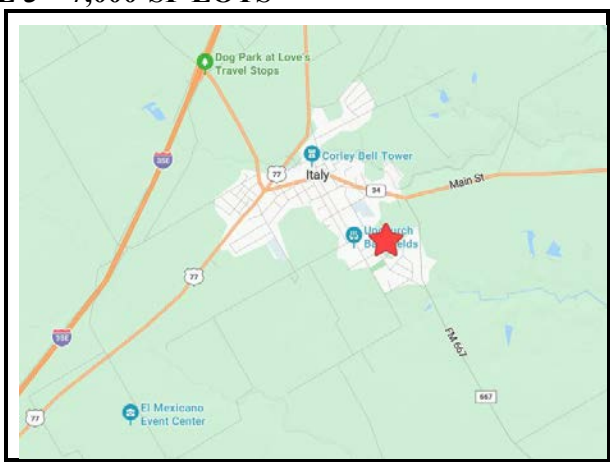

Comparable 2 Map

| 7,000-SF Sale Comparable 2 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Original Venus | | | |
| Property Class | Residential Lot | | | |
| Address | 205 Oak Street, Venus | | | |
| County | Johnson | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 7,013 | SF | 0.16 | Acres |
| Zoning Code | R-1 Single-Family Residential | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | October-2024 | | | |
| Seller | Jennifer and Walter Scott | | | |
| Buyer | Nancy Rosales | | | |
| Sale Price | $50,000 | | | |
| **Price per SF Land** | **$7.13** | | | |

## SALE COMPARABLE 3 – 7,000-SF LOTS




Comparable 3 Aerial



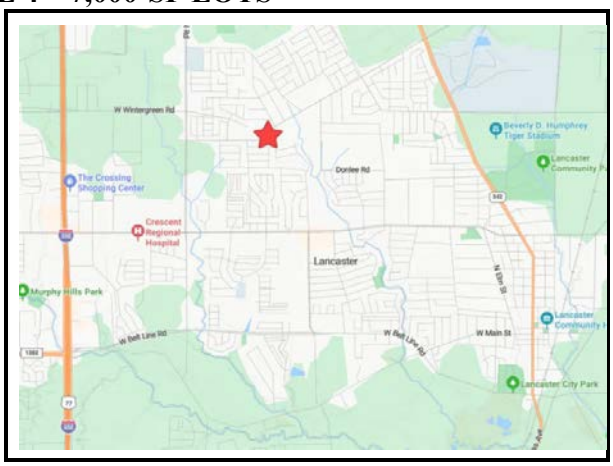

Comparable 3 Map

| 7,000-SF Sale Comparable 3 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Gladiator Estates | | | |
| Property Class | Residential Lot | | | |
| Address | 625 Escovedo Drive, Italy | | | |
| County | Ellis | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 6,882 | SF | 0.16 | Acres |
| Zoning Code | No zoning /Outside City Limits | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, and Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | Jan-2024 | | | |
| Seller | Cross Fence Development LLC | | | |
| Buyer | Bridge Homes LLC | | | |
| Sale Price | $75,000 | | | |
| **Price per SF Land** | **$10.90** | | | |

## SALE COMPARABLE 4 – 7,000-SF LOTS




Comparable 4 Aerial



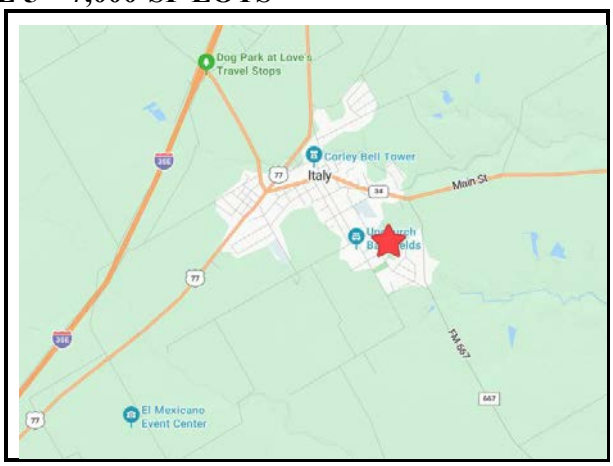

Comparable 4 Map

| 7,000-SF Sale Comparable 4 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Wellington Park North | | | |
| Property Class | Residential Lot | | | |
| Address | 1664 W Wintergreen Road, Lancaster | | | |
| County | Dallas | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 7,236 | SF | 0.17 | Acres |
| Zoning Code | Single-Family Residential | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, and Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | June-2025 | | | |
| Seller | Griffin Street Management Inc. | | | |
| Buyer | Orca Development LLC | | | |
| Sale Price | $51,000 | | | |
| **Price per SF Land** | **$7.05** | | | |

## SALE COMPARABLE 5 – 7,000-SF LOTS




Comparable 5 Aerial




Comparable 5 Map

| 7,000-SF Sale Comparable 5 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Gladiator Estates | | | |
| Property Class | Residential Lot | | | |
| Address | 701 Escovedo Drive, Italy | | | |
| County | Ellis | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 6,882 | SF | 0.16 | Acres |
| Zoning Code | No zoning /Outside City Limits | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | March-2024 | | | |
| Seller | Cross Fence Development LLC | | | |
| Buyer | Bridge Homes LLC | | | |
| Sale Price | $75,000 | | | |
| **Price per SF Land** | **$10.90** | | | |

**SALES ADJUSTMENT COMPARISON GRID – 7,000-SF LOTS**

| | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 |
|---|---|---|---|---|---|---|
| *Subdivision* | Haven Ranch PID, IA #1 | Gladiator Estates | Original Venus | Gladiator Estates | Wellington Park North | Gladiator Estates |
| | Waxahachie ETJ | Italy | Venus | Italy | Lancaster | Italy |
| *Transactional Adjustments* | | | | | | |
| Sales Price/SF | | $11.04 | $7.13 | $10.90 | $7.05 | $10.90 |
| Rights Conveyed | | 0% | 0% | 0% | 0% | 0% |
| Sales Price/SF | | $11.04 | $7.13 | $10.90 | $7.05 | $10.90 |
| Financing Terms | | 0% | 0% | 0% | 0% | 0% |
| Sales Price/SF | | $11.04 | $7.13 | $10.90 | $7.05 | $10.90 |
| Conditions of Sale | | 0% | 0% | 0% | 0% | 0% |
| Sales Price/SF | | $11.04 | $7.13 | $10.90 | $7.05 | $10.90 |
| Expenditures After Purchase | | 0% | 0% | 0% | 0% | 0% |
| Sales Price/SF | | $11.04 | $7.13 | $10.90 | $7.05 | $10.90 |
| Time/Market Conditions | | +5% | +5% | +5% | +3% | +4% |
| ADJUSTED Price/SF: | | $11.59 | $7.49 | $11.44 | $7.26 | $11.33 |
| *Physical Adjustments* | | | | | | |
| Location/Access | Waxahachie ETJ, East of the intersection of US 77 and FM 55 | +4% | +2% | +4% | -4% | +4% |
| Amenities | swimming pool, playground, community building, sports court, trails, and green space | +5% | +5% | +5% | +5% | +5% |
| Size | 7,000-SF | 0% | 0% | 0% | 0% | 0% |
| Utilities | All Available | +2% | +2% | +2% | +2% | +2% |
| Zoning | Development Agreement | 0% | 0% | 0% | 0% | 0% |
| *Total Net Physical Adj. After Transactional Adj.* | | +11% | +9% | +11% | +3% | +11% |
| ADJUSTED Price/SF: | | $12.86 | $8.16 | $12.70 | $7.48 | $12.58 |
| SUMMARY OF COMPARABLE VALUES | | | | | | |
| Value Range/SF | | | $7.48 | to | $12.86 | |
| Average Value/SF | | | $10.76 | | | |
| Median Value/SF | | | $12.58 | | | |
| Size | | | 7,000-SF | | | |
| Unit Value Indication | | | $10.85/SF | | | |
| Overall Value Indication | | | $75,950 | | | |
| *Rounded* | | | $75,950 | | | |

## ANALYSIS OF ADJUSTMENTS – 7,000-SF LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $7.05 to $11.04 per square foot with the sales ranging from 6,795-SF to 7,236-SF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

### Factors to be Considered and Summary of Adjustments

**Transactional Adjustments**

***Property Rights, Financing Terms, and Conditions of Sale***
Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

***Expenditures After Purchase***
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

***Time/Market Conditions***
The residential real estate market increased significantly in 2020-2025 but now appears to be cooling following an interest rate increase by the Federal Reserve that has raised mortgage rates by 4 basis points to 6.67% as of August 2026. Price increased from 2020-2025 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 7,000-SF 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 Ellis 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, 2024, 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 +5% for Market Conditions depending on the sale date.

**Physical Adjustments**

***Location/Access***

The subject property is located within the Waxahachie ETJ in Ellis County near the modestly expanding quasi-suburban sprawl of residential neighborhoods south of Dallas. Development in the subject's area has been moderate and consistent throughout the decades. The subject is located east of US Highway 77 and FM 55 intersection directly south of Lake Waxahachie. The area around the subject is primarily residential development and agricultural land. Also in the area are municipal uses and commercial uses along US Highway 77, which runs west of the subject. Accessibility is considered average for this area.

The subject property resides in the Waxahachie ISD which has a "B" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. We have made the following adjustments for Location/Access:

- Sale 1: Inferior; Located in Italy within the Italy ISD which has a "B" rating and considered to be a similar ISD, however, has inferior access to commercial uses; Adjusted +4%
- Sale 2: Inferior; Located in Venus, which is located in the Venus ISD which has a "C" rating and considered to be an inferior ISD, however, has similar access to commercial uses; Adjusted +2%
- Sale 3: Inferior; Located in Italy within the Italy ISD which has a "B" rating and considered to be a similar ISD, however, has inferior access to commercial uses; Adjusted; Adjusted +4%
- Sale 4: Superior; Located in Lancaster within the Lancaster ISD which has a "B" rating and considered to be a similar ISD, however, has superior access to commercial uses; Adjusted -4%
- Sale 5: Inferior; Located in Italy within the Italy ISD which has a "B" rating and considered to be a similar ISD, however, has inferior access to commercial uses; Adjusted; Adjusted +4%

***Amenities***

The subject property's amenities will consist of a swimming pool, playground, community building, sports court, trails, and green space. According to the site visit, earthwork on the site is underway. The subject's amenities are considered average for a master planned community the size of Haven Ranch PID IA #1. We have made the following adjustments for Amenities:

- Sale 1: Inferior; Gladiator Estates, which does not have any amenities; Adjusted +5%
- Sale 2: Inferior; Original Venus, which does not have any amenities; Adjusted +5%
- Sale 3: Inferior; Gladiator Estates, which does not have any amenities; Adjusted +5%
- Sale 4: Inferior; Wellington Park North, which does not have any amenities; Adjusted +5%
- Sale 5: Inferior; Gladiator Estates, which does not have any amenities; Adjusted +5%

***Size***

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (square frontage). Sales 1-5 range from 6,795-SF to 7,236-SF lots that can accommodate a similar building pad, so no adjustment is made for Size.

***Utilities***
The subject property's improved lots will each have access to electric, water, sewer, and gas. Sales 1-5 will have access to electric, water, and sewer but no gas. Therefore, an adjustment of +2% is made for Utilities to those comparable sales.

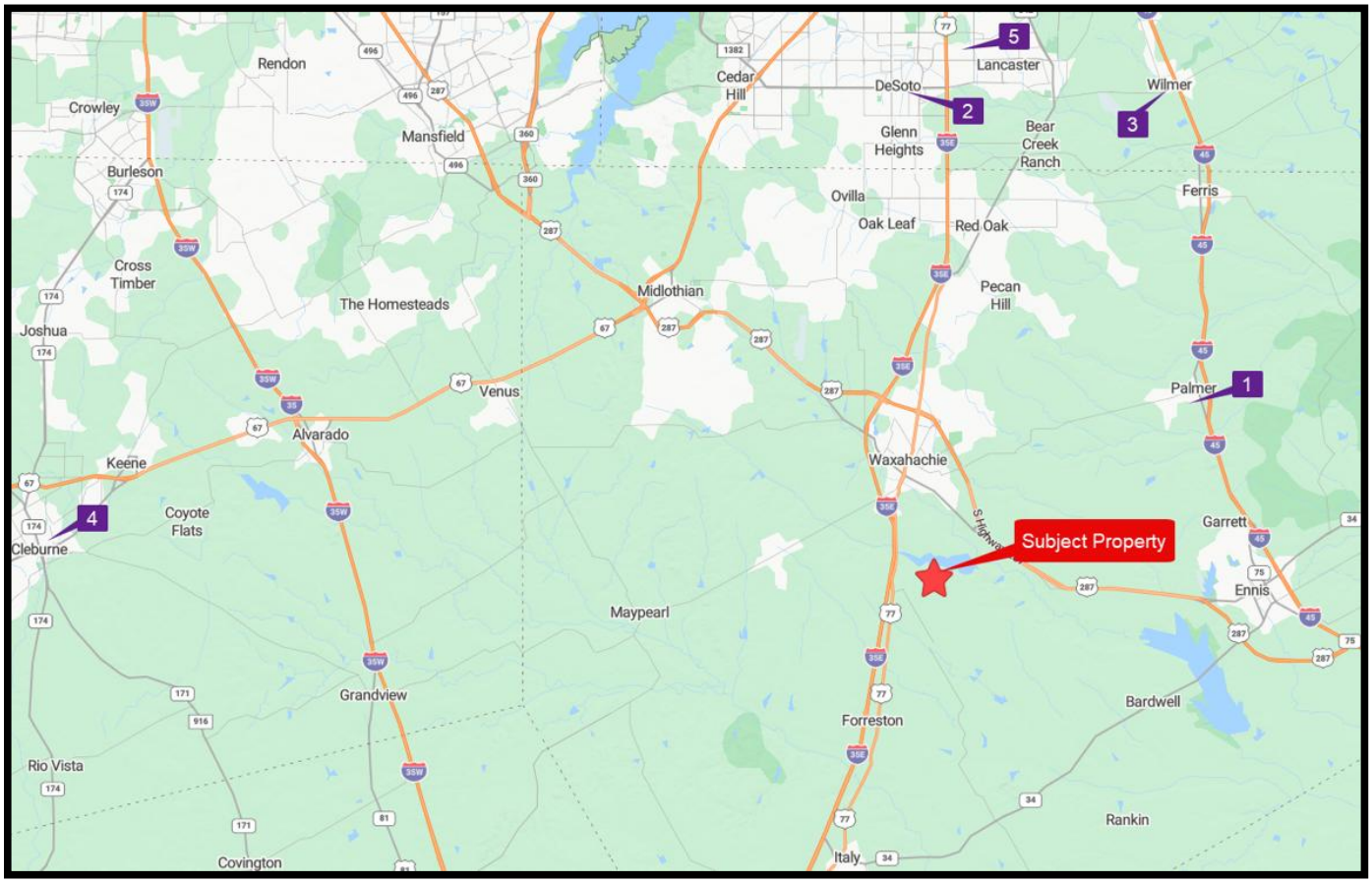
***Zoning***
Development of the subject property is governed by a Development Agreement, dated November 13, 2023, between the City of Waxahachie and GRBK Edgewood, LLC, of which the Development Agreement allows single-family residential development at the subject property. The subject property is outside the city limits of Waxahachie and within the Waxahachie ETJ. Each of the comparable sales are in similar developments or have single-family zoning that would allow for similar lots; thus, no adjustment is made for Zoning.

**Conclusion for 7,000-SF Lots** – The 7,000-SF Lot Sales have an adjusted range of $7.48/SF to $12.86/SF with an average of $10.76/SF and a median of $12.58/SF. 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 7,000-SF lots is $10.85/SF, or $75,950/Lot.**

| Lot Type | Total Lots | Completion Date | Concluded Retail Value Per Lot |
|---|---|---|---|
| 7,000-SF Detached Lots | 61 | September 1, 2026 | $75,950 |

*Next, we will analyze the retail market value of the 9,200-SF improved residential lots within Haven Ranch PID IA* #1.

**MAP OF COMPARABLE LOT SALES – 9,200-SF LOTS**




**Subject: Haven Ranch PID IA #1, Waxahachie ETJ, Ellis County, TX 75165**

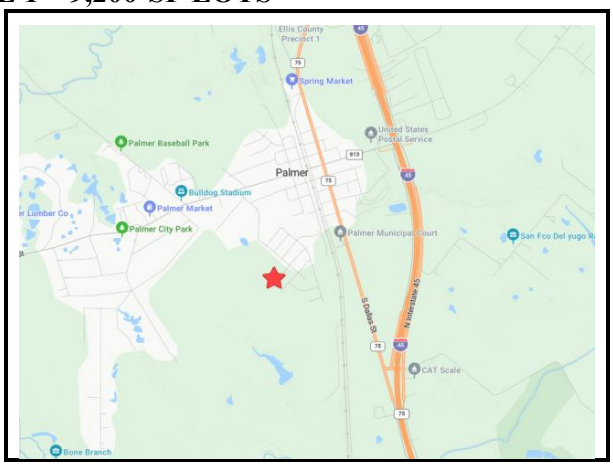
We selected the best and most recent comparable lot sales for our analysis of the 9,200-SF lots. Our five comparable sales are shown below:

| SUMMARY OF LOT SALES - 9,200-SF LOTS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Sale** | **Subdivision** | **City** | **ISD** | **Contract Date** | **Sale Date** | **Base Lot Price** | **Square Feet (SF)** | ***$/SF*** |
| 1 | Meadows of Palmer | Palmer | Palmer | Jul-2026 | Closed | $82,900 | 9,670 | *$ 8.57* |
| 2 | Cedar Park | Desoto | Desoto | Apr-2024 | Closed | $100,000 | 9,540 | *$ 10.48* |
| 3 | Crouch-Orig Town Wilmer | Wilmer | Dallas | Feb-2025 | Closed | $80,000 | 9,496 | *$ 8.42* |
| 4 | Original Cleburne | Cleburne | Cleburne | Feb-2024 | Closed | $80,000 | 9,453 | *$ 8.46* |
| 5 | J A Dewberry Resub | Lancaster | Lancaster | Feb-2024 | Closed | $85,000 | 8,616 | *$ 9.87* |
| **Subject** | **Haven Ranch PID, IA #1** | **Waxahachie ETJ** | **Waxahachie** | - | - | - | **9,200** | - |

## SALE COMPARABLE 1 – 9,200-SF LOTS




Comparable 1 Aerial



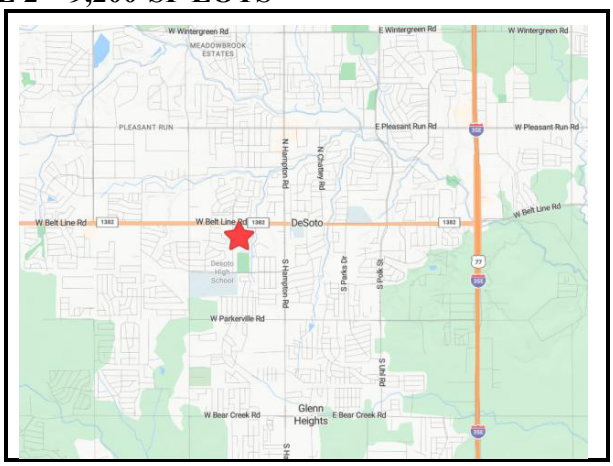

Comparable 1 Map

| 9,200-SF Sale Comparable 1 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Meadows of Palmer | | | |
| Property Class | Residential Lot | | | |
| Address | 270 Poinsetta Drive, Palmer | | | |
| County | Ellis | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 9,670 | SF | 0.11 | Acres |
| Zoning Code | R-3 Residential Single Family | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, and Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | July - 2026 | | | |
| Seller | Griffin Family Holdings, LLC | | | |
| Buyer | Javier Olvera | | | |
| Sale Price | $82,900 | | | |
| **Price per SF Land** | **$8.57** | | | |

## SALE COMPARABLE 2 – 9,200-SF LOTS




Comparable 2 Aerial



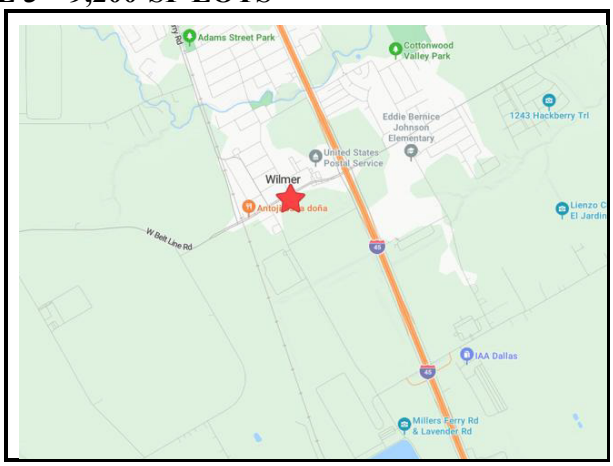

Comparable 2 Map

| 9,200-SF Sale Comparable 2 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Cedar Park | | | |
| Property Class | Residential Lot | | | |
| Address | 119 Windwood Drive, DeSoto | | | |
| County | Dallas | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 9,540 | SF | 0.22 | Acres |
| Zoning Code | SF-8 / Single Family Residential | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, and Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | April-2024 | | | |
| Seller | Maria Vazquez | | | |
| Buyer | Karla and Carlos Martinez | | | |
| Sale Price | $100,000 | | | |
| **Price per SF Land** | **$10.48** | | | |

## SALE COMPARABLE 3 – 9,200-SF LOTS




Comparable 3 Aerial



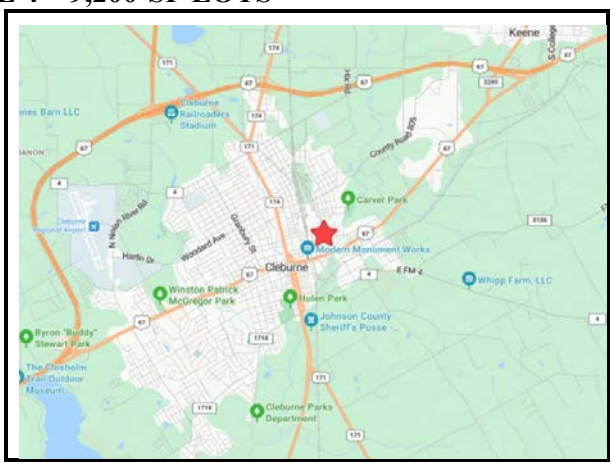

Comparable 3 Map

| 9,200-SF Sale Comparable 3 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Crouch-Orig Town Wilmer | | | |
| Property Class | Residential Lot | | | |
| Address | 240 E Belt Line Road, Wilmer | | | |
| County | Dallas | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 9,496 | SF | 0.22 | Acres |
| Zoning Code | Residential | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, and Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | February-2025 | | | |
| Seller | Teresa Raymundo | | | |
| Buyer | Dolores Hernandez and Jose Lozano | | | |
| Sale Price | $80,000 | | | |
| **Price per SF Land** | **$8.42** | | | |

## SALE COMPARABLE 4 – 9,200-SF LOTS




Comparable 4 Aerial



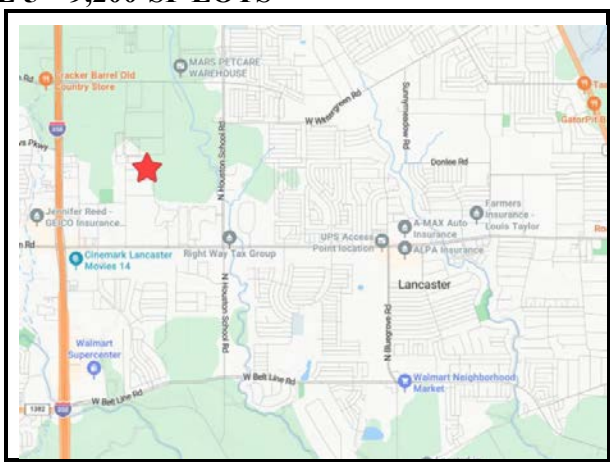

Comparable 4 Map

| 9,200-SF Sale Comparable 4 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Original Cleburne | | | |
| Property Class | Residential Lot | | | |
| Address | 617 E Willingham Street, Cleburne | | | |
| County | Johnson | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 9,453 | SF | 0.22 | Acres |
| Zoning Code | SF- 7 / Residential Single Family | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, and Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | February-2024 | | | |
| Seller | Eri Mendoza | | | |
| Buyer | Heriberto Figueroa and Yanira Mendoza | | | |
| Sale Price | $80,000 | | | |
| **Price per SF Land** | **$8.46** | | | |

## SALE COMPARABLE 5 – 9,200-SF LOTS




Comparable 5 Aerial




Comparable 5 Map

| 9,200-SF Sale Comparable 5 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | J A Dewberry Resub | | | |
| Property Class | Residential Lot | | | |
| Address | 2734 Pike Drive, Lancaster | | | |
| County | Dallas | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 8,616 | SF | 0.20 | Acres |
| Zoning Code | SF-6 / Single-Family Residential | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, and Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | February-2024 | | | |
| Seller | JC & Sons Construction LLC | | | |
| Buyer | KD Homes LLC | | | |
| Sale Price | $85,000 | | | |
| **Price per SF Land** | **$9.87** | | | |

## SALES ADJUSTMENT COMPARISON GRID – 9,200-SF LOTS

| | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 |
|---|---|---|---|---|---|---|
| *Address:* | Haven Ranch PID, IA #1 | Meadows of Palmer | Cedar Park | Crouch-Orig Town Wilmer | Original Cleburne | J A Dewberry Resub |
| | Waxahachie ETJ | Palmer | Desoto | Wilmer | Cleburne | Lancaster |
| *Transactional Adjustments* | | | | | | |
| Sales Price/SF | | $8.57 | $10.48 | $8.42 | $8.46 | $9.87 |
| Rights Conveyed | | 0% | 0% | 0% | 0% | 0% |
| Sales Price/SF | | $8.57 | $10.48 | $8.42 | $8.46 | $9.87 |
| Financing Terms | | 0% | 0% | 0% | 0% | 0% |
| Sales Price/SF | | $8.57 | $10.48 | $8.42 | $8.46 | $9.87 |
| Conditions of Sale | | 0% | 0% | 0% | 0% | 0% |
| Sales Price/SF | | $8.57 | $10.48 | $8.42 | $8.46 | $9.87 |
| Expenditures After Purchase | | 0% | 0% | 0% | 0% | 0% |
| Sales Price/SF | | $8.57 | $10.48 | $8.42 | $8.46 | $9.87 |
| Time/Market Conditions | | 0% | +5% | +3% | +5% | +5% |
| ADJUSTED Price/SF: | | $8.57 | $11.01 | $8.68 | $8.89 | $10.36 |
| *Physical Adjustments* | | | | | | |
| Location/Access | Waxahachie ETJ, East of the intersection of US 77 and FM 55 | 0% | -2% | -4% | +4% | -4% |
| Amenities | swimming pool, playground, community building, sports court, trails, and green space | +5% | +5% | +5% | +5% | +5% |
| Size | 9,200-SF | 0% | 0% | 0% | 0% | -2% |
| Utilities | All Available | +2% | +2% | +2% | +2% | +2% |
| Zoning | Development Agreement | 0% | 0% | 0% | 0% | 0% |
| *Total Net Physical Adj. After Transactional Adj.* | | +7% | +5% | +3% | +11% | +1% |
| ADJUSTED Price/SF: | | $9.17 | $11.56 | $8.94 | $9.86 | $10.46 |
| SUMMARY OF COMPARABLE VALUES | | | | | | |
| Value Range/SF | | $8.94 | to | $11.56 | | |
| Average Value/SF | | | $10.00 | | | |
| Median Value/SF | | | $9.86 | | | |
| Size | | | 9,200-SF | | | |
| Unit Value Indication | | | $10.00/SF | | | |
| Overall Value Indication | | | $92,000 | | | |
| *Rounded* | | | $92,000 | | | |

## ANALYSIS OF ADJUSTMENTS – 9,200-SF LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $8.42 to $10.48 per square foot with the Sales ranging from 8,616-SF to 9,670-SF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

### Factors to be Considered and Summary of Adjustments

**Transactional Adjustments**

***Property Rights, Financing Terms, and Conditions of Sale***
Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

***Expenditures After Purchase***
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

***Time/Market Conditions***
The residential real estate market increased significantly in 2020-2025 but now appears to be cooling following an interest rate increase by the Federal Reserve that has raised mortgage rates by 5 basis points to 6.67% as of August 2026. Price increased from 2020-2025 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 9,200-SF 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 Ellis 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, 2024, 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 0% and +5% for Market Conditions depending on the sale date.

**Physical Adjustments**

***Location/Access***

The subject property is located within the Waxahachie ETJ in Ellis County near the modestly expanding quasi-suburban sprawl of residential neighborhoods south of Dallas. Development in the subject's area has been moderate and consistent throughout the decades. The subject is located east of US Highway 77 and FM 55 intersection directly south of Lake Waxahachie. The area around the subject is primarily residential development and agricultural land. Also in the area are municipal uses and commercial uses along US Highway 77, which runs west of the subject. Accessibility is considered average for this area.

The subject property resides in the Waxahachie ISD which has a "B" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. We have made the following adjustments for Location/Access:

- Sale 1: Similar; Located in Palmer within the Palmer ISD which has a "B" rating and considered to be a similar ISD, and has similar access to commercial uses; Adjusted 0%
- Sale 2: Superior; Located in Desoto, within the Desoto ISD which has a "C" rating and considered to be an inferior ISD, however, has superior access to commercial uses; Adjusted -2%
- Sale 3: Superior; Located in Wilmer, within the Dallas ISD which has a "B" rating and considered to be a similar ISD, however, has superior access to commercial uses; Adjusted -4%
- Sale 4: Inferior; Located in Cleburne, within the Cleburne ISD which has a "C" rating and considered to be an inferior ISD, and has inferior access to commercial uses; Adjusted +4%
- Sale 5: Superior; Located in Lancaster, within the Lancaster ISD which has a "B" rating and considered to be a similar ISD, however, has superior access to commercial uses; Adjusted -4%

***Amenities***

The subject property's amenities will consist of a swimming pool, playground, community building, sports court, trails, and green space. According to the site visit, earthwork on the site is underway. The subject's amenities are considered average for a master planned community the size of Haven Ranch PID IA #1. We have made the following adjustments for Amenities:

- Sale 1: Inferior; Meadows of Palmer, which does not have any amenities; Adjusted +5%
- Sale 2: Inferior; Cedar Park, which does not have any amenities; Adjusted +5%
- Sale 3: Inferior; Crouch-Orig Town Wilmer, which does not have any amenities; Adjusted +5%
- Sale 4: Inferior; Original Cleburne, which does not have any amenities; Adjusted +5%
- Sale 5: Inferior; J A Dewberry Resub, which does not have any amenities; Adjusted +5%

***Size***
Due to economies of scale, smaller lots are expected to sell for a higher price per unit (square frontage). Sales 1, 2, 3, and 4 range from 9,453-SF to 9,670-SF lots that can accommodate a similar building pad, so no adjustment is made for Size. Sale 5 is an 8,616-SF lot that can only accommodate a smaller building pad, so an adjustment of -2% is made for Size.

***Utilities***
The subject property's improved lots will each have access to electric, water, sewer, and gas. Sales 1-5 will have access to electric, water, and sewer but no gas. Therefore, an adjustment of +2% is made for Utilities to those comparable sales. Sale 1 has similar utilities to the subject, so no adjustment is necessary.

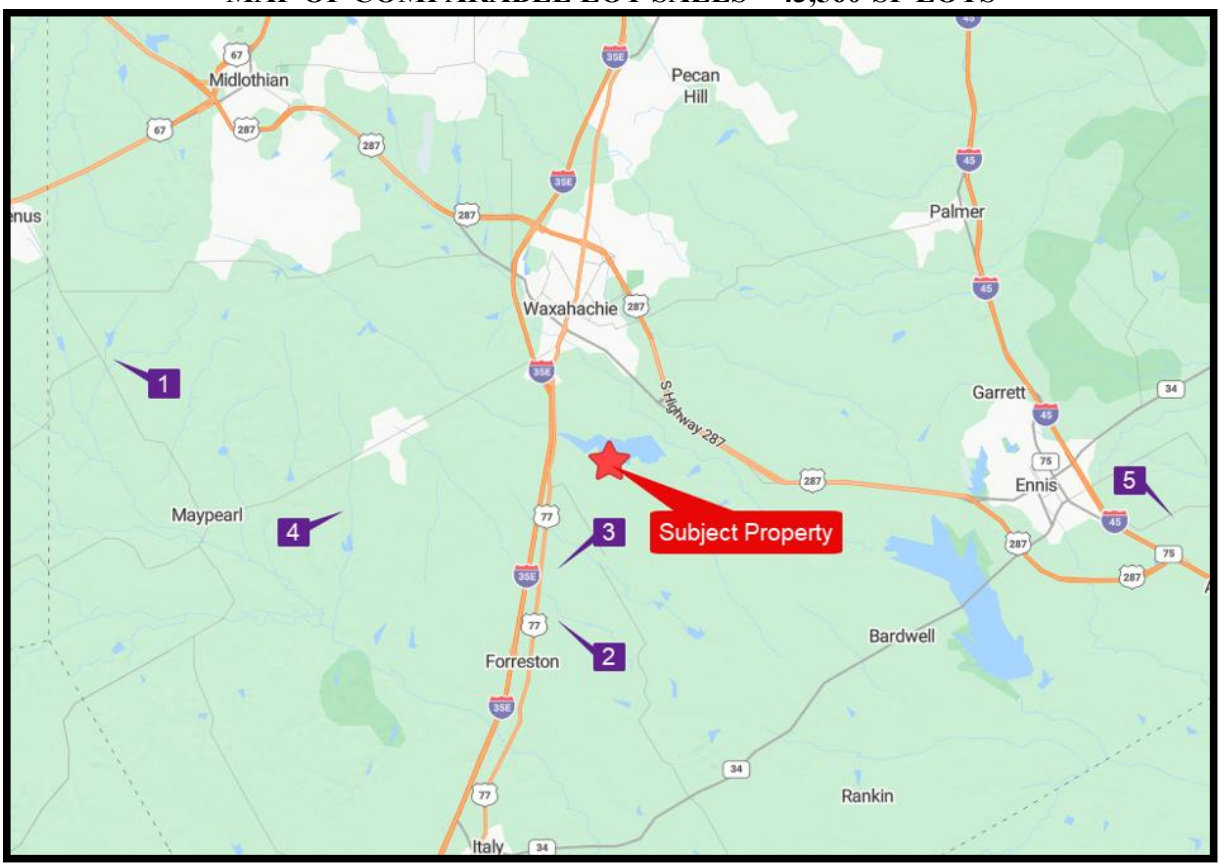
***Zoning***
Development of the subject property is governed by a Development Agreement, dated November 13, 2023, between the City of Waxahachie and GRBK Edgewood, LLC, of which the Development Agreement allows single-family residential development at the subject property. The subject property is outside the city limits of Waxahachie and within the Waxahachie ETJ. Each of the comparable sales are in similar developments or have single-family zoning that would allow for similar lots; thus, no adjustment is made for Zoning.

**Conclusion for 9,200-SF Lots** – The 9,200-SF Lot Sales have an adjusted range of $8.94/SF to $11.56/SF with an average of $10.00/SF and a median of $9.86/SF. 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 9,200-SF lots is $10.00/SF or $92,000/Lot.**

| Lot Type | Total Lots | Completion Date | Concluded Retail Value Per Lot |
|---|---|---|---|
| 9,200-SF Detached Lots | 133 | September 1, 2026 | $92,000 |

*Next, we will analyze the retail market value of the 43,560-SF improved residential lots within Haven Ranch PID IA #1.*

**MAP OF COMPARABLE LOT SALES – 43,560-SF LOTS**




**Subject: Haven Ranch PID IA #1, Waxahachie ETJ, Ellis County, TX 75165**

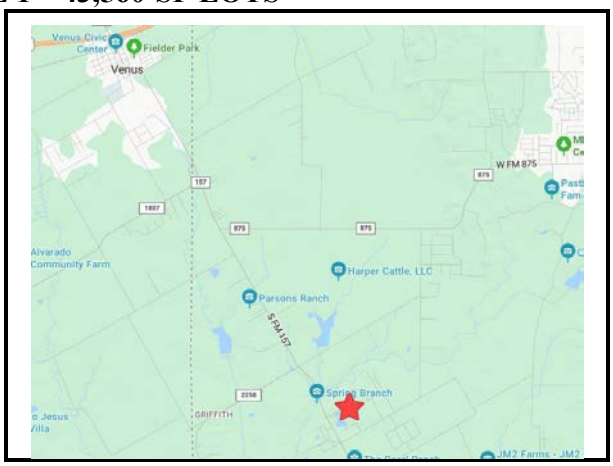
We selected the best and most recent comparable lot sales for our analysis of the 43,560-SF lots. Our five comparable sales are shown below:

| SUMMARY OF LOT SALES - 43,560-SF LOTS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Sale** | **Subdivision** | **City** | **ISD** | **Contract Date** | **Sale Date** | **Base Lot Price** | **Square Feet (SF)** | ***$/SF*** |
| 1 | Bluestem Hills | Venus | Maypearl | Jan-2026 | Closed | $91,500 | 44,867 | *$2.04* |
| 2 | E C School Land | Waxahachie | Waxahachie | Oct-2025 | Closed | $107,000 | 43,560 | *$2.46* |
| 3 | Pecan Tree Corner | Waxahachie | Waxahachie | Jun-2024 | Closed | $90,000 | 45,694 | *$1.97* |
| 4 | Thunder Ridge | Waxahachie | Maypearl | Mar-2026 | Closed | $105,000 | 44,562 | *$2.36* |
| 5 | A Steele | Ennis | Ennis | Apr-2025 | Closed | $95,000 | 43,560 | *$2.18* |
| **Subject** | **Haven Ranch PID, IA #1** | **Waxahachie ETJ** | **Waxahachie** | - | - | - | **43,560** | - |

## SALE COMPARABLE 1 – 43,560-SF LOTS




Comparable 1 Aerial



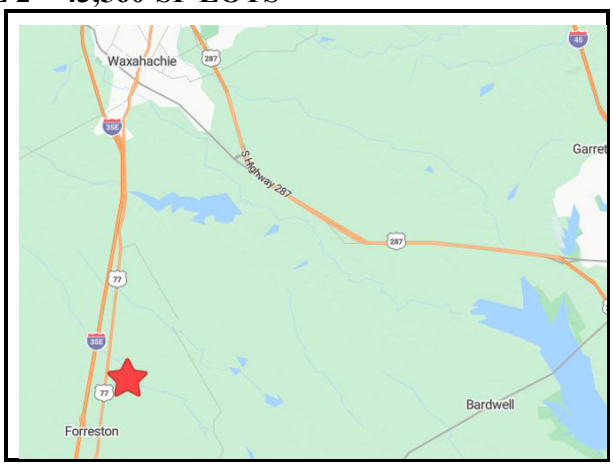

Comparable 1 Map

| 43,560-SF Sale Comparable 1 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Bluestem Hills | | | |
| Property Class | Residential Lot | | | |
| Address | 330 Cliff Ridge Lane, Venus | | | |
| County | Ellis | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 44,867 | SF | 1.01 | Acres |
| Zoning Code | Outside City Limits / No zoning | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, and Sewer; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | January-2026 | | | |
| Seller | Martin and Rosie Caloca | | | |
| Buyer | Benito Ramirez | | | |
| Sale Price | $91,500 | | | |
| **Price per SF Land** | **$2.04** | | | |

## SALE COMPARABLE 2 – 43,560-SF LOTS




Comparable 2 Aerial



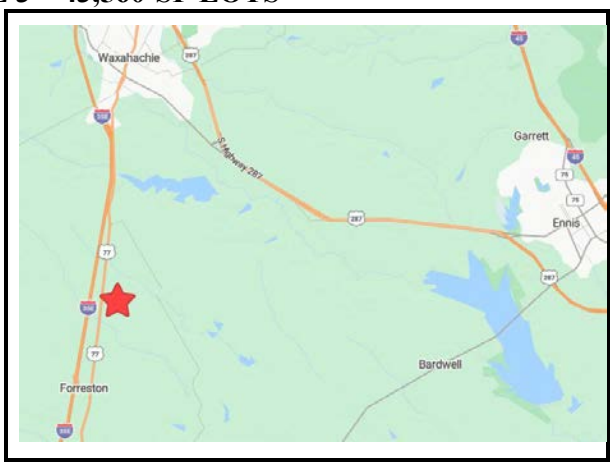

Comparable 2 Map

| 43,560-SF Sale Comparable 2 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | E C School Land | | | |
| Property Class | Residential Lot | | | |
| Address | TBD Blair Road, Waxahachie | | | |
| County | Ellis | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 43,560 | SF | 1.00 | Acres |
| Zoning Code | Outside City Limits / No zoning | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric and Water; No Gas or Sewer | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | October-2025 | | | |
| Seller | David Blair | | | |
| Buyer | Heath Whitley | | | |
| Sale Price | $107,000 | | | |
| **Price per SF Land** | **$2.46** | | | |

**SALE COMPARABLE 3 – 43,560-SF LOTS**




Comparable 3 Aerial



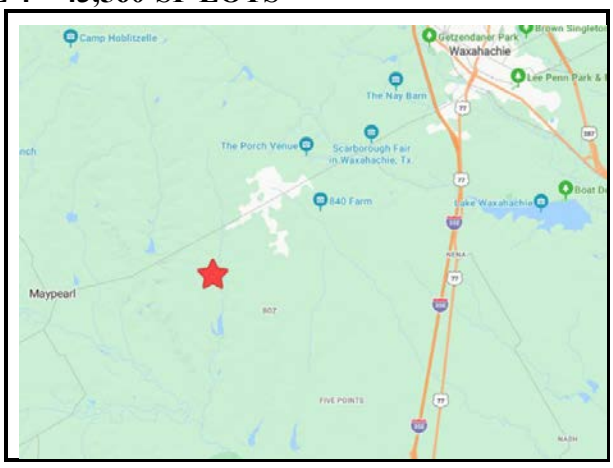

Comparable 3 Map

| 43,560-SF Sale Comparable 3 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Pecan Tree Corner | | | |
| Property Class | Residential Lot | | | |
| Address | TBD E Pecan Tree Road, Waxahachie | | | |
| County | Ellis | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 45,694 | SF | 1.05 | Acres |
| Zoning Code | Outside City Limits / No zoning | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric and Water; No Sewer or Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | June-2024 | | | |
| Seller | Rigoberto Hernandez | | | |
| Buyer | Ricky and Rhonda Quarles | | | |
| Sale Price | $90,000 | | | |
| **Price per SF Land** | **$1.97** | | | |

## SALE COMPARABLE 4 – 43,560-SF LOTS




Comparable 4 Aerial



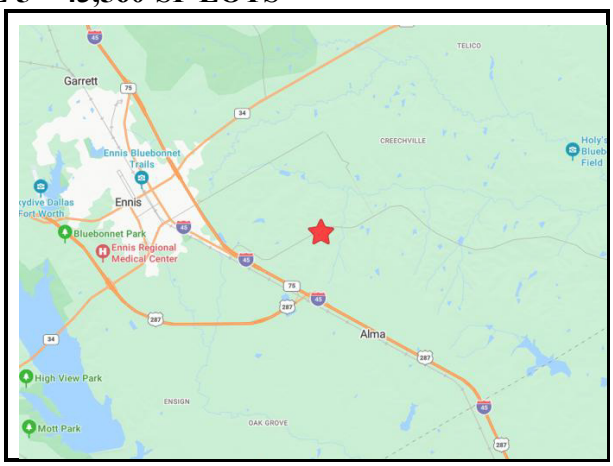

Comparable 4 Map

| 43,560-SF Sale Comparable 4 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | Thunder Ridge | | | |
| Property Class | Residential Lot | | | |
| Address | 460 Silo Court, Waxahachie | | | |
| County | Ellis | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 44,562 | SF | 1.02 | Acres |
| Zoning Code | Outside City Limits / No zoning | | | |
| Shape | Mostly Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric, Water, and Septic; No Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | March-2026 | | | |
| Seller | Country Villa Custom Homes LLC | | | |
| Buyer | Schrome Family Homes LLC | | | |
| Sale Price | $105,000 | | | |
| **Price per SF Land** | **$2.36** | | | |

## SALE COMPARABLE 5 – 43,560-SF LOTS



Comparable 5 Aerial




Comparable 5 Map

| 43,5600-SF Sale Comparable 5 | | | | |
|---|---|---|---|---|
| **Property Information** | | | | |
| Subdivision Name | A Steele | | | |
| Property Class | Residential Lot | | | |
| Address | 1240 Fm 85, Ennis | | | |
| County | Ellis | | | |
| Property Type | Residential / Single Family Lot | | | |
| **Site Information** | | | | |
| Site Size | 43,560 | SF | 1.00 | Acres |
| Zoning Code | Outside City Limits / No zoning | | | |
| Shape | Rectangular | | | |
| Topography | Basically level | | | |
| Available Utilities | Electric and Water; No Sewer or Gas | | | |
| **Transaction Information** | | | | |
| Sale Status | Closed | | | |
| Sale/Contract Date | April - 2025 | | | |
| Seller | Pedro and Juana Guzman | | | |
| Buyer | Oscar Donjuan | | | |
| Sale Price | $95,000 | | | |
| **Price per SF Land** | **$2.18** | | | |

## SALES ADJUSTMENT COMPARISON GRID – 43,560-SF LOTS

| | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 |
|---|---|---|---|---|---|---|
| *Address:* | Haven Ranch PID, IA #1 | Bluestem Hills | E C School Land | Pecan Tree Corner | Thunder Ridge | A Steele |
| | Waxahachie ETJ | Venus | Waxahachie | Waxahachie | Waxahachie | Ennis |
| *Transactional Adjustments* | | | | | | |
| Sales Price/SF | | $2.04 | $2.46 | $1.97 | $2.36 | $2.18 |
| Rights Conveyed | | 0% | 0% | 0% | 0% | 0% |
| Sales Price/SF | | $2.04 | $2.46 | $1.97 | $2.36 | $2.18 |
| Financing Terms | | 0% | 0% | 0% | 0% | 0% |
| Sales Price/SF | | $2.04 | $2.46 | $1.97 | $2.36 | $2.18 |
| Conditions of Sale | | 0% | 0% | 0% | 0% | 0% |
| Sales Price/SF | | $2.04 | $2.46 | $1.97 | $2.36 | $2.18 |
| Expenditures After Purchase | | 0% | 0% | 0% | 0% | 0% |
| Sales Price/SF | | $2.04 | $2.46 | $1.97 | $2.36 | $2.18 |
| Time/Market Conditions | | 0% | +2% | +5% | 0% | +3% |
| ADJUSTED Price/SF: | | $2.04 | $2.51 | $2.07 | $2.36 | $2.25 |
| *Physical Adjustments* | | | | | | |
| Location/Access | Waxahachie ETJ, East of the intersection of US 77 and FM 55 | +2% | 0% | 0% | +2% | +4% |
| Amenities | swimming pool, playground, community building, sports court, trails, and green space | +5% | +5% | +5% | +5% | +5% |
| Size | 43,560-SF | 0% | 0% | 0% | 0% | 0% |
| Utilities | All Available | +2% | +5% | +5% | +2% | +5% |
| Zoning | Development Agreement | 0% | 0% | 0% | 0% | 0% |
| *Total Net Physical Adj. After Transactional Adj.* | | +9% | +10% | +10% | +9% | +14% |
| ADJUSTED Price/SF: | | $2.22 | $2.76 | $2.27 | $2.57 | $2.56 |
| SUMMARY OF COMPARABLE VALUES | | | | | | |
| Value Range/SF | | $2.22 | to | $2.76 | | |
| Average Value/SF | | | $2.48 | | | |
| Median Value/SF | | | $2.56 | | | |
| Size | | | 43,560-SF | | | |
| Unit Value Indication | | | $2.45/SF | | | |
| Overall Value Indication | | | $106,722 | | | |
| *Rounded* | | | $106,700 | | | |

## ANALYSIS OF ADJUSTMENTS – 43,560-SF LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $1.97 to $2.46 per square foot with Sales ranging from 43,560-SF to 45,694-SF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

### Factors to be Considered and Summary of Adjustments

### Transactional Adjustments

***Property Rights, Financing Terms, and Conditions of Sale***
Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

***Expenditures After Purchase***
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

***Time/Market Conditions***
The residential real estate market increased significantly in 2020-2025 but now appears to be cooling following an interest rate increase by the Federal Reserve that has raised mortgage rates by 4 basis points to 6.67% as of August 2026. Price increased from 2020-2025 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 43,560-SF 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 Ellis 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, 2024, 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 0% and +5% for Market Conditions depending on the sale date.

**Physical Adjustments**

***Location/Access***

The subject property is located within the Waxahachie ETJ in Ellis County near the modestly expanding quasi-suburban sprawl of residential neighborhoods south of Dallas. Development in the subject's area has been moderate and consistent throughout the decades. The subject is located east of US Highway 77 and FM 55 intersection directly south of Lake Waxahachie. The area around the subject is primarily residential development and agricultural land. Also in the area are municipal uses and commercial uses along US Highway 77, which runs west of the subject. Accessibility is considered average for this area.

The subject property resides in the Waxahachie ISD which has a "B" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. We have made the following adjustments for Location/Access:

- Sale 1: Inferior; Located in Venus, within the Maypearl ISD which has a "C" rating and considered to be an inferior ISD, and has similar access to commercial uses; Adjusted +2%
- Sale 2: Similar; Located in Waxahachie, within the Waxahachie ISD which has a "B" rating and is the same ISD as the subject with similar access to commercial uses; Adjusted 0%
- Sale 3: Similar; Located in Waxahachie, within the Waxahachie ISD which has a "B" rating and is the same ISD as the subject with similar access to commercial uses; Adjusted 0%
- Sale 4: Inferior; Located in Waxahachie, in an area that feeds into Maypearl ISD which has a "C" rating and considered to be an inferior ISD but has similar access to commercial uses; Adjusted +2%
- Sale 5: Inferior; Located in Ennis, within the Ennis ISD which has a "C" rating and considered to be an inferior ISD, and has inferior access to commercial uses; Adjusted +4%

***Amenities***

The subject property's amenities will consist of a swimming pool, playground, community building, sports court, trails, and green space. According to the site visit, earthwork on the site is underway. The subject's amenities are considered average for a master planned community the size of Haven Ranch PID IA #1. We have made the following adjustments for Amenities:

- Sale 1: Inferior; Bluestem Hills, which does not have any amenities; Adjusted +5%
- Sale 2: Inferior; E C School Land, which does not have any amenities; Adjusted +5%
- Sale 3: Inferior; Pecan Tree Corner, which does not have any amenities; Adjusted +5%
- Sale 4: Inferior; Thunder Ridge, which does not have any amenities; Adjusted +5%
- Sale 5: Inferior; A Steele, which does not have any amenities; Adjusted +5%

***Size***
Due to economies of scale, smaller lots are expected to sell for a higher price per unit (square frontage). Sales 1-5 range from 43,560-SF to 45,694-SF lots that can accommodate a similar building pad, so no adjustment is made for Size.

***Utilities***
The subject property's improved lots will each have access to electric, water, sewer, and gas. Sales 1 and 4 will have access to electric, water, and sewer but no gas. Therefore, an adjustment of +2% is made for Utilities to comparable sales 1 and 4. Sales 2,3, and 5 will have access to electric and water but no sewer or gas. Therefore, an adjustment of +5% is made for Utilities for sales 2,3, and 5.

***Zoning***
Development of the subject property is governed by a Development Agreement, dated November 13, 2023, between the City of Waxahachie and GRBK Edgewood, LLC, of which the Development Agreement allows single-family residential development at the subject property. The subject property is outside the city limits of Waxahachie and within the Waxahachie ETJ. Each of the comparable sales are in similar developments or have single-family zoning that would allow for similar lots; thus, no adjustment is made for Zoning.

**Conclusion for 43,560-SF Lots** – The 43,560-SF Lot Sales have an adjusted range of $2.22/SF to $2.76/SF with an average of $2.48/SF and a median of $2.56/SF. 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 43,560-SF lots is $2.45/SF, or $106,700/Lot.**

| Lot Type | Total Lots | Completion Date | Concluded Retail Value Per Lot |
|---|---|---|---|
| 43,560-SF Detached Lots | 53 | September 1, 2026 | $106,700 |

**Cumulative Retail Lot Value**

We believe a current lot market value of $12.30/SF for 5,500 square foot improved lots, $10.85/SF for 7,000 square foot improved lots, $10.00/SF for 9,200 square foot improved lots, and $2.45/SF for 43,560 square foot improved lots with a Substantial Completion Date of September 1, 2026 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate these prices, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded values per square foot is supported by the current retail price for 5,500 square foot, 7,000 square foot, 9,200 square foot, and (43,560 square foot) lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and throughout 2025 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 current report date, the market values for the 5,500 square foot, 7,000 square foot, 9,200 square foot, and 43,560 square foot lot prices for Haven Ranch PID IA #1 are shown below:

| HAVEN RANCH PID IA #1, WAXAHACHIE, ELLIS COUNTY, TX | | | | | |
|---|---|---|---|---|---|
| **Total Lots** | **Minimum Square Feet** | **Retail Price/Lot** | **Effective Date** | **Price/SF ($/SF)** | **Total Retail Value ($)** |
| 40 | 5,500 SF | $67,650 | September 1, 2026 | $12.30/SF | $2,706,000 |
| 61 | 7,000 SF | $75,950 | September 1, 2026 | $10.85/SF | $4,632,950 |
| 133 | 9,200 SF | $92,000 | September 1, 2026 | $10.00/SF | $12,236,000 |
| 53 | 43,560 SF | $106,700 | September 1, 2026 | $2.45/SF | $5,655,100 |
| ***287*** | | | | | ***$25,230,050*** |

*Next, we will develop an opinion of value for the 287 residential lots in Haven Ranch PID IA* #1 *using the Discount Cash Flow analysis.*

## DISCOUNT CASH FLOW ANALYSIS

Having completed the retail lot value conclusions using aspects of the Sales Comparison Approach, we will develop an opinion of the market value of the property to a single purchaser, as of the substantial completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of the completed construction date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future period. Valuations involving such properties must fully reflect all appropriate deductions and discounts as well as the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are those which reflect all expenses associated with the disposition of the property as well as the cost of capital and entrepreneurial profit. **This latter item of entrepreneurial profit is accounted for herein as part of the discount rate.**

The various assumptions necessary to complete our Discounted Cash Flow (DCF) analysis for the developed subject subdivision are discussed in detail in the following paragraphs.

### Absorption

As discussed in detail in the "Absorption Analysis" section of the report, our quarterly absorption projections are summarized as follows for the subject property:

### ABSORPTION SCHEDULE FOR HAVEN RANCH PID IA #1

| Projected Quarterly Absorption Summary - Haven Ranch PID IA #1 | | | | | | | |
|---|---|---|---|---|---|---|---|
| *Lot Type* | *Sep-2026* | *Dec-2026* | *Mar-2027* | *Jun-2027* | *Sep-2027* | *Dec-2027* | *Mar-2028* |
| 5,500-SF | 5 | 15 | 15 | 5 | - | - | - |
| 7,000-SF | 5 | 15 | 15 | 15 | 11 | - | - |
| 9,200-SF | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| 43,560-SF | 6 | 4 | 4 | 4 | 4 | 4 | 4 |
| **Total** | **28** | **46** | **46** | **36** | **27** | **16** | **16** |

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| Projected Quarterly Absorption Summary - Haven Ranch PID IA #1 | | | | | | | |
|---|---|---|---|---|---|---|---|
| *Lot Type* | *Jun-2028* | *Sep-2028* | *Dec-2028* | *Mar-2029* | *Jun-2029* | *Sep-2029* | **TOTAL** |
| 5,500-SF | - | - | - | - | - | - | **40** |
| 7,000-SF | - | - | - | - | - | - | **61** |
| 9,200-SF | 12 | 12 | 12 | 12 | 1 | - | **133** |
| 43,560-SF | 4 | 4 | 4 | 4 | 4 | 3 | **53** |
| **Total** | **16** | **16** | **16** | **16** | **5** | **3** | **287** |

*Note: Typically, quarters start in January, April, July, and October. However, we have used the takedown schedule as our baseline in our analysis. Since the Retrospective Effective Date is September 1, 2026, our analysis starts at the end of the 3rd quarter of 2026.*

**Value Increases During Sellout Period**
Historically, sales contracts for volume lot transactions in the marketplace include upward price adjustments that typically range from the Wall Street Journal prime rate (6.75% as of April 2026) plus 1%, resulting in annual escalations up to approximately 7.75%. Contracts between land developers and homebuilders commonly reflect similar escalation provisions, generally between 6% and 8%, which aligns with long-term appreciation trends for improved residential lots. For valuation purposes, we have adopted the contract appreciation rate agreed upon by the developer and the builders—6% annually. This rate is consistent with residential real estate appreciation observed over the past decade and is further supported by the limited supply of available lots and housing in the area. It also reflects the historical ability of developers in the DFW region and surrounding markets to realize interest carry and appreciation over the development cycle.

## EXPENSES

**Taxes** are paid by the developer annually. The estimation of taxes paid per period is based upon the principle that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. The current tax rate for the bulk of the property is **0.01994792 per $100 assessed – 1.517592%** for the purpose of our analysis – with taxes due to the Ellis County, Waxahachie ISD, Ec ESD #6, and Ellis County Lat Road.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builders will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of $100,000 then the assessed value will be $70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

**Cost of Sales** has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

**Marketing expense**s are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders. This is confirmed by the contracts the developer has where the lots are presold to homebuilders.

**Discount Rate**
The discount rate utilized herein is essentially an anticipated Internal Rate of Return (IRR) for the subject property, as estimated from investment performance realized by market participants. The discount rate used for the subject should be less than the typical land development project because the value we are determining is for a fully entitled project in a city-approved Planned Development which will have less risk exposure than that of a raw land development. Therefore, it is appropriate to utilize a discount rate adjusted for this risk. The appraisers have included a recent discount rate survey published by Realty Rates that considers the market conditions, risk, entrepreneurial profit, and liquidity inherent in a project such as the subject that developers of similar properties would consider.

**RealtyRates.com DEVELOPER SURVEY - 2nd Quarter 2026***
**Texas - Subdivisions & PUDs**

| | Actual Rates | | | Pro-Forma Rates | | |
|---|---|---|---|---|---|---|
| | Min | Max | Avg | Min | Max | Avg |
| **Site-Built Residential** | 15.52% | 33.91% | 22.93% | 14.90% | 32.56% | 22.02% |
| -100 Units | 15.52% | 29.24% | 21.93% | 14.90% | 28.07% | 21.05% |
| 100-500 Units | 15.91% | 32.16% | 23.07% | 15.27% | 30.87% | 22.15% |
| 500+ Units | 16.29% | 33.62% | 23.46% | 15.64% | 32.28% | 22.52% |
| Mixed Use | 16.68% | 33.91% | 23.27% | 16.01% | 32.56% | 22.34% |
| **Manufactured Housing** | 15.99% | 37.04% | 24.60% | 15.35% | 35.56% | 23.61% |
| -100 Units | 15.99% | 32.21% | 23.62% | 15.35% | 30.92% | 22.67% |
| 100-500 Units | 16.39% | 35.43% | 24.87% | 15.73% | 34.01% | 23.88% |
| 500+ Units | 16.79% | 37.04% | 25.30% | 16.12% | 35.56% | 24.29% |
| **Business Parks** | 15.94% | 35.45% | 23.85% | 15.30% | 34.03% | 22.90% |
| -100 Acres | 15.94% | 30.82% | 22.91% | 15.30% | 29.59% | 22.00% |
| 100-500 Acres | 16.34% | 33.91% | 24.12% | 15.69% | 32.55% | 23.15% |
| 500+ Acres | 16.74% | 35.45% | 24.53% | 16.07% | 34.03% | 23.55% |
| **Industrial Parks** | 16.03% | 29.83% | 21.36% | 15.39% | 28.64% | 20.51% |
| -100 Acres | 16.03% | 25.94% | 20.57% | 15.39% | 24.90% | 19.74% |
| 100-500 Acres | 16.43% | 28.53% | 21.58% | 15.77% | 27.39% | 20.72% |
| 500+ Acres | 16.83% | 29.83% | 21.93% | 16.16% | 28.64% | 21.05% |

*1st Quarter 2026 Data

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As shown, the minimum actual rates in Texas range from 15.52% for less than 100 units; 15.91% for 100 to 500 units; and 16.29% for 500+ units with minimum proforma rates ranging from 14.90% to 15.64%.

The 7th Edition of the Dictionary of Real Estate Appraisal defines this term as "a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely, the risk associated with a project may increase near the end of its term, necessitating a special adjustment to the discount rate. Such discount rates include all of the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk." Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has numerous purchasers of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an internal rate of return (IRR) that is similar to the minimum actual rates provided by the Realty Rates "Developer Survey" for Texas of 15.91% for 100 to 500 units; and 15.27% for likewise minimum pro-forma rates is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject's submarket area, we have selected a discount rate of **16%** for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject (assisted by involvement of the PID), as well as the current market conditions. To be consistent with the timing of the cash flows, the annual income stream is discounted quarterly with an annual DCF also included. With each of the required elements now identified, we will analyze the subject in DCF analyses as shown on the following pages.

**HAVEN RANCH PID IA #1– DISCOUNT CASH FLOW (DCF) ANALYSIS**

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Substantial Completion date of September 1, 2026
- Retail lot values: $67,650 for 5,500 square foot lots
- Retail lot values: $75,950 for 7,000 square foot lots
- Retail lot values: $92,000 for 9,200 square foot lots
- Retail lot values: $106,700 for 43,560 square foot lots
- 6% Appreciation/Year (1.5%/Quarter)
- 5,500 square foot lots sell at 5/Quarter starting at the end of 3Q2026, then 15/Quarter thereafter
- 7,000 square foot lots sell at 5/Quarter starting at the end of 3Q2026, then 15/Quarter thereafter
- 9,200 square foot lots sell at 12/Quarter starting at the end of 3Q2026, then 12/Quarter thereafter
- 43,560 square foot lots sell at 6/Quarter starting at the end of 3Q2026, then 4/Quarter thereafter
- Discount Rate 16% (4.00%/Quarter)
- Tax Expense on Inventory is 1.517592%/Year, 0.379398%/Quarter, but is discounted 30%
- Sales and Marketing Expense (1.5% of Revenue)

As Substantial Completion on the lots was complete by September 1, 2026, we believe lot prices will continue to appreciate at the contractual price of 6% per year. Thus, we have concluded that current retail lot values will be similar when the lots are finished, and takedowns begin. Therefore, as of the Substantial Completion Date (September 1, 2026) **the retail lot value for the 5,500 square foot lots is $67,650 with a total cumulative value of $2,706,000, the retail lot value for the 7,000 square foot lots is $75,950 with a total cumulative value of $4,632,950, the retail lot value for the 9,200 square foot lots is $92,000 with a total cumulative value of $12,236,000, and the retail lot value for the 43,560 square foot lots is $106,700 with a total cumulative value of $5,655,100,** as shown below:

| HAVEN RANCH PID IA #1, WAXAHACHIE, ELLIS COUNTY, TX | | | | | |
|---|---|---|---|---|---|
| **Total Lots** | **Minimum Square Feet** | **Retail Price/Lot** | **Effective Date** | **Price/SF ($/SF)** | **Total Retail Value ($)** |
| 40 | 5,500 SF | $67,650 | September 1, 2026 | $12.30/SF | $2,706,000 |
| 61 | 7,000 SF | $75,950 | September 1, 2026 | $10.85/SF | $4,632,950 |
| 133 | 9,200 SF | $92,000 | September 1, 2026 | $10.00/SF | $12,236,000 |
| 53 | 43,560 SF | $106,700 | September 1, 2026 | $2.45/SF | $5,655,100 |
| ***287*** | | | | | ***$25,230,050*** |

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. The annual DCF is a more rudimentary calculation, and we consider the quarterly analysis to be more accurate. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 4.00% is applied to each period. Typically, quarters start in January, April, July, and October. However, we have used the takedown schedule as our baseline in our analysis. Since the Substantial Completion Date was September 1, 2026, we will analyze on a quarterly basis starting September 2026, then proceed 90 days thereafter.

## DISCOUNT CASH FLOW DATA – HAVEN RANCH PID IA #1 LOTS (QUARTERLY)

| | Sept. 2026 | | | Dec. 2026 | | | Mar. 2027 | | |
|---|---|---|---|---|---|---|---|---|---|
| Lot Type | Starting Units | Lot Price | Sales | Units Available | Lot Price | Sales | Units Available | Lot Price | Sales |
| *5,500-SF Lot* | 40 | $ 67,650 | 5 | 35 | $ 68,665 | 15 | 20 | $ 69,866 | 15 |
| *7,000-SF Lot* | 61 | $ 75,950 | 5 | 56 | $ 77,089 | 15 | 41 | $ 78,438 | 15 |
| *9,200-SF Lot* | 133 | $ 92,000 | 12 | 121 | $ 93,380 | 12 | 109 | $ 95,014 | 12 |
| *43,560-SF Lot* | 53 | $ 106,700 | 6 | 47 | $ 108,301 | 4 | 43 | $ 110,196 | 4 |
| **Revenue** | | **$ 2,462,200** | | | **$ 3,740,072** | | | **$ 3,805,523** | |
| *Tax Expense* | | *$ (67,006)* | | | *$ (61,374)* | | | *$ (52,341)* | |
| *Sales Expense* | | *$ (36,933)* | | | *$ (56,101)* | | | *$ (57,083)* | |
| | | | | | | | | | |
| **Net Income** | | **$ 2,358,261** | | | **$ 3,622,597** | | | **$ 3,696,099** | |
| **Factor** | | **0.981619** | | | **0.945863** | | | **0.911410** | |
| **Income Net Present Value (NPV)** | | **$ 2,314,913** | | | **$ 3,426,481** | | | **$ 3,368,662** | |

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| | Jun. 2027 | | | Sep. 2027 | | | Dec. 2027 | | |
|---|---|---|---|---|---|---|---|---|---|
| Lot Type | Units Available | Lot Price | Sales | Units Available | Lot Price | Sales | Units Available | Lot Price | Sales |
| *5,500-SF Lot* | 5 | $ 70,914 | 5 | - | - | - | - | - | - |
| *7,000-SF Lot* | 26 | $ 79,615 | 15 | 11 | $ 80,809 | 11 | - | - | - |
| *9,200-SF Lot* | 97 | $ 96,439 | 12 | 85 | $ 97,886 | 12 | 73 | $ 99,354 | 12 |
| *43,560-SF Lot* | 39 | $ 111,849 | 4 | 35 | $ 113,526 | 4 | 31 | $ 115,229 | 4 |
| **Revenue** | | **$ 3,153,462** | | | **$2,517,637** | | | **$ 1,653,168** | |
| *Tax Expense* | | *$ (42,868)* | | | *$ (35,010)* | | | *$ (28,749)* | |
| *Sales Expense* | | *$ (47,302)* | | | *$ (37,765)* | | | *$ (24,798)* | |
| | | | | | | | | | |
| **Net Income** | | **$ 3,063,293** | | | **$2,444,863** | | | **$ 1,599,622** | |
| **Factor** | | **0.878212** | | | **0.846223** | | | **0.815399** | |
| **Income Net Present Value (NPV)** | | **$ 2,690,220** | | | **$2,068,899** | | | **$ 1,304,330** | |

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| | Mar. 2028 | | | Jun. 2028 | | | Sep. 2028 | | |
|---|---|---|---|---|---|---|---|---|---|
| Lot Type | Units Available | Lot Price | Sales | Units Available | Lot Price | Sales | Units Available | Lot Price | Sales |
| *5,500-SF Lot* | - | - | - | - | - | - | - | - | - |
| *7,000-SF Lot* | - | - | - | - | - | - | - | - | - |
| *9,200-SF Lot* | 61 | $ 100,845 | 12 | 49 | $ 102,357 | 12 | 37 | $ 103,893 | 12 |
| *43,560-SF Lot* | 27 | $ 116,958 | 4 | 23 | $ 118,712 | 4 | 19 | $ 120,493 | 4 |
| **Revenue** | | **$1,677,966** | | | **$1,703,135** | | | **$1,728,682** | |
| *Tax Expense* | | *$ (24,724)* | | | *$ (20,571)* | | | *$ (16,289)* | |
| *Sales Expense* | | *$ (25,169)* | | | *$ (25,547)* | | | *$ (25,930)* | |
| | | | | | | | | | |
| **Net Income** | | **$1,628,073** | | | **$1,657,017** | | | **$1,686,463** | |
| **Factor** | | **0.785698** | | | **0.757079** | | | **0.729502** | |
| **Income Net Present Value (NPV)** | | **$1,279,174** | | | **$1,254,493** | | | **$1,230,279** | |

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*Haven Ranch Public Improvement District Improvement Area* #1

| | Dec. 2028 | | | Mar. 2029 | | |
|---|---|---|---|---|---|---|
| Lot Type | Units Available | Lot Price | Sales | Units Available | Lot Price | Sales |
| *5,500-SF Lot* | - | - | - | - | - | - |
| *7,000-SF Lot* | - | - | - | - | - | - |
| *9,200-SF Lot* | 25 | $ 105,451 | 12 | 13 | $ 107,033 | 12 |
| *43,560-SF Lot* | 15 | $ 122,300 | 4 | 11 | $ 124,135 | 4 |
| **Revenue** | | **$1,754,612** | | | **$1,780,932** | |
| *Tax Expense* | | *$ (11,873)* | | | *$ (7,322)* | |
| *Sales Expense* | | *$ (26,319)* | | | *$ (26,714)* | |
| | | | | | | |
| **Net Income** | | **$1,716,420** | | | **$1,746,896** | |
| **Factor** | | **0.702930** | | | **0.677326** | |
| **Income Net Present Value (NPV)** | | **$1,206,524** | | | **$1,183,218** | |

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| | Jun. 2029 | | | Sep. 2029 | | |
|---|---|---|---|---|---|---|
| Lot Type | Units Available | Lot Price | Sales | Units Available | Lot Price | Sales |
| *5,500-SF Lot* | - | - | - | - | - | - |
| *7,000-SF Lot* | - | - | - | - | - | - |
| *9,200-SF Lot* | 1 | $ 108,638 | 1 | - | - | - |
| *43,560-SF Lot* | 7 | $ 125,997 | 4 | 3 | $ 127,887 | 3 |
| **Revenue** | | **$ 612,625** | | | **$ 383,660** | |
| *Tax Expense* | | *$ (2,631)* | | | *$ (1,019)* | |
| *Sales Expense* | | *$ (9,189)* | | | *$ (5,755)* | |
| | | | | | | |
| **Net Income** | | **$ 600,805** | | | **$ 376,886** | |
| **Factor** | | **0.652654** | | | **0.628881** | |
| **Income Net Present Value (NPV)** | | **$ 392,118** | | | **$ 237,017** | |

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| | |
|---|---|
| ***Total Net Revenue Over ~13 Quarters*** | ***$26,197,294*** |
| **Net Present Value (As-Is) at 16% Discount Rate** | ***$21,956,326*** |
| **Rounded** | **$21,956,000** |

## DISCOUNT CASH FLOW DATA –HAVEN RANCH PID IA #1 LOTS (ANNUAL)

| | 2026 | | | 2027 | | |
|---|---|---|---|---|---|---|
| Lot Type | Starting Units | Lot Price | Sales | Units Available | Lot Price | Sales |
| *5,500-SF Lot* | 40 | $ 68,157 | 10 | 30 | $ 70,386 | 30 |
| *7,000-SF Lot* | 61 | $ 76,520 | 10 | 51 | $ 79,619 | 51 |
| *9,200-SF Lot* | 133 | $ 92,690 | 16 | 117 | $ 97,167 | 48 |
| *43,560-SF Lot* | 53 | $ 107,500 | 7 | 46 | $ 112,693 | 16 |
| **Revenue** | | **$ 3,682,312** | | | **$ 12,639,228** | |
| *Tax Expense* | | *$ (36,004)* | | | *$ (181,054)* | |
| *Sales Expense* | | *$ (55,235)* | | | *$ (189,588)* | |
| | | | | | | |
| **Net Income** | | **$ 3,591,073** | | | **$ 12,268,586** | |
| **Factor** | | **0.975567** | | | **0.883660** | |
| **Income Net Present Value (NPV)** | | **$ 3,503,331** | | | **$ 10,841,254** | |

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| | 2028 | | | 2029 | | |
|---|---|---|---|---|---|---|
| Lot Type | Units Available | Lot Price | Sales | Units Available | Lot Price | Sales |
| *5,500-SF Lot* | - | - | - | - | - | - |
| *7,000-SF Lot* | - | - | - | - | - | - |
| *9,200-SF Lot* | 69 | $ 103,133 | 48 | 21 | $ 109,465 | 21 |
| *43,560-SF Lot* | 30 | $ 119,612 | 16 | 14 | $ 126,956 | 14 |
| **Revenue** | | **$ 6,864,172** | | | **$ 4,076,156** | |
| *Tax Expense* | | *$ (85,287)* | | | *$ (29,770)* | |
| *Sales Expense* | | *$ (102,963)* | | | *$ (61,142)* | |
| | | | | | | |
| **Net Income** | | **$ 6,675,923** | | | **$ 3,985,244** | |
| **Factor** | | **0.761776** | | | **0.656703** | |
| **Income Net Present Value (NPV)** | | **$ 5,085,555** | | | **$ 2,617,122** | |

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| | |
|---|---|
| ***Total Net Revenue Over ~4 Years*** | ***$26,520,825*** |
| **Net Present Value (As-Is) at 16% Discount Rate** | ***$22,047,261*** |
| **Rounded** | **$22,047,000** |

***Note: Annual discount and appreciation calculations are averaged to the middle of the period***

**DCF Conclusion (Improved 5,500-SF, 7,000-SF, 9,200-SF, and 43,560-SF lots)**
Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the improved lots in Haven Ranch PID IA #1 in a bulk sale transaction would be between $21,956,326 and $22,047,261 which is approximately $90,935 (-0.41%) different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Haven Ranch PID IA #1 "Upon Completion" with an Effective Date of September 1, 2026, for 287 lots is $21,957,000 ($76,500/Lot).**

**INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSIONS**
Using the Discount Cash Flow Analysis to determine the net present value as of the substantial completion date (September 1, 2026), we have determined the following value for Haven Ranch PID IA #1 as shown in the table below:

| **INCOME APPROACH VALUE INDICATION** | |
|---|---|
| ***Fee Simple Interest, Complete September 1, 2026*** | |
| **Haven Ranch PID**<br>***287 Improved Lots in IA #1*** | ***$21,957,000 ($76,500/Lot)*** |

## RECONCILIATION AND FINAL VALUE CONCLUSION

The Appraisal of Real Estate, Fourteenth Edition, copyright 2013, pages 641-642, published by the Appraisal Institute states,

*"Resolving the differences among various value indications is called reconciliation…. The final value opinion is not the average of the different value indications derived. No mechanical formula is used to select one indication over the others…Final reconciliation relies on proper application of appraisal techniques and the appraiser's judgment."*

Three approaches to value are recognized in the appraisal profession (Sales Comparison Approach, Cost Approach, and Income Approach). All three approaches were analyzed as part of the scope of work of this assignment. A summary of each approach follows:

**Cost Approach**
The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project. The subject property will have multiple phases of the development and major improvements are not in place, therefore, *the Cost Approach is not appropriate and thus was not utilized* for the 287 Improved Residential Lots in Haven Ranch PID IA #1.

**Income (Subdivision Development) Approach**
For the improved residential lots, the Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases the bulk of the lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

Since our assignment is to determine the bulk sale value of 287 improved residential lots in Haven Ranch PID IA #1, as of the substantial completion date, the Income Approach is appropriate and was developed. **Through Discounted Cash Flow Analysis, we determined the market value of the 287 improved lots "Upon Completion" in Haven Ranch PID IA #1 as of September 1, 2026, is $21,957,000 ($76,500/Lot).**

**Sales Comparison Approach**
For the improved lots within Haven Ranch PID IA #1, the Sales Comparison Approach was not fully developed because finding highly similar and recent sales of improved groups of lots or subdivisions is not available in the market. Aspects of the Sales Comparison Approach were utilized in concluding the retail lot market values for use in the Income Approach for the improved lots within the Haven Ranch PID IA #1.

**Final Value Conclusion Summary**

As a result of our investigations, studies and analysis of the sale, cost, income, and expense data, interpreted within the context of all the factors in the marketplace which effect value, our reconciliation of the indicated values between the utilized approaches to value are listed in the table below. We utilized the Income (Subdivision Development) Approach to value the 287 improved lots. Our final value conclusion for the retail lot value and the cumulative value of the lots are shown below:

| HAVEN RANCH PID IA #1, WAXAHACHIE, ELLIS COUNTY, TX | | | | | |
|---|---|---|---|---|---|
| **Total Lots** | **Minimum Square Feet** | **Retail Price/Lot** | **Effective Date** | **Price/SF ($/SF)** | **Total Retail Value ($)** |
| 40 | 5,500 SF | $67,650 | September 1, 2026 | $12.30/SF | $2,706,000 |
| 61 | 7,000 SF | $75,950 | September 1, 2026 | $10.85/SF | $4,632,950 |
| 133 | 9,200 SF | $92,000 | September 1, 2026 | $10.00/SF | $12,236,000 |
| 53 | 43,560 SF | $106,700 | September 1, 2026 | $2.45/SF | $5,655,100 |
| ***287*** | | | | | ***$25,230,050*** |

**After considering discount cash flows, our final value conclusion "Upon Completion" is shown below:**

| INCOME APPROACH VALUE INDICATION | |
|---|---|
| ***Fee Simple Interest, Complete September 1, 2026*** | |
| **Haven Ranch PID**<br>***287 Improved Lots in IA #1*** | ***$21,957,000 ($76,500/Lot)*** |

**Exposure Time**

Assuming adequate exposure and normal marketing efforts, the estimated exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded to in this analysis as of the date of this valuation) would have been at least 6-12 months; the estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be between 6-12 months.

**Marketing Time**

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the Retrospective Effective Date of value. Market conditions are presently strong, and we expect no significant changes in the near term. It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6-12 months.

**ADDENDA**

**ENGAGEMENT LETTER**

Peyco Southwest Realty Inc.
In Arlington Since 1976

Real Estate Brokerage * Development * Appraisals * Property Tax Consulting
1703 N. Peyco Dr. Arlington, Texas 76001
Metro 817-467-6803 * Fax 817-465-7464 * www.peycosouthwest.com

**July 29, 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 "Haven Ranch Public Improvement District" located in the City of City of Waxahachie ETJ, Ellis 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 Waxahachie 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 "Haven Ranch Public Improvement District" ("PID"), and
b) Improvement relating to the "Project" will be completed based on engineering plans provided to the appraisers

It is our understanding that the Appraisal Report will be included in the Preliminary and Final Official Statements for the sale of one or more series of "Public Improvement District" (PID) bonds for the Project, and we will provide our written consent to the inclusion of the Appraisal Report in the Preliminary and Final Official Statements. The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this

assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule.

In accordance with our correspondence, the scope of this assignment will require Peyco to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis, and preparation of the report. **The report will include an opinion of the Fee Simple market value of the following:**

- **Improvement Area #1 with approximately 287 improved residential lots to be sold in bulk in the Haven Ranch PID. We will report the estimated retail value of the lots during the sellout period consisting of:**
  - **40 lots of 50-FF sizes,**
  - **61 lots of 60-FF sizes,**
  - **80 lots of 80-FF sizes, and**
  - **53 lots of 1-AC 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.

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-business day delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment. Should, upon review of the draft Appraisal Report, the client requests material changes, or additions beyond the agreed to Scope of Work that materially affect the appraisal report and/or resulting values; the Client agrees to additional scope of work changes at our current hourly rates ($300/hour).

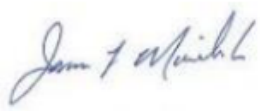
Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance, or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional

research and analysis may be required. If an expert is required, you are responsible for their selection, payment, and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our current hourly rates ($300/hour) for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Peyco and its partner companies may utilize, sell, and include such data (either in the aggregate or individually), in the Peyco database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available, as well as proprietary software programs, to perform your assignment (web based and others).

If you are in agreement with the terms set forth in this letter and wish us to proceed with the contract engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,



James L. Maibach, C.P.M.
TX-1323658-CG
State Certified General Real Estate Appraiser

AGREED TO AND ACCEPTED THIS _____DAY OF _____, 2026.

BY:

FMS Bonds, Inc.

Tripp Davenport
Authorized Signature

_____
Name (printed)

## ATTACHMENT 1: STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and restrictions. The Subject Property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the Subject Property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the Subject Property more or less valuable. Furthermore, there is no asbestos or environmental contamination at the Subject Property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The Subject Property is in compliance with all applicable building, environmental, zoning, and other federal, state, and local laws, regulations, and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

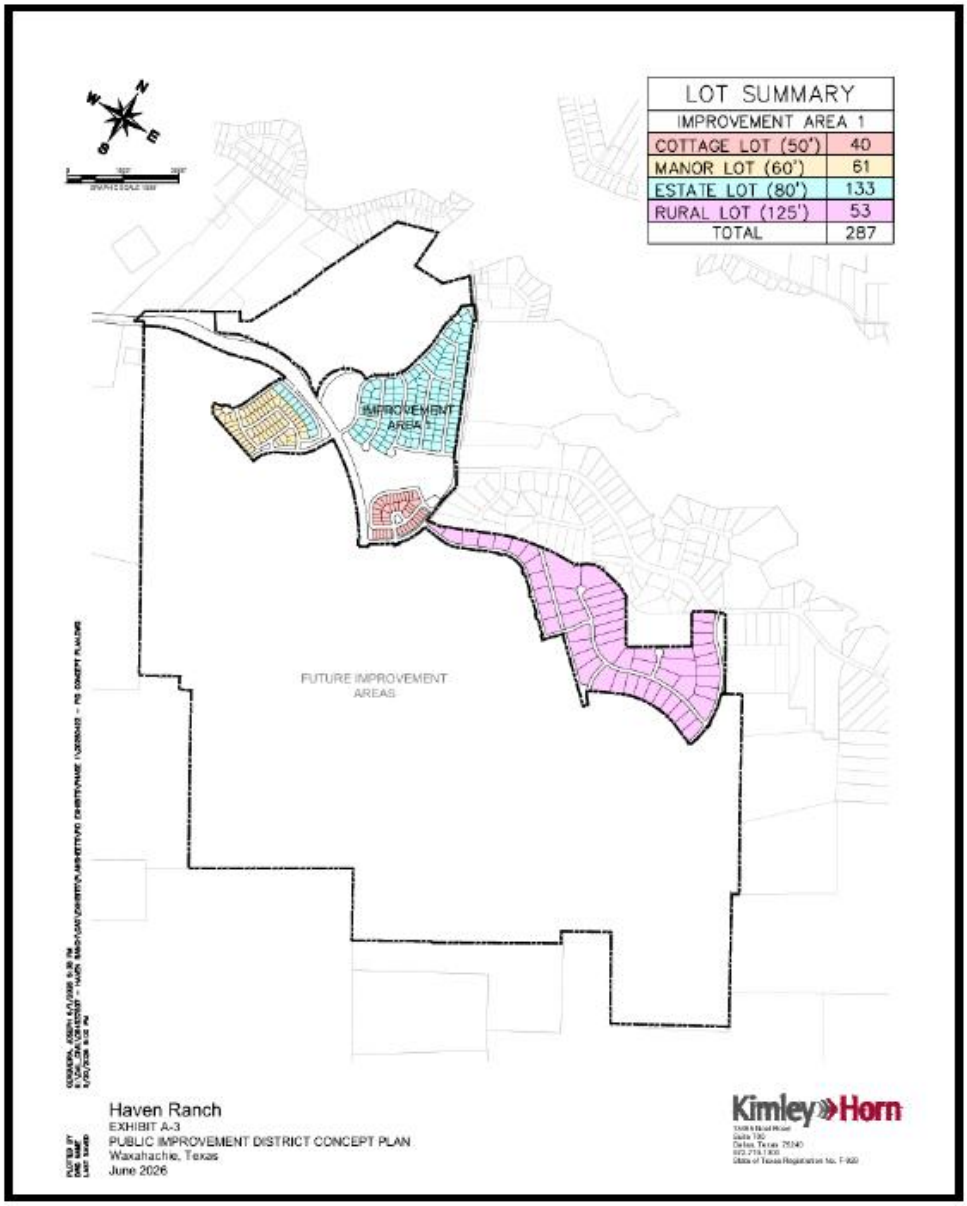
1. An appraisal is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena, or attend any court, governmental or other hearing with reference to the Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in the appraisal report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the Subject Property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed that the Subject Property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the Subject Property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates, and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding compliance of the Subject Property with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the Subject Property. Peyco and/or any of its officers, owners, managers, directors, agents, subcontractors, or employees (the "Peyco Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are nonexistent or minimal.
22. We are not a building or environmental inspector. Peyco does not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
24. Peyco is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Peyco is not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we

assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.

26. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.
27. As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

**Concept Plan Exhibit**




Page 7 of 7

## ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

1) The value assumes of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise described herein. No responsibility is assumed by the appraiser for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.

2) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser assumes no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches, and other exhibits that have been furnished and have been used in this report are not guaranteed.

3) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.

4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.

5) Appraisers assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.

6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser, and in any event, only in its entirety.

7) The appraiser, by reason of this report, is not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made, therefore.

8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.

9) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.

10) Any construction and physical condition of the improvements described herein are based on the building construction plans and specifications and construction budgets if provided. No liability is assumed by the appraiser for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No

responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field as this is any considered "to-be-built" improvements.

11) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser site visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.

12) We have made no survey of the property and assume no responsibility in connected with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

13) We accept no responsibility for issues requiring expertise in other fields. Such factors include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic items such as soils and seismic stability; civil, mechanical, electrical, structural, and other engineering and environmental matters. Such issues may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.

14) The projections of income, expenses, terminal values, or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.

15) The client or user of this report agrees to notify the appraiser of any error, omission or inaccurate data contained in the report within 15 days of receipt and return the report and all copies thereof to the appraiser for correction prior to any use.

16) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.

17) We have assumed no extreme fluctuations in the economic cycles will occur over the dates analyzed herein.

18) The appraisal report and value conclusions assume the satisfactory development proceeds in a workmanlike manner.

19) The conclusions in this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, existing trends, interviews with parties

knowledgeable and experienced in the market, data obtained from public records, and research conducted by third parties. Such data is not always completely reliable. The appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the Effective Date of this assignment. In addition, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we hold the opinion that our finding is reasonable based on current market conditions, we do not represent that these estimates will be achieved, as they are forecasts and subject to risk and uncertainty. Additionally, we assume competent and effective management and market for the duration of the projected holding period of this property.

20) Prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to risk and uncertainty. Many events could occur that may substantially alter the outcome of our estimates such as changes in the economy, interest rates, capitalization rates, the behavior of consumers, investors, and lenders, and changes in title or conveyances of easements and deed restrictions. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.

21) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan. However, it is based on a hypothetical assumption that access to the south tract is achievable in accordance with all applicable regulations, and any building is to be constructed according to the approved plans and specifications provided by a licensed general contractor.

22) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.

23) In addition to the preceding assumptions and limiting conditions, this appraisal is subject to the following extraordinary assumptions and/or hypothetical conditions:

## EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **Extraordinary Assumptions** that may affect the assignment results. An Extraordinary Assumption is uncertain information accepted as fact. If the assumption is found to be false as of the retrospective Effective Date 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 market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications provided by the engineering plans published by Kimley Horn as of June 1, 2026, for 287 improved residential lots in Haven Ranch PID IA #1.
- All information relative to the property located within Haven Ranch PID IA #1 including land areas, lot totals, lot sizes, and other pertinent data that was provided by GRBK Edgewood, LLC (Owner/Developer), Kimley Horn (Professional Engineers/Surveyors), the City of Waxahachie ETJ, and the Ellis Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with a completion date of September 1, 2026; therefore, this report contains a retrospective opinion of value. Considering this, we have assumed that the market conditions as discussed and considered within this report will be similar on the retrospective valuation date. Further, we cannot be held responsible for unforeseeable global events that alter market conditions prior to the retrospective Effective Date.

The use of these Extraordinary Assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

No Hypothetical Conditions are used in this report.

## ENVIRONMENTAL ASSUMPTIONS

This report is subject to the following environmental assumptions:

1) There is a safe, lead-free, adequate supply of drinking water.

2) The subject property is free of soil contamination.

3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.

4) There are no uncontained PCB's on or near the property.

5) The radon level is at or below EPA recommended levels.

6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled and sealed.

7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.

8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.

9) There is no flaking or peeling of lead-based paint on the property.

10) The property is free of air pollution.

11) There are no wetlands/flood plains on the subject property (unless otherwise stated in the report).

12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

## DEFINITIONS

**Fee Simple Estate**
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

**Leased Fee Interest**
The ownership interest held by the lessor includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

**Leasehold Interest**
The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

**Market Rent**
The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

**Market Value**
*Market value* means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) Buyer and seller are typically motivated;
(2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
(3) A reasonable time is allowed for exposure in the open market;
(4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The value conclusions expressed within this report are in terms of cash ($US).

**Extraordinary assumptions** are assignment-specific assumptions as of the Effective Date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

**Hypothetical condition** a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the Effective Date of the assignment results but is used for the purpose of analysis.

**Prospective Opinion of Value**
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a valued opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

**Prospective Market Value "As Completed" and "As Stabilized"**
A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an Effective Date that is subsequent to the date of the Appraisal Report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed - reflects the property's market value as of the time that development is expected to be completed. The prospective market value - as stabilized - reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Statement 4* and Advisory Opinion 17.) (Interagency Appraisal and Evaluation Guidelines)

**Retrospective Value Opinion**
A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a valuable opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."

**Neighborhood**
(1) A group of complementary land users; a congruous grouping of inhabitants, buildings, or business enterprises.
(2) A developed residential super pad within a master-planned community usually has a distinguishing name and entrance.

**Depreciation**

1. In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the Effective Date of the appraisal and the market value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.

The three major types of accrued depreciation are:

*Physical Deterioration*
Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

*Functional Obsolescence*

Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

*External Obsolescence*
According to the Dictionary of Real Estate Appraisal, Sixth Edition, external obsolescence is "*A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent."*

**Paper Lot**
Consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.

**Definition Sources:**

- Office of the Comptroller of the Currency (12 CFR Part 34)
- Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.
- The Appraisal Foundation: USPAP (Uniform Standards of Professional Appraisal Practice) 2018-2019 edition

**JAMES L. MAIBACH, CPM - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER**

**EDUCATION**:
Graduate North Quincy High School, Quincy, Massachusetts, 1976
Bachelor of Science in Business Administration (with Honors)
Northeastern University, Boston Massachusetts, 1981
Major: Accounting Minor: Marketing

**TECHNICAL TRAINING**:
Institute of Real Estate Management Courses:
#303 - Leasing and Management of Shopping Center and Retail Space
#400 - Managing Real Estate as an Investment
#500 - Problem-Solving & Decision-Making for the Property Manager
#800 - Ethics in Real Estate Management
University of Texas at Arlington: Real Estate Courses:
RE 001 Real Estate Finance; RE 004 Real Estate Mathematics;
RE 101 Principles of Real Estate; RE 301 Texas Real Estate Law: Contracts;
RE 501 Texas Real Estate Law; RE 701 Property Management
East Texas Baptist University:
Uniform Standards of Professional Appraisers and Code of Ethics. The Appraisal Foundation:
USPAP Update
Texas Association of Property Tax Professionals, Inc.:
Principles of Property Tax Consulting; A Survey of Texas Property Tax Law
Other: USPAP-97 Instructor's Workshop, USPAP Instructor 1997
TREC Licensed Instructor – Commercial Investment Course, CEI 1998
Continuing Education Institute:
Deceptive Trade Practices Act; Let's Talk-Not Fight; Property Taxes: Rights, Remedies and Responsibilities; USPAP Update
Institute for Real Estate Professionals, Inc.
Preparing & Presenting an Ethical Ad Valorem Property Tax Valuation; Texas Property Tax Law 2007
Texas Association of Realtors:
Tarrant County Appraisal Review Board Member (1991-1992)

**PROFESSIONAL AFFILIATIONS**:
Texas Appraiser Licensing and Certification Board - State Certified General Real Estate Appraiser No. TX-1323658-CG since 1992
Institute of Real Estate Management (IREM)- Certified Property Manager, CPM Designation No. 14942 since 1993
Texas Real Estate Broker's License, No. 375882-B since 1989
Texas Dept. of Licensing & Regulations - Licensed Property Tax Consultant, License #1360 since inception
Texas Property Tax Arbitrator #32020394139 since 2006
Tarrant Appraisal Review Board Member 1991-1992 Appointment
City of Arlington - Planning and Zoning – Commissioner1997-2003 (Appointed by Mayor and City Council)
American Planning Association – Member 1997 to 2003
Greater Arlington Chamber of Commerce - Board of Directors 1995 to 2001 – Reappointed 2003 to 2006 – Reappointed 2008 to 2014 – Chairman of the Board 2022, now servicing as Chairman of the Chamber Foundation Board
City of Arlington Parks & Recreation – Board of Directors, Appointed 2003 to 2007
Levitt Pavilion – Board of Directors since 2014

**EXPERIENCE**:
Active field appraiser, property manager, developer, broker, and tax consultant of all types of real property since June,1986. Appeared in Texas State Court as an expert witness on real estate values on numerous occasions (1990s, 2000s, 2020s). A property manager and developer for nineteen years at Peyco Properties, Inc. and twenty-one years through Peyco Southwest Realty, Inc. (formerly Southwest Real Estate Services, Inc.), involved in real estate development, leasing, management, rent analysis and consulting services through the DFW metroplex and Colorado. President and founder of Peyco Southwest Realty, Inc. (Southwest Real Estate Services, Inc.), a full-service brokerage company, real estate appraisal, and ad valorem property tax representation firm.



TALCB

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

# Certified General Real Estate Appraiser

**Appraiser: JAMES LAWRENCE MAIBACH**

**License #: 1323658-CG** **License Expires: 09/30/2028**

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.

**Chelsea Buchholtz**
**Executive Director**

**LESLIE TOLLIVER – STATE CERTIFIED GENERAL REAL ESTATE APPRAISER**

**EDUCATION:**
MBA – Masters in Business Administration – *University of Phoenix* (3.95 GPA)
Bachelor of Science in Business Administration - *University of Phoenix*
Graduate *Owings Mills High School*, Owings Mills, Maryland, 1988

**TECHNICAL TRAINING:**
*Appraisal Institute* – 300 hours of qualifying education for the Certified General Appraiser license
*University of Texas in Arlington* – 180 hours of qualifying education for the Texas Real Estate License
*Southern Methodist University* – qualifying education for the Texas Comptroller Arbitrator registry

**PROFESSIONAL AFFILIATIONS:**
*Texas Appraiser Licensing and Certification Board* – State Certified Residential Appraiser No. TX-1361274-CG
*Texas 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
- 11 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



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TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

**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.

**Chelsea Buchholtz**
**Executive Director**

**JORDAN TYLER – STATE LICENSED RESIDENTIAL REAL ESTATE APPRAISER**

**EDUCATION:**
Bachelor of Arts – General Studies - Texas Tech University
Graduate *Hobbs High School*, Hobbs, New Mexico, 2012

**TECHNICAL TRAINING:**
- Basic Appraisal Principles (QE) – 30 hours
- Basic Appraisal Procedures (QE) – 30 hours
- 15 Hour National USPAP Course (QE) – 15 hours
- Appraising for the Supervisor and Trainee – 4 hours
- Market Analysis and Highest and Best Use (QE) – 15 hours
- Site Valuation and Cost Approach (QE) – 15 hours
- Sales Comparison and Income Approach (QE) – 30 hours
- Residential Report Writing and Case Studies (QE) – 15 hours
- 7 Hour National USPAP Course (QE) 7 hours

**PROFESSIONAL AFFILIATIONS:**
*Texas Appraiser Licensing and Certification Board* – State Licensed Residential Appraiser No. TX-1350907-L

**APPRAISER EXPERIENCE:**
July 2023-Present
- Appraiser Trainee – *First National Bank of Granbury* (2023-2025)
- Licensed Residential Real Estate Appraiser – *Peyco Southwest Realty, Inc.* (March 2026 – Present)



TALCB

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

**Licensed Residential Real Estate Appraiser**

Appraiser: **Jordan Charles Tyler**

License #: **TX 1350907 L** License Expires: **10/31/2027**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Licensed Residential Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

**Chelsea Buchholtz**
**Executive Director**

**BRANDON L. 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:**
- Basical Appraisal Principles (QE) – 30 Hours
- Basic Appraisal Procedures (QE) – 30 Hours
- 2020-2021 15 Hour National USPAP Course (QE) – 15 Hours
- Supervisor-Trainee Course for Texas – 4 Hours
- Principals of Real Estate I & II (QE) – 60 Hours
- Law of Agency (QE) – 30 hours
- Law of Contracts (QE) – 30 hours
- Principals of Real Estate I and II (QE) – 60 hours
- Promulgated Contracts Forms (QE) – 30 hours
- Real Estate Finance (QE) – 30 hours
- Practicing Affiliate, Appraisal Institute – since 2023

**PROFESSIONAL AFFILIATIONS:**
*Texas Appraiser Licensing and Certification Board* – Appraisal Trainee No. TX-1343865-T

**APPRAISER EXPERIENCE**
July 2023-Present
Appraiser Trainee with *Peyco Southwest Realty Inc.*, Arlington, TX
- Commercial Appraisals – throughout that state of Texas



TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

**Appraiser Trainee**

**Trainee: BRANDON L LAWSON**

**Authorization #: 1343865-T Authorization Expires: 11/30/2027**

**Review the list of the above Trainee's Supervisors on the License Holder Search at www.talcb.texas.gov.**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Appraiser Trainee

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

**Chelsea Buchholtz**
**Executive Director**

**APPENDIX G**

**PHOTOGRAPH OF COMPLETED DEVELOPMENT WITHIN IMPROVEMENT AREA #1A-1B OF THE DISTRICT**

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