

CITY OF LAVON, TEXAS

ORDINANCE NO. 2022-02-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS ACCEPTING AND APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLLS FOR THE ELEVON PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS, PROVIDING FOR SEVERABILITY, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lavon, Texas (the "City") is authorized by Chapter 372, Texas Local Government Code, as amended (the "PID Act") to create a public improvement district and to levy special assessments against property within the district to pay the costs of public improvement projects that confer a special benefit on property within the district;

WHEREAS, on or before September 20, 2021, there was submitted to and filed with the City Secretary of the City pursuant to the PID Act that certain "Petition for the Creation of a Public Improvement District Within the Extraterritorial Jurisdiction of the City of Lavon, Texas, for the Elevon Public Improvement District" (the "Petition") requesting the establishment of a public improvement district covering approximately 982.719 acres described in the Petition, and to be known as "Elevon Public Improvement District" (the "District");

WHEREAS, the City Council of the City (the "City Council") received the Petition and determined that it satisfied the requirements of the PID Act;

WHEREAS, after providing the notices required by the PID Act and by the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended (the "Open Meetings Act"), on October 19, 2021 the City Council opened, conducted and continued a public hearing, and on November 2, 2021 the City Council reopened, conducted and closed the public hearing, to determine the advisability of creating and establishing the District and undertaking the public improvement projects described in the Petition;

WHEREAS, all owners of property located within the District and all other interested persons were given the opportunity at such public hearing to speak for or against the creation of the District and the proposed public improvements;

WHEREAS, the City Council made findings based on the information contained in the Petition presented to the City Council and the comments received at the public hearing;

WHEREAS, the City Council adopted Resolution No. 2021-11-07 on November 2, 2021 (the "Authorization Resolution"), authorizing the creation of the District and ordering public improvements to be made for the benefit of such District; and

WHEREAS, the City filed the Authorization Resolution with the County Clerk of Collin County, which is the county in which all of the District is located, as required by law; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary of the City (the "City Secretary") within twenty (20) days after November 2, 2021; and

WHEREAS, on December 7, 2021, the City Council adopted a resolution determining total costs of certain authorized public improvements, approving a preliminary service and assessment plan, including proposed assessment rolls, authorizing and directing the City Secretary to file the proposed assessment rolls for the District and make the assessment rolls available for public inspection, and directing the publication and mailing of notice of a public hearing (the "Assessment Hearing") to consider an ordinance levying assessments on property within the District (the "Assessments"); and

WHEREAS, the City Secretary filed the proposed Assessment Rolls (defined below) and made the same available for public inspection; and

WHEREAS, the City Secretary, pursuant to Section 372.016(c) of the PID Act, mailed the notice of the Assessment Hearing to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Secretary, pursuant to Section 372.016(b) of the PID Act, published notice of the Assessment Hearing on December 22, 2021, in the *Wylie News*, a newspaper of general circulation in the City and the extraterritorial jurisdiction of the City in which the District is located; and

WHEREAS, the notice of the Assessment Hearing as published stated that the City Council conduct the Assessment Hearing at a regular meeting to commence at 7:00 p.m. on January 4, 2022, however it was determined that the Assessment Hearing should be opened and continued until January 18, 2022; and

WHEREAS, at the January 4, 2022 City Council meeting, the City Council reopened the Assessment Hearing and continued the Assessment Hearing to the regularly scheduled meeting on January 18, 2022; and

WHEREAS, at the January 18, 2022 City Council meeting, the City Council reopened the Assessment Hearing and continued the Assessment Hearing to the regularly scheduled meeting to commence at 6:00 p.m. on February 1, 2022; and

WHEREAS, the City Council reopened and conducted the Assessment Hearing on February 1, 2022, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Assessment Rolls, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of

the Assessments, the allocation of the Actual Costs of the authorized public improvements to be undertaken for the benefit of property within the District (the "Authorized Improvements"), the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the owners of 100% of the property subject to the proposed assessment within the District (the "Landowners") had actual knowledge of the Assessment Hearing to be held on February 1, 2022, and support the creation of the District and the levy of assessments against the property in accordance with the Service and Assessment Plan to finance the Authorized Improvements for benefit of the property within the District; and

WHEREAS, the City Council finds and determines that the Assessment Rolls and the Elevon Public Improvement District Service and Assessment Plan dated February 1, 2022 (the "Service and Assessment Plan"), attached as **Exhibit A** and incorporated as a part of this Ordinance for all purposes, should be approved and that the Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan, including the Assessment Rolls attached thereto as Exhibit E-1 and Exhibit F-1 (the "Assessment Rolls"); and

WHEREAS, the City Council further finds that there were no objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the Actual Costs of the Authorized Improvements as described in the Service and Assessment Plan, the Assessment Rolls, and the levy of the Assessments; and

WHEREAS, at the Assessment Hearing, the Landowners, or their representatives, who are the persons to be assessed pursuant to this Ordinance, have indicated their approval and acceptance of the levy of the Assessments against their property located within the District; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the PID Act;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS, THAT:

Section 1. Terms.

Terms not otherwise defined herein are defined in the Service and Assessment Plan.

Section 2. Findings.

The City Council hereby finds, determines, and ordains, as follows:

(a) The recitals set forth in the WHEREAS clauses of this Ordinance are true and correct and are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section and constitute findings of the City Council acting in its discretionary, legislative capacity;

(b) All actions of the City in connection with the creation and establishment of the District and the approval of this Ordinance: (i) have been taken and performed in compliance with the PID Act and all other applicable laws, policies, and procedures; (ii) have been taken and performed in a regular, proper and valid manners; and (iii) are approved and ratified;

(c) The apportionment of the Actual Costs of the Authorized Improvements, including specifically the Improvement Area #1 Improvements, the Zone 1 Improvements and the Offsite Improvements (as reflected in the Service and Assessment Plan) and the Bond Issuance Costs and Annual Collection Costs pursuant to the Service and Assessment Plan is fair and reasonable, reflects an accurate presentation of the special benefit each assessed Parcel will receive from the construction of the Authorized Improvements identified in the Service and Assessment Plan, and is hereby approved;

(d) The Service and Assessment Plan (i) covers a period of at least five years, (ii) defines the annual indebtedness and projected costs for the Authorized Improvements, and (iii) includes a copy of the notice form or forms required by Section 5.014 of the Texas Property Code, as amended;

(e) The Service and Assessment Plan apportions the Actual Cost(s) of the Authorized Improvements to be assessed against the property in the District and such apportionment is made on the basis of special benefits accruing to the property because of the Authorized Improvements;

(f) All of the Improvement Area #1 Assessed Property being assessed in the amounts shown on the Improvement Area #1 Assessment Roll will be benefited by the Improvement Area #1 Projects proposed to be constructed as described in the Service and Assessment Plan, and each assessed Parcel of Improvement Area #1 Assessed Property will receive special benefits equal to or greater than the total amount assessed for the Improvement Area #1 Authorized Improvements;

(g) All of the Zone 1 Remainder Area Assessed Property being assessed in the amounts shown on the Zone 1 Remainder Area Assessment Roll will be benefited by the Zone 1 Remainder Area Projects proposed to be constructed as described in the Service and Assessment Plan, and each assessed Parcel of Zone 1 Remainder Area Assessed Property will receive special benefits equal to or greater than the total amount assessed for the Zone 1 Remainder Area Authorized Improvements;

(h) The method of apportionment of the Actual Costs of the Authorized Improvements and Annual Collection Costs set forth in the Service and Assessment Plan results in imposing equal shares of the Actual Costs of the Authorized Improvements and Annual Collection Costs on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the Actual Costs;

(i) The Service and Assessment Plan has been prepared on behalf of, presented to, and reviewed by the City Council and should be approved as the service plan and assessment plan for the District for all purposes as described in Sections 372.013 and 372.014 of the PID Act;

(j) The Assessment Rolls should be approved as the Assessment Rolls for the District;

(k) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Assessments, interest on Annual Installments, interest and penalties on delinquent Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Assessments should be approved and will expedite collection of the Assessments in a timely manner in order to provide the services and improvements needed and required for the area within the District; and

(l) A written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon.

Section 3. Service and Assessment Plan.

The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the PID Act as the service plan and the assessment plan relating to the Authorized Improvements for the District. The Service and Assessment Plan shall be updated by the City Council no less frequently than annually as required by the PID Act and more frequently as may be required by the Service and Assessment Plan including upon the issuance of PID Bonds.

Section 4. Assessment Rolls.

The Assessment Rolls are hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Assessment Rolls of the District for all purposes.

Section 5. Levy and Payment of Assessments for Costs of the Authorized Improvements.

(a) The City Council hereby levies the Assessments on each Parcel of property (excluding Non-Benefitted Property) located within the District, as shown and described in the Service and Assessment Plan and the Assessment Rolls, in the respective amounts shown in the Service and Assessment Plan as a special assessment as set forth in the Assessment Rolls. The amount of the Annual Installments shall be reviewed and determined annually by the City Council following the City Council's annual review of the Service and Assessment Plan for the District. Pursuant to Section 372.015(d), the amount of assessment for each property owner may be adjusted following the annual review of the Service and Assessment Plan.

(b) The levy of the Assessments shall be effective on the date of execution of this Ordinance levying Assessments and strictly in accordance with the terms of the Service and Assessment Plan and the PID Act.

(c) The collection of the Assessments shall be as described in the Service and Assessment Plan and the PID Act.

(d) Each Assessment may be prepaid in whole or in part at any time without penalty or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

(e) Each Assessment shall bear interest at the rate or rates specified in the Service and Assessment Plan.

(f) Each Annual Installment shall be collected each year in the manner set forth in the Service and Assessment Plan.

(g) The Annual Collection Costs for Assessed Property shall be calculated pursuant to the terms of the Service and Assessment Plan.

Section 6. Method of Assessment.

The method of apportioning the Actual Costs of the Authorized Improvements and Annual Collection Costs are set forth in the Service and Assessment Plan.

Section 7. Penalties and Interest on Delinquent Assessments.

Delinquent Assessments shall be subject to the penalties, interest, procedures, and foreclosure sales set forth in the Service and Assessment Plan and as allowed by law.

Section 8. Prepayments of Assessments.

As provided in the Service and Assessment Plan, the owner of any Assessed Property may prepay the Assessments levied by this Ordinance.

Section 9. Lien Priority.

(a) The Assessments and Annual Installments levied and assessed against the property within the District as provided in this Ordinance and the Service and Assessment Plan, together with reasonable attorney's fees and costs of collection, if incurred, are, pursuant to the PID Act, a lien upon each tract of property within the District against which the same are levied and assessed, and a personal liability and charge against the owners of such lot, including the successors and assigns, whether such owners be named herein or not, and said liens shall be and constitute the first enforceable lien and claim against the lot on which such assessments are levied, and shall be a first and prior lien thereon, superior to all other liens and claims except liens or claims for state, county, school district, or municipality ad valorem taxes.

(b) The City Council and the Landowners intend for the obligations, covenants and burdens on the Assessed Property, including without limitation such Landowners' obligations related to payment of the Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Assessments and the Annual Installments thereof which are levied hereby shall be binding upon the assessed parties, as the owners of Assessed Property, and their respective transferees, legal representatives, heirs, devisees, successors and assigns, regardless of whether such owners are named, in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. The Assessments shall have lien priority as specified in the Service and Assessment Plan and the PID Act.

Section 10. Applicability of Tax Code.

To the extent not inconsistent with this Ordinance, and not inconsistent with the PID Act or the other laws governing public improvement districts, the provisions of the Texas Tax Code, as amended, governing enforcement of ad valorem tax liens (other than with respect to property subject to agriculture use valuation, including redemption rights following a tax sale) shall be applicable to the imposition and collection of Assessments by the City, and the Texas Tax Code shall otherwise be applicable to the extent provided by the PID Act.

Section 11. Filing With County Clerk and in Land Records.

(a) Not later than the seventh day after the date of the adoption of this Ordinance, the City Secretary is hereby authorized and directed to file a copy of the Service and Assessment Plan with the County Clerk of Collin County, which is the county in which all of the District is located. The City Secretary is further directed to similarly file each Annual Service Plan Update or other amendment or update to the Service and Assessment Plan approved by the City Council not later than the seventh day after the date of such City Council approval.

(b) The City Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan and the Assessment Rolls, to be recorded in the real property records of Collin County, Texas. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council.

Section 12. Severability.

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to 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 Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity or any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 13. Effective Date.

This Ordinance shall take effect, and the levy of the Assessments, and the provisions and terms of the Service and Assessment Plan shall be and become effective upon passage and execution hereof.

(Execution page follows.)

PASSED AND APPROVED on this the 1st day of February, 2022.

CITY OF LAVON, TEXAS

Vicki Sanson, Mayor

ATTEST:

Rae Norton, City Secretary

[SEAL]

EXHIBIT A

Service and Assessment Plan

Elevon Public Improvement District

PRELIMINARY SERVICE AND ASSESSMENT PLAN

DECEMBER 7, 2021



AUSTIN, TX | NORTH RICHLAND HILLS, TX

TABLE OF CONTENTS

Table of Contents	1
Introduction	3
Section I: Definitions	4
Section II: The District	13
Section III: Authorized Improvements.....	13
Section IV: Service Plan	17
Section V: Assessment Plan.....	17
Section VI: Terms of the Assessments.....	21
Section VII: Assessment Roll	28
Section VIII: Additional Provisions.....	28
Exhibits.....	31
Appendices	32
Exhibit A-1 – Map of the District	33
Exhibit A-2 – Map of the Future Improvement Area, Zone 1, Improvement area #1, the Zone 1 Remainder Area, and PODs.....	34
Exhibit B-1 – Project Costs	35
Exhibit B-2 – Improvement Area #1 Authorized Improvements.....	36
Exhibit C – Service Plan	37
Exhibit D – Sources and Uses of Funds.....	38
Exhibit E-1 – Zone 1 Remainder Area Assessment Roll	39
Exhibit E-2 – Zone 1 Remainder Area Annual Installments	40
Exhibit F-1 –Improvement Area #1 Assessment Roll.....	41
Exhibit F-2 –Improvement Area #1 Annual Installments.....	42
Exhibit F-3 –POD 2A Annual Installments.....	43
Exhibit F-4 –POD 2B-1 Annual Installments.....	44
Exhibit F-5 –POD 2C Annual Installments.....	45
Exhibit F-6 –POD 2D Annual Installments.....	46
Exhibit G-1 – Maps of Zone 1 Improvements and Offsite Improvements	47
Exhibit G-2 – Maps of Improvement Area #1 Improvements.....	51
Exhibit H-1 – Maximum Assessment and Tax Rate Equivalent.....	55

Exhibit H-2 – Improvement Area #1 POD Allocation	56
Exhibit I – Form of Notice of Assessment Termination	57
Exhibit J-1 – Debt Service Schedule for Zone 1 Remainder Area Bonds	60
Exhibit J-2 – Debt Service Schedule for Improvement Area #1 Bonds.....	61
Exhibit J-3 – Annual Installment Schedule for the Improvement Area #1 Reimbursement Obligation	62
Exhibit K-1 – District Legal Description.....	63
Exhibit K-2 – Future Improvement Area Legal Description	64
Exhibit K-3 – Zone 1 Legal Description	80
Exhibit K-4 – Zone 1 Remainder Area Legal Description.....	93
Exhibit K-5 – Improvement Area #1 Legal Description	101
Appendix A – Engineer’s Report.....	112
Appendix B-1 – Zone 1 Remainder Area Initial Parcel Buyer Disclosure	
Appendix B-2 – POD 2A Buyer Disclosure	
Appendix B-3 – POD 2B-1 Buyer Disclosure	
Appendix B-4 – POD 2C Buyer Disclosure	
Appendix B-5 – POD 2D Buyer Disclosure	
Appendix B-6 – Improvement Area #1 Lot Type 1 Buyer Disclosure	
Appendix B-7 – Improvement Area #1 Lot Type 2 Buyer Disclosure	
Appendix B-8 – Improvement Area #1 Lot Type 3 Buyer Disclosure	
Appendix B-9 – Improvement Area #1 Lot Type 4 Buyer Disclosure	
Appendix B-10 – Improvement Area #1 Lot Type 5 Buyer Disclosure	
Appendix B-11 – Improvement Area #1 Lot Type 6 Buyer Disclosure	
Appendix B-12 – Improvement Area #1 Lot Type 7 Buyer Disclosure	

INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section,” an “Exhibit,” or an “Appendix” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this Service and Assessment Plan for all purposes.

On October 19, 2021, the City Council passed and approved Resolution No. 2021-11-07 authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon approval in accordance with the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 982.719 acres located within the extraterritorial jurisdiction of the City, as described by the legal description on **Exhibit K-1** and depicted on **Exhibit A-1**. The District is anticipated to be annexed into the corporate limits of the City in accordance with the Development Agreement.

The PID Act requires a service plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

The PID Act requires that the Service Plan include an Assessment Plan that assesses the Actual Costs of the Authorized Improvements against the Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Assessment Roll for the Zone 1 Remainder Area is included as **Exhibit E-1**. The Assessment Roll for Improvement Area #1 is included as **Exhibit F-1**.

SECTION I: DEFINITIONS

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner, (either directly or through affiliates), including : (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) the costs for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction, or implementation of the Authorized Improvements; and (5) all related permitting and public approval expenses, and architectural, engineering, consulting, and governmental fees and charges.

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

“Additional Interest Rate” means the 0.50% additional interest rate that may be charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act. The Additional Interest Rate is not charged on Assessments securing the Improvement Area #1 Reimbursement Obligation.

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

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

“Annual Installment” means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest related to the PID Bonds, if applicable.

“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 any Parcel within the District, other than Non-Benefitted Property or Non-Assessed Property, against which an Assessment is levied.

“Assessment” means an assessment levied against a Parcel within the District, other than Non-Benefitted Property or Non-Assessed Property, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Assessment Ordinance” means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

“Assessment Plan” means the methodology employed to assess the Actual Costs of the Authorized Improvements against the Assessed Property based on the special benefits conferred on such property by the Authorized Improvements, more specifically set forth and described in **Section V**.

“Assessment Roll” means any assessment roll for the Assessed Property, including the Zone 1 Remainder Area Assessment Roll and the Improvement Area #1 Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Update.

“Authorized Improvements” means the improvements authorized by Section 372.003 of the PID Act, as depicted on **Exhibit G-1** and **Exhibit G-2** and described in **Section III**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of any series of PID Bonds.

“City” means the City of Lavon, Texas.

“City Council” means the governing body of the City.

“County” means Collin County, Texas.

“Delinquent Collection Costs” mean costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“Developer” means MA Elevon 429, LLC, a Texas limited liability company and its successors and assigns and is responsible for construction of Zone 1 Improvements, Offsite Improvements, and Improvement Area #1 Improvements.

“Development Agreement” means that certain Elevon Development Agreement by and between the Developer, Petro-Hunt, LLC, Far East Lavon, LP, 78 Straddle, LP, East Lavon Partners, LP, World Land Developers, LP, and the City, dated as of November 2, 2021, and as may be amended from time to time.

“District” means Elevon Public Improvement District containing approximately 982.719 acres located within the extraterritorial jurisdiction of the City and more specifically described in **Exhibit K-1** and depicted on **Exhibit A-1**.

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

“Engineer’s Report” means a report provided by a licensed professional engineer that describes the Authorized Improvements, including their costs, location, and benefit, and is attached hereto as **Appendix A**.

“Estimated Buildout Value” means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Developer and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that, in the judgment of the City, may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit H-1**.

“Future Improvement Area” means approximately 645.995 acres located within the District and more specifically described in **Exhibit K-3** and depicted on **Exhibit A-2**. The Future Improvement Area includes all of the District save and except Zone 1. The Future Improvement Area may be subdivided into one or more improvement areas.

“Improvement Area #1” means approximately 232.664 acres located within the District, more specifically described in **Exhibit K-5** and depicted on **Exhibit A-2**. Improvement Area #1 is comprised of POD 2A, POD 2B-1, POD 2C, and POD 2D.

“Improvement Area #1 Annual Installment” means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #1; and (4) Additional Interest related to the Improvement Area #1 Bonds, if applicable, as shown on **Exhibit F-2**.

“Improvement Area #1 Assessed Property” means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

“Improvement Area #1 Assessment” means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #1 Assessment Roll” means the Assessment Roll for the Improvement Area #1 Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included in this Service and Assessment Plan as **Exhibit F-1**.

“Improvement Area #1 Authorized Improvements” means collectively, (1) the pro rata portion of the Zone 1 Improvements allocable to Improvement Area #1; (2) the pro rata portion of the Offsite Improvements allocable to Improvement Area #1; (3) the Improvement Area #1 Improvements; (4) the first year’s Annual Collection Costs related to the Improvement Area #1 Bonds; and (5) Bond Issuance Costs incurred in connection with the issuance of Improvement Area #1 Bonds.

“Improvement Area #1 Bonds” means those certain “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Eleven Public Improvement District Improvement Area #1 Project)” that are secured by Improvement Area #1 Assessments.

“Improvement Area #1 Improvements” means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property, as further described in **Section III.B** and Depicted on **Exhibit G-2**.

“Improvement Area #1 Projects” means, collectively, (1) the pro rata portion of the Zone 1 Improvements allocable to Improvement Area #1; (2) the pro rata portion of the Offsite

Improvements allocable to Improvement Area #1; and (3) the Improvement Area #1 Improvements.

“Improvement Area #1 Reimbursement Agreement” means that certain Reimbursement Agreement, effective January 4, 2022 entered into by and between the City and Developer, in which the Developer, either directly or through affiliates, agrees to construct the Improvement Area #1 Projects, and to fund certain Actual Costs of the Improvement Area #1 Authorized Improvements, and the City agrees to (1) reimburse the Developer or its designee for Actual Costs of the Improvement Area #1 Authorized Improvements from the proceeds of PID Bonds in accordance with the Act, this Service and Assessment Plan, and the applicable Indenture, and (2) reimburse the Developer for Actual Costs of Improvement Area #1 Authorized Improvements not paid by proceeds of Improvement Area #1 Bonds solely from the revenue collected by the City from Improvement Area #1 Assessments, including Improvement Area #1 Annual Installments, not pledged to the payment of PID Bonds.

“Improvement Area #1 Reimbursement Obligation” means an amount not to exceed \$10,104,000 secured by Improvement Area #1 Assessments to be paid to the Developer pursuant to the Improvement Area #1 Reimbursement Agreement. The Annual Installments for the Improvement Area #1 Reimbursement Obligation are shown on **Exhibit J-3**.

“Indenture” means an Indenture of Trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended from time to time, setting forth the terms and conditions related to a series of PID Bonds.

“Lot” means (1) for any portion of the District for which a final subdivision plat has been recorded in the Plat or Official Public Records of the County, a tract of land described by “lot” in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the Plat or Official Public Records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A “Lot” shall not include real property owned by a government entity.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. lot size, home product, Estimated Buildout Value, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as provided by the Owner, and confirmed by the City Council, as shown on **Exhibit H-1**.

“Lot Type 1” means a Lot within Improvement Area #1 marketed to homebuilders as a 30’ Lot. The buyer disclosure for Lot Type 1 is included as **Appendix B-3**.

“Lot Type 2” means a Lot within Improvement Area #1 marketed to homebuilders as a 40’ Lot. The buyer disclosure for Lot Type 2 is included as **Appendix B-4**.

“Lot Type 3” means a Lot within Improvement Area #1 marketed to homebuilders as a 45’ Lot. The buyer disclosure for Lot Type 3 is included as **Appendix B-5**.

“Lot Type 4” means a Lot within Improvement Area #1 marketed to homebuilders as a 50’ Lot. The buyer disclosure for Lot Type 4 is included as **Appendix B-6**.

“Lot Type 5” means a Lot within Improvement Area #1 marketed to homebuilders as a 26’ Lot. The buyer disclosure for Lot Type 5 is included as **Appendix B-7**.

“Lot Type 6” means a Lot within Improvement Area #1 marketed to homebuilders as a 60’ Lot. The buyer disclosure for Lot Type 6 is included as **Appendix B-8**.

“Lot Type 7” means a Lot within Improvement Area #1 marketed to homebuilders as a 70’ Lot. The buyer disclosure for Lot Type 7 is included as **Appendix B-9**.

“Maximum Assessment” means, for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.B**, or (2) the amount shown on **Exhibit H-1**.

“Non-Assessed Property” means Parcels within the boundaries of the district that accrue special benefit from the Authorized Improvements as determined by the City Council but are not assessed for the costs thereof.

“Non-Benefitted Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

“Notice of Assessment Termination” means a document that shall be recorded in the Official Public Records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit I**.

“Offsite Improvements” means those Authorized Improvements that confer a special benefit to all of the Assessed Property within the District, as further described in **Section III.C**. and depicted on **Exhibit G-1**.

“Owner” or **“Owners”** means MA Elevon 429, LLC, a Texas limited liability company and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

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

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

“PID Bonds” means any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

“POD” means a phase of development within the District, including, but not limited to, POD 2A, POD 2B-1, POD 2C, and POD 2D.

“POD 2A” means approximately 65.135 acres located within Improvement Area #1 and more specifically described in **Exhibit K-5** and depicted on **Exhibit A-2**. The Annual Installment schedule for POD 2A is included as **Exhibit F-3**.

“POD 2B-1” means approximately 49.470 acres located within the District and more specifically described in **Exhibit K-5** and depicted on **Exhibit A-2**. The Annual Installment schedule for POD 2B-1 is included as **Exhibit F-4**.

“POD 2C” means approximately 77.398 acres located within the District and more specifically described in **Exhibit K-5** and depicted on **Exhibit A-2**. The Annual Installment schedule for POD 2C is included as **Exhibit F-5**.

“POD 2D” means approximately 40.661 acres located within the District and more specifically described in **Exhibit K-5** and depicted on **Exhibit A-2**. The Annual Installment schedule for POD 2D is included as **Exhibit F-6**.

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

“Prepayment Costs” means interest, including Additional Interest and Annual Collection Costs, to the date of Prepayment.

“Service and Assessment Plan” means this Elevon Public Improvement District Service and Assessment Plan as updated, amended, or supplemented from time to time.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

“Trustee” means the trustee or successor trustee under an Indenture.

“Zone 1” means approximately 336.724 acres located within the District and more specifically described in **Exhibit K-3** and depicted on **Exhibit A-2**. Zone 1 includes all of the District save and except the Future Improvement Area.

“Zone 1 Remainder Area” means approximately 104.06 acres located within the District and more specifically described in **Exhibit K-4** and depicted on **Exhibit A-2**. The Zone 1 Remainder Area includes all of Zone 1 save and except Improvement Area #1.

“Zone 1 Remainder Area Annual Installment” means the Annual Installment of the Zone 1 Remainder Area Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to the Zone 1 Remainder Area; and (4) Additional Interest related to the Zone 1 Remainder Area Bonds, as shown on **Exhibit E-2**.

“Zone 1 Remainder Area Assessed Property” means any Parcel within the Zone 1 Remainder Area against which the Zone 1 Remainder Area Assessment is levied.

“Zone 1 Remainder Area Assessment” means an Assessment levied against the Zone 1 Remainder Area Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Zone 1 Remainder Area Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Zone 1 Remainder Area Assessment Roll” means the Assessment Roll for the Zone 1 Remainder Area Assessed Property within the District, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Updates. The Zone 1 Remainder Area Assessment Roll is included in this Service and Assessment Plan as **Exhibit E-1**.

“Zone 1 Remainder Area Authorized Improvements” means, collectively, (1) the pro rata portion of the Zone 1 Improvements allocable to the Zone 1 Remainder Area; (2) the pro rata portion of the Offsite Improvements allocable to the Zone 1 Remainder Area; (3) the first year’s Annual Collection Costs related to the Zone 1 Remainder Area Bonds; and (4) Bond Issuance Costs incurred in connection with the issuance of the Zone 1 Remainder Area Bonds.

“Zone 1 Remainder Area Bonds” means those certain “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project).”

“Zone 1 Remainder Area Initial Parcel” means all of the Zone 1 Remainder Area Assessed Property against which the entire Zone 1 Remainder Area Assessment is levied as shown on Zone 1 Remainder Area Assessment Roll.

“Zone 1 Remainder Area Projects” means the pro rata portion of the Zone 1 Improvements allocable to the Zone 1 Remainder Area.

“Zone 1 Improvements” means those Authorized Improvements that confer a special benefit to all of the Assessed Property within Zone 1, as further described in **Section III.A.** and depicted on **Exhibit G-1.**

SECTION II: THE DISTRICT

The District includes approximately 982.719 contiguous acres located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described by legal description on **Exhibit K-1** and depicted on **Exhibit A-1**. The District is anticipated to be annexed into the corporate limits of the City as set forth in the Development Agreement.

The Zone 1 Remainder Area includes approximately 104.06 contiguous acres located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described by the legal description on **Exhibit K-2** and depicted on **Exhibit A-2**. Development of the Zone 1 Remainder Area is anticipated to include approximately 452 Lots developed with single-family homes.

Improvement Area #1 includes approximately 232.664 contiguous acres located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described by the legal description on **Exhibit K-3** and depicted on **Exhibit A-2**. Development of Improvement Area #1 is anticipated to include approximately 935 Lots developed with single-family homes (77 single-family homes that are on Lots classified as Lot Type 1, 215 single-family homes that are on Lots classified as Lot Type 2, 68 single-family homes that are on Lots classified as Lot Type 3, 312 single-family homes that are on Lots classified as Lot Type 4, 44 single-family homes that are on Lots classified as Lot Type 5, 143 single-family homes that are on Lots classified as Lot Type 6, 76 single-family homes that are on Lots classified as Lot Type 7).

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Developer, and/or Owners and their engineers and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the. The budget for the Authorized Improvements is shown on **Exhibit B-1**. The budget for the Improvement Area #1 Authorized Improvements, allocated by POD, is shown on **Exhibit B-2**.

A. Zone 1 Improvements

▪ *Streets*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-

vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Zone 1.

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within the Zone 1.

- *Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the Zone 1.

- *Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within the Zone 1.

- *ROW Areas/Land Acquisition*

Includes road right of way, wastewater treatment site, and public safety site, that benefit all Lots within Zone 1.

- *Soft Costs*

Costs related to designing, constructing, and installing the Zone 1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, District Formation Costs, legal fees, and consultant fees. (to be confirmed by the developer)

B. Improvement Area #1 Improvements

- *Streets*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #1.

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

- *Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

- *Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

- *ROW Areas/Land Acquisition*

Includes road right of way.

- *Soft Costs*

Costs related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, and consultant fees.

C. Offsite Improvements

- *Streets*

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

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control

and all necessary appurtenances required to provide water service to all Lots within the District.

- *Sewer*

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

- *Wastewater Plant Site*

(Please provide description)

- *Drainage*

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

- *ROW Areas/Land Acquisition*

Includes road right of way.

- *Soft Costs*

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

D. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the amount required to be deposited for the purpose of paying capitalized interest under an applicable Indenture in connection with the issuance of PID Bonds.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds.

- *Underwriter's Counsel*

Equals a percentage of the par amount of a particular series of PID Bonds reserved for the underwriter's attorney fees.

- *Costs of Issuance*

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

E. Other Costs

- *Deposit to Administrative Fund*

Equals the amount necessary to fund the first year's Annual Collection Costs for a particular series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the initial Service Plan for the District.

Exhibit D summarizes the sources and uses of funds required to construct the Zone 1 Improvements, Offsite Improvements, and Improvement Area #1 Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update to show the amount required to fund the required reserves and issue the PID Bonds at the time the PID Bonds are issued.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City that results in imposing equal shares of such costs 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 City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future Owners and developers of the Assessed Property.

A. Assessment Methodology

Acting in its legislative capacity and based on information provided by the Developer and/or Owners and their engineers and reviewed by the City staff and by third-party consultants retained by the City, the City Council has determined that the costs related to the Authorized Improvements shall be allocated as follows:

- The costs of the Zone 1 Remainder Area Authorized Improvements shall be allocated to each Parcel in the Zone 1 Remainder Area based upon Estimated Buildout Value of each Parcel designated as Zone 1 Remainder Area Assessed Property to the Estimated Buildout Value of all Zone 1 Remainder Area Assessed Property. Currently, the Zone 1 Remainder Area Initial Parcel is the only Parcel within the Zone 1 Remainder Area, and as such, the Zone 1 Remainder Area Initial Parcel is allocated 100% of the Zone 1 Remainder Area Authorized Improvements.
- The costs of the Improvement Area #1 Authorized Improvements shall be allocated to each Parcel within Improvement Area #1 based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property. Currently, POD 2A, POD 2B-1, POD 2C and POD 2D are the only Parcels within Improvement Area #1, and as such, the Improvement Area #1 Authorized Improvements are allocated to each of these PODs pro rata based on the Estimated Buildout Value of each POD within Improvement Area #1 to the Estimated Buildout Value of all Improvement Area #1 Assessed Property. See **Exhibit H-2** for details.

B. Assessments

The Zone 1 Remainder Area Assessment will be levied on the Zone 1 Remainder Area Initial Parcel in the amount shown on the Zone 1 Remainder Area Assessment Roll, attached hereto as **Exhibit**

E-1. The projected Zone 1 Remainder Area Annual Installments are shown on **Exhibit E-2**. Upon division or subdivision of the Zone 1 Remainder Area Initial Parcel, the Zone 1 Remainder Area Assessment will be reallocated pursuant to **Section VI**.

The Improvement Area #1 Assessment will be levied on POD 2A, POD 2B-1, POD 2C and POD 2D in the amount shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit F-2**. Upon division or subdivision of POD 2A, POD 2B-1, POD 2C or POD 2D, the Improvement Area #1 Assessment will be reallocated pursuant to **Section VI**.

The Maximum Assessment for each Lot Type is shown on **Exhibit H-1**. In no case will the Assessment for Lots classified as Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, Lot Type 6, or Lot Type 7 respectively, exceed the corresponding Maximum Assessment for each Lot classification.

C. Findings of Special Benefit

Acting in its legislative capacity and based on information provided by the Developer and/or Owners and their engineers and reviewed by the City staff and by third-party consultants retained by the City, the City Council has found and determined:

- *Zone 1 Remainder Area*
 - The costs of the Zone 1 Remainder Area Authorized Improvements are estimated at \$8,395,458 as shown on **Exhibit B**;
 - The Zone 1 Remainder Area Assessed Property receives special benefit from the Zone 1 Remainder Area Authorized Improvements equal to or greater than the Actual Cost of the Zone 1 Remainder Area Authorized Improvements;
 - The Zone 1 Remainder Area Initial Parcel will be allocated 100% of the Zone 1 Remainder Area Assessment levied for the Zone 1 Remainder Area Authorized Improvements, which equals \$8,395,000 as shown on the Zone 1 Remainder Area Assessment Roll attached hereto as **Exhibit E-1**;
 - The special benefit ($\geq \$8,395,458$) received by the Zone 1 Remainder Area Initial Parcel from the Zone 1 Remainder Area Authorized Improvements is greater than or equal to the amount of the Zone 1 Remainder Area Assessment (\$8,395,000) levied on the Zone 1 Remainder Area Initial Parcel for the Zone 1 Remainder Area Authorized Improvements; and
 - At the time the City Council approved the Service and Assessment Plan, the Owner that owned 100% of the Zone 1 Remainder Area Initial Parcel. The landowners

acknowledged that the Zone 1 Remainder Area Authorized Improvements confer a special benefit on the Zone 1 Remainder Area Initial Parcel and consented to the imposition of the Zone 1 Remainder Area Assessments to pay for the Actual Costs associated therewith. The Owner has ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the applicable Assessment Ordinance; (2) the Service and Assessment Plan and the applicable Assessment Ordinance; and (3) the levying of Zone 1 Remainder Area Assessment on the Zone 1 Remainder Area Initial Parcel.

▪ *Improvement Area #1*

- The costs of the Improvement Area #1 Authorized Improvements equal \$48,520,465 as shown on **Exhibit B**;
- The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #1 Authorized Improvements;
- The Improvement Area #1 Assessed Property will be allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements, which equals \$41,333,000 as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F-1**;
- The special benefit ($\geq$ \$48,520,465) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Authorized Improvements is equal to or greater than the amount of the Improvement Area #1 Assessment (\$41,333,000) levied on the Improvement Area #1 Assessed Property for the Improvement Area #1 Authorized Improvements; and
- At the time the City Council approved the Service and Assessment Plan, the landowners that owned 100% of the Improvement Area #1 Assessed Property acknowledged that the Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The landowners ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the applicable Assessment Ordinance; (2) the Service and Assessment Plan and the applicable Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Assessed Property.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments securing each respective series of PID Bonds may exceed the interest rate on each respective series of PID Bonds by the Additional Interest Rate. To the extent required by any Indenture, Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

The interest on the Improvement Area #1 Assessment securing the Improvement Area #1 Reimbursement Obligation shall be collected at rates established under the Reimbursement Agreement as part of the Improvement Area #1 Annual Installment pursuant to the Reimbursement Agreement.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

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

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, as provided by the Owner. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, Lot Type 6, and Lot Type 7 are shown on **Exhibit**

H-1 and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive.

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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

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

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on the Estimated Buildout Value information provided by the Owner. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, Lot Type 6, and Lot Type 7 are shown on **Exhibit H-1** and will not change in future Annual Service Plan Updates.

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

shall be reflected in the Annual Service Plan Update immediately following such reallocation.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single Parcel or Lot, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be reflected in the next Annual Service Plan Update and approved by the City Council. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C.**

B. Mandatory Prepayment of Assessments

If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable “Notice of Assessment Termination,” a form of which is attached hereto as **Exhibit I.**

C. True-Up of Assessments if Maximum Assessment Exceeded at Plat

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

D. Reduction of Assessments

If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement, the Actual Costs of any Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on

a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the Project Fund created under the Indenture relating to the specific set of PID Bonds affected by such reduction in Actual Costs, that are not expected to be used for the purposes of the Project Fund specified in such Indenture to redeem outstanding PID Bonds, unless otherwise directed by the applicable Indenture. Excess PID Bond proceeds shall be applied to redeem outstanding PID Bonds, or for such other purposes authorized by an Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of any Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed, or the Annual Service Plan Update has been approved by City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed Property; and (4) the City shall provide the owner with a recordable "Notice of Assessment Termination."

If an Assessment on an Assessed Property is prepaid in part with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

For purposes of Prepayments, the Improvement Area #1 Reimbursement Obligation is and will remain subordinated to (i) the Improvement Area #1 Bonds and (ii) any additional PID Bonds secured by a parity lien on the Improvement Area #1 Assessments issued to refinance all or a

portion of the Improvement Area #1 Reimbursement Obligation. For purposes of Prepayments, additional PID Bonds issued to refinance all or a portion of the Improvement Area #1 Reimbursement Obligation will be on parity with the Improvement Area #1 Bonds.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit E-2** shows the estimated Zone 1 Remainder Area Annual Installments, and **Exhibit F-2** shows the estimated Improvement Area #1 Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the property not including any Non-Benefitted Property or Non-Assessed Property, as shown by the Collin Central Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. The City Council may provide for other means of collecting Annual Installments, to the extent permitted by the PID Act or other applicable law, but in no case shall the City take any action, or fail to take any action, that would cause it to be in default under any Indenture. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments

so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute “PID Bonds.”

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments shall be due when billed and shall be delinquent if not paid prior to February 1, 2022.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

G. Allocating Improvement Area #1 Annual Installments

Any amounts collected from the Improvement Area #1 Annual Installments paid by the owner of Improvement Area #1 Assessed Property shall be allocated, first on a pro rata basis to amounts due for the Improvement Area #1 Bonds including any amounts due for Additional Interest and Annual Collection Costs, and second to amounts due the Improvement Area #1 Reimbursement Obligation.

For example, if the owner of a Parcel owes an Improvement Area #1 Annual Installment of \$1,000, of which \$500 is due for the Improvement Area #1 Bonds and \$500 is due for the Improvement Area #1 Reimbursement Obligation, then:

- If a partial Annual Installment of \$250 is made, \$250 shall be credited to the payment of Improvement Area #1 Bonds and \$0 shall be credited to the Improvement Area #1 Reimbursement Obligation.
- If a partial Annual Installment of \$500 is made, \$500 shall be credited to the payment of Improvement Area #1 Bonds and \$0 shall be credited to the Improvement Area #1 Reimbursement Obligation.
- If a partial Annual Installment of \$750 is made, \$500 shall be credited to the payment of Improvement Area #1 Bonds, and \$250 shall be credited to the Improvement Area #1 Reimbursement Obligation.

With regard to the payment of Annual Installments, the Improvement Area #1 Reimbursement Obligation will remain subordinated to (i) the Improvement Area #1 Bonds and (ii) any additional PID Bonds secured by a parity lien on the Improvement Area #1 Assessments issued to refinance all or a portion of the Improvement Area #1 Reimbursement Obligation. With regard to the payment of Annual Installments, additional PID Bonds issued to refinance all or a portion of the Improvement Area #1 Reimbursement Obligation will be on parity with the Improvement Area #1 Bonds.

H. Prepayment as a Result of an Eminent Domain Proceeding or Taking

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the “**Remaining Property**”), following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remainder Property.

In all instances the Assessment remaining on the Remaining Property shall not exceed the applicable Maximum Assessment.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres constituting the Remaining Property shall be subject to the \$100 Assessment (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment, as applicable, on the Remaining Property by \$10, then the owner shall be required

to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be \$90.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Remaining Property notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the applicable Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

SECTION VII: ASSESSMENT ROLL

The Zone 1 Remainder Area Assessment Roll is attached as **Exhibit E-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Zone 1 Remainder Assessment Roll and Zone 1 Remainder Area Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #1 Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council's approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days of such receipt of a written notice of error

by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners of Assessed Property and developers and their successors and assigns.

D. Form of Buyer Disclosure

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B-1** through **Appendix B-9**. Within seven days of approval by the City Council, the City shall file with the county clerk of the County, and record in the real property records of the County this Service and Assessment Plan, and any future Annual Service Plan Updates. This Service and Assessment Plan and any future Annual Service Plan Updates shall be filed and recorded in their entirety.

E. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

EXHIBITS

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

Exhibit A-1	Map of the District
Exhibit A-2	Map of the Future Improvement Area, Zone 1, Improvement Area #1, Zone 1 Remainder Area, and PODs
Exhibit B-1	Project Costs
Exhibit B-2	Improvement Area #1 Authorized Improvements by POD
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E-1	Zone 1 Remainder Area Assessment Roll
Exhibit E-2	Zone 1 Remainder Area Annual Installments
Exhibit F-1	Improvement Area #1 Assessment Roll
Exhibit F-2	Improvement Area #1 Annual Installments
Exhibit F-3	POD 2A Annual Installments
Exhibit F-4	POD 2B-1 Annual Installments
Exhibit F-5	POD 2C Annual Installments
Exhibit F-6	POD 2D Annual Installments
Exhibit G-1	Maps of Zone 1 Improvements and Offsite Improvements
Exhibit G-2	Maps of Improvement Area #1 Improvements
Exhibit H-1	Maximum Assessment and Tax Rate Equivalent
Exhibit H-2	Improvement Area #1 POD Allocation
Exhibit I	Form of Notice of Assessment Termination
Exhibit J-1	Debt Service Schedule for Zone 1 Remainder Area Bonds
Exhibit J-2	Debt Service Schedule for Improvement Area #1 Bonds
Exhibit J-3	Annual Installment Schedule for the Improvement Area #1 Reimbursement Obligation
Exhibit K-1	District Legal Description
Exhibit K-2	Future Improvement Area Legal Description
Exhibit K-3	Zone 1 Legal Description
Exhibit K-4	Improvement Area #1 Legal Description
Exhibit K-5	Zone 1 Remainder Area

APPENDICES

The following Appendices are attached to and made a part of this Service and Assessment Plan for all purposes:

Appendix A	Engineer's Report
Appendix B-1	Zone 1 Remainder Area Initial Parcel Buyer Disclosure
Appendix B-2	POD 2A Buyer Disclosure
Appendix B-3	POD 2B-1 Buyer Disclosure
Appendix B-4	POD 2C Buyer Disclosure
Appendix B-5	POD 2D Buyer Disclosure
Appendix B-6	Lot Type 1 Buyer Disclosure
Appendix B-7	Lot Type 2 Buyer Disclosure
Appendix B-8	Lot type 3 Buyer Disclosure
Appendix B-9	Lot Type 4 Buyer Disclosure
Appendix B-10	Lot Type 5 Buyer Disclosure
Appendix B-11	Lot Type 6 Buyer Disclosure
Appendix B-12	Lot Type 7 Buyer Disclosure

EXHIBIT A-1 – MAP OF THE DISTRICT

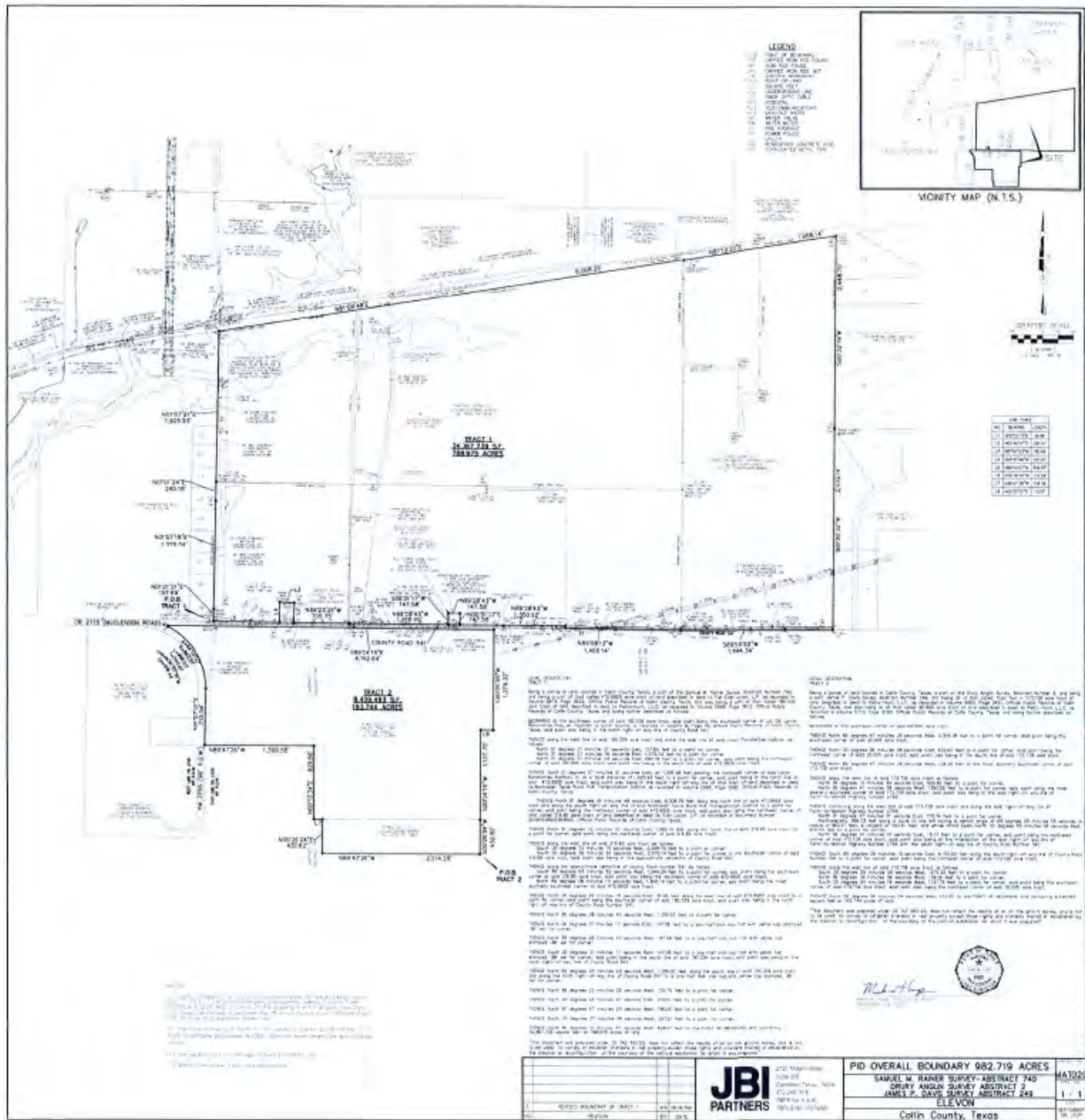


EXHIBIT A-2 – MAP OF THE FUTURE IMPROVEMENT AREA, ZONE 1, IMPROVEMENT AREA #1, THE ZONE 1 REMAINDER AREA, AND PODS

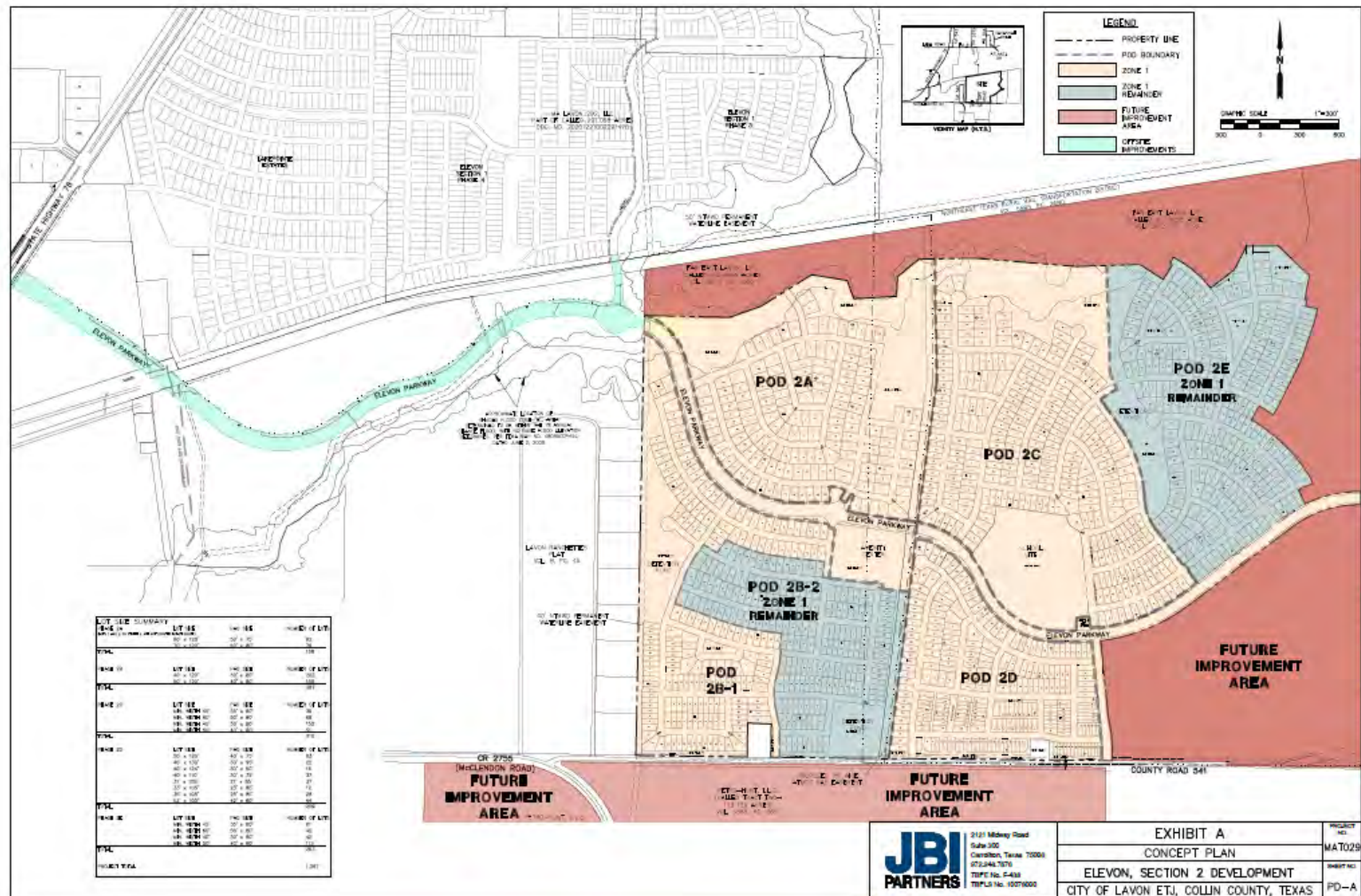


EXHIBIT B-1 – PROJECT COSTS

	Total	Private	Oversizing	Zone 1 Remainder Area		Improvement Area #1	
				%	Cost	%	Cost
<i>Zone 1 Improvements¹</i>							
Streets ²	\$ 5,039,515	\$ -	\$ -	32.16%	\$ 1,620,870	67.84%	\$ 3,418,645
Water	1,589,146	-	-	32.16%	511,121	67.84%	1,078,025
Sewer	404,293	-	-	32.16%	130,034	67.84%	274,259
Drainage	521,867	-	-	32.16%	167,849	67.84%	354,018
ROW Areas	516,600	-	-	32.16%	166,155	67.84%	350,445
Soft Costs ³	3,146,170	-	-	32.16%	1,011,910	67.84%	2,134,260
	<u>\$ 11,217,591</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 3,607,939</u>		<u>\$ 7,609,652</u>
<i>Improvement Area #1 Improvements</i>							
Streets	\$ 11,981,250	\$ -	\$ -	0.00%	\$ -	100.00%	\$ 11,981,250
Water	3,498,472	-	-	0.00%	-	100.00%	3,498,472
Sewer	3,139,817	-	-	0.00%	-	100.00%	3,139,817
Drainage	3,931,421	-	-	0.00%	-	100.00%	3,931,421
ROW Areas	2,030,580	-	-	0.00%	-	100.00%	2,030,580
Soft Costs ⁴	4,716,434	-	-	0.00%	-	100.00%	4,716,434
	<u>\$ 29,297,974</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ 29,297,974</u>
<i>Offsite Improvements⁵</i>							
Streets	\$ 2,224,177	\$ -	\$ 104,016	32.16%	\$ 681,912	67.84%	\$ 1,438,249
Water	1,079,834	-	53,992	32.16%	329,944	67.84%	695,898
Sewer	651,090	-	31,004	32.16%	199,440	67.84%	420,646
Wastewater Plant Site	233,550	-	-	32.16%	75,117	67.84%	158,433
Drainage	872,150	-	41,531	32.16%	267,154	67.84%	563,465
ROW Areas	1,604,800	-	-	32.16%	516,155	67.84%	1,088,645
Soft Costs ³	1,691,395	-	-	32.16%	544,007	67.84%	1,147,388
	<u>\$ 8,356,996</u>	<u>\$ -</u>	<u>\$ 230,543</u>		<u>\$ 2,613,729</u>		<u>\$ 5,512,724</u>
<i>Private Improvements</i>							
Earthwork	\$ 1,615,568	\$ 1,615,568	\$ -	0.00%	\$ -	0.00%	\$ -
Retaining Walls	1,064,675	1,064,675	-	0.00%	-	0.00%	-
Erosion Control	288,063	288,063	-	0.00%	-	0.00%	-
Soft Costs	671,712	671,712	-	0.00%	-	0.00%	-
City Fees	843,370	843,370	-	0.00%	-	0.00%	-
Contingency	148,415	148,415	-	0.00%	-	0.00%	-
	<u>\$ 4,631,803</u>	<u>\$ 4,631,803</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
<i>Bond Issuance Costs</i>							
Debt Service Reserve Fund	\$ 2,387,940				\$ 548,740		\$ 1,839,200
Capitalized Interest	2,046,686				797,526		1,249,160
Underwriter's Discount	792,480				167,900		624,580
Underwriter's Counsel	396,240				83,950		312,290
Costs of Issuance	2,575,560				545,675		2,029,885
	<u>\$ 8,198,906</u>				<u>\$ 2,143,791</u>		<u>\$ 6,055,115</u>
<i>Other Costs</i>							
Deposit to Administrative Fund	\$ 75,000				\$ 30,000		\$ 45,000
	<u>\$ 75,000</u>				<u>\$ 30,000</u>		<u>\$ 45,000</u>
Total	\$ 61,778,270	\$ 4,631,803	\$ 230,543		\$ 8,395,458		\$ 48,520,465

Notes:

¹ Zone 1 Improvements are allocated between Improvement Area #1 and the the Zone 1 Remainder Area pro rata based on the ratio of Estimated Buildout Value of each area to the Estimated Buildout Value of Zone 1. The Estimated Buildout Value of Improvement Area #1 is \$315,981,000, the Estimated Buildout Value of the Zone 1 Remainder Area is \$149,815,000 and the Estimated Buildout Value of Zone 1 is \$465,796,000 so 67.84% of Zone 1 Improvements are allocated to Improvement Area #1 ($315,981,000 / 465,796,000 = 67.84\%$) and 32.16% of Zone 1 Improvements are allocated to the Zone 1 Remainder Area ($149,815,000 / 465,796,000 = 32.16\%$)

² Zone 1 Improvement streets includes paving, earthwork, and erosion control.

³ Zone 1 Improvement soft costs and Offsite Improvement soft costs include offsite and onsite engineering, surveying, construction services, city fees, contingency, construction management, and District Creation Costs.

⁴ Improvement Area #1 soft costs include engineering, surveying, construction services, construction management fee, and contingency.

⁵ Offsite Improvements are allocated between Improvement Area #1 and the Zone 1 Remainder Area in the same manner as the Zone 1 Improvements.

EXHIBIT B-2 – IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS

	Total	POD 2A		POD 2B-1		POD 2C		POD 2D	
		% ¹	Cost	% ¹	Cost	% ¹	Cost	% ¹	Cost
Zone 1 Improvements									
Streets ²	\$ 3,418,645	24.01%	\$ 820,957	19.69%	\$ 673,275	34.07%	\$ 1,164,573	22.23%	\$ 759,839
Water	1,078,025	24.01%	258,878	19.69%	212,309	34.07%	367,233	22.23%	239,606
Sewer	274,259	24.01%	65,861	19.69%	54,013	34.07%	93,427	22.23%	60,958
Drainage	354,018	24.01%	85,014	19.69%	69,721	34.07%	120,597	22.23%	78,685
ROW Areas	350,445	24.01%	84,156	19.69%	69,017	34.07%	119,380	22.23%	77,891
Soft Costs ³	2,134,260	24.01%	512,523	19.69%	420,326	34.07%	727,043	22.23%	474,368
	\$ 7,609,652		\$ 1,827,390		\$ 1,498,662		\$ 2,592,254		\$ 1,691,347
Improvement Area #1 Improvements									
Streets	\$ 11,981,250	24.01%	\$ 2,877,190	19.69%	\$ 2,359,614	34.07%	\$ 4,081,453	22.23%	\$ 2,662,993
Water	3,498,472	24.01%	840,127	19.69%	688,997	34.07%	1,191,766	22.23%	777,582
Sewer	3,139,817	24.01%	753,999	19.69%	618,363	34.07%	1,069,589	22.23%	697,866
Drainage	3,931,421	24.01%	944,095	19.69%	774,263	34.07%	1,339,252	22.23%	873,811
ROW Areas	2,030,580	24.01%	487,626	19.69%	399,907	34.07%	691,724	22.23%	451,324
Soft Costs ⁴	4,716,434	24.01%	1,132,609	19.69%	928,865	34.07%	1,606,669	22.23%	1,048,290
	\$ 29,297,974		\$ 7,035,645		\$ 5,770,008		\$ 9,980,454		\$ 6,511,866
Offsite Improvements ⁵									
Streets	\$ 1,438,249	24.01%	\$ 345,383	19.69%	\$ 283,252	34.07%	\$ 489,944	22.23%	\$ 319,670
Water	695,898	24.01%	167,114	19.69%	137,052	34.07%	237,060	22.23%	154,673
Sewer	420,646	24.01%	101,014	19.69%	82,843	34.07%	143,295	22.23%	93,494
Wastewater Plant Site	158,433	24.01%	38,046	19.69%	31,202	34.07%	53,971	22.23%	35,214
Drainage	563,465	24.01%	135,311	19.69%	110,970	34.07%	191,946	22.23%	125,238
ROW Areas	1,088,645	24.01%	261,428	19.69%	214,400	34.07%	370,850	22.23%	241,966
Soft Costs ³	1,147,388	24.01%	275,535	19.69%	225,969	34.07%	390,862	22.23%	255,022
	\$ 5,512,724		\$ 1,323,831		\$ 1,085,688		\$ 1,877,928		\$ 1,225,277
Bond Issuance Costs									
Debt Service Reserve Fund	\$ 1,839,200	24.01%	\$ 441,667	19.69%	\$ 362,216	34.07%	\$ 626,530	22.23%	\$ 408,787
Capitalized Interest	1,249,160	24.01%	299,975	19.69%	246,012	34.07%	425,531	22.23%	277,643
Underwriter's Discount	624,580	24.01%	149,987	19.69%	123,006	34.07%	212,765	22.23%	138,821
Underwriter's Counsel	312,290	24.01%	74,994	19.69%	61,503	34.07%	106,383	22.23%	69,411
Costs of Issuance	2,029,885	24.01%	487,459	19.69%	399,770	34.07%	691,487	22.23%	451,169
	\$ 6,055,115		\$ 1,454,081		\$ 1,192,508		\$ 2,062,695		\$ 1,345,830
Other Costs									
Deposit to Administrative Fund	\$ 45,000	24.01%	\$ 10,806	19.69%	\$ 8,862	34.07%	\$ 15,329	22.23%	\$ 10,002
	\$ 45,000		\$ 10,806		\$ 8,862		\$ 15,329		\$ 10,002
Total	\$ 48,520,465		\$ 11,651,754		\$ 9,555,728		\$ 16,528,661		\$ 10,784,322

Notes:

¹ Improvement Area #1 Authorized Improvements are allocated between POD 2A, POD 2B-1, POD 2C, and POD 2D pro rata based on the ratio of Estimated Buildout Value of each area to the Estimated Buildout Value of Zone 1. See Exhibit H-2 for the Estimated Buildout Value calculations for the PODs within Improvement Area #1.

² Zone 1 Improvement streets includes paving, earthwork, and erosion control.

³ Zone 1 Improvement soft costs and Offsite Improvement soft costs include offsite and onsite engineering, surveying, construction services, city fees, contingency, construction management, and District Creation Costs.

⁴ Improvement Area #1 soft costs include engineering, surveying, construction services, construction management fee, and contingency.

⁵ Offsite Improvements are allocated between Improvement Area #1 and the Zone 1 Remainder Area in the same manner as the Zone 1 Improvements.

EXHIBIT C – SERVICE PLAN

Zone 1 Remainder Area						
		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027
Principal		\$ -	\$ -	\$ 149,000	\$ 157,000	\$ 164,000
Interest		398,763	398,763	398,763	391,685	384,228
Capitalized Interest		(398,763)	(398,763)	-	-	-
	(1)	\$ -	\$ (1)	\$ 547,763	\$ 548,685	\$ 548,228
Additional Interest	(2)	\$ 41,975	\$ 41,975	\$ 41,975	\$ 41,230	\$ 40,445
Annual Collection Costs	(3)	\$ 45,000	\$ 45,900	\$ 46,818	\$ 47,754	\$ 48,709
Total Annual Installment Due	(4) = (1) + (2) + (3)	\$ 86,975	\$ 87,875	\$ 636,556	\$ 637,669	\$ 637,382

Improvement Area #1						
		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027
<i>Improvement Area #1 Bonds</i>						
Principal		\$ -	\$ 590,000	\$ 613,000	\$ 638,000	\$ 663,000
Interest		1,249,160	1,249,160	1,225,560	1,201,040	1,175,520
Capitalized Interest		(1,249,160)	-	-	-	-
Additional Interest		156,145	156,145	153,195	150,130	146,940
	(1)	\$ 156,145	\$ 1,995,305	\$ 1,991,755	\$ 1,989,170	\$ 1,985,460
<i>Improvement Area #1 Reimbursement Obligation</i>						
Principal		\$ -	\$ 190,763	\$ 198,393	\$ 206,329	\$ 214,582
Interest		-	404,160	396,529	388,594	380,341
	(2)	\$ -	\$ 594,923	\$ 594,922	\$ 594,923	\$ 594,923
Annual Collection Costs	(3)	\$ 45,000	\$ 45,900	\$ 46,818	\$ 47,754	\$ 48,709
Total Annual Installment Due	(4) = (1) + (2) + (3)	\$ 201,145	\$ 2,636,128	\$ 2,633,495	\$ 2,631,847	\$ 2,629,092

EXHIBIT D – SOURCES AND USES OF FUNDS

	Private/Oversizing	Zone 1 Remainder Area	Improvement Area #1
Zone 1 Remainder Area Bond Par	\$ -	\$ 8,395,000	\$ -
Improvement Area #1 Bond Par ¹	-	-	31,229,000
Improvement Area #1 Reimbursement Obligation	-	-	10,104,000
Owner or Homebuilder Participation - Offsite Improvements ²	230,543	-	-
Owner or Homebuilder Participation - Private Improvements ²	4,631,803	-	-
Owner or Homebuilder Participation ³	-	458	7,187,465
Total Sources	\$ 4,862,346	\$ 8,395,458	\$ 48,520,465
Uses of Funds			
Zone 1 Improvements	\$ -	\$ 3,607,939	\$ 7,609,652
Improvement Area #1 Improvements	-	-	29,297,974
Offsite Improvements	230,543	2,613,729	5,512,724
Private Improvements	4,631,803	-	-
	\$ 4,862,346	\$ 6,221,668	\$ 42,420,350
<i>Bond Issuance Costs</i>			
Debt Service Reserve Fund	\$ -	\$ 548,740	\$ 1,839,200
Capitalized Interest	-	797,526	1,249,160
Underwriter's Discount	-	167,900	624,580
Underwriter's Counsel	-	83,950	312,290
Costs of Issuance	-	545,675	2,029,885
	\$ -	\$ 2,143,791	\$ 6,055,115
<i>Other Costs</i>			
Deposit to Administrative Fund	\$ -	\$ 30,000	\$ 45,000
	\$ -	\$ 30,000	\$ 45,000
Total Uses	\$ 4,862,346	\$ 8,395,458	\$ 48,520,465

Notes:

¹ Improvement Area #1 Bond preliminary sizing based on an estimated appraised value of \$1,400 per front foot per Lot. Any future increase in the Improvement Area #1 Bond par resulting from value adjustments in appraisal will become restricted funds, per the terms of the Development Agreement.

² Not reimbursable to Owner through Assessments.

³ Not reimbursable to Owner through Assessments. To be financed through TIRZ No. 2.

EXHIBIT E-1 – ZONE 1 REMAINDER AREA ASSESSMENT ROLL

Property ID	Lot Type	Outstanding Assessment	Annual Installment due 1/31/2023 ¹
TBD	Zone 1 Remainder Area Initial Parcel	\$ 8,395,000.00	\$ 86,975.00
Total		\$ 8,395,000.00	\$ 86,975.00

Notes:

¹ Annual Installment covers the period September 1, 2022 to August 31, 2023 and is due by January 31, 2023.

EXHIBIT E-2 – ZONE 1 REMAINDER AREA ANNUAL INSTALLMENTS

Due 1/31	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Annual Collection Costs	Total Annual Installment
2023	\$ -	\$ 398,763	\$ (398,763)	\$ 41,975	\$ -	\$ 45,000	\$ 86,975
2024	\$ -	\$ 398,763	\$ (398,763)	\$ 41,975	\$ -	\$ 45,900	\$ 87,875
2025	\$ 149,000	\$ 398,763	\$ -	\$ 41,975	\$ -	\$ 46,818	\$ 636,556
2026	\$ 157,000	\$ 391,685	\$ -	\$ 41,230	\$ -	\$ 47,754	\$ 637,669
2027	\$ 164,000	\$ 384,228	\$ -	\$ 40,445	\$ -	\$ 48,709	\$ 637,382
2028	\$ 172,000	\$ 376,438	\$ -	\$ 39,625	\$ -	\$ 49,684	\$ 637,746
2029	\$ 180,000	\$ 368,268	\$ -	\$ 38,765	\$ -	\$ 50,677	\$ 637,710
2030	\$ 189,000	\$ 359,718	\$ -	\$ 37,865	\$ -	\$ 51,691	\$ 638,273
2031	\$ 198,000	\$ 350,740	\$ -	\$ 36,920	\$ -	\$ 52,725	\$ 638,385
2032	\$ 207,000	\$ 341,335	\$ -	\$ 35,930	\$ -	\$ 53,779	\$ 638,044
2033	\$ 217,000	\$ 331,503	\$ -	\$ 34,895	\$ -	\$ 54,855	\$ 638,252
2034	\$ 227,000	\$ 321,195	\$ -	\$ 33,810	\$ -	\$ 55,952	\$ 637,957
2035	\$ 238,000	\$ 310,413	\$ -	\$ 32,675	\$ -	\$ 57,071	\$ 638,158
2036	\$ 249,000	\$ 299,108	\$ -	\$ 31,485	\$ -	\$ 58,212	\$ 637,805
2037	\$ 261,000	\$ 287,280	\$ -	\$ 30,240	\$ -	\$ 59,377	\$ 637,897
2038	\$ 273,000	\$ 274,883	\$ -	\$ 28,935	\$ -	\$ 60,564	\$ 637,382
2039	\$ 286,000	\$ 261,915	\$ -	\$ 27,570	\$ -	\$ 61,775	\$ 637,260
2040	\$ 300,000	\$ 248,330	\$ -	\$ 26,140	\$ -	\$ 63,011	\$ 637,481
2041	\$ 314,000	\$ 234,080	\$ -	\$ 24,640	\$ -	\$ 64,271	\$ 636,991
2042	\$ 329,000	\$ 219,165	\$ -	\$ 23,070	\$ -	\$ 65,557	\$ 636,792
2043	\$ 345,000	\$ 203,538	\$ -	\$ 21,425	\$ -	\$ 66,868	\$ 636,830
2044	\$ 361,000	\$ 187,150	\$ -	\$ 19,700	\$ -	\$ 68,205	\$ 636,055
2045	\$ 378,000	\$ 170,003	\$ -	\$ 17,895	\$ -	\$ 69,569	\$ 635,467
2046	\$ 396,000	\$ 152,048	\$ -	\$ 16,005	\$ -	\$ 70,960	\$ 635,013
2047	\$ 415,000	\$ 133,238	\$ -	\$ 14,025	\$ -	\$ 72,380	\$ 634,642
2048	\$ 435,000	\$ 113,525	\$ -	\$ 11,950	\$ -	\$ 73,827	\$ 634,302
2049	\$ 455,000	\$ 92,863	\$ -	\$ 9,775	\$ -	\$ 75,304	\$ 632,941
2050	\$ 477,000	\$ 71,250	\$ -	\$ 7,500	\$ -	\$ 76,810	\$ 632,560
2051	\$ 500,000	\$ 48,593	\$ -	\$ 5,115	\$ -	\$ 78,346	\$ 632,054
2052	\$ 523,000	\$ 24,843	\$ -	\$ 2,615	\$ (548,740)	\$ 79,913	\$ 81,631
Total	\$ 8,395,000	\$ 7,753,615	\$ (797,526)	\$ 816,170	\$ (548,740)	\$ 1,825,564	\$ 17,444,083

¹ Interest on the Zone 1 Remainder Area Bonds is calculated at a 4.75% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT F-1 –IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Lot Type	Outstanding Assessment		Annual Installment due 1/31/2023 ¹
		Improvement Area #1 Bonds	Improvement Area #1 Reimbursement Obligation	
TBD	POD 2A	\$ 7,499,363.95	\$ 2,426,384.88	\$ 48,303.17
TBD	POD 2B-1	\$ 6,150,308.63	\$ 1,989,904.20	\$ 39,613.94
TBD	POD 2C	\$ 10,638,264.83	\$ 3,441,961.89	\$ 68,520.73
TBD	POD 2D	\$ 6,941,062.59	\$ 2,245,749.03	\$ 44,707.16
Total		\$ 31,229,000.00	\$ 10,104,000.00	\$ 201,145.00

Notes:

¹ Annual Installment covers the period September 1, 2022 to August 31, 2023 and is due by January 31, 2023.

EXHIBIT F-2 –IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Due 1/31	Improvement Area #1 Bonds					Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Principal	Interest ²		
2023	\$ -	\$ 1,249,160	\$ (1,249,160)	\$ 156,145	\$ -	\$ -	\$ -	\$ 45,000	\$ 201,145
2024	\$ 590,000	\$ 1,249,160	\$ -	\$ 156,145	\$ -	\$ 190,763	\$ 404,160	\$ 45,900	\$ 2,636,128
2025	\$ 613,000	\$ 1,225,560	\$ -	\$ 153,195	\$ -	\$ 198,393	\$ 396,529	\$ 46,818	\$ 2,633,495
2026	\$ 638,000	\$ 1,201,040	\$ -	\$ 150,130	\$ -	\$ 206,329	\$ 388,594	\$ 47,754	\$ 2,631,847
2027	\$ 663,000	\$ 1,175,520	\$ -	\$ 146,940	\$ -	\$ 214,582	\$ 380,341	\$ 48,709	\$ 2,629,092
2028	\$ 690,000	\$ 1,149,000	\$ -	\$ 143,625	\$ -	\$ 223,166	\$ 371,757	\$ 49,684	\$ 2,627,232
2029	\$ 717,000	\$ 1,121,400	\$ -	\$ 140,175	\$ -	\$ 232,092	\$ 362,831	\$ 50,677	\$ 2,624,175
2030	\$ 746,000	\$ 1,092,720	\$ -	\$ 136,590	\$ -	\$ 241,376	\$ 353,547	\$ 51,691	\$ 2,621,924
2031	\$ 776,000	\$ 1,062,880	\$ -	\$ 132,860	\$ -	\$ 251,031	\$ 343,892	\$ 52,725	\$ 2,619,388
2032	\$ 807,000	\$ 1,031,840	\$ -	\$ 128,980	\$ -	\$ 261,072	\$ 333,851	\$ 53,779	\$ 2,616,522
2033	\$ 839,000	\$ 999,560	\$ -	\$ 124,945	\$ -	\$ 271,515	\$ 323,408	\$ 54,855	\$ 2,613,283
2034	\$ 873,000	\$ 966,000	\$ -	\$ 120,750	\$ -	\$ 282,376	\$ 312,547	\$ 55,952	\$ 2,610,625
2035	\$ 908,000	\$ 931,080	\$ -	\$ 116,385	\$ -	\$ 293,671	\$ 301,252	\$ 57,071	\$ 2,607,459
2036	\$ 944,000	\$ 894,760	\$ -	\$ 111,845	\$ -	\$ 305,417	\$ 289,505	\$ 58,212	\$ 2,603,740
2037	\$ 982,000	\$ 857,000	\$ -	\$ 107,125	\$ -	\$ 317,634	\$ 277,289	\$ 59,377	\$ 2,600,424
2038	\$ 1,021,000	\$ 817,720	\$ -	\$ 102,215	\$ -	\$ 330,340	\$ 264,583	\$ 60,564	\$ 2,596,422
2039	\$ 1,062,000	\$ 776,880	\$ -	\$ 97,110	\$ -	\$ 343,553	\$ 251,370	\$ 61,775	\$ 2,592,688
2040	\$ 1,104,000	\$ 734,400	\$ -	\$ 91,800	\$ -	\$ 357,295	\$ 237,628	\$ 63,011	\$ 2,588,133
2041	\$ 1,148,000	\$ 690,240	\$ -	\$ 86,280	\$ -	\$ 371,587	\$ 223,336	\$ 64,271	\$ 2,583,714
2042	\$ 1,194,000	\$ 644,320	\$ -	\$ 80,540	\$ -	\$ 386,451	\$ 208,472	\$ 65,557	\$ 2,579,340
2043	\$ 1,242,000	\$ 596,560	\$ -	\$ 74,570	\$ -	\$ 401,909	\$ 193,014	\$ 66,868	\$ 2,574,921
2044	\$ 1,292,000	\$ 546,880	\$ -	\$ 68,360	\$ -	\$ 417,985	\$ 176,938	\$ 68,205	\$ 2,570,368
2045	\$ 1,344,000	\$ 495,200	\$ -	\$ 61,900	\$ -	\$ 434,704	\$ 160,219	\$ 69,569	\$ 2,565,592
2046	\$ 1,397,000	\$ 441,440	\$ -	\$ 55,180	\$ -	\$ 452,092	\$ 142,830	\$ 70,960	\$ 2,559,503
2047	\$ 1,453,000	\$ 385,560	\$ -	\$ 48,195	\$ -	\$ 470,176	\$ 124,747	\$ 72,380	\$ 2,554,057
2048	\$ 1,511,000	\$ 327,440	\$ -	\$ 40,930	\$ -	\$ 488,983	\$ 105,940	\$ 73,827	\$ 2,548,120
2049	\$ 1,572,000	\$ 267,000	\$ -	\$ 33,375	\$ -	\$ 508,543	\$ 86,380	\$ 75,304	\$ 2,542,602
2050	\$ 1,635,000	\$ 204,120	\$ -	\$ 25,515	\$ -	\$ 528,884	\$ 66,039	\$ 76,810	\$ 2,536,367
2051	\$ 1,700,000	\$ 138,720	\$ -	\$ 17,340	\$ -	\$ 550,040	\$ 44,883	\$ 78,346	\$ 2,529,329
2052	\$ 1,768,000	\$ 70,720	\$ -	\$ 8,840	\$ (1,839,200)	\$ 572,041	\$ 22,882	\$ 79,913	\$ 683,196
Total	\$ 31,229,000	\$ 23,343,880	\$ (1,249,160)	\$ 2,917,985	\$ (1,839,200)	\$ 10,104,000	\$ 7,148,763	\$ 1,825,564	\$ 73,480,831

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT F-3 –POD 2A ANNUAL INSTALLMENTS

Due 1/31	Improvement Area #1 Bonds					Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Principal	Interest ²		
2023	\$ -	\$ 299,975	\$ (299,975)	\$ 37,497	\$ -	\$ -	\$ -	\$ 10,806	\$ 48,303
2024	\$ 141,683	\$ 299,975	\$ -	\$ 37,497	\$ -	\$ 45,810	\$ 97,055	\$ 11,022	\$ 633,042
2025	\$ 147,206	\$ 294,307	\$ -	\$ 36,788	\$ -	\$ 47,642	\$ 95,223	\$ 11,243	\$ 632,410
2026	\$ 153,210	\$ 288,419	\$ -	\$ 36,052	\$ -	\$ 49,548	\$ 93,317	\$ 11,468	\$ 632,014
2027	\$ 159,213	\$ 282,291	\$ -	\$ 35,286	\$ -	\$ 51,530	\$ 91,335	\$ 11,697	\$ 631,353
2028	\$ 165,697	\$ 275,922	\$ -	\$ 34,490	\$ -	\$ 53,591	\$ 89,274	\$ 11,931	\$ 630,906
2029	\$ 172,181	\$ 269,294	\$ -	\$ 33,662	\$ -	\$ 55,735	\$ 87,131	\$ 12,170	\$ 630,172
2030	\$ 179,145	\$ 262,407	\$ -	\$ 32,801	\$ -	\$ 57,964	\$ 84,901	\$ 12,413	\$ 629,631
2031	\$ 186,349	\$ 255,241	\$ -	\$ 31,905	\$ -	\$ 60,283	\$ 82,583	\$ 12,661	\$ 629,022
2032	\$ 193,794	\$ 247,787	\$ -	\$ 30,973	\$ -	\$ 62,694	\$ 80,171	\$ 12,915	\$ 628,334
2033	\$ 201,478	\$ 240,035	\$ -	\$ 30,004	\$ -	\$ 65,202	\$ 77,663	\$ 13,173	\$ 627,556
2034	\$ 209,643	\$ 231,976	\$ -	\$ 28,997	\$ -	\$ 67,810	\$ 75,055	\$ 13,436	\$ 626,918
2035	\$ 218,048	\$ 223,591	\$ -	\$ 27,949	\$ -	\$ 70,522	\$ 72,343	\$ 13,705	\$ 626,158
2036	\$ 226,693	\$ 214,869	\$ -	\$ 26,859	\$ -	\$ 73,343	\$ 69,522	\$ 13,979	\$ 625,265
2037	\$ 235,818	\$ 205,801	\$ -	\$ 25,725	\$ -	\$ 76,277	\$ 66,588	\$ 14,259	\$ 624,469
2038	\$ 245,184	\$ 196,368	\$ -	\$ 24,546	\$ -	\$ 79,328	\$ 63,537	\$ 14,544	\$ 623,508
2039	\$ 255,030	\$ 186,561	\$ -	\$ 23,320	\$ -	\$ 82,501	\$ 60,364	\$ 14,835	\$ 622,611
2040	\$ 265,116	\$ 176,360	\$ -	\$ 22,045	\$ -	\$ 85,801	\$ 57,064	\$ 15,131	\$ 621,517
2041	\$ 275,682	\$ 165,755	\$ -	\$ 20,719	\$ -	\$ 89,233	\$ 53,632	\$ 15,434	\$ 620,456
2042	\$ 286,728	\$ 154,728	\$ -	\$ 19,341	\$ -	\$ 92,803	\$ 50,063	\$ 15,743	\$ 619,405
2043	\$ 298,255	\$ 143,259	\$ -	\$ 17,907	\$ -	\$ 96,515	\$ 46,351	\$ 16,058	\$ 618,344
2044	\$ 310,262	\$ 131,328	\$ -	\$ 16,416	\$ -	\$ 100,375	\$ 42,490	\$ 16,379	\$ 617,251
2045	\$ 322,750	\$ 118,918	\$ -	\$ 14,865	\$ -	\$ 104,390	\$ 38,475	\$ 16,706	\$ 616,104
2046	\$ 335,477	\$ 106,008	\$ -	\$ 13,251	\$ -	\$ 108,566	\$ 34,299	\$ 17,041	\$ 614,642
2047	\$ 348,925	\$ 92,589	\$ -	\$ 11,574	\$ -	\$ 112,909	\$ 29,957	\$ 17,381	\$ 613,334
2048	\$ 362,853	\$ 78,632	\$ -	\$ 9,829	\$ -	\$ 117,425	\$ 25,440	\$ 17,729	\$ 611,908
2049	\$ 377,502	\$ 64,118	\$ -	\$ 8,015	\$ -	\$ 122,122	\$ 20,743	\$ 18,084	\$ 610,583
2050	\$ 392,631	\$ 49,018	\$ -	\$ 6,127	\$ -	\$ 127,007	\$ 15,859	\$ 18,445	\$ 609,086
2051	\$ 408,240	\$ 33,312	\$ -	\$ 4,164	\$ -	\$ 132,087	\$ 10,778	\$ 18,814	\$ 607,396
2052	\$ 424,569	\$ 16,983	\$ -	\$ 2,123	\$ (441,667)	\$ 137,371	\$ 5,495	\$ 19,190	\$ 164,063
Total	\$ 7,499,364	\$ 5,605,823	\$ (299,975)	\$ 700,728	\$ (441,667)	\$ 2,426,385	\$ 1,716,711	\$ 438,393	\$ 17,645,762

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT F-4 –POD 2B-1 ANNUAL INSTALLMENTS

Due 1/31	Improvement Area #1 Bonds					Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Principal	Interest ²		
2023	\$ -	\$ 246,012	\$ (246,012)	\$ 30,752	\$ -	\$ -	\$ -	\$ 8,862	\$ 39,614
2024	\$ 116,196	\$ 246,012	\$ -	\$ 30,752	\$ -	\$ 37,569	\$ 79,596	\$ 9,040	\$ 519,165
2025	\$ 120,726	\$ 241,365	\$ -	\$ 30,171	\$ -	\$ 39,072	\$ 78,093	\$ 9,220	\$ 518,646
2026	\$ 125,649	\$ 236,535	\$ -	\$ 29,567	\$ -	\$ 40,635	\$ 76,531	\$ 9,405	\$ 518,322
2027	\$ 130,573	\$ 231,510	\$ -	\$ 28,939	\$ -	\$ 42,260	\$ 74,905	\$ 9,593	\$ 517,779
2028	\$ 135,890	\$ 226,287	\$ -	\$ 28,286	\$ -	\$ 43,951	\$ 73,215	\$ 9,785	\$ 517,413
2029	\$ 141,208	\$ 220,851	\$ -	\$ 27,606	\$ -	\$ 45,709	\$ 71,457	\$ 9,981	\$ 516,811
2030	\$ 146,919	\$ 215,203	\$ -	\$ 26,900	\$ -	\$ 47,537	\$ 69,628	\$ 10,180	\$ 516,368
2031	\$ 152,827	\$ 209,326	\$ -	\$ 26,166	\$ -	\$ 49,439	\$ 67,727	\$ 10,384	\$ 515,868
2032	\$ 158,932	\$ 203,213	\$ -	\$ 25,402	\$ -	\$ 51,416	\$ 65,749	\$ 10,591	\$ 515,304
2033	\$ 165,235	\$ 196,856	\$ -	\$ 24,607	\$ -	\$ 53,473	\$ 63,693	\$ 10,803	\$ 514,666
2034	\$ 171,931	\$ 190,246	\$ -	\$ 23,781	\$ -	\$ 55,612	\$ 61,554	\$ 11,019	\$ 514,142
2035	\$ 178,824	\$ 183,369	\$ -	\$ 22,921	\$ -	\$ 57,836	\$ 59,329	\$ 11,240	\$ 513,519
2036	\$ 185,913	\$ 176,216	\$ -	\$ 22,027	\$ -	\$ 60,150	\$ 57,016	\$ 11,464	\$ 512,786
2037	\$ 193,397	\$ 168,779	\$ -	\$ 21,097	\$ -	\$ 62,556	\$ 54,610	\$ 11,694	\$ 512,133
2038	\$ 201,078	\$ 161,044	\$ -	\$ 20,130	\$ -	\$ 65,058	\$ 52,108	\$ 11,928	\$ 511,345
2039	\$ 209,153	\$ 153,000	\$ -	\$ 19,125	\$ -	\$ 67,660	\$ 49,505	\$ 12,166	\$ 510,610
2040	\$ 217,424	\$ 144,634	\$ -	\$ 18,079	\$ -	\$ 70,366	\$ 46,799	\$ 12,409	\$ 509,713
2041	\$ 226,090	\$ 135,937	\$ -	\$ 16,992	\$ -	\$ 73,181	\$ 43,984	\$ 12,658	\$ 508,842
2042	\$ 235,149	\$ 126,894	\$ -	\$ 15,862	\$ -	\$ 76,109	\$ 41,057	\$ 12,911	\$ 507,981
2043	\$ 244,602	\$ 117,488	\$ -	\$ 14,686	\$ -	\$ 79,153	\$ 38,013	\$ 13,169	\$ 507,111
2044	\$ 254,449	\$ 107,704	\$ -	\$ 13,463	\$ -	\$ 82,319	\$ 34,847	\$ 13,432	\$ 506,214
2045	\$ 264,690	\$ 97,526	\$ -	\$ 12,191	\$ -	\$ 85,612	\$ 31,554	\$ 13,701	\$ 505,273
2046	\$ 275,128	\$ 86,938	\$ -	\$ 10,867	\$ -	\$ 89,036	\$ 28,129	\$ 13,975	\$ 504,074
2047	\$ 286,157	\$ 75,933	\$ -	\$ 9,492	\$ -	\$ 92,598	\$ 24,568	\$ 14,255	\$ 503,002
2048	\$ 297,580	\$ 64,487	\$ -	\$ 8,061	\$ -	\$ 96,301	\$ 20,864	\$ 14,540	\$ 501,832
2049	\$ 309,593	\$ 52,584	\$ -	\$ 6,573	\$ -	\$ 100,154	\$ 17,012	\$ 14,831	\$ 500,746
2050	\$ 322,001	\$ 40,200	\$ -	\$ 5,025	\$ -	\$ 104,160	\$ 13,006	\$ 15,127	\$ 499,518
2051	\$ 334,802	\$ 27,320	\$ -	\$ 3,415	\$ -	\$ 108,326	\$ 8,839	\$ 15,430	\$ 498,132
2052	\$ 348,194	\$ 13,928	\$ -	\$ 1,741	\$ (362,216)	\$ 112,659	\$ 4,506	\$ 15,738	\$ 134,550
Total	\$ 6,150,309	\$ 4,597,396	\$ (246,012)	\$ 574,674	\$ (362,216)	\$ 1,989,904	\$ 1,407,893	\$ 359,531	\$ 14,471,478

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT F-5 –POD 2C ANNUAL INSTALLMENTS

Due 1/31	Improvement Area #1 Bonds					Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Principal	Interest ²		
2023	\$ -	\$ 425,531	\$ (425,531)	\$ 53,191	\$ -	\$ -	\$ -	\$ 15,329	\$ 68,521
2024	\$ 200,986	\$ 425,531	\$ -	\$ 53,191	\$ -	\$ 64,984	\$ 137,678	\$ 15,636	\$ 898,006
2025	\$ 208,821	\$ 417,491	\$ -	\$ 52,186	\$ -	\$ 67,583	\$ 135,079	\$ 15,949	\$ 897,109
2026	\$ 217,337	\$ 409,138	\$ -	\$ 51,142	\$ -	\$ 70,287	\$ 132,376	\$ 16,268	\$ 896,548
2027	\$ 225,853	\$ 400,445	\$ -	\$ 50,056	\$ -	\$ 73,098	\$ 129,564	\$ 16,593	\$ 895,609
2028	\$ 235,051	\$ 391,411	\$ -	\$ 48,926	\$ -	\$ 76,022	\$ 126,640	\$ 16,925	\$ 894,975
2029	\$ 244,248	\$ 382,009	\$ -	\$ 47,751	\$ -	\$ 79,063	\$ 123,600	\$ 17,263	\$ 893,934
2030	\$ 254,127	\$ 372,239	\$ -	\$ 46,530	\$ -	\$ 82,226	\$ 120,437	\$ 17,609	\$ 893,167
2031	\$ 264,347	\$ 362,074	\$ -	\$ 45,259	\$ -	\$ 85,515	\$ 117,148	\$ 17,961	\$ 892,303
2032	\$ 274,907	\$ 351,500	\$ -	\$ 43,937	\$ -	\$ 88,935	\$ 113,727	\$ 18,320	\$ 891,327
2033	\$ 285,808	\$ 340,504	\$ -	\$ 42,563	\$ -	\$ 92,493	\$ 110,170	\$ 18,686	\$ 890,224
2034	\$ 297,390	\$ 329,071	\$ -	\$ 41,134	\$ -	\$ 96,192	\$ 106,470	\$ 19,060	\$ 889,318
2035	\$ 309,313	\$ 317,176	\$ -	\$ 39,647	\$ -	\$ 100,040	\$ 102,623	\$ 19,441	\$ 888,240
2036	\$ 321,577	\$ 304,803	\$ -	\$ 38,100	\$ -	\$ 104,041	\$ 98,621	\$ 19,830	\$ 886,973
2037	\$ 334,522	\$ 291,940	\$ -	\$ 36,492	\$ -	\$ 108,203	\$ 94,459	\$ 20,227	\$ 885,843
2038	\$ 347,807	\$ 278,559	\$ -	\$ 34,820	\$ -	\$ 112,531	\$ 90,131	\$ 20,631	\$ 884,480
2039	\$ 361,774	\$ 264,647	\$ -	\$ 33,081	\$ -	\$ 117,032	\$ 85,630	\$ 21,044	\$ 883,208
2040	\$ 376,081	\$ 250,176	\$ -	\$ 31,272	\$ -	\$ 121,714	\$ 80,949	\$ 21,465	\$ 881,656
2041	\$ 391,070	\$ 235,133	\$ -	\$ 29,392	\$ -	\$ 126,582	\$ 76,080	\$ 21,894	\$ 880,151
2042	\$ 406,740	\$ 219,490	\$ -	\$ 27,436	\$ -	\$ 131,646	\$ 71,017	\$ 22,332	\$ 878,661
2043	\$ 423,092	\$ 203,220	\$ -	\$ 25,403	\$ -	\$ 136,912	\$ 65,751	\$ 22,779	\$ 877,156
2044	\$ 440,124	\$ 186,297	\$ -	\$ 23,287	\$ -	\$ 142,388	\$ 60,275	\$ 23,234	\$ 875,605
2045	\$ 457,838	\$ 168,692	\$ -	\$ 21,086	\$ -	\$ 148,083	\$ 54,579	\$ 23,699	\$ 873,977
2046	\$ 475,893	\$ 150,378	\$ -	\$ 18,797	\$ -	\$ 154,007	\$ 48,656	\$ 24,173	\$ 871,903
2047	\$ 494,969	\$ 131,342	\$ -	\$ 16,418	\$ -	\$ 160,167	\$ 42,495	\$ 24,656	\$ 870,048
2048	\$ 514,727	\$ 111,544	\$ -	\$ 13,943	\$ -	\$ 166,574	\$ 36,089	\$ 25,150	\$ 868,026
2049	\$ 535,507	\$ 90,954	\$ -	\$ 11,369	\$ -	\$ 173,237	\$ 29,426	\$ 25,653	\$ 866,146
2050	\$ 556,968	\$ 69,534	\$ -	\$ 8,692	\$ -	\$ 180,166	\$ 22,496	\$ 26,166	\$ 864,022
2051	\$ 579,111	\$ 47,255	\$ -	\$ 5,907	\$ -	\$ 187,373	\$ 15,290	\$ 26,689	\$ 861,625
2052	\$ 602,275	\$ 24,091	\$ -	\$ 3,011	\$ (626,530)	\$ 194,868	\$ 7,795	\$ 27,223	\$ 232,733
Total	\$ 10,638,265	\$ 7,952,172	\$ (425,531)	\$ 994,021	\$ (626,530)	\$ 3,441,962	\$ 2,435,250	\$ 621,884	\$ 25,031,495

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT F-6 –POD 2D ANNUAL INSTALLMENTS

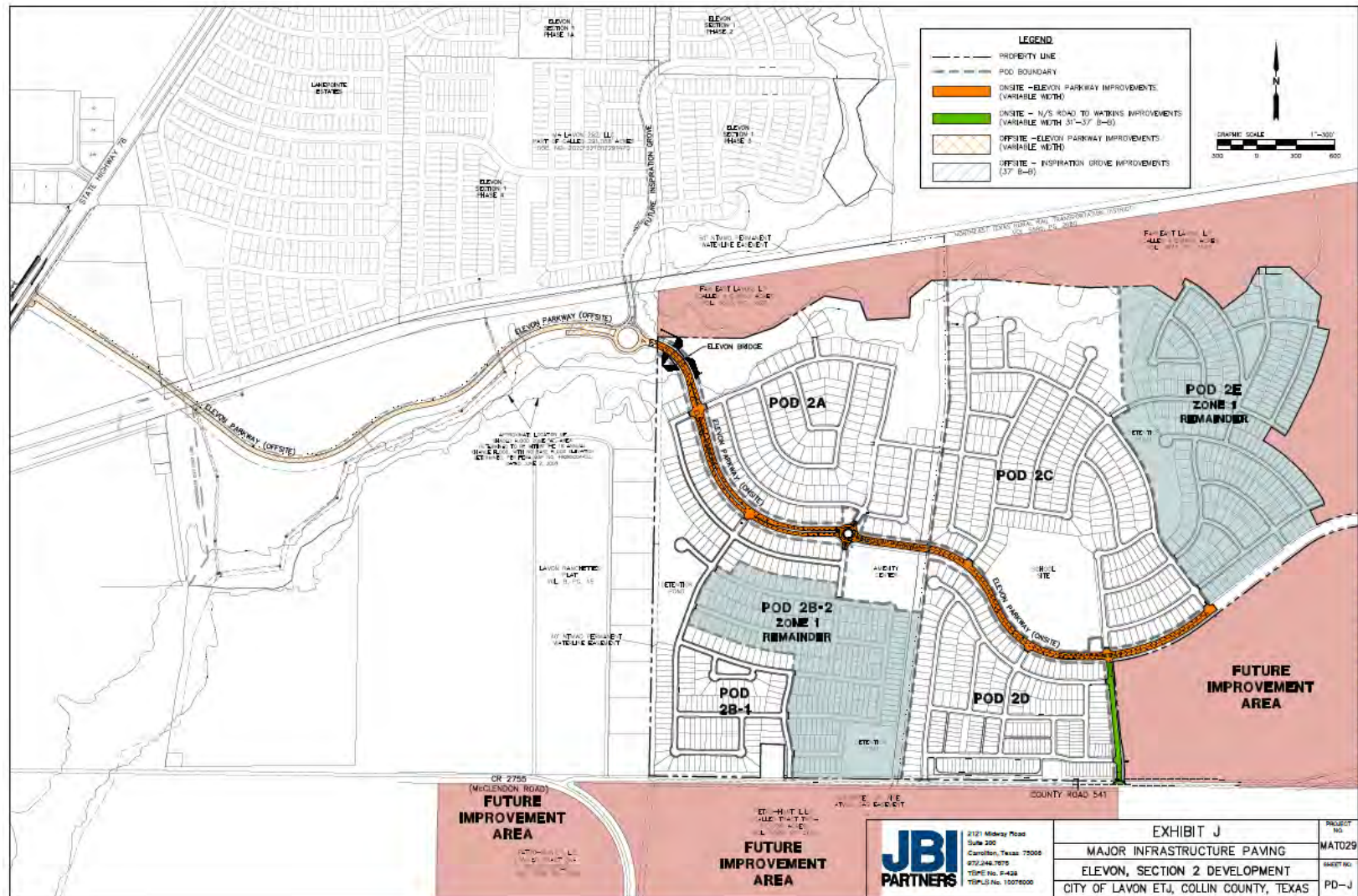
Due 1/31	Improvement Area #1 Bonds					Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Principal	Interest ²		
2023	\$ -	\$ 277,643	\$ (277,643)	\$ 34,705	\$ -	\$ -	\$ -	\$ 10,002	\$ 44,707
2024	\$ 131,135	\$ 277,643	\$ -	\$ 34,705	\$ -	\$ 42,400	\$ 89,830	\$ 10,202	\$ 585,915
2025	\$ 136,247	\$ 272,397	\$ -	\$ 34,050	\$ -	\$ 44,095	\$ 88,134	\$ 10,406	\$ 585,330
2026	\$ 141,804	\$ 266,947	\$ -	\$ 33,368	\$ -	\$ 45,859	\$ 86,370	\$ 10,614	\$ 584,963
2027	\$ 147,361	\$ 261,275	\$ -	\$ 32,659	\$ -	\$ 47,694	\$ 84,536	\$ 10,826	\$ 584,351
2028	\$ 153,362	\$ 255,381	\$ -	\$ 31,923	\$ -	\$ 49,602	\$ 82,628	\$ 11,043	\$ 583,937
2029	\$ 159,363	\$ 249,246	\$ -	\$ 31,156	\$ -	\$ 51,586	\$ 80,644	\$ 11,264	\$ 583,258
2030	\$ 165,808	\$ 242,872	\$ -	\$ 30,359	\$ -	\$ 53,649	\$ 78,581	\$ 11,489	\$ 582,758
2031	\$ 172,476	\$ 236,239	\$ -	\$ 29,530	\$ -	\$ 55,795	\$ 76,435	\$ 11,719	\$ 582,194
2032	\$ 179,367	\$ 229,340	\$ -	\$ 28,668	\$ -	\$ 58,027	\$ 74,203	\$ 11,953	\$ 581,557
2033	\$ 186,479	\$ 222,166	\$ -	\$ 27,771	\$ -	\$ 60,348	\$ 71,882	\$ 12,192	\$ 580,837
2034	\$ 194,036	\$ 214,706	\$ -	\$ 26,838	\$ -	\$ 62,762	\$ 69,468	\$ 12,436	\$ 580,246
2035	\$ 201,815	\$ 206,945	\$ -	\$ 25,868	\$ -	\$ 65,272	\$ 66,957	\$ 12,685	\$ 579,543
2036	\$ 209,817	\$ 198,872	\$ -	\$ 24,859	\$ -	\$ 67,883	\$ 64,346	\$ 12,938	\$ 578,716
2037	\$ 218,263	\$ 190,480	\$ -	\$ 23,810	\$ -	\$ 70,598	\$ 61,631	\$ 13,197	\$ 577,979
2038	\$ 226,931	\$ 181,749	\$ -	\$ 22,719	\$ -	\$ 73,422	\$ 58,807	\$ 13,461	\$ 577,090
2039	\$ 236,044	\$ 172,672	\$ -	\$ 21,584	\$ -	\$ 76,359	\$ 55,870	\$ 13,730	\$ 576,260
2040	\$ 245,379	\$ 163,230	\$ -	\$ 20,404	\$ -	\$ 79,414	\$ 52,816	\$ 14,005	\$ 575,247
2041	\$ 255,158	\$ 153,415	\$ -	\$ 19,177	\$ -	\$ 82,590	\$ 49,639	\$ 14,285	\$ 574,265
2042	\$ 265,382	\$ 143,209	\$ -	\$ 17,901	\$ -	\$ 85,894	\$ 46,336	\$ 14,571	\$ 573,293
2043	\$ 276,051	\$ 132,593	\$ -	\$ 16,574	\$ -	\$ 89,330	\$ 42,900	\$ 14,862	\$ 572,311
2044	\$ 287,164	\$ 121,551	\$ -	\$ 15,194	\$ -	\$ 92,903	\$ 39,327	\$ 15,159	\$ 571,299
2045	\$ 298,722	\$ 110,065	\$ -	\$ 13,758	\$ -	\$ 96,619	\$ 35,611	\$ 15,463	\$ 570,237
2046	\$ 310,502	\$ 98,116	\$ -	\$ 12,264	\$ -	\$ 100,483	\$ 31,746	\$ 15,772	\$ 568,884
2047	\$ 322,949	\$ 85,696	\$ -	\$ 10,712	\$ -	\$ 104,503	\$ 27,727	\$ 16,087	\$ 567,673
2048	\$ 335,840	\$ 72,778	\$ -	\$ 9,097	\$ -	\$ 108,683	\$ 23,547	\$ 16,409	\$ 566,354
2049	\$ 349,398	\$ 59,344	\$ -	\$ 7,418	\$ -	\$ 113,030	\$ 19,199	\$ 16,737	\$ 565,127
2050	\$ 363,401	\$ 45,368	\$ -	\$ 5,671	\$ -	\$ 117,552	\$ 14,678	\$ 17,072	\$ 563,742
2051	\$ 377,848	\$ 30,832	\$ -	\$ 3,854	\$ -	\$ 122,254	\$ 9,976	\$ 17,413	\$ 562,177
2052	\$ 392,962	\$ 15,718	\$ -	\$ 1,965	\$ (408,787)	\$ 127,144	\$ 5,086	\$ 17,762	\$ 151,849
Total	\$ 6,941,063	\$ 5,188,489	\$ (277,643)	\$ 648,561	\$ (408,787)	\$ 2,245,749	\$ 1,588,908	\$ 405,756	\$ 16,332,097

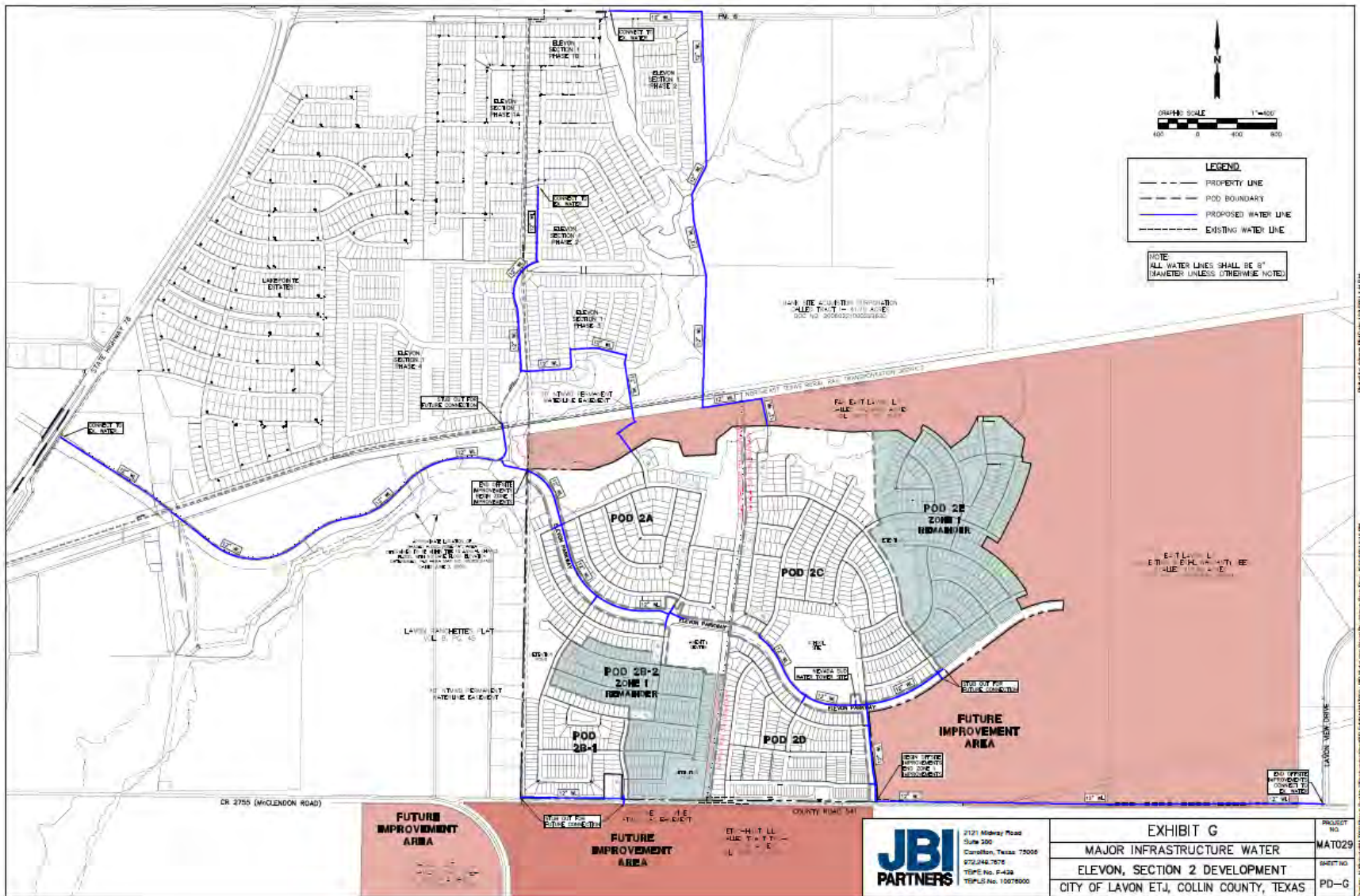
¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 – MAPS OF ZONE 1 IMPROVEMENTS AND OFFSITE IMPROVEMENTS





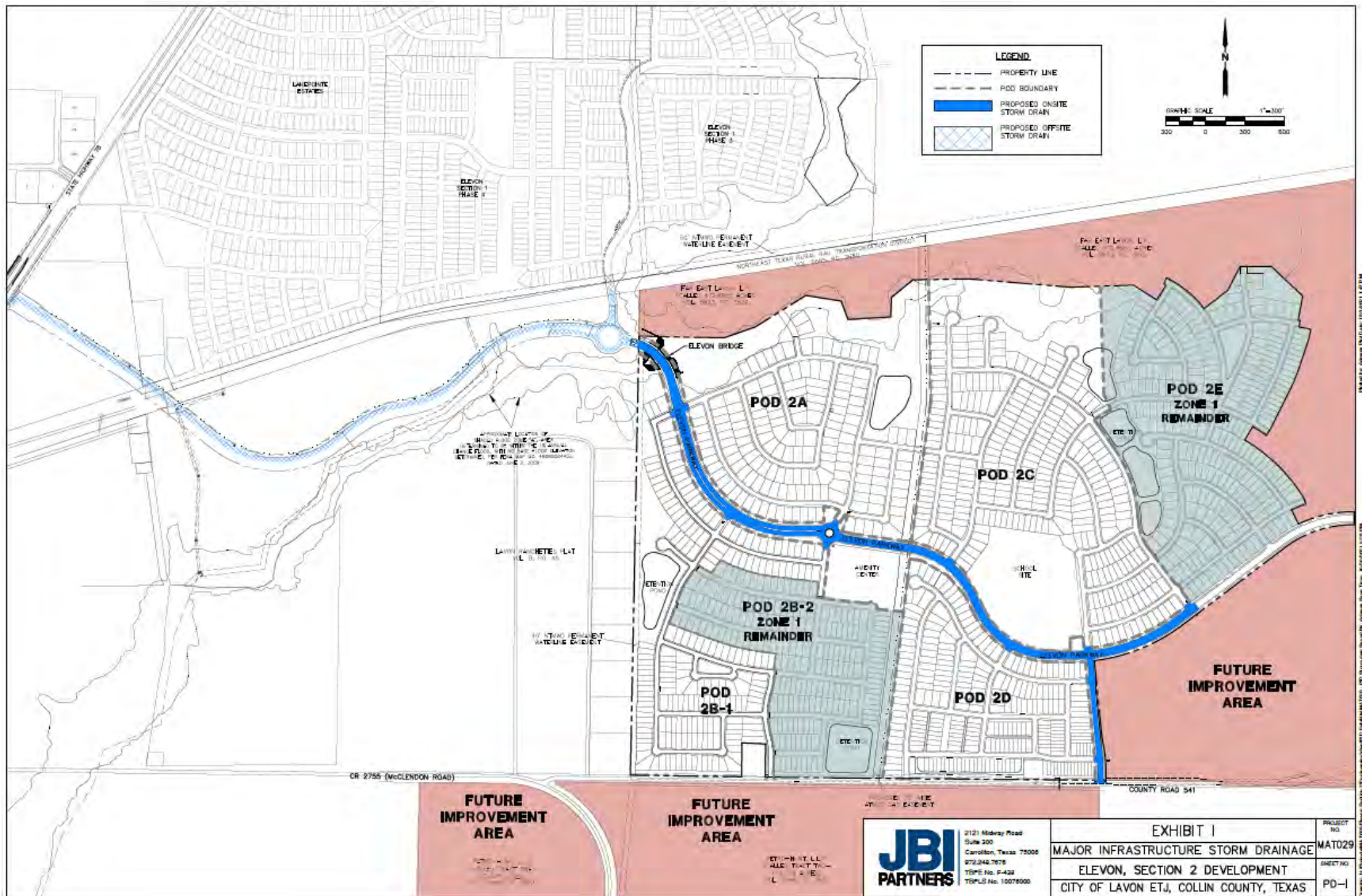
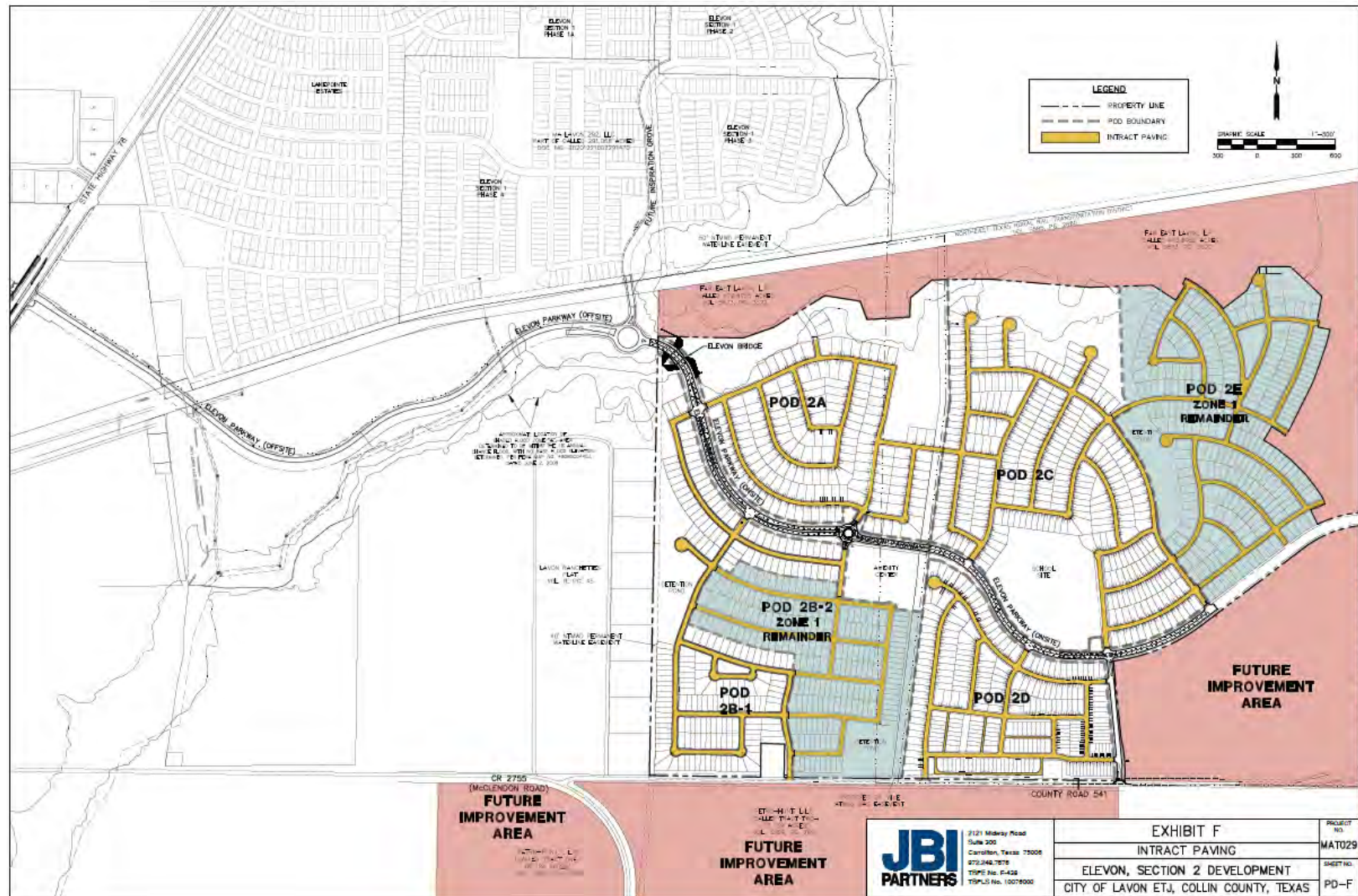
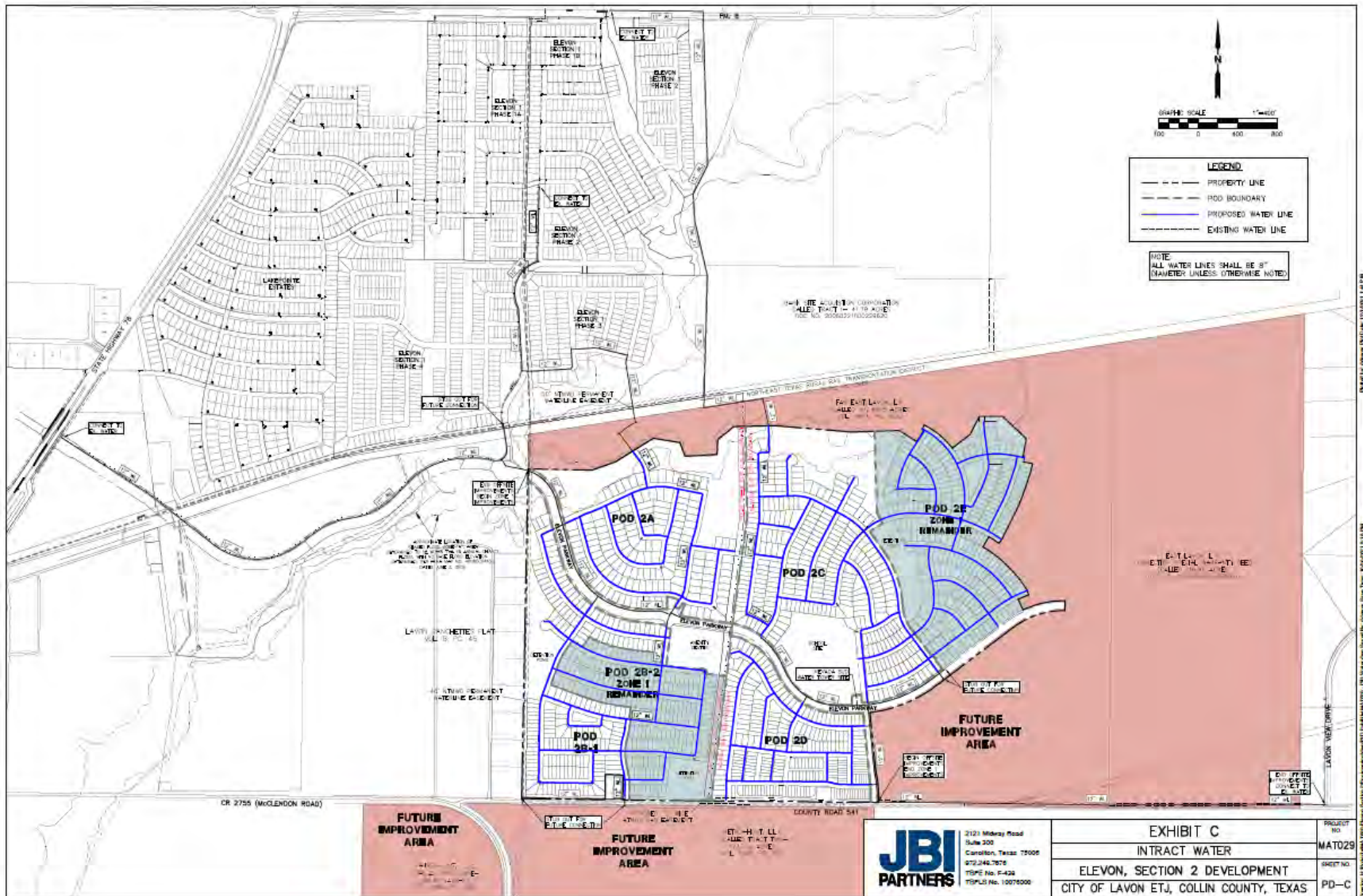


EXHIBIT G-2 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS





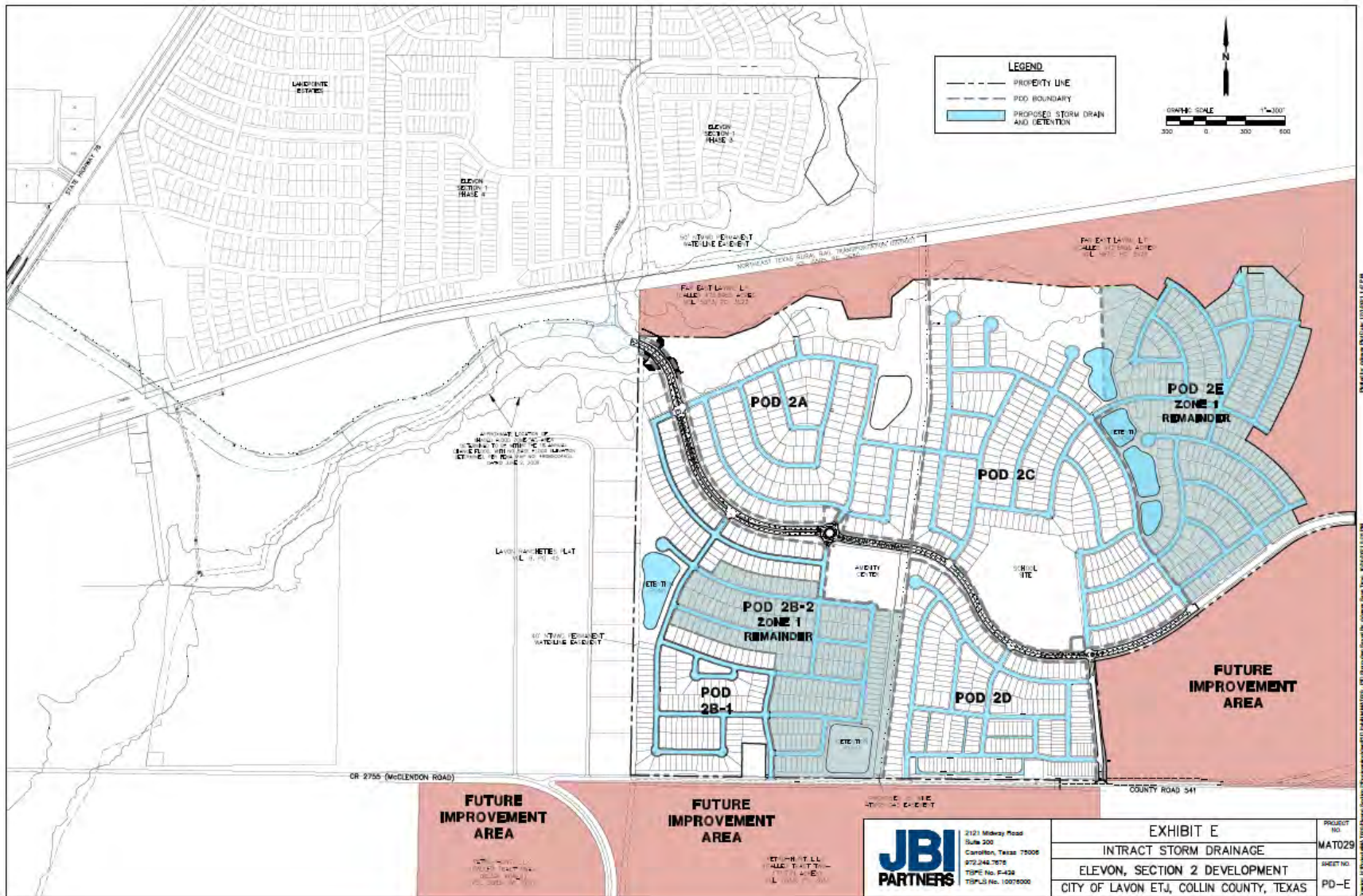


EXHIBIT H-1 – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units	Finished Lot Value per Unit	Total Finished Lot Value	Estimated Buildout Value per Unit ¹	Total Estimated Buildout Value	Assessment	Maximum Assessment per Unit	Average Annual Installment	Average Annual Installment per Unit	PID TRE
Zone 1										
<i>Improvement Area #1</i>										
Lot Type 1	77	\$ 42,000	\$ 3,234,000	\$ 233,000	\$ 17,941,000	\$ 2,346,835	\$ 30,478	\$ 147,212	\$ 1,912	\$ 0.8205
Lot Type 2	215	56,000	12,040,000	280,000	60,200,000	7,874,672	36,626	493,962	2,297	0.8205
Lot Type 3	68	63,000	4,284,000	325,000	22,100,000	2,890,868	42,513	181,338	2,667	0.8205
Lot Type 4	312	70,000	21,840,000	350,000	109,200,000	14,284,288	45,783	896,023	2,872	0.8205
Lot Type 5	44	36,400	1,601,600	210,000	9,240,000	1,208,671	27,470	75,817	1,723	0.8205
Lot Type 6	143	84,000	12,012,000	420,000	60,060,000	7,856,358	54,940	492,813	3,446	0.8205
Lot Type 7	76	98,000	7,448,000	490,000	37,240,000	4,871,308	64,096	305,567	4,021	0.8205
Improvement Area #1 Total	935		\$ 62,459,600		\$ 315,981,000	\$ 41,333,000		\$ 2,592,732		\$ 0.8205
Zone 1 Remainder Area Total	452		\$ 29,841,000		\$ 149,815,000	\$ 8,395,000		\$ 581,469		\$ 0.3881
Total	1387		\$ 92,300,600		\$ 465,796,000	\$ 49,728,000		\$ 3,174,201		

Notes:

¹ Based on information provided by the Owner

EXHIBIT H-2 – IMPROVEMENT AREA #1 POD ALLOCATION

Lot Type	Units	Finished Lot Value per Unit	Total Finished Lot Value	Estimated Buildout Value per Unit ¹	Total Estimated Buildout Value	Allocation	Assessment	Maximum Assessment per Unit	Average Annual Installment	Average Annual Installment per Unit	PID TRE
Zone 1											
<i>Improvement Area #1</i>											
<i>POD 2A</i>											
Lot Type 6	92	\$ 84,000	\$ 7,728,000	\$ 420,000	\$ 38,640,000	12.23%	\$ 5,054,440	\$ 54,940	\$ 317,054	\$ 3,446	\$ 0.8205
Lot Type 7	76	98,000	7,448,000	490,000	37,240,000	11.79%	4,871,308	64,096	305,567	4,021	0.8205
POD 2A Total	168		\$ 15,176,000		\$ 75,880,000	24.01%	\$ 9,925,749	\$ 59,082	\$ 622,621	\$ 3,706	\$ 0.8205
<i>POD 2B-1</i>											
Lot Type 2	101	\$ 56,000	\$ 5,656,000	\$ 280,000	\$ 28,280,000	8.95%	\$ 3,699,264	\$ 36,626	\$ 232,047	\$ 2,297	\$ 0.8205
Lot Type 4	97	70,000	6,790,000	350,000	33,950,000	10.74%	4,440,949	45,783	278,571	2,872	0.8205
POD 2B-1 Total	198		\$ 12,446,000		\$ 62,230,000	19.69%	\$ 8,140,213	\$ 41,112	\$ 510,618	\$ 2,579	\$ 0.8205
<i>POD 2C</i>											
Lot Type 2	39	\$ 56,000	\$ 2,184,000	\$ 280,000	\$ 10,920,000	3.46%	\$ 1,428,429	\$ 36,626	\$ 89,602	\$ 2,297	\$ 0.8205
Lot Type 3	68	63,000	4,284,000	325,000	22,100,000	6.99%	2,890,868	42,513	181,338	2,667	0.8205
Lot Type 4	152	70,000	10,640,000	350,000	53,200,000	16.84%	6,959,012	45,783	436,524	2,872	0.8205
Lot Type 6	51	84,000	4,284,000	420,000	21,420,000	6.78%	2,801,918	54,940	175,758	3,446	0.8205
POD 2C Total	310		\$ 21,392,000		\$ 107,640,000	34.07%	\$ 14,080,227	\$ 45,420	\$ 883,223	\$ 2,849	\$ 0.8205
<i>POD 2D</i>											
Lot Type 1	77	\$ 42,000	\$ 3,234,000	\$ 233,000	\$ 17,941,000	5.68%	\$ 2,346,835	\$ 30,478	\$ 147,212	\$ 1,912	\$ 0.8205
Lot Type 2	75	56,000	4,200,000	280,000	21,000,000	6.65%	2,746,978	36,626	172,312	2,297	0.8205
Lot Type 4	63	70,000	4,410,000	350,000	22,050,000	6.98%	2,884,327	45,783	180,928	2,872	0.8205
Lot Type 5	44	36,400	1,601,600	210,000	9,240,000	2.92%	1,208,671	27,470	75,817	1,723	0.8205
POD 2D Total	259		\$ 13,445,600		\$ 70,231,000	22.23%	\$ 9,186,812	\$ 35,470	\$ 576,269	\$ 2,225	\$ 0.8205
Improvement Area #1 Total	935		\$ 62,459,600		\$ 315,981,000	100.00%	\$ 41,333,000		\$ 2,592,732		\$ 0.8205

Notes:

¹ Based on information provided by the Owner

EXHIBIT I – FORM OF NOTICE OF ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Collin County Clerk's Office
Honorable [County Clerk]
Collin County Administration Building
2300 Bloomdale Rd

Re: City of Lavon Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Lavon is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents to my attention:

City of Lavon
Attn: City Secretary
PO Box 340
120 School Road
Lavon, TX 75166

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
(817) 393-0353
Admin@P3-Works.com
www.P3-Works.com

EXHIBIT J-1 – DEBT SERVICE SCHEDULE FOR ZONE 1 REMAINDER AREA BONDS

EXHIBIT J-2 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1 BONDS

**EXHIBIT J-3 – ANNUAL INSTALLMENT SCHEDULE FOR THE IMPROVEMENT AREA
#1 REIMBURSEMENT OBLIGATION**

Improvement Area #1 Reimbursement Obligation			
Due 1/31	Principal	Interest ¹	Total Annual Installment
2023	\$ -	\$ -	\$ -
2024	\$ 190,763	\$ 404,160	\$ 594,923
2025	\$ 198,393	\$ 396,529	\$ 594,922
2026	\$ 206,329	\$ 388,594	\$ 594,923
2027	\$ 214,582	\$ 380,341	\$ 594,923
2028	\$ 223,166	\$ 371,757	\$ 594,923
2029	\$ 232,092	\$ 362,831	\$ 594,923
2030	\$ 241,376	\$ 353,547	\$ 594,923
2031	\$ 251,031	\$ 343,892	\$ 594,923
2032	\$ 261,072	\$ 333,851	\$ 594,923
2033	\$ 271,515	\$ 323,408	\$ 594,923
2034	\$ 282,376	\$ 312,547	\$ 594,923
2035	\$ 293,671	\$ 301,252	\$ 594,923
2036	\$ 305,417	\$ 289,505	\$ 594,922
2037	\$ 317,634	\$ 277,289	\$ 594,923
2038	\$ 330,340	\$ 264,583	\$ 594,923
2039	\$ 343,553	\$ 251,370	\$ 594,923
2040	\$ 357,295	\$ 237,628	\$ 594,923
2041	\$ 371,587	\$ 223,336	\$ 594,923
2042	\$ 386,451	\$ 208,472	\$ 594,923
2043	\$ 401,909	\$ 193,014	\$ 594,923
2044	\$ 417,985	\$ 176,938	\$ 594,923
2045	\$ 434,704	\$ 160,219	\$ 594,923
2046	\$ 452,092	\$ 142,830	\$ 594,922
2047	\$ 470,176	\$ 124,747	\$ 594,923
2048	\$ 488,983	\$ 105,940	\$ 594,923
2049	\$ 508,543	\$ 86,380	\$ 594,923
2050	\$ 528,884	\$ 66,039	\$ 594,923
2051	\$ 550,040	\$ 44,883	\$ 594,923
2052	\$ 572,041	\$ 22,882	\$ 594,923
Total	\$ 10,104,000	\$ 7,148,763	\$ 17,252,763

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT K-1 – DISTRICT LEGAL DESCRIPTION

LEGAL DESCRIPTION TRACT 1

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Elin East Lavin, L.L.C. as recorded in Volume 3873, Page 2022, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petre-Hunt, L.L.C. as recorded in Volume 5565, Page 2651, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at the southwest corner of said 180.339 acre tract, said point being the northeast corner of Lot 28, Lavin Ranchettes Plat, in Addition to Collin County as recorded in Volume 9, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541;

THENCE along the west line of said 180.339 acre tract and along the east line of said Lavin Ranchettes Addition as follows:

North 01 degree 21 minutes 27 seconds East, 187.89 feet to a point for corner;
North 01 degree 07 minutes 18 seconds East, 1,579.04 feet to a point for corner;
North 01 degree 01 minutes 24 seconds East, 240.18 feet to a point for corner, said point being the northwest corner of said 788.539 acre tract, said point also being in the south line of said 472.8955 acre tract;

THENCE North 01 degree 07 minutes 27 seconds East, at 1,506.68 feet passing the northeast corner of said Lavin Ranchettes Addition, in all a total distance of 1,525.53 feet to a point for corner, said point being in the north line of said 472.8955 acre tract, said point also being in the north right-of-way line of that tract of land described in deed to Northeast Texas Rural Rail Transportation District as recorded in Volume 5585, Page 2680, Official Public Records of Collin County, Texas;

THENCE North 01 degree 05 minutes 48 seconds East, 6,000.29 feet along the north line of said 472.8955 acre tract and along the south right-of-way line of said Northeast Texas Rural Rail Transportation District to a point for corner, said point being the northeast corner of said 472.8955 acre tract, said point also being the northeast corner of that called 216.85 acre tract of land described in deed to East Lavin, L.L.C. as recorded in Document Number 20790408020538940, Official Public Records of Collin County, Texas;

THENCE North 21 degrees 12 minutes 20 seconds East, 1,888.14 feet along the north line of said 216.85 acre tract to a point for corner, said point being the northeast corner of said 216.85 acre tract;

THENCE along the east line of said 216.85 acre tract as follows:

South 00 degrees 32 minutes 18 seconds West, 2,448.70 feet to a point for corner;
South 00 degrees 30 minutes 22 seconds West, 2,570.14 feet to a point for corner in the southeast corner of said 216.85 acre tract, said point also being in the approximate centerline of County Road 541;

THENCE along the approximate centerline of County Road Number 541 as follows:

South 89 degrees 53 minutes 52 seconds West, 1,944.54 feet to a point for corner, said point being the southwest corner of said 216.85 acre tract, said point also being the southeast corner of said 472.8955 acre tract;

North 89 degrees 08 minutes 13 seconds West, 1,466.14 feet to a point for corner, said point being the most northerly northwest corner of said 472.8955 acre tract;

THENCE North 06 degrees 23 minutes 15 seconds East, 50.65 feet along the west line of said 472.8955 acre tract to a point for corner, said point being the southeast corner of said 180.339 acre tract, said point also being in the north right-of-way line of County Road Number 541;

THENCE North 89 degrees 28 minutes 42 seconds West, 1,029.92 feet to a point for corner;

THENCE North 06 degrees 31 minutes 47 seconds East, 143.58 feet to a one-half inch iron rod with yellow cap stamped "181" set for corner;

THENCE North 49 degrees 28 minutes 43 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "181" set for corner;

THENCE South 06 degrees 31 minutes 17 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "181" set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 42 seconds West, 1,288.20 feet along the north line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped "181" set for corner;

THENCE North 29 degrees 23 minutes 45 seconds West, 705.75 feet to a point for corner;

THENCE North 00 degrees 46 minutes 47 seconds East, 2033.61 feet to a point for corner;

THENCE North 37 degrees 17 minutes 23 seconds West, 180.68 feet to a point for corner;

THENCE South 04 degrees 37 minutes 46 seconds West, 287.46 feet to a point for corner;

THENCE North 89 degrees 10 minutes 57 seconds West, 845.57 feet to the POINT OF BEGINNING and containing 34,697.79 square feet of 788.579 acres of land.

This document was prepared under 22 TAC 683.23, does not reflect the results of an on the ground survey, and is not to be used, to convey or establish interests in real property except those rights and interests implied or established by the creation or recognition of the boundary of the political subdivision, for which it was prepared.

LEGAL DESCRIPTION TRACT 2

Being a parcel of land located in Collin County, Texas, a part of the Gary Ansel Survey, Abstract Number 2, and being a part thereof of said survey, Abstract Number 248, and being all of that called Tract Two, 173.739 acre tract of land described in deed to Fargo-Hunt, L.L.C. as recorded in Volume 5565, Page 2651, Official Public Records of Collin County, Texas, and also being all of that called 20,005 acre tract of land described in deed to Petre-Hunt, L.L.C. as recorded in Volume 5710, Page 1283, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at the southwest corner of said 20,005 acre tract;

THENCE North 89 degrees 47 minutes 26 seconds West, 2,078.36 feet to a point for corner, said point being the southwest corner of said 20,005 acre tract;

THENCE North 01 degree 25 minutes 03 seconds East, 432.82 feet to a point for corner, said point being the northwest corner of said 20,005 acre tract, said point also being in the east line of said 173.739 acre tract;

THENCE North 89 degrees 47 minutes 26 seconds West, 105.39 feet to the most northerly northwest corner of said 173.739 acre tract;

THENCE along the west line of said 173.739 acre tract as follows:

North 00 degrees 12 minutes 34 seconds East, 323.60 feet to a point for corner;
North 89 degrees 47 minutes 26 seconds West, 1,394.55 feet to a point for corner, said point being the most westerly southwest corner of said 173.739 acre tract, said point also being in the east right-of-way line of Fargo-to-Market Highway Number 2755;

THENCE continuing along the west line of said 173.739 acre tract and along the east right-of-way line of Fargo-to-Market Highway Number 2755:

North 01 degree 07 minutes 01 seconds East, 715.54 feet to a point for corner;
Northwesterly, 288.63 feet along a curve to the left having a central angle of 84 degrees 02 minutes 48 seconds, a radius of 663.31 feet, a tangent of 540.61 feet, and whose chord bears North 30 degrees 55 minutes 55 seconds West, 916.49 feet to a point for corner;

North 00 degrees 37 minutes 01 seconds East, 75.07 feet to a point for corner, said point being the northwest corner of said 173.739 acre tract, said point also being at the intersection of the east right-of-way line of Fargo-to-Market Highway Number 2755 with the south right-of-way line of County Road Number 541;

THENCE South 89 degrees 24 minutes 18 seconds East, 8,152.84 feet along the south right-of-way line of County Road Number 541 to a point for corner, said point being the northeast corner of said 173.739 acre tract;

THENCE along the east line of said 173.739 acre tract as follows:

South 00 degrees 25 minutes 05 seconds West, 1275.32 feet to a point for corner;
North 89 degrees 30 minutes 34 seconds West, 158.29 feet to a point for corner;
South 00 degrees 24 minutes 18 seconds West, 27.75 feet to a point for corner, said point being the northeast corner of said 173.739 acre tract, said point also being the northeast corner of said 20,005 acre tract;

THENCE South 00 degrees 25 minutes 04 seconds West, 432.82 feet to the POINT OF BEGINNING and containing 8,439,483 square feet of 193,744 acres of land.

This document was prepared under 22 TAC 683.23, does not reflect the results of an on the ground survey, and is not to be used, to convey or establish interests in real property except those rights and interests implied or established by the creation or recognition of the boundary of the political subdivision, for which it was prepared.

NOTE

1. This document was prepared under 22 TAC 683.23, does not reflect the results of an on the ground survey, and is not to be used, to convey or establish interests in real property except those rights and interests implied or established by the creation or recognition of the boundary of the political subdivision, for which it was prepared.

2. The title of this document is subject to the jurisdiction of the State of Texas, and the title of this document is subject to the jurisdiction of the State of Texas, and the title of this document is subject to the jurisdiction of the State of Texas.

3. The subject matter of this document is subject to the jurisdiction of the State of Texas.

4. A true and correct copy of this document is on file in the office of the County Clerk.

	2121 Midway Road Suite 200 Carrollton, Texas 75006 214.496.7878 TXPLS No. 6-426 TXPLS No. 100765002	EXHIBIT A	SECURITY NO.
		PID BOUNDARY	MAT025
		ELEVON, SECTION 2 DEVELOPMENT	ENR0140
		CITY OF LAVON ETJ, COLLIN COUNTY, TEXAS	PD-A2

EXHIBIT K-2 – FUTURE IMPROVEMENT AREA LEGAL DESCRIPTION

LEGAL DESCRIPTION

TRACT 1

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541;

THENCE along the west line of said 180.339 acre tract and along the east line of said Lavon Ranchettes Addition as follows: North 01 degrees 21 minutes 21 seconds East, 157.69 feet to a point for corner; North 01 degrees 07 minutes 18 seconds East, 1,375.04 feet to a point for corner; North 01 degrees 01 minutes 24 seconds East, 240.18 feet to a point for corner, said point being the northwest corner of said 180.339 acre tract, said point also being in the south line of said 472.8955 acre tract;

THENCE North 01 degrees 07 minutes 21 seconds East, at 1,306.98 feet passing the northeast corner of said Lavon Ranchettes Addition, in all a total distance of 1,925.93 feet to a point for corner, said point being in the north line of said 472.8955 acre tract, said point also being in the south right-of-way line of that tract of land described in deed to Northeast Texas Rural Rail Transportation District as recorded in Volume 5585, Page 2680, Official Public Records of Collin County, Texas;

THENCE North 81 degrees 09 minutes 48 seconds East, 6,008.29 feet along the north line of said 472.8955 acre tract and along the south right-of-way line of said Northeast Texas Rural Rail Transportation District to a point for corner, said point being the northeast corner of said 472.8955 acre tract, said point also being the northwest corner of that called 216.85 acre tract of land described in deed to East Lavon, L.P. as recorded in Document Number 20190408000368940, Official Public Records of Collin County, Texas;

THENCE North 81 degrees 12 minutes 20 seconds East, 1,968.14 feet along the north line of said 216.85 acre tract to a point for corner, said point being the northeast corner of said 216.85 acre tract;

THENCE along the east line of said 216.85 acre tract as follows: South 00 degrees 32 minutes 19 seconds West, 2,448.70 feet to a point or corner; South 00 degrees 30 minutes 32 seconds West, 2,570.14 feet to a point for corner in the southeast corner of said 216.85 acre tract, said point also being in the approximate centerline of County Road 541;

THENCE along the approximate centerline of County Road Number 541 as follows: South 89 degrees 53 minutes 52 seconds West, 1,944.34 feet to a point for corner, said point being the southwest corner of said 216.85 acre tract, said point also being the southeast corner of said 472.8955 acre tract; North 89 degrees

08 minutes 13 seconds West, 1,466.14 feet to a point for corner, said point being the most southerly southwest corner of said 472.8955 acre tract;

THENCE North 00 degrees 22 minutes 15 seconds East, 30.66 feet along the west line of said 472.8955 acre tract to a point for corner, said point being the southeast corner of said 180.339 acre tract, said point also being in the north right-of-way line of County Road Number 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 1,350.92 feet to a point for corner;

THENCE North 00 degrees 31 minutes 17 seconds East, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner; JBI" set for corner; set for corner;

THENCE North 89 degrees 28 minutes 43 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner; JBI" set for corner; set for corner;

THENCE South 00 degrees 31 minutes 17 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point being in the south line of said 180.339 acre tract, said JBI" set for corner, said point being in the south line of said 180.339 acre tract, said set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 1,266.00 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner; JBI" set for corner; set for corner;

THENCE North 89 degrees 23 minutes 25 seconds West, 705.75 feet to a point for corner;

THENCE North 00 degrees 45 minutes 47 seconds East, 253.51 feet to a point for corner;

THENCE North 87 degrees 47 minutes 23 seconds West, 180.66 feet to a point for corner;

THENCE South 00 degrees 37 minutes 46 seconds West, 257.91 feet to a point for corner;

THENCE North 89 degrees 10 minutes 57 seconds West, 848.67 feet to the POINT OF BEGINNING and containing 34,367,739 square feet or 788.975 acres of land.

LEGAL DESCRIPTION

TRACT 2

Being a parcel of land located in Collin County, Texas, a part of the Drury Anglin Survey, Abstract Number 2, and being a part James P. Davis Survey, Abstract Number 249, and being all of that called Tract Two - 173.739 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5569, Page 2651, Official Public Records of Collin County, Texas, and also being all of that called 20.005 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5710, Page 3283, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at the southeast corner of said 20.005 acre tract;

THENCE North 89 degrees 47 minutes 26 seconds West, 2,014.28 feet to a point for corner, said point being the southwest corner of said 20.005 acre tract;

THENCE North 00 degrees 26 minutes 04 seconds East, 432.62 feet to a point for corner, said point being the northwest corner of said 20.005 acre tract, said point also being in the south line of said 173.739 acre tract;

THENCE North 89 degrees 47 minutes 26 seconds West, 108.39 feet to the most southerly southwest corner of said 173.739 acre tract;

THENCE along the west line of said 173.739 acre tract as follows: North 00 degrees 12 minutes 34 seconds East, 929.80 feet to a point for corner; North 89 degrees 47 minutes 26 seconds West, 1399.55 feet to a point for corner, said point being the most westerly southwest corner of said 173.739 acre tract, said point also being in the east right-of-way line of Farm-to-Market Highway Number 2755;

THENCE continuing along the west line of said 173.739 acre tract and along the east right-of-way line of Farm-to-Market Highway Number 2755; North 01 degrees 07 minutes 01 seconds East, 715.54 feet to a point for corner; Northwesterly, 966.03 feet along a curve to the left having a central angle of 64 degrees 05 minutes 55 seconds, a radius of 863.51 feet, a tangent of 540.61 feet, and whose chord bears North 30 degrees 55 minutes 56 seconds West, 916.44 feet to a point for corner; North 00 degrees 37 minutes 01 seconds East, 15.07 feet to a point for corner, said point being the northwest corner of said 173.739 acre tract, said point also being at the intersection of the east right-of-way line of Farm-to-Market Highway Number 2755 with the south right-of-way line of County Road Number 541;

THENCE South 89 degrees 24 minutes 15 seconds East, 4,152.64 feet along the south right-of-way line of County Road Number 541 to a point for corner, said point being the northeast corner of said 173.739 acre tract;

THENCE along the east line of said 173.739 acre tract as follows: South 00 degrees 25 minutes 05 seconds West, 1279.32 feet to a point for corner; North 89 degrees 39 minutes 34 seconds West, 159.29 feet to a point for corner; South 00 degrees 24 minutes 16 seconds West, 1137.75 feet to a point for corner, said point being the southeast corner of said 173.739 acre tract, said point also being the northeast corner of said 20.005 acre tract;

THENCE South 00 degrees 26 minutes 04 seconds West, 432.62 to the POINT OF BEGINNING and containing 8,439,493 square feet or 193.744 acres of land.

Save and Except

LEGAL DESCRIPTION (POD 2A)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon

Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 50 degrees 19 minutes 12 seconds East, 2,785.72 feet to the POINT OF BEGINNING;

THENCE Northwesterly, 24.78 feet along a curve to the left having a central angle of 02 degrees 01 minutes 41 seconds, a radius of 700.00 feet, a tangent of 12.39 feet and whose chord bears North 81 degrees 07 minutes 10 seconds West, 24.78 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 08 minutes 01 seconds West, 434.21 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 77.13 feet along a curve to the right having a central angle of 12 degrees 48 minutes 33 seconds, a radius of 345.00 feet, a tangent of 38.73 feet and whose chord bears North 75 degrees 43 minutes 44 seconds West, 76.97 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 20 degrees 40 minutes 33 seconds East, 126.87 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 34.35 feet along a curve to the right having a central angle of 08 degrees 44 minutes 50 seconds, a radius of 225.00 feet, a tangent of 17.21 feet and whose chord bears North 58 degrees 43 minutes 50 seconds West, 34.32 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 164.40 feet along a curve to the left having a central angle of 34 degrees 15 minutes 07 seconds, a radius of 275.00 feet, a tangent of 84.74 feet and whose chord bears North 71 degrees 28 minutes 59 seconds West, 161.96 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 28 minutes 06 seconds East, 119.86 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 89 degrees 31 minutes 54 seconds West, 237.35 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 967.74 feet along a curve to the right having a central angle of 75 degrees 26 minutes 18 seconds, a radius of 735.00 feet a tangent of 568.47 feet and whose chord bears North 52 degrees 44 minutes 57 seconds West, 899.33 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 15 degrees 01 minutes 48 seconds West, 581.11 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 443.89 feet along a curve to the left having a central angle of 54 degrees 41 minutes 39 seconds, a radius of 465.00 feet, a tangent of 240.49 feet and whose chord bears North 42 degrees 22 minutes 38 seconds West, 427.22 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 88 degrees 52 minutes 39 seconds East, 629.94 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 70 degrees 37 minutes 18 seconds East, 252.27 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 58 degrees 06 minutes 24 seconds East, 454.01 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 81 degrees 00 minutes 14 seconds East, 273.36 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 20 degrees 23 minutes 20 seconds East, 149.63 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 86 degrees 39 minutes 17 seconds East, 326.44 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 02 degrees 14 minutes 27 seconds East, 149.62 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 50 degrees 45 minutes 14 seconds East, 210.82 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 88 degrees 55 minutes 55 seconds East, 119.51 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 01 degrees 04 minutes 05 seconds East, 924.12 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 51 minutes 55 seconds West, 1,088.26 feet to the POINT OF BEGINNING and containing 2,837,262 square feet or 65.135 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

LEGAL DESCRIPTION (POD 2B)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as

recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541;

THENCE along the west line of said 180.339 acre tract and along the east line of said Lavon Ranchettes Addition as follows:

North 01 degrees 21 minutes 21 seconds East, 157.69 feet to a one-half inch iron rod found for corner;

North 01 degrees 07 minutes 18 seconds East, 1,375.04 feet to a three-eighths inch iron rod found for corner;

North 01 degrees 01 minutes 22 seconds East, 240.18 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the northwest corner of said 180.339 acre tract, said point also being in the south line of said 472.8955 acre tract;

THENCE North 01 degrees 07 minutes 21 seconds East, 1,444.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 295.43 feet along a curve to the right having a central angle of 50 degrees 31 minutes 40 seconds, a radius of 335.00 feet, a tangent of 158.10 feet and whose chord bears South 40 degrees 17 minutes 38 seconds East, 285.95 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 15 degrees 01 minutes 48 seconds East, 581.11 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 1,028.63 feet along a curve to the left having a central angle of 68 degrees 08 minutes 04 seconds, a radius of 865.00 feet, a tangent of 584.93 feet and whose chord bears South 49 degrees 05 minutes 50 seconds East, 969.09 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 09 minutes 52 seconds East, 339.07 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 17.15 feet along a curve to the right having a central angle of 15 degrees 07 minutes 06 seconds, a radius of 65.00 feet, a tangent of 8.63 feet and whose chord bears South 00 degrees 47 minutes 23 seconds East, 17.10 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 12.37 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 381.15 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 334.17 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 116.68 feet along a curve to the right having a central angle of 133 degrees 42 minutes 04 seconds, a radius of 50.00 feet, a tangent of 116.94 feet and whose chord bears South 61 degrees 22 minutes 49 seconds East, 91.95 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 84 degrees 31 minutes 47 seconds East, 105.40 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 82 degrees 50 minutes 49 seconds East, 95.73 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 09 minutes 11 seconds West, 1,277.53 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 as follows:

North 89 degrees 28 minutes 43 seconds West, 190.57 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found for corner;

North 89 degrees 23 minutes 25 seconds West, 705.75 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point also being the southeast corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600, Official Public Records of Collin County, Texas;

THENCE along the common lines of said 180.339 acre tract and said 1.05 acre tract as follows:

North 00 degrees 45 minutes 47 seconds East, 253.51 feet to a five-eighths inch iron rod found for corner;

North 87 degrees 47 minutes 23 seconds West, 180.66 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found for corner;

South 00 degrees 37 minutes 46 seconds West, 257.91 feet to a one-half inch iron rod found at the southwest corner of said 1.05 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 10 minutes 57 seconds West, 848.67 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to the POINT OF BEGINNING and containing 3,841,570 square feet or 88.190 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

LEGAL DESCRIPTION (POD 2C)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon,

L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 50 degrees 19 minutes 12 seconds East, 2,785.72 feet to the POINT OF BEGINNING;

THENCE North 07 degrees 51 minutes 55 seconds East, 1,088.26 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 01 degrees 04 minutes 05 seconds West, 924.12 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 88 degrees 55 minutes 55 seconds East, 304.18 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 85 degrees 19 minutes 02 seconds East, 780.24 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 88 degrees 10 minutes 40 seconds East, 229.33 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 01 degrees 49 minutes 20 seconds East, 826.53 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 25 degrees 12 minutes 04 seconds East, 127.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 150.35 feet along a curve to the left having a central angle of 12 degrees 45 minutes 43 seconds, a radius of 675.00 feet, a tangent of 75.49 feet and whose chord bears South 58 degrees 25 minutes 05 seconds West, 150.04 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 55.25 feet along a curve to the right having a central angle of 03 degrees 50 minutes 13 seconds, a radius of 825.00 feet, a tangent of 27.63 feet and whose chord bears South 37 degrees 02 minutes 08 seconds East, 55.24 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 35 degrees 07 minutes 02 seconds East, 200.65 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 529.97 feet along a curve to the right having a central angle of 29 degrees 37 minutes 27 seconds, a radius of 1,025.00 feet, a tangent of 271.05 feet and whose chord bears South 20 degrees 18 minutes 18 seconds East, 524.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 05 degrees 29 minutes 35 seconds East, 87.20 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 206.77 feet along the curve to the left having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears South 21 degrees 17 minutes 21 seconds East, 204.16 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 346.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 82 degrees 05 minutes 08 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 42 degrees 47 minutes 46 seconds East, 50.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 54 minutes 52 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 110.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 52 degrees 54 minutes 52 seconds West, 151.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 749.00 feet along a curve to the right having a central angle of 33 degrees 00 minutes 41 seconds, a radius of 1,300.00 feet, a tangent of 385.22 feet and whose chord bears South 69 degrees 25 minutes 12 seconds West, 738.68 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 37 minutes 01 seconds West, 693.64 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 43.54 feet along a curve to the right having a central angle of 49 degrees 53 minutes 28 seconds, a radius of 50.00, a tangent of 23.26 feet and whose chord bears North 05 degrees 36 minutes 31 seconds West, 42.18 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 56 degrees 34 minutes 01 seconds West, 100.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 23 degrees 18 minutes 10 seconds West, 81.19 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 08 minutes 05 seconds West, 532.52 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 51 minutes 55 seconds West, 139.75 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 36 degrees 33 minutes 37 seconds West, 279.48 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 491.31 feet along a curve to the left having a central angle of 40 degrees 12 minutes 50 seconds, a radius of 700.00 feet, a tangent of 256.26 feet and whose chord bears North 59 degrees 59 minutes 54 seconds West, 481.29 feet to the POINT OF BEGINNING and containing 3,371,475 square feet or 77.398 acres of land.

LEGAL DESCRIPTION (POD 2D)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 52 degrees 14 minutes 09 seconds East, 2,694.47 feet to the POINT OF BEGINNING;

THENCE South 81 degrees 57 minutes 00 seconds East, 95.02 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 59 degrees 59 minutes 35 seconds East, 227.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 40 degrees 56 minutes 52 seconds East, 201.52 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 25.59 feet along a curve to the right having a central angle of 02 degrees 26 minutes 39 seconds, a radius of 600.00 feet, a tangent of 12.80 feet and whose chord bears South 26 degrees 46 minutes 09 seconds East, 25.59 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 25 degrees 32 minutes 49 seconds East, 113.69 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 747.47 feet along a curve to the left having a central angle of 63 degrees 55 minutes 13 seconds, a radius of 670.00 feet, a tangent of 418.02 feet and whose chord bears South 57 degrees 30 minutes 26 seconds East, 709.30 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 89 degrees 28 minutes 03 seconds East, 143.77 feet to a one-half inch iron rod with yellow caps stamped "JBI" set for corner;

THENCE Northeasterly, 115.26 feet along a curve to the left having a central angle of 04 degrees 43 minutes 01 seconds, a radius of 1,400.00 feet, a tangent of 57.66 feet and whose chord bears North 88 degrees 10 minutes 26 seconds East, 115.23 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 05 degrees 37 minutes 01 seconds East, 723.91 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 04 degrees 52 minutes 41 seconds East, 50.22 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 68.22 feet along a curve to the right having a central angle of 04 degrees 03 minutes 01 seconds, a radius of 965.00 feet, a tangent of 34.12 feet and whose chord bears South 01 degrees 29 minutes 33 seconds East, 68.20 feet to a one-half inch iron with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 31 minutes 57 seconds West, 66.61 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 399.74 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 00 degrees 31 minutes 17 seconds East, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 89 degrees 28 minutes 43 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 31 minutes 17 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 1,075.43 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 07 degrees 09 minutes 11 seconds East, 1,514.49 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 33 minutes 02 seconds East, 172.15 feet to the POINT OF BEGINNING and containing 1,771,212 square feet or 40.661 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

LEGAL DESCRIPTION (POD 2E)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 72 degrees 52 minutes 25 seconds East, 4,471.74 feet to the POINT OF BEGINNING;

THENCE North 37 degrees 05 minutes 08 seconds West, 110.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 07 degrees 54 minutes 52 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 42 degrees 47 minutes 46 seconds West, 50.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 05 minutes 08 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 37 degrees 05 minutes 08 seconds West, 346.08 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 206.77 feet along a curve to the right having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears North 21 degrees 17 minutes 21 seconds West, 204.16 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 29 minutes 35 seconds West, 87.20 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 529.97 feet along a curve to the left having a central angle of 29 degrees 37 minutes 27 seconds, a radius of 1,025.00 feet, a tangent of 271.05 feet and whose chord bears North 20 degrees 18 minutes 18 seconds West, 524.08 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 35 degrees 07 minutes 02 seconds West, 200.65 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 55.38 feet along a curve to the left having a central angle of 03 degrees 50 minutes 47 seconds, a radius of 825.00 feet, a tangent of 27.70 feet and whose chord bears North 37 degrees 02 minutes 25 seconds West, 55.37 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northeasterly, 150.39 feet along a curve to the right having a central angle of 12 degrees 45 minutes 55 seconds, a radius of 675.00 feet, a tangent of 75.51 feet and whose chord bears North 58 degrees 23 minutes 38 seconds East, 150.08 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 25 degrees 12 minutes 04 seconds West, 126.85 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 01 degrees 49 minutes 20 seconds West, 826.53 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 88 degrees 10 minutes 40 seconds East, 251.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 57 degrees 19 minutes 17 seconds East, 211.03 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 32 degrees 40 minutes 43 seconds East, 126.45 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 15 degrees 53 minutes 22 seconds West, 13.34 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 63 degrees 02 minutes 13 seconds West, 12.06 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 26 degrees 31 minutes 02 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 372.60 feet along a curve to the right having a central angle of 25 degrees 52 minutes 38 seconds, a radius of 825.00 feet, a tangent of 189.54 feet and whose chord bears South 50 degrees 32 minutes 39 seconds East, 369.45 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 52 degrees 23 minutes 40 seconds East, 228.59 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 27 degrees 23 minutes 01 seconds East, 204.73 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 89 degrees 59 minutes 16 seconds East, 238.16 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 46 degrees 40 minutes 06 seconds East, 327.25 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 10 degrees 15 minutes 11 seconds West, 188.34 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 79 degrees 44 minutes 49 seconds East, 15.14 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 10 degrees 15 minutes 11 seconds West, 50.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 79 degrees 44 minutes 49 seconds East, 91.32 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 10 degrees 15 minutes 11 seconds West, 24.19 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 11 degrees 36 minutes 37 seconds West, 30.55 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 15 degrees 04 minutes 19 seconds West, 47.37 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 18 degrees 48 minutes 02 seconds West, 186.21 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 19 degrees 49 minutes 03 seconds West, 50.93 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 21 degrees 41 minutes 34 seconds West, 42.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 23 degrees 24 minutes 34 seconds West, 42.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 25 degrees 07 minutes 34 seconds West, 42.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 26 degrees 16 minutes 04 seconds West, 14.20 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 26 degrees 33 minutes 05 seconds West, 330.74 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 35 degrees 41 minutes 29 seconds West, 50.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 122.12 feet along a curve to the left having a central angle of 05 degrees 07 minutes 33 seconds, a radius of 1,365.00 feet, a tangent of 61.10 feet, and whose chord bears North 56 degrees 52 minutes 18 seconds West, 122.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 30 degrees 33 minutes 56 seconds West, 120.15 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 60 degrees 06 minutes 27 seconds East, 9.84 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 57 degrees 51 minutes 21 seconds East, 48.93 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 55 degrees 35 minutes 59 seconds East, 48.93 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 53 degrees 34 minutes 53 seconds East, 48.93 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 51 degrees 29 minutes 01 seconds East, 48.94 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 49 degrees 23 minutes 06 seconds East, 48.96 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 47 degrees 17 minutes 09 seconds East, 48.98 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 45 degrees 11 minutes 07 seconds East, 49.01 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 43 degrees 05 minutes 01 seconds East, 49.04 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 40 degrees 58 minutes 50 seconds East, 49.08 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 38 degrees 53 minutes 17 seconds East, 48.54 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 36 degrees 52 minutes 59 seconds East, 45.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 33 degrees 57 minutes 44 seconds East, 91.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner

THENCE South 19 degrees 19 minutes 42 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 118.08 feet along a curve to the left having a central angle of 06 degrees 19 minutes 23 seconds, a radius of 1,070.00 feet, a tangent of 59.10 feet and whose chord bears South 67 degrees 30 minutes 37 seconds West, 118.02 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 25 degrees 39 minutes 05 seconds East, 120.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 189.59 feet along a curve to the left having a central angle of 11 degrees 26 minutes 03 seconds, a radius of 950.00 feet, a tangent of 95.11 feet and whose chord bears South 58 degrees 37 minutes 54 seconds West, 189.27 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 52 degrees 54 minutes 52 seconds West, 830.17 feet to the POINT OF BEGINNING and containing 2,846,226 square feet or 65.340 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

EXHIBIT K-3 – ZONE 1 LEGAL DESCRIPTION

LEGAL DESCRIPTION (POD 2A)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped “USA INC. PROP. COR” found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 50 degrees 19 minutes 12 seconds East, 2,785.72 feet to the POINT OF BEGINNING;

THENCE Northwesterly, 24.78 feet along a curve to the left having a central angle of 02 degrees 01 minutes 41 seconds, a radius of 700.00 feet, a tangent of 12.39 feet and whose chord bears North 81 degrees 07 minutes 10 seconds West, 24.78 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 82 degrees 08 minutes 01 seconds West, 434.21 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 77.13 feet along a curve to the right having a central angle of 12 degrees 48 minutes 33 seconds, a radius of 345.00 feet, a tangent of 38.73 feet and whose chord bears North 75 degrees 43 minutes 44 seconds West, 76.97 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 20 degrees 40 minutes 33 seconds East, 126.87 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 34.35 feet along a curve to the right having a central angle of 08 degrees 44 minutes 50 seconds, a radius of 225.00 feet, a tangent of 17.21 feet and whose chord bears North 58 degrees 43 minutes 50 seconds West, 34.32 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 164.40 feet along a curve to the left having a central angle of 34 degrees 15 minutes 07 seconds, a radius of 275.00 feet, a tangent of 84.74 feet and whose chord bears North 71 degrees 28 minutes 59 seconds West, 161.96 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 00 degrees 28 minutes 06 seconds East, 119.86 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 89 degrees 31 minutes 54 seconds West, 237.35 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 967.74 feet along a curve to the right having a central angle of 75 degrees 26 minutes 18 seconds, a radius of 735.00 feet a tangent of 568.47 feet and whose chord bears North 52 degrees 44 minutes 57 seconds West, 899.33 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 15 degrees 01 minutes 48 seconds West, 581.11 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 443.89 feet along a curve to the left having a central angle of 54 degrees 41 minutes 39 seconds, a radius of 465.00 feet, a tangent of 240.49 feet and whose chord bears North 42 degrees 22 minutes 38 seconds West, 427.22 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 88 degrees 52 minutes 39 seconds East, 629.94 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 70 degrees 37 minutes 18 seconds East, 252.27 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 58 degrees 06 minutes 24 seconds East, 454.01 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 81 degrees 00 minutes 14 seconds East, 273.36 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 20 degrees 23 minutes 20 seconds East, 149.63 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 86 degrees 39 minutes 17 seconds East, 326.44 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 02 degrees 14 minutes 27 seconds East, 149.62 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 50 degrees 45 minutes 14 seconds East, 210.82 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 88 degrees 55 minutes 55 seconds East, 119.51 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 01 degrees 04 minutes 05 seconds East, 924.12 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 07 degrees 51 minutes 55 seconds West, 1,088.26 feet to the POINT OF BEGINNING and containing 2,837,262 square feet or 65.135 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

LEGAL DESCRIPTION (POD 2B)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541;

THENCE along the west line of said 180.339 acre tract and along the east line of said Lavon Ranchettes Addition as follows:

North 01 degrees 21 minutes 21 seconds East, 157.69 feet to a one-half inch iron rod found for corner;

North 01 degrees 07 minutes 18 seconds East, 1,375.04 feet to a three-eighths inch iron rod found for corner;

North 01 degrees 01 minutes 22 seconds East, 240.18 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the northwest corner of said 180.339 acre tract, said point also being in the south line of said 472.8955 acre tract;

THENCE North 01 degrees 07 minutes 21 seconds East, 1,444.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 295.43 feet along a curve to the right having a central angle of 50 degrees 31 minutes 40 seconds, a radius of 335.00 feet, a tangent of 158.10 feet and whose chord bears South 40 degrees 17 minutes 38 seconds East, 285.95 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 15 degrees 01 minutes 48 seconds East, 581.11 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 1,028.63 feet along a curve to the left having a central angle of 68 degrees 08 minutes 04 seconds, a radius of 865.00 feet, a tangent of 584.93 feet and whose chord bears South 49 degrees 05 minutes 50 seconds East, 969.09 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 09 minutes 52 seconds East, 339.07 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 17.15 feet along a curve to the right having a central angle of 15 degrees 07 minutes 06 seconds, a radius of 65.00 feet, a tangent of 8.63 feet and whose chord bears South 00 degrees 47 minutes 23 seconds East, 17.10 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 12.37 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 381.15 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 334.17 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 116.68 feet along a curve to the right having a central angle of 133 degrees 42 minutes 04 seconds, a radius of 50.00 feet, a tangent of 116.94 feet and whose chord bears South 61 degrees 22 minutes 49 seconds East, 91.95 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 84 degrees 31 minutes 47 seconds East, 105.40 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 82 degrees 50 minutes 49 seconds East, 95.73 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 09 minutes 11 seconds West, 1,277.53 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 as follows:

North 89 degrees 28 minutes 43 seconds West, 190.57 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found for corner;

North 89 degrees 23 minutes 25 seconds West, 705.75 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point also being the southeast corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600, Official Public Records of Collin County, Texas;

THENCE along the common lines of said 180.339 acre tract and said 1.05 acre tract as follows:

North 00 degrees 45 minutes 47 seconds East, 253.51 feet to a five-eighths inch iron rod found for corner;

North 87 degrees 47 minutes 23 seconds West, 180.66 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found for corner;

South 00 degrees 37 minutes 46 seconds West, 257.91 feet to a one-half inch iron rod found at the southwest corner of said 1.05 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 10 minutes 57 seconds West, 848.67 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to the POINT OF BEGINNING and containing 3,841,570 square feet or 88.190 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

LEGAL DESCRIPTION (POD 2C)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 50 degrees 19 minutes 12 seconds East, 2,785.72 feet to the POINT OF BEGINNING;

THENCE North 07 degrees 51 minutes 55 seconds East, 1,088.26 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 01 degrees 04 minutes 05 seconds West, 924.12 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 88 degrees 55 minutes 55 seconds East. 304.18 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 85 degrees 19 minutes 02 seconds East, 780.24 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 88 degrees 10 minutes 40 seconds East, 229.33 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 01 degrees 49 minutes 20 seconds East, 826.53 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 25 degrees 12 minutes 04 seconds East, 127.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 150.35 feet along a curve to the left having a central angle of 12 degrees 45 minutes 43 seconds, a radius of 675.00 feet, a tangent of 75.49 feet and whose chord bears South 58 degrees 25 minutes 05 seconds West, 150.04 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 55.25 feet along a curve to the right having a central angle of 03 degrees 50 minutes 13 seconds, a radius of 825.00 feet, a tangent of 27.63 feet and whose chord bears South 37 degrees 02 minutes 08 seconds East, 55.24 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 35 degrees 07 minutes 02 seconds East, 200.65 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 529.97 feet along a curve to the right having a central angle of 29 degrees 37 minutes 27 seconds, a radius of 1,025.00 feet, a tangent of 271.05 feet and whose chord bears South 20 degrees 18 minutes 18 seconds East, 524.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 05 degrees 29 minutes 35 seconds East, 87.20 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 206.77 feet along the curve to the left having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears South 21 degrees 17 minutes 21 seconds East, 204.16 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 346.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 82 degrees 05 minutes 08 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 42 degrees 47 minutes 46 seconds East, 50.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 54 minutes 52 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 110.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 52 degrees 54 minutes 52 seconds West, 151.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 749.00 feet along a curve to the right having a central angle of 33 degrees 00 minutes 41 seconds, a radius of 1,300.00 feet, a tangent of 385.22 feet and whose chord bears South 69 degrees 25 minutes 12 seconds West, 738.68 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 37 minutes 01 seconds West, 693.64 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 43.54 feet along a curve to the right having a central angle of 49 degrees 53 minutes 28 seconds, a radius of 50.00, a tangent of 23.26 feet and whose chord bears North 05 degrees 36 minutes 31 seconds West, 42.18 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 56 degrees 34 minutes 01 seconds West, 100.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 23 degrees 18 minutes 10 seconds West, 81.19 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 82 degrees 08 minutes 05 seconds West, 532.52 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 07 degrees 51 minutes 55 seconds West, 139.75 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 36 degrees 33 minutes 37 seconds West, 279.48 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 491.31 feet along a curve to the left having a central angle of 40 degrees 12 minutes 50 seconds, a radius of 700.00 feet, a tangent of 256.26 feet and whose chord bears North 59 degrees 59 minutes 54 seconds West, 481.29 feet to the POINT OF BEGINNING and containing 3,371,475 square feet or 77.398 acres of land.

LEGAL DESCRIPTION (POD 2D)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped “USA INC. PROP. COR” found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 52 degrees 14 minutes 09 seconds East, 2,694.47 feet to the POINT OF BEGINNING;

THENCE South 81 degrees 57 minutes 00 seconds East, 95.02 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 59 degrees 59 minutes 35 seconds East, 227.77 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 40 degrees 56 minutes 52 seconds East, 201.52 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 25.59 feet along a curve to the right having a central angle of 02 degrees 26 minutes 39 seconds, a radius of 600.00 feet, a tangent of 12.80 feet and whose chord bears South 26 degrees 46 minutes 09 seconds East, 25.59 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 25 degrees 32 minutes 49 seconds East, 113.69 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 747.47 feet along a curve to the left having a central angle of 63 degrees 55 minutes 13 seconds, a radius of 670.00 feet, a tangent of 418.02 feet and whose chord bears South 57 degrees 30 minutes 26 seconds East, 709.30 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 89 degrees 28 minutes 03 seconds East, 143.77 feet to a one-half inch iron rod with yellow caps stamped “JBI” set for corner;

THENCE Northeasterly, 115.26 feet along a curve to the left having a central angle of 04 degrees 43 minutes 01 seconds, a radius of 1,400.00 feet, a tangent of 57.66 feet and whose chord bears North 88 degrees 10 minutes 26 seconds East, 115.23 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 05 degrees 37 minutes 01 seconds East, 723.91 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 04 degrees 52 minutes 41 seconds East, 50.22 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 68.22 feet along a curve to the right having a central angle of 04 degrees 03 minutes 01 seconds, a radius of 965.00 feet, a tangent of 34.12 feet and whose chord bears South 01 degrees 29 minutes 33 seconds East, 68.20 feet to a one-half inch iron with yellow cap stamped “JBI” set for corner;

THENCE South 00 degrees 31 minutes 57 seconds West, 66.61 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 399.74 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 00 degrees 31 minutes 17 seconds East, 147.58 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 89 degrees 28 minutes 43 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 00 degrees 31 minutes 17 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 1,075.43 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 07 degrees 09 minutes 11 seconds East, 1,514.49 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 05 degrees 33 minutes 02 seconds East, 172.15 feet to the POINT OF BEGINNING and containing 1,771,212 square feet or 40.661 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

LEGAL DESCRIPTION (POD 2E)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped “USA INC. PROP. COR” found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 72 degrees 52 minutes 25 seconds East, 4,471.74 feet to the POINT OF BEGINNING;

THENCE North 37 degrees 05 minutes 08 seconds West, 110.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 07 degrees 54 minutes 52 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 42 degrees 47 minutes 46 seconds West, 50.25 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 82 degrees 05 minutes 08 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 37 degrees 05 minutes 08 seconds West, 346.08 to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 206.77 feet along a curve to the right having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears North 21 degrees 17 minutes 21 seconds West, 204.16 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 05 degrees 29 minutes 35 seconds West, 87.20 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 529.97 feet along a curve to the left having a central angle of 29 degrees 37 minutes 27 seconds, a radius of 1,025.00 feet, a tangent of 271.05 feet and whose chord bears North 20 degrees 18 minutes 18 seconds West, 524.08 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 35 degrees 07 minutes 02 seconds West, 200.65 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 55.38 feet along a curve to the left having a central angle of 03 degrees 50 minutes 47 seconds, a radius of 825.00 feet, a tangent of 27.70 feet and whose chord bears North 37 degrees 02 minutes 25 seconds West, 55.37 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northeasterly, 150.39 feet along a curve to the right having a central angle of 12 degrees 45 minutes 55 seconds, a radius of 675.00 feet, a tangent of 75.51 feet and whose chord bears North 58 degrees 23 minutes 38 seconds East, 150.08 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 25 degrees 12 minutes 04 seconds West, 126.85 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 01 degrees 49 minutes 20 seconds West, 826.53 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 88 degrees 10 minutes 40 seconds East, 251.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 57 degrees 19 minutes 17 seconds East, 211.03 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 32 degrees 40 minutes 43 seconds East, 126.45 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 15 degrees 53 minutes 22 seconds West, 13.34 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 63 degrees 02 minutes 13 seconds West, 12.06 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 26 degrees 31 minutes 02 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 372.60 feet along a curve to the right having a central angle of 25 degrees 52 minutes 38 seconds, a radius of 825.00 feet, a tangent of 189.54 feet and whose chord bears South 50 degrees 32 minutes 39 seconds East, 369.45 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 52 degrees 23 minutes 40 seconds East, 228.59 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 27 degrees 23 minutes 01 seconds East, 204.73 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 89 degrees 59 minutes 16 seconds East, 238.16 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 46 degrees 40 minutes 06 seconds East, 327.25 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 10 degrees 15 minutes 11 seconds West, 188.34 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 79 degrees 44 minutes 49 seconds East, 15.14 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 10 degrees 15 minutes 11 seconds West, 50.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 79 degrees 44 minutes 49 seconds East, 91.32 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 10 degrees 15 minutes 11 seconds West, 24.19 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 11 degrees 36 minutes 37 seconds West, 30.55 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 15 degrees 04 minutes 19 seconds West, 47.37 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 18 degrees 48 minutes 02 seconds West, 186.21 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 19 degrees 49 minutes 03 seconds West, 50.93 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 21 degrees 41 minutes 34 seconds West, 42.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 23 degrees 24 minutes 34 seconds West, 42.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 25 degrees 07 minutes 34 seconds West, 42.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 26 degrees 16 minutes 04 seconds West, 14.20 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 26 degrees 33 minutes 05 seconds West, 330.74 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 35 degrees 41 minutes 29 seconds West, 50.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 122.12 feet along a curve to the left having a central angle of 05 degrees 07 minutes 33 seconds, a radius of 1,365.00 feet, a tangent of 61.10 feet, and whose chord bears North 56 degrees 52 minutes 18 seconds West, 122.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 30 degrees 33 minutes 56 seconds West, 120.15 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 60 degrees 06 minutes 27 seconds East, 9.84 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 57 degrees 51 minutes 21 seconds East, 48.93 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 55 degrees 35 minutes 59 seconds East, 48.93 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 53 degrees 34 minutes 53 seconds East, 48.93 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 51 degrees 29 minutes 01 seconds East, 48.94 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 49 degrees 23 minutes 06 seconds East, 48.96 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 47 degrees 17 minutes 09 seconds East, 48.98 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 45 degrees 11 minutes 07 seconds East, 49.01 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 43 degrees 05 minutes 01 seconds East, 49.04 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 40 degrees 58 minutes 50 seconds East, 49.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 38 degrees 53 minutes 17 seconds East, 48.54 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 36 degrees 52 minutes 59 seconds East, 45.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 33 degrees 57 minutes 44 seconds East, 91.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 19 degrees 19 minutes 42 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 118.08 feet along a curve to the left having a central angle of 06 degrees 19 minutes 23 seconds, a radius of 1,070.00 feet, a tangent of 59.10 feet and whose chord bears South 67 degrees 30 minutes 37 seconds West, 118.02 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 25 degrees 39 minutes 05 seconds East, 120.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 189.59 feet along a curve to the left having a central angle of 11 degrees 26 minutes 03 seconds, a radius of 950.00 feet, a tangent of 95.11 feet and whose chord bears South 58 degrees 37 minutes 54 seconds West, 189.27 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 52 degrees 54 minutes 52 seconds West, 830.17 feet to the POINT OF BEGINNING and containing 2,846,226 square feet or 65.340 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

EXHIBIT K-4 – ZONE 1 REMAINDER AREA LEGAL DESCRIPTION

LEGAL DESCRIPTION (POD 2B Phase 2)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at a one-half inch iron rod with yellow cap stamped “JBI” set for corner in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 as follows:

North 89 degrees 28 minutes 43 seconds West, 190.57 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found for corner;

North 89 degrees 23 minutes 25 seconds West, 639.80 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 00 degrees 43 minutes 43 seconds East, 155.23 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 130.54 feet along a curve to the left, having a central angle of 13 degrees 00 minutes 28 seconds, a radius of 575.00 feet, a tangent of 65.55 feet and whose chord bears North 05 degrees 46 minutes 31 seconds West, 130.26 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 12 degrees 16 minutes 44 seconds West, 86.64 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northeasterly, 255.87 feet along a curve to the right, having a central angle of 27 degrees 55 minutes 28 seconds, a radius of 525.00 feet, a tangent of 130.53 feet and whose chord bears North 01 degrees 41 minutes 00 seconds East, 253.35 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 15 degrees 38 minutes 44 seconds East, 31.59 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northeasterly, 81.33 feet along a curve to the left, having a central angle of 08 degrees 52 minutes 34 seconds, a radius of 525.00, a tangent of 40.75 feet and whose chord bears North 11 degrees 12 minutes 27 seconds East, 81.25 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 06 degrees 46 minutes 10 seconds East, 91.38 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 83 degrees 13 minutes 50 seconds West, 12.29 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 06 degrees 46 minutes 10 seconds East, 120.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 83 degrees 13 minutes 50 seconds West, 83.98 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 82 degrees 56 minutes 36 seconds West, 17.01 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 81 degrees 47 minutes 24 seconds West, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 80 degrees 02 minutes 35 seconds West, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 78 degrees 17 minutes 47 seconds West, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 76 degrees 32 minutes 58 seconds West, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 74 degrees 48 minutes 09 seconds West, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 73 degrees 03 minutes 21 seconds West, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 71 degrees 18 minutes 32 seconds West, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 70 degrees 10 minutes 49 seconds West, 15.51 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 69 degrees 55 minutes 29 seconds West, 358.57 to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 20 degrees 04 minutes 31 seconds East, 228.41 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northeasterly, 150.42 feet to a along a curve to the right, having a central angle of 14 degrees 59 minutes 19 seconds, a radius of 575.00 feet, a tangent of 75.64 feet and whose chord bears North 27 degrees 34 minutes 10 seconds East, 149.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 35 degrees 03 minutes 50 seconds East, 124.44 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 120.31 feet along a curve to the left, having a central angle of 05 degrees 23 minutes 07 seconds, a radius of 1,280.00 feet, a tangent of 60.20 feet and whose chord bears South 58 degrees 44 minutes 53 seconds East, 120.27 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 35 degrees 03 minutes 50 seconds East, 120.86 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 64 degrees 07 minutes 37 seconds East, 81.37 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 67 degrees 29 minutes 18 seconds East, 54.71 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 70 degrees 11 minutes 28 seconds East, 54.71 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 72 degrees 53 minutes 37 seconds East, 54.71 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 75 degrees 35 minutes 47 seconds East, 54.71 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 78 degrees 17 minutes 56 seconds East, 54.71 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 81 degrees 00 minutes 06 seconds East, 54.71 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 82 degrees 47 minutes 30 seconds East, 17.77 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 343.76 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 120.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 384.17 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 116.68 feet along a curve to the right having a central angle of 133 degrees 42 minutes 04 seconds, a radius of 50.00 feet, a tangent of 116.94 feet and whose chord bears South 61 degrees 22 minutes 49 seconds East, 91.95 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 84 degrees 31 minutes 47 seconds East, 105.40 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 82 degrees 50 minutes 49 seconds East, 95.73 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 09 minutes 11 seconds West, 1,277.53 feet to the POINT OF BEGINNING and containing 1,686,646 square feet or 38.720 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

LEGAL DESCRIPTION (POD 2E)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 72 degrees 52 minutes 25 seconds East, 4,471.74 feet to the POINT OF BEGINNING;

THENCE North 37 degrees 05 minutes 08 seconds West, 110.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 07 degrees 54 minutes 52 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 42 degrees 47 minutes 46 seconds West, 50.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 05 minutes 08 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 37 degrees 05 minutes 08 seconds West, 346.08 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 206.77 feet along a curve to the right having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears North 21

degrees 17 minutes 21 seconds West, 204.16 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 05 degrees 29 minutes 35 seconds West, 87.20 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 529.97 feet along a curve to the left having a central angle of 29 degrees 37 minutes 27 seconds, a radius of 1,025.00 feet, a tangent of 271.05 feet and whose chord bears North 20 degrees 18 minutes 18 seconds West, 524.08 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 35 degrees 07 minutes 02 seconds West, 200.65 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 55.38 feet along a curve to the left having a central angle of 03 degrees 50 minutes 47 seconds, a radius of 825.00 feet, a tangent of 27.70 feet and whose chord bears North 37 degrees 02 minutes 25 seconds West, 55.37 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northeasterly, 150.39 feet along a curve to the right having a central angle of 12 degrees 45 minutes 55 seconds, a radius of 675.00 feet, a tangent of 75.51 feet and whose chord bears North 58 degrees 23 minutes 38 seconds East, 150.08 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 25 degrees 12 minutes 04 seconds West, 126.85 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 01 degrees 49 minutes 20 seconds West, 826.53 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 88 degrees 10 minutes 40 seconds East, 251.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 57 degrees 19 minutes 17 seconds East, 211.03 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 32 degrees 40 minutes 43 seconds East, 126.45 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 15 degrees 53 minutes 22 seconds West, 13.34 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 63 degrees 02 minutes 13 seconds West, 12.06 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 26 degrees 31 minutes 02 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 372.60 feet along a curve to the right having a central angle of 25 degrees 52 minutes 38 seconds, a radius of 825.00 feet, a tangent of 189.54 feet and whose chord bears South 50 degrees 32 minutes 39 seconds East, 369.45 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 52 degrees 23 minutes 40 seconds East, 228.59 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 27 degrees 23 minutes 01 seconds East, 204.73 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 89 degrees 59 minutes 16 seconds East, 238.16 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 46 degrees 40 minutes 06 seconds East, 327.25 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 10 degrees 15 minutes 11 seconds West, 188.34 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 79 degrees 44 minutes 49 seconds East, 15.14 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 10 degrees 15 minutes 11 seconds West, 50.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 79 degrees 44 minutes 49 seconds East, 91.32 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 10 degrees 15 minutes 11 seconds West, 24.19 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 11 degrees 36 minutes 37 seconds West, 30.55 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 15 degrees 04 minutes 19 seconds West, 47.37 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 18 degrees 48 minutes 02 seconds West, 186.21 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 19 degrees 49 minutes 03 seconds West, 50.93 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 21 degrees 41 minutes 34 seconds West, 42.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 23 degrees 24 minutes 34 seconds West, 42.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 25 degrees 07 minutes 34 seconds West, 42.99 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 26 degrees 16 minutes 04 seconds West, 14.20 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 26 degrees 33 minutes 05 seconds West, 330.74 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 35 degrees 41 minutes 29 seconds West, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 122.12 feet along a curve to the left having a central angle of 05 degrees 07 minutes 33 seconds, a radius of 1,365.00 feet, a tangent of 61.10 feet, and whose chord bears North 56 degrees 52 minutes 18 seconds West, 122.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 30 degrees 33 minutes 56 seconds West, 120.15 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 60 degrees 06 minutes 27 seconds East, 9.84 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 57 degrees 51 minutes 21 seconds East, 48.93 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 55 degrees 35 minutes 59 seconds East, 48.93 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 53 degrees 34 minutes 53 seconds East, 48.93 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 51 degrees 29 minutes 01 seconds East, 48.94 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 49 degrees 23 minutes 06 seconds East, 48.96 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 47 degrees 17 minutes 09 seconds East, 48.98 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 45 degrees 11 minutes 07 seconds East, 49.01 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 43 degrees 05 minutes 01 seconds East, 49.04 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 40 degrees 58 minutes 50 seconds East, 49.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 38 degrees 53 minutes 17 seconds East, 48.54 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 36 degrees 52 minutes 59 seconds East, 45.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 33 degrees 57 minutes 44 seconds East, 91.25 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner

THENCE South 19 degrees 19 minutes 42 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southwesterly, 118.08 feet along a curve to the left having a central angle of 06 degrees 19 minutes 23 seconds, a radius of 1,070.00 feet, a tangent of 59.10 feet and whose chord bears South 67 degrees 30 minutes 37 seconds West, 118.02 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 25 degrees 39 minutes 05 seconds East, 120.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southwesterly, 189.59 feet along a curve to the left having a central angle of 11 degrees 26 minutes 03 seconds, a radius of 950.00 feet, a tangent of 95.11 feet and whose chord bears South 58 degrees 37 minutes 54 seconds West, 189.27 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 52 degrees 54 minutes 52 seconds West, 830.17 feet to the POINT OF BEGINNING and containing 2,846,226 square feet or 65.340 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

EXHIBIT K-5 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

LEGAL DESCRIPTION (POD 2A)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped “USA INC. PROP. COR” found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 50 degrees 19 minutes 12 seconds East, 2,785.72 feet to the POINT OF BEGINNING;

THENCE Northwesterly, 24.78 feet along a curve to the left having a central angle of 02 degrees 01 minutes 41 seconds, a radius of 700.00 feet, a tangent of 12.39 feet and whose chord bears North 81 degrees 07 minutes 10 seconds West, 24.78 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 82 degrees 08 minutes 01 seconds West, 434.21 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 77.13 feet along a curve to the right having a central angle of 12 degrees 48 minutes 33 seconds, a radius of 345.00 feet, a tangent of 38.73 feet and whose chord bears North 75 degrees 43 minutes 44 seconds West, 76.97 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 20 degrees 40 minutes 33 seconds East, 126.87 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 34.35 feet along a curve to the right having a central angle of 08 degrees 44 minutes 50 seconds, a radius of 225.00 feet, a tangent of 17.21 feet and whose chord bears North 58 degrees 43 minutes 50 seconds West, 34.32 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 164.40 feet along a curve to the left having a central angle of 34 degrees 15 minutes 07 seconds, a radius of 275.00 feet, a tangent of 84.74 feet and whose chord bears North 71 degrees 28 minutes 59 seconds West, 161.96 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 00 degrees 28 minutes 06 seconds East, 119.86 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 89 degrees 31 minutes 54 seconds West, 237.35 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 967.74 feet along a curve to the right having a central angle of 75 degrees 26 minutes 18 seconds, a radius of 735.00 feet a tangent of 568.47 feet and whose chord bears North 52 degrees 44 minutes 57 seconds West, 899.33 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 15 degrees 01 minutes 48 seconds West, 581.11 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 443.89 feet along a curve to the left having a central angle of 54 degrees 41 minutes 39 seconds, a radius of 465.00 feet, a tangent of 240.49 feet and whose chord bears North 42 degrees 22 minutes 38 seconds West, 427.22 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 88 degrees 52 minutes 39 seconds East, 629.94 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 70 degrees 37 minutes 18 seconds East, 252.27 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 58 degrees 06 minutes 24 seconds East, 454.01 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 81 degrees 00 minutes 14 seconds East, 273.36 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 20 degrees 23 minutes 20 seconds East, 149.63 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 86 degrees 39 minutes 17 seconds East, 326.44 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 02 degrees 14 minutes 27 seconds East, 149.62 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 50 degrees 45 minutes 14 seconds East, 210.82 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 88 degrees 55 minutes 55 seconds East, 119.51 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 01 degrees 04 minutes 05 seconds East, 924.12 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 07 degrees 51 minutes 55 seconds West, 1,088.26 feet to the POINT OF BEGINNING and containing 2,837,262 square feet or 65.135 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

LEGAL DESCRIPTION (POD 2B Phase 1)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541;

THENCE along the west line of said 180.339 acre tract and along the east line of said Lavon Ranchettes Addition as follows:

North 01 degrees 21 minutes 21 seconds East, 157.69 feet to a one-half inch iron rod found for corner;

North 01 degrees 07 minutes 18 seconds East, 1,375.04 feet to a three-eighths inch iron rod found for corner;

North 01 degrees 01 minutes 24 seconds East, 240.18 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the northwest corner of said 180.339 acre tract, said point also being in the south line of said 472.8955 acre tract;

THENCE 01 degrees 07 minutes 21 seconds East, at 1,306.98 feet passing the northeast corner of said Lavon Ranchettes Addition, in all a total distance of 1,444.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 295.43 feet along a curve to the right having a central angle of 50 degrees 31 minutes 40 seconds, a radius of 335.00 feet, a tangent of 158.10 feet and whose chord bears South 40 degrees 17 minutes 38 seconds East, 285.95 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 15 degrees 01 minutes 48 seconds East, 581.11 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 1,028.63 feet along a curve to the left having a central angle of 68 degrees 08 minutes 04 seconds, a radius of 865.00 feet, a tangent of 584.93 feet and whose chord bears South 49 degrees 05 minutes 50 seconds East, 969.09 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 09 minutes 52 seconds East, 339.07 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 17.15 feet along a curve to the right, having a central angle of 15 degrees 07 minutes 06 seconds, a radius of 65.00 feet, a tangent of 8.63 feet and whose chord bears South 00 degrees 47 minutes 23 seconds East, 17.10 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;;

THENCE South 06 degrees 46 minutes 10 seconds West, 12.37 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 381.15 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 83 degrees 13 minutes 50 seconds West, 50.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 06 degrees 46 minutes 10 seconds East, 120.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 83 degrees 13 minutes 50 seconds West, 343.76 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 82 degrees 47 minutes 30 seconds West, 17.77 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 81 degrees 00 minutes 06 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 78 degrees 17 minutes 56 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 75 degrees 35 minutes 47 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 72 degrees 53 minutes 37 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 70 degrees 11 minutes 28 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 67 degrees 29 minutes 18 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 64 degrees 07 minutes 37 seconds West, 81.37 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 35 degrees 03 minutes 50 seconds West, 120.86 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 120.31 feet along a curve to the right having a central angle of 05 degrees 23 minutes 07 seconds, a radius of 1,280.00 feet, a tangent of 60.20 feet and whose chord bears North 58 degrees 44 minutes 53 seconds West, 120.27 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 35 degrees 03 minutes 50 seconds West, 124.44 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southwesterly, 150.42 feet along a curve to the left having a central angle of 14 degrees 59 minutes 19 seconds, a radius of 575.00 feet, a tangent of 75.64 feet and whose chord bears South 27 degrees 34 minutes 10 seconds West, 149.99 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 20 degrees 04 minutes 31 seconds West, 228.41 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 69 degrees 55 minutes 29 seconds East, 358.57 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 70 degrees 10 minutes 49 seconds East, 15.51 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 71 degrees 18 minutes 32 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 73 degrees 03 minutes 21 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 74 degrees 48 minutes 09 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 76 degrees 32 minutes 58 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 78 degrees 17 minutes 47 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 80 degrees 02 minutes 35 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 81 degrees 47 minutes 24 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 82 degrees 56 minutes 36 seconds East, 17.01 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 83.98 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 120.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 12.29 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 91.38 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 81.33 feet along a curve to the right having a central angle of 08 degrees 52 minutes 34 seconds, a radius of 525.00 feet, a tangent of 40.75 feet and whose chord bears South 11 degrees 12 minutes 27 seconds, 81.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 15 degrees 38 minutes 44 seconds West, 31.59 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 255.87 feet along a curve to the left having a central angle of 27 degrees 55 minutes 28 seconds, a radius of 525.00 feet, a tangent of 130.53 feet and whose chord bears South 01 degrees 41 minutes 00 seconds West, 253.35 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 12 degrees 16 minutes 44 seconds East, 86.64 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 130.54 feet along a curve to the right having a central angle of 13 degrees 00 minutes 28 seconds, a radius of 575.00 feet, a tangent of 65.55 feet and whose chord bears South 05 degrees 46 minutes 31 seconds East, 130.26 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 43 minutes 43 seconds West, 155.23 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 23 minutes 25 seconds, 65.95 feet along the south line of said 180.339 acre tract and along the north right-of-way line of said County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point also being the southeast corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600, Official Public Records of Collin County, Texas;

THENCE along the common lines of said 180.339 acre tract and said 1.05 acre tract as follows:

North 00 degrees 45 minutes 47 seconds East, 253.51 feet to a five-eighths inch iron rod found for corner;

North 87 degrees 47 minutes 23 seconds West, 180.66 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found for corner;

South 00 degrees 37 minutes 46 seconds West, 257.91 feet to a one-half inch iron rod found at the southwest corner of said 1.05 acre tract, said point also being in the north right-of-way line of said County Road 541;

THENCE North 89 degrees 10 minutes 57 seconds West, 848.67 feet along the south line of said 180.339 acre tract and along the north right-of-way line of said County Road 541 to the POINT OF BEGINNING and containing 2,154,924 square feet or 49.470 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

LEGAL DESCRIPTION (POD 2C)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 50 degrees 19 minutes 12 seconds East, 2,785.72 feet to the POINT OF BEGINNING;

THENCE North 07 degrees 51 minutes 55 seconds East, 1,088.26 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 01 degrees 04 minutes 05 seconds West, 924.12 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 88 degrees 55 minutes 55 seconds East. 304.18 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 85 degrees 19 minutes 02 seconds East, 780.24 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 88 degrees 10 minutes 40 seconds East, 229.33 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 01 degrees 49 minutes 20 seconds East, 826.53 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 25 degrees 12 minutes 04 seconds East, 127.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 150.35 feet along a curve to the left having a central angle of 12 degrees 45 minutes 43 seconds, a radius of 675.00 feet, a tangent of 75.49 feet and whose chord bears South 58 degrees 25 minutes 05 seconds West, 150.04 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 55.25 feet along a curve to the right having a central angle of 03 degrees 50 minutes 13 seconds, a radius of 825.00 feet, a tangent of 27.63 feet and whose chord bears South 37 degrees 02 minutes 08 seconds East, 55.24 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 35 degrees 07 minutes 02 seconds East, 200.65 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 529.97 feet along a curve to the right having a central angle of 29 degrees 37 minutes 27 seconds, a radius of 1,025.00 feet, a tangent of 271.05 feet and whose chord bears South 20 degrees 18 minutes 18 seconds East, 524.08 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 05 degrees 29 minutes 35 seconds East, 87.20 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 206.77 feet along the curve to the left having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears South 21 degrees 17 minutes 21 seconds East, 204.16 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 346.08 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 82 degrees 05 minutes 08 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 42 degrees 47 minutes 46 seconds East, 50.25 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 07 degrees 54 minutes 52 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 110.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 52 degrees 54 minutes 52 seconds West, 151.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southwesterly, 749.00 feet along a curve to the right having a central angle of 33 degrees 00 minutes 41 seconds, a radius of 1,300.00 feet, a tangent of 385.22 feet and whose chord bears South 69 degrees 25 minutes 12 seconds West, 738.68 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 05 degrees 37 minutes 01 seconds West, 693.64 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 43.54 feet along a curve to the right having a central angle of 49 degrees 53 minutes 28 seconds, a radius of 50.00, a tangent of 23.26 feet and whose chord bears North 05 degrees 36 minutes 31 seconds West, 42.18 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 56 degrees 34 minutes 01 seconds West, 100.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 23 degrees 18 minutes 10 seconds West, 81.19 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 82 degrees 08 minutes 05 seconds West, 532.52 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 07 degrees 51 minutes 55 seconds West, 139.75 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 36 degrees 33 minutes 37 seconds West, 279.48 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 491.31 feet along a curve to the left having a central angle of 40 degrees 12 minutes 50 seconds, a radius of 700.00 feet, a tangent of 256.26 feet and whose chord bears North 59 degrees 59 minutes 54 seconds West, 481.29 feet to the POINT OF BEGINNING and containing 3,371,475 square feet or 77.398 acres of land.

LEGAL DESCRIPTION (POD 2D)

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped “USA INC. PROP. COR” found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 52 degrees 14 minutes 09 seconds East, 2,694.47 feet to the POINT OF BEGINNING;

THENCE South 81 degrees 57 minutes 00 seconds East, 95.02 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 59 degrees 59 minutes 35 seconds East, 227.77 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 40 degrees 56 minutes 52 seconds East, 201.52 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 25.59 feet along a curve to the right having a central angle of 02 degrees 26 minutes 39 seconds, a radius of 600.00 feet, a tangent of 12.80 feet and whose chord bears South 26 degrees 46 minutes 09 seconds East, 25.59 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 25 degrees 32 minutes 49 seconds East, 113.69 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 747.47 feet along a curve to the left having a central angle of 63 degrees 55 minutes 13 seconds, a radius of 670.00 feet, a tangent of 418.02 feet and whose chord bears South 57 degrees 30 minutes 26 seconds East, 709.30 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 89 degrees 28 minutes 03 seconds East, 143.77 feet to a one-half inch iron rod with yellow caps stamped “JBI” set for corner;

THENCE Northeasterly, 115.26 feet along a curve to the left having a central angle of 04 degrees 43 minutes 01 seconds, a radius of 1,400.00 feet, a tangent of 57.66 feet and whose chord bears North 88 degrees 10 minutes 26 seconds East, 115.23 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 05 degrees 37 minutes 01 seconds East, 723.91 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 04 degrees 52 minutes 41 seconds East, 50.22 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 68.22 feet along a curve to the right having a central angle of 04 degrees 03 minutes 01 seconds, a radius of 965.00 feet, a tangent of 34.12 feet and whose chord bears South 01 degrees 29 minutes 33 seconds East, 68.20 feet to a one-half inch iron with yellow cap stamped “JBI” set for corner;

THENCE South 00 degrees 31 minutes 57 seconds West, 66.61 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 399.74 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 00 degrees 31 minutes 17 seconds East, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 89 degrees 28 minutes 43 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 31 minutes 17 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 1,075.43 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 07 degrees 09 minutes 11 seconds East, 1,514.49 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 33 minutes 02 seconds East, 172.15 feet to the POINT OF BEGINNING and containing 1,771,212 square feet or 40.661 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

APPENDIX A – ENGINEER’S REPORT

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**Re: Engineer's Report
Elevon Public Improvement District
Lavon, Texas**

Introduction:

Elevon Public Improvement District (the "Elevon PID") is a 982.719 acre multiphase single family development. The general location of the property is south of the NETEX railroad right-of-way, north of County Road 541 (Watkins Road), and is approximately 1.6 miles east of State Highway 78 and Main Street. The Elevon PID boundary and legal description are shown in Exhibit A and A1. Pods 2A-2E have been planned, preliminary engineered, and cost estimates have been prepared for 1,389 lots. The concept plan for the planned pods is shown in Exhibit B. The Engineer's Report includes the estimated cost, schedule, and development exhibits for the formation of the Elevon PID and for reference for the issuance of bonds by the City to finance public infrastructure projects within the Elevon PID.

Development Cost

JBI has prepared an Opinion of Probable Cost summary for improvements within the Elevon PID and for offsite improvements needed to serve the Pods 2A-2E, see Exhibit C.

Elevon PID Improvements

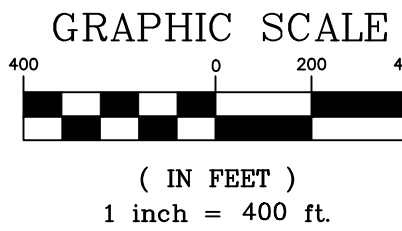
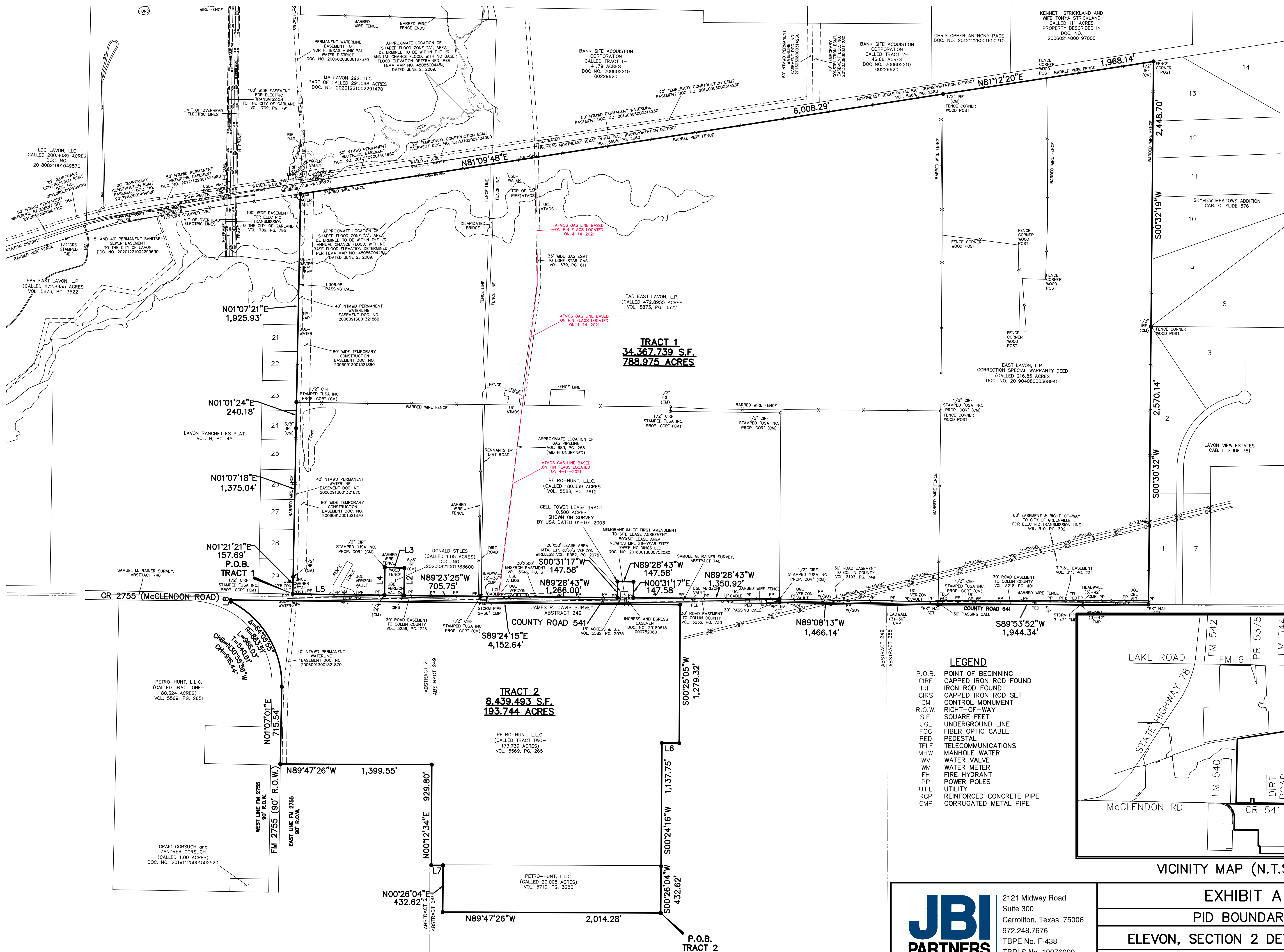
The authorized improvements benefitting property within the Elevon PID are illustrated in Exhibits D thru L. There are In-tract Improvements, Major Improvements Onsite, and Major Improvements Offsite.

Development Schedule

Design Stage – The preliminary plat for Section 2, Phase 2A-2E has been approved by the City of Lavon. Engineering plans and final plat have been submitted for the Master Infrastructure improvements that will provide, water, sewer, drainage, and access to each of the phases of development. A flood study for Pods 2A-2E has been submitted to the City of Lavon for approval. A traffic impact analysis for the entire Elevon development which includes the Elevon PID area has been submitted to the City of Lavon. Design and final platting of Pods 2A, 2B-1, 2C, and 2D are currently underway with an anticipated submittal in the fourth quarter of 2021. Approval and ground breaking for the master infrastructure and phases will occur in the first quarter of 2022.

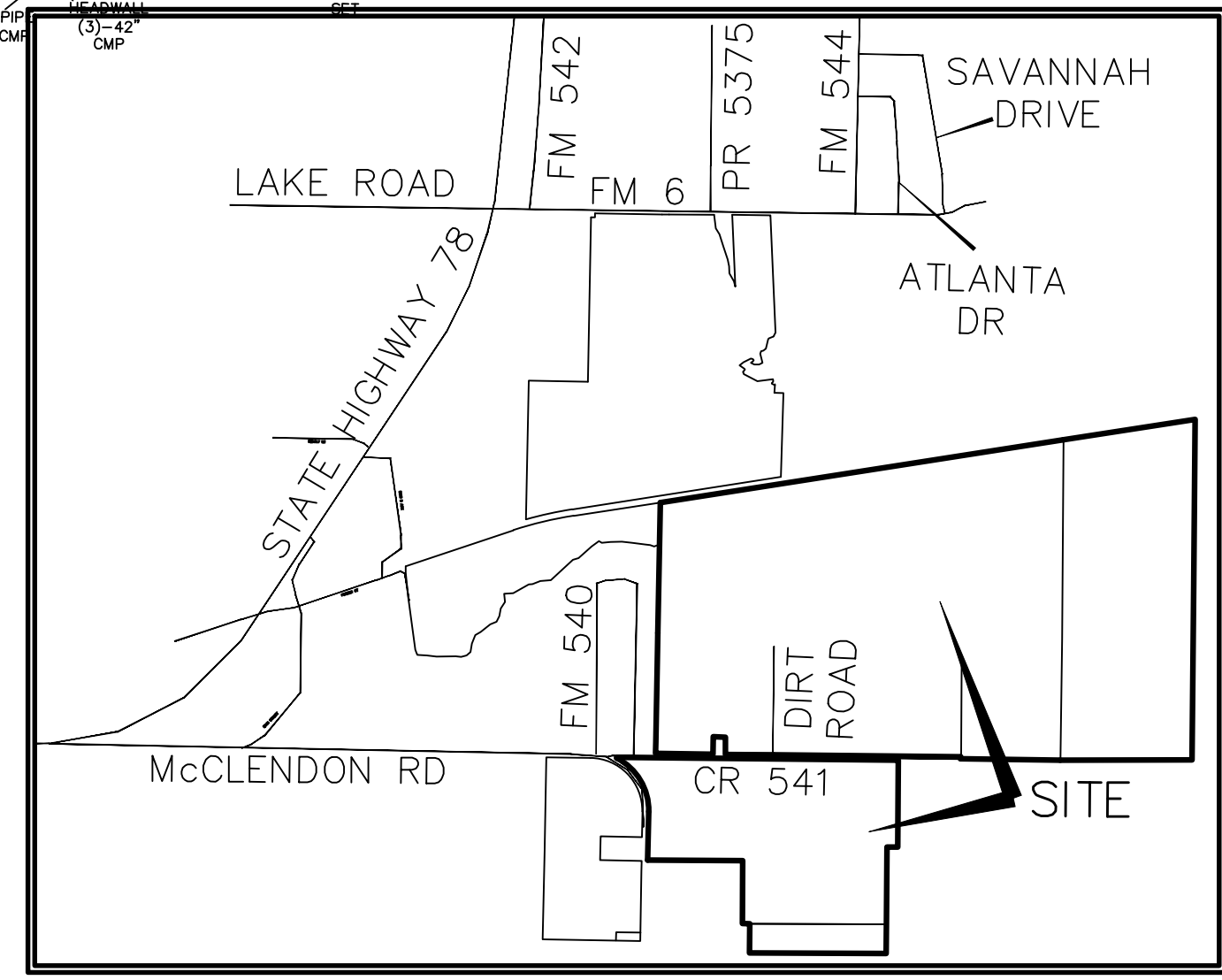
Construction Stage- The construction of the master infrastructure and pods 2A, 2B-1, 2C, and 2D is anticipated to begin in January 2022. The improvements will take between 12-15 months to complete. Final acceptance of the improvements is anticipated in the first quarter of 2023. A 12 month project time line is depicted in Exhibit M.





LINE TABLE		
NO.	BEARING	LENGTH
L1	N00°22'15"E	30.66'
L2	N00°45'47"E	253.51'
L3	N87°47'23"W	180.66'
L4	S00°37'46"W	257.91'
L5	N89°10'57"W	848.67'
L6	N89°39'34"W	159.29'
L7	N89°47'26"W	108.39'
L8	N00°37'01"E	15.07'

- LEGEND**
- P.O.B. POINT OF BEGINNING
 - CIRF CAPPED IRON ROD FOUND
 - IRF IRON ROD FOUND
 - CIRS CAPPED IRON ROD SET
 - CM CONTROL MONUMENT
 - R.O.W. RIGHT-OF-WAY
 - S.F. SQUARE FEET
 - UGL UNDERGROUND LINE
 - FOC FIBER OPTIC CABLE
 - PED PEDESTAL
 - TELE TELECOMMUNICATIONS
 - MHW MANHOLE WATER
 - WV WATER VALVE
 - WM WATER METER
 - FH FIRE HYDRANT
 - PP POWER POLES
 - UTIL UTILITY
 - RCP REINFORCED CONCRETE PIPE
 - CMP CORRUGATED METAL PIPE



2121 Midway Road
Suite 300
Carrollton, Texas 75006
972.248.7676
TBPE No. F-438
TBPLS No. 10076000

EXHIBIT A

PID BOUNDARY

ELEVON, SECTION 2 DEVELOPMENT

CITY OF LAVON ETJ, COLLIN COUNTY, TEXAS

PROJECT NO.

MAT029

SHEET NO.

PD-A1

LEGAL DESCRIPTION
TRACT 1

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro–Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right–of–way line of County Road 541;

THENCE along the west line of said 180.339 acre tract and along the east line of said Lavon Ranchettes Addition as follows:
North 01 degrees 21 minutes 21 seconds East, 157.69 feet to a point for corner;
North 01 degrees 07 minutes 18 seconds East, 1,375.04 feet to a point for corner;
North 01 degrees 01 minutes 24 seconds East, 240.18 feet to a point for corner, said point being the northwest corner of said 180.339 acre tract, said point also being in the south line of said 472.8955 acre tract;

THENCE North 01 degrees 07 minutes 21 seconds East, at 1,306.98 feet passing the northeast corner of said Lavon Ranchettes Addition, in all a total distance of 1,925.93 feet to a point for corner, said point being in the north line of said 472.8955 acre tract, said point also being in the south right–of–way line of that tract of land described in deed to Northeast Texas Rural Rail Transportation District as recorded in Volume 5585, Page 2680, Official Public Records of Collin County, Texas;

THENCE North 81 degrees 09 minutes 48 seconds East, 6,008.29 feet along the north line of said 472.8955 acre tract and along the south right–of–way line of said Northeast Texas Rural Rail Transportation District to a point for corner, said point being the northeast corner of said 472.8955 acre tract, said point also being the northwest corner of that called 216.85 acre tract of land described in deed to East Lavon, L.P. as recorded in Document Number 20190408000368940, Official Public Records of Collin County, Texas;

THENCE North 81 degrees 12 minutes 20 seconds East, 1,968.14 feet along the north line of said 216.85 acre tract to a point for corner, said point being the northeast corner of said 216.85 acre tract;

THENCE along the east line of said 216.85 acre tract as follows:
South 00 degrees 32 minutes 19 seconds West, 2,448.70 feet to a point or corner;
South 00 degrees 30 minutes 32 seconds West, 2,570.14 feet to a point for corner in the southeast corner of said 216.85 acre tract, said point also being in the approximate centerline of County Road 541;

THENCE along the approximate centerline of County Road Number 541 as follows:
South 89 degrees 53 minutes 52 seconds West, 1,944.34 feet to a point for corner, said point being the southwest corner of said 216.85 acre tract, said point also being the southeast corner of said 472.8955 acre tract;
North 89 degrees 08 minutes 13 seconds West, 1,466.14 feet to a point for corner, said point being the most southerly southwest corner of said 472.8955 acre tract;

THENCE North 00 degrees 22 minutes 15 seconds East, 30.66 feet along the west line of said 472.8955 acre tract to a point for corner, said point being the southeast corner of said 180.339 acre tract, said point also being in the north right–of–way line of County Road Number 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 1,350.92 feet to a point for corner;

THENCE North 00 degrees 31 minutes 17 seconds East, 147.58 feet to a one–half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 89 degrees 28 minutes 43 seconds West, 147.58 feet to a one–half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 00 degrees 31 minutes 17 seconds West, 147.58 feet to a one–half inch iron rod with yellow cap stamped “JBI” set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right–of–way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 1,266.00 feet along the south line of said 180.339 acre tract and along the north right–of–way line of County Road 541 to a one–half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 89 degrees 23 minutes 25 seconds West, 705.75 feet to a point for corner;

THENCE North 00 degrees 45 minutes 47 seconds East, 253.51 feet to a point for corner;

THENCE North 87 degrees 47 minutes 23 seconds West, 180.66 feet to a point for corner;

THENCE South 00 degrees 37 minutes 46 seconds West, 257.91 feet to a point for corner;

THENCE North 89 degrees 10 minutes 57 seconds West, 848.67 feet to the POINT OF BEGINNING and containing 34,367,739 square feet or 788.975 acres of land.

”This document was prepared under 22 TAC 663.23, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.”

LEGAL DESCRIPTION
TRACT 2

Being a parcel of land located in Collin County, Texas, a part of the Drury Anglin Survey, Abstract Number 2, and being a part James P. Davis Survey, Abstract Number 249, and being all of that called Tract Two – 173.739 acre tract of land described in deed to Petro–Hunt, L.L.C. as recorded in Volume 5569, Page 2651, Official Public Records of Collin County, Texas, and also being all of that called 20.005 acre tract of land described in deed to Petro–Hunt, L.L.C. as recorded in Volume 5710, Page 3283, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at the southeast corner of said 20.005 acre tract;

THENCE North 89 degrees 47 minutes 26 seconds West, 2,014.28 feet to a point for corner, said point being the southwest corner of said 20.005 acre tract;

THENCE North 00 degrees 26 minutes 04 seconds East, 432.62 feet to a point for corner, said point being the northwest corner of said 20.005 acre tract, said point also being in the south line of said 173.739 acre tract;

THENCE North 89 degrees 47 minutes 26 seconds West, 108.39 feet to the most southerly southwest corner of said 173.739 acre tract;

THENCE along the west line of said 173.739 acre tract as follows:
North 00 degrees 12 minutes 34 seconds East, 929.80 feet to a point for corner;
North 89 degrees 47 minutes 26 seconds West, 1399.55 feet to a point for corner, said point being the most westerly southwest corner of said 173.739 acre tract, said point also being in the east right–of–way line of Farm–to–Market Highway Number 2755;

THENCE continuing along the west line of said 173.739 acre tract and along the east right–of–way line of Farm–to–Market Highway Number 2755;
North 01 degrees 07 minutes 01 seconds East, 715.54 feet to a point for corner;
Northwesterly, 966.03 feet along a curve to the left having a central angle of 64 degrees 05 minutes 55 seconds, a radius of 863.51 feet, a tangent of 540.61 feet, and whose chord bears North 30 degrees 55 minutes 56 seconds West, 916.44 feet to a point for corner;
North 00 degrees 37 minutes 01 seconds East, 15.07 feet to a point for corner, said point being the northwest corner of said 173.739 acre tract, said point also being at the intersection of the east right–of–way line of Farm–to–Market Highway Number 2755 with the south right–of–way line of County Road Number 541;

THENCE South 89 degrees 24 minutes 15 seconds East, 4,152.64 feet along the south right–of–way line of County Road Number 541 to a point for corner, said point being the northeast corner of said 173.739 acre tract;

THENCE along the east line of said 173.739 acre tract as follows:
South 00 degrees 25 minutes 05 seconds West, 1279.32 feet to a point for corner;
North 89 degrees 39 minutes 34 seconds West, 159.29 feet to a point for corner;
South 00 degrees 24 minutes 16 seconds West, 1137.75 feet to a point for corner, said point being the southeast corner of said 173.739 acre tract, said point also being the northeast corner of said 20.005 acre tract;

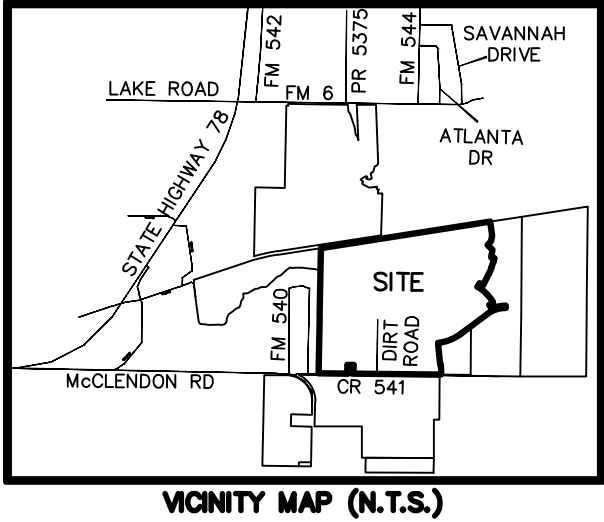
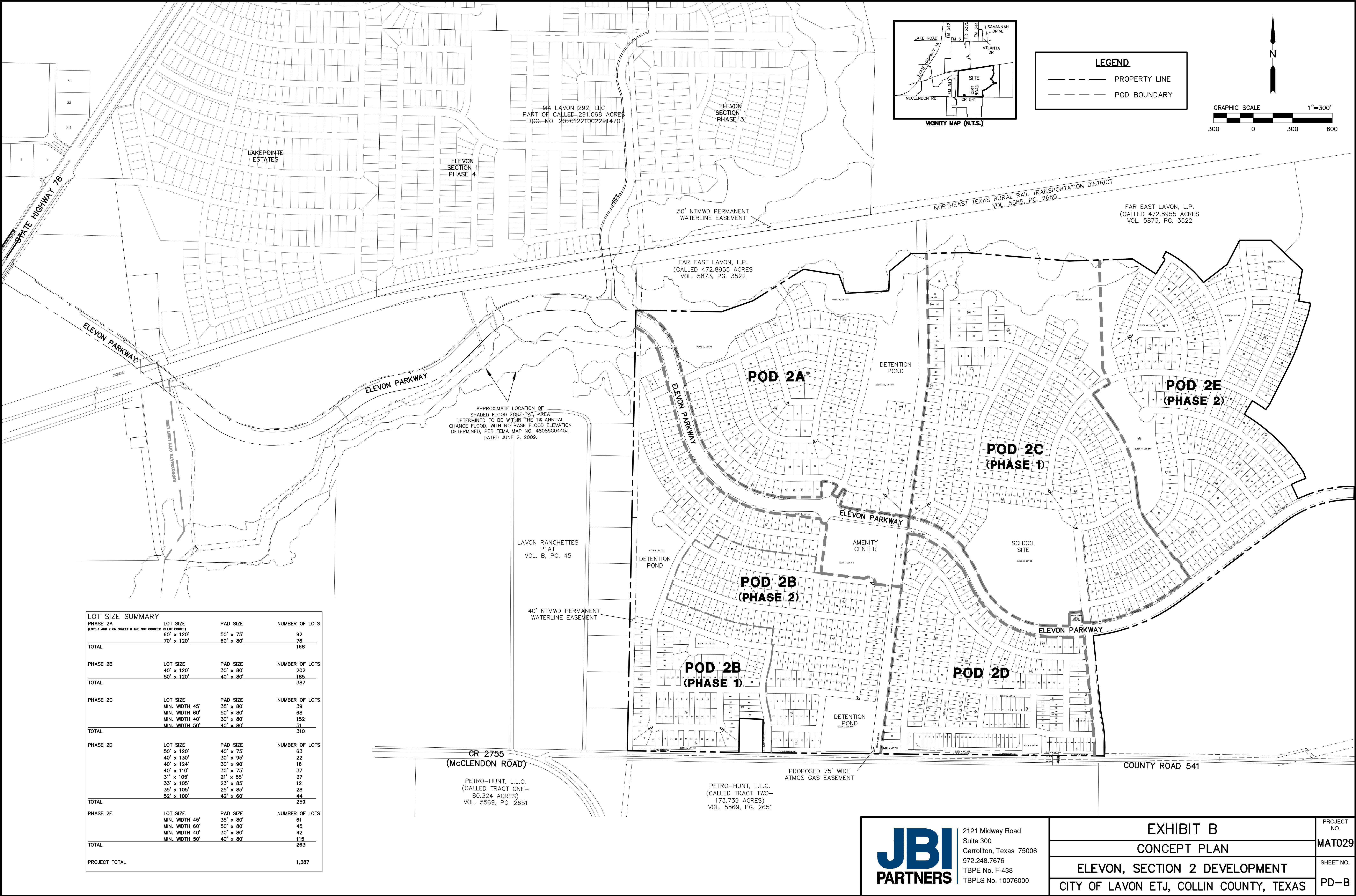
THENCE South 00 degrees 26 minutes 04 seconds West, 432.62 to the POINT OF BEGINNING and containing 8,439,493 square feet or 193.744 acres of land.

”This document was prepared under 22 TAC 663.23, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.”

NOTES:

- 1.) FLOOD STATEMENT: According to Community Panel No. 48085C0445J, dated June 2, 2009 of the Federal Emergency Management Agency, National Flood Insurance Program Map, a portion of this property is within shaded Flood Zone “A”, (areas determined to be within the 1% annual chance flood (100–year flood), with no base flood elevations determined.
- 2.) The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.
- 3.) The subject tract has frontage to County Road No. 541.
- 4.) Astract lines shown hereon are approximate.

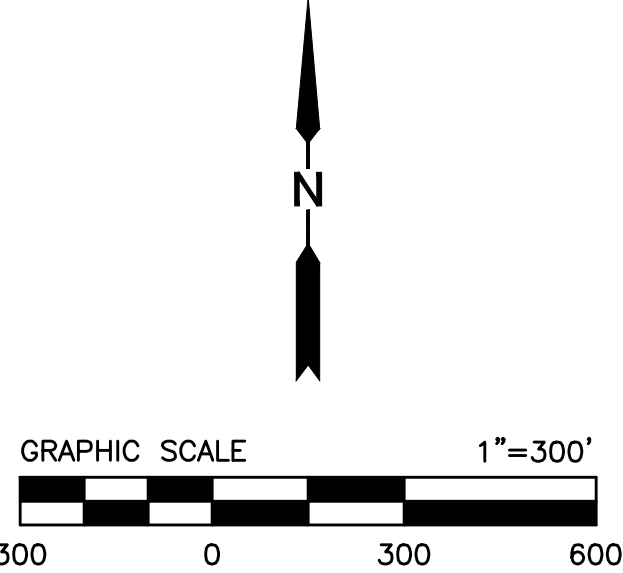
 2121 Midway Road Suite 300 Carrollton, Texas 75006 972.248.7676 TBPE No. F-438 TBPLS No. 10076000	EXHIBIT A		PROJECT NO.
	PID BOUNDARY		MAT029
	ELEVON, SECTION 2 DEVELOPMENT		SHEET NO.
	CITY OF LAVON ETJ, COLLIN COUNTY, TEXAS		PD–A2



LEGEND

PROPERTY LINE

POD BOUNDARY



LOT SIZE SUMMARY			
PHASE 2A	LOT SIZE	PAD SIZE	NUMBER OF LOTS
(LOTS 1 AND 2 ON STREET X ARE NOT COUNTED IN LOT COUNT)	60' x 120'	50' x 75'	92
	60' x 120'	50' x 80'	76
	70' x 120'	60' x 80'	168
TOTAL			168
PHASE 2B	LOT SIZE	PAD SIZE	NUMBER OF LOTS
(LOTS 1 AND 2 ON STREET X ARE NOT COUNTED IN LOT COUNT)	40' x 120'	30' x 80'	202
	50' x 120'	40' x 80'	185
			387
TOTAL			387
PHASE 2C	LOT SIZE	PAD SIZE	NUMBER OF LOTS
MIN. WIDTH 45'	35' x 80'		39
	50' x 80'		68
	30' x 80'		152
	40' x 80'		51
TOTAL			310
PHASE 2D	LOT SIZE	PAD SIZE	NUMBER OF LOTS
MIN. WIDTH 45'	40' x 75'		63
	40' x 130'	30' x 95'	22
	40' x 124'	30' x 90'	16
	40' x 110'	30' x 75'	37
	31' x 105'	21' x 85'	37
	33' x 105'	23' x 85'	12
	35' x 105'	25' x 85'	28
	52' x 100'	42' x 60'	44
			259
PHASE 2E	LOT SIZE	PAD SIZE	NUMBER OF LOTS
MIN. WIDTH 45'	35' x 80'		61
	50' x 80'		45
	30' x 80'		42
	40' x 80'		115
TOTAL			263
PROJECT TOTAL			1,387

JBI

PARTNERS

2121 Midway Road

Suite 300

Carrollton, Texas 75006

972.248.7676

TBPE No. F-438

TBPLS No. 10076000

EXHIBIT B

CONCEPT PLAN

ELEVON, SECTION 2 DEVELOPMENT

CITY OF LAVON ETJ, COLLIN COUNTY, TEXAS

PROJECT NO.

MAT029

SHEET NO.

PD-B

EXHIBIT C

Elevon PID

Lavon, Texas

ENGINEERS OPINION OF PROBABLE COST SUMMARY

Prepared by JBI PARTNERS

7/28/2021



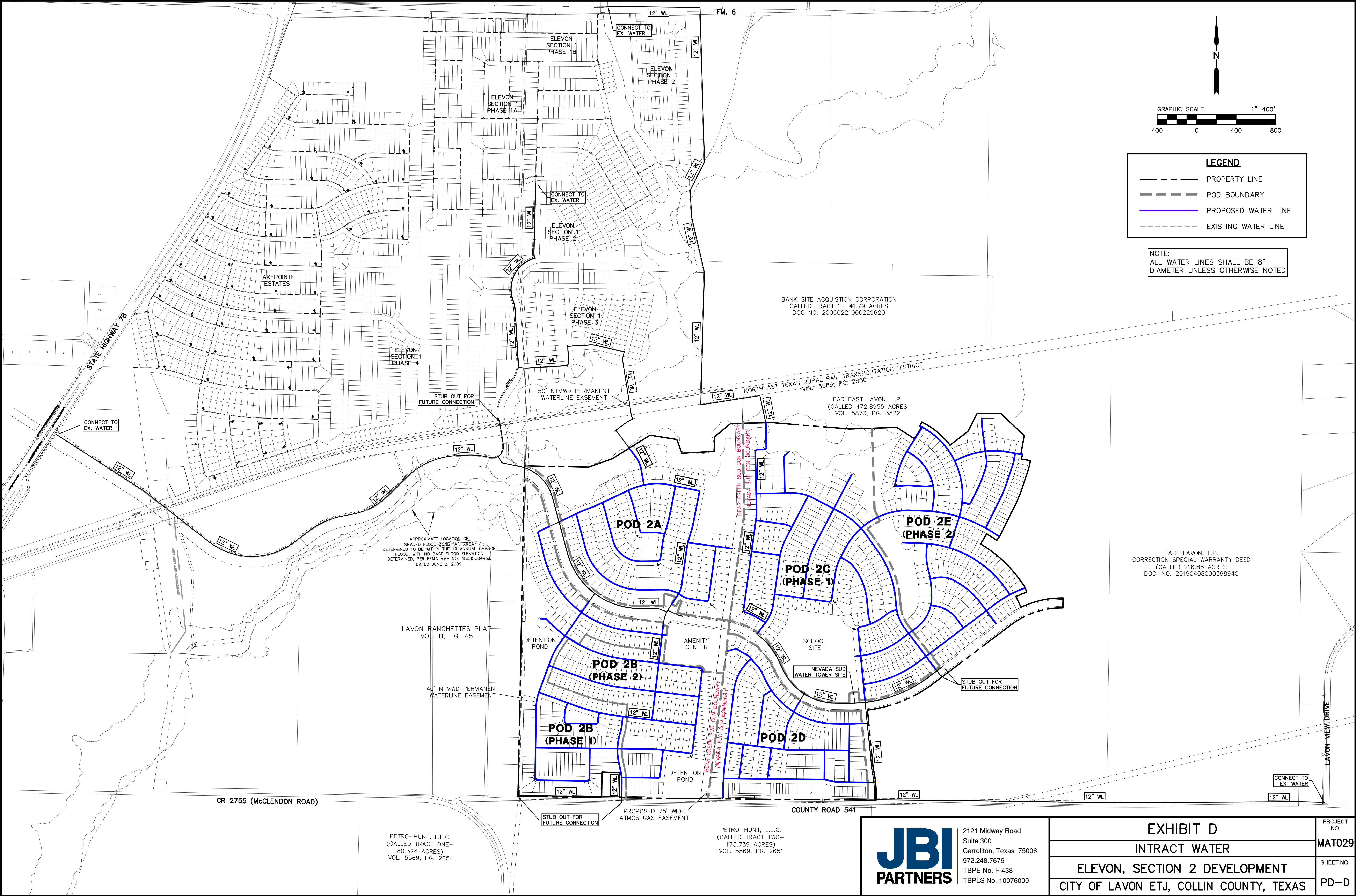
Intract Improvement	Total	Offsite	Total Phase 1	Total Phase 2	POD 2A		POD 2B			POD 2C		POD 2D		POD 2E	
Description					Total	Phase 1	Total	Phase 1	Phase 2	Total	Phase 1	Total	Phase 1	Total	Phase 2
Public															
Water	4,977,567	-	3,498,472	1,479,095	742,372	742,372	1,337,092	802,255	534,837	1,212,760	1,212,760	741,085	741,085	944,258	944,258
Sanitary Sewer	4,605,899	-	3,139,817	1,466,082	579,675	579,675	1,281,767	769,060	512,707	1,116,677	1,116,677	674,405	674,405	953,375	953,375
Storm Drainage	5,485,008	-	3,931,421	1,553,587	826,741	826,741	1,390,090	834,054	556,036	1,495,390	1,495,390	775,235	775,235	997,551	997,551
Paving	10,944,437	-	7,640,751	3,303,686	1,593,161	1,593,161	2,842,732	1,705,639	1,137,093	2,605,719	2,605,719	1,736,231	1,736,231	2,166,593	2,166,593
Earthwork - ROW and Easements	5,418,135	-	3,769,658	1,648,477	766,642	766,642	1,483,542	890,125	593,417	1,250,368	1,250,368	862,524	862,524	1,055,060	1,055,060
Detention	766,861	-	570,841	196,020	276,811	276,811	490,050	294,030	196,020	-	-	-	-	-	-
Construction Management Fees (4%)	1,287,916	-	902,038	385,878	191,416	191,416	353,011	211,807	141,204	307,237	307,237	191,579	191,579	244,673	244,673
Soft Costs (Engineering, Surveying, Construction Services) - 80% split	3,811,807	-	2,686,848	1,124,959	595,391	595,391	1,008,997	605,398	403,599	922,157	922,157	563,902	563,902	721,360	721,360
Contingency (5%)	1,609,895	-	1,127,548	482,347	239,270	239,270	441,264	264,758	176,505	384,046	384,046	239,474	239,474	305,842	305,842
District Creation Costs (4%)	1,556,301	-	1,090,696	465,605	232,459	232,459	425,142	255,085	170,057	371,774	371,774	231,377	231,377	295,549	295,549
ROW Areas	2,935,350	-	2,030,580	904,770	423,900	423,900	762,300	457,380	304,920	702,000	702,000	447,300	447,300	599,850	599,850
Total Public	43,399,177	-	30,388,671	13,010,506	6,467,840	6,467,840	11,815,987	7,089,592	4,726,395	10,368,126	10,368,126	6,463,113	6,463,113	8,284,111	8,284,111
Private															
Earthwork - Lots	2,322,058	-	1,615,568	706,490	328,561	328,561	635,804	381,482	254,321	535,872	535,872	369,653	369,653	452,169	452,169
Retaining Walls	1,367,218	-	1,064,675	302,543	347,506	347,506	213,611	128,166	85,444	399,620	399,620	189,383	189,383	217,099	217,099
Erosion Control	415,184	-	288,063	127,120	66,287	66,287	101,942	61,165	40,777	93,878	93,878	66,734	66,734	86,344	86,344
Soft Costs (Engineering, Surveying, Construction Services) - 20% split	952,952	-	671,712	281,240	148,848	148,848	252,249	151,350	100,900	230,539	230,539	140,976	140,976	180,340	180,340
City Fees	1,204,695	-	843,370	361,325	174,619	174,619	315,284	189,171	126,114	297,114	297,114	182,466	182,466	235,212	235,212
Contingency (5%)	205,223	-	148,415	56,808	37,118	37,118	47,568	28,541	19,027	51,468	51,468	31,288	31,288	37,781	37,781
Total Private	6,467,329	-	4,631,803	1,835,526	1,102,938	1,102,938	1,566,457	939,874	626,583	1,608,491	1,608,491	980,500	980,500	1,208,943	1,208,943
Total	49,866,506	-	35,020,474	14,846,032	7,570,778	7,570,778	13,382,444	8,029,466	5,352,978	11,976,617	11,976,617	7,443,613	7,443,613	9,493,054	9,493,054

Major Improvements - Onsite	Total	Offsite	Total Phase 1	Total Phase 2	POD 2A		POD 2B			POD 2C		POD 2D		POD 2E	
Description					Total	Phase 1	Total	Phase 1	Phase 2	Total	Phase 1	Total	Phase 1	Total	Phase 2
Public															
Water	2,901,646	-	1,589,146	1,312,500	-	-	-	-	-	-	-	-	-	-	-
Sanitary Sewer	404,293	-	404,293	-	-	-	-	-	-	-	-	-	-	-	-
Storm Drainage	521,867	-	521,867	-	-	-	-	-	-	-	-	-	-	-	-
Paving	4,838,957	-	4,838,957	-	-	-	-	-	-	-	-	-	-	-	-
Earthwork	133,457	-	133,457	-	-	-	-	-	-	-	-	-	-	-	-
Detention	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Erosion Control	67,101	-	67,101	-	-	-	-	-	-	-	-	-	-	-	-
Construction Management Fees (4%)	354,693	-	302,193	52,500	-	-	-	-	-	-	-	-	-	-	-
Soft Costs (Engineering, Surveying, Construction Services)	890,815	-	890,815	-	-	-	-	-	-	-	-	-	-	-	-
City Fees	225,098	-	225,098	-	-	-	-	-	-	-	-	-	-	-	-
Contingency (5%)	267,741	-	267,741	-	-	-	-	-	-	-	-	-	-	-	-
District Creation Costs (4%)	424,227	-	369,627	54,600	-	-	-	-	-	-	-	-	-	-	-
ROW Areas	516,600	-	516,600	-	-	-	-	-	-	-	-	-	-	-	-
Total Public	11,546,495	-	10,126,895	1,419,600	-	-	-	-	-	-	-	-	-	-	-
Total	11,546,495	-	10,126,895	1,419,600	-	-	-	-	-	-	-	-	-	-	-

Major Improvements - Offsite	Total	Offsite	Total Phase 1	Total Phase 2	POD 2A		POD 2B			POD 2C		POD 2D		POD 2E	
Description					Total	Phase 1	Total	Phase 1	Phase 2	Total	Phase 1	Total	Phase 1	Total	Phase 2
Public															
Water	1,079,834	1,079,834	-	-	-	-	-	-	-	-	-	-	-	-	-
Sanitary Sewer	651,090	651,090	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Drainage	872,150	872,150	-	-	-	-	-	-	-	-	-	-	-	-	-
Paving	2,092,485	2,092,485	-	-	-	-	-	-	-	-	-	-	-	-	-
Earthwork	91,850	91,850	-	-	-	-	-	-	-	-	-	-	-	-	-
Detention	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Erosion Control	39,842	39,842	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Management Fees (4%)	193,090	193,090	-	-	-	-	-	-	-	-	-	-	-	-	-
Soft Costs (Engineering, Surveying, Construction Services)	753,225	753,225	-	-	-	-	-	-	-	-	-	-	-	-	-
City Fees	253,000	253,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency (5%)	241,363	241,363	-	-	-	-	-	-	-	-	-	-	-	-	-
District Creation Costs (4%)	250,717	250,717	-	-	-	-	-	-	-	-	-	-	-	-	-
ROW Areas	1,604,800	1,604,800	-	-	-	-	-	-	-	-	-	-	-	-	-
Wastewater Plant Site	233,550	233,550	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Public	8,356,996	8,356,996	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	8,356,996	8,356,996	-	-	-	-	-	-	-	-	-	-	-	-	-

TOTAL IMPROVEMENT COSTS	Total	Offsite	Total Phase 1	Total Phase 2	POD 2A		POD 2B			POD 2C		POD 2D		POD 2E	
Description					Total	Phase 1	Total	Phase 1	Phase 2	Total	Phase 1	Total	Phase 1	Total	Phase 2
Total Public	63,302,668	8,356,996	40,515,566	14,430,106	6,467,840	6,467,840	11,815,987	7,089,592	4,726,395	10,368,126	10,368,126	6,463,113	6,463,113	8,284,111	8,284,111
Total Private	6,467,329	-	4,631,803	1,835,526	1,102,938	1,102,938	1,566,457	939,874	626,583	1,608,491	1,608,491	980,500	980,500	1,208,943	1,208,943
Total Costs	69,769,997	8,356,996	45,147,369	16,265,632	7,570,778	7,570,778	13,382,444	8,029,466	5,352,978	11,976,617	11,976,617	7,443,613	7,443,613	9,493,054	9,493,054

TOTAL PID COSTS	Total	Offsite	Total Phase 1	Total Phase 2
Total Public Improvements (includes ROW)	63,302,668	8,356,996	40,515,566	14,430,106

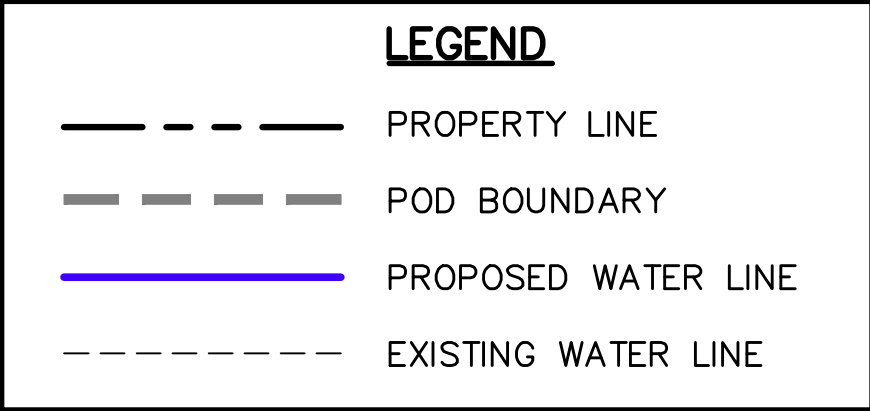


JBI
PARTNERS

2121 Midway Road
Suite 300
Carrollton, Texas 75006
972.248.7676
TBPE No. F-438
TBPLS No. 10076000

EXHIBIT D	
INTRACT WATER	
ELEVON, SECTION 2 DEVELOPMENT	
CITY OF LAVON ETJ, COLLIN COUNTY, TEXAS	

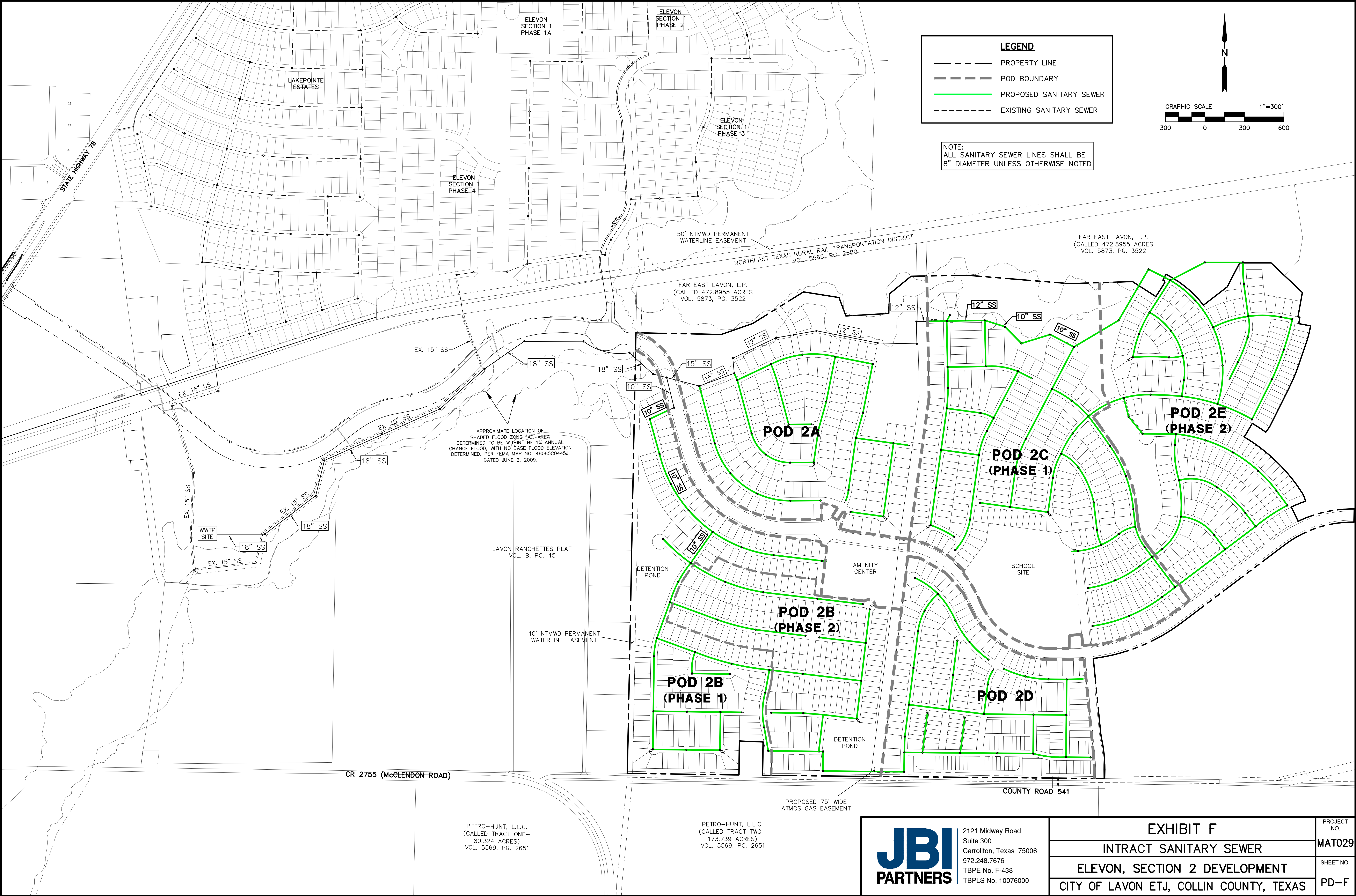
PROJECT NO.	MAT029
SHEET NO.	PD-D



EAST LAVON, L.P.
CORRECTION SPECIAL WARRANTY DEED
(CALLED 216.85 ACRES
DOC. NO. 20190408000368940



EXHIBIT E	PROJECT NO.
MAJOR IMPROVEMENTS WATER	MAT029
ELEVON, SECTION 2 DEVELOPMENT	SHEET NO.
CITY OF LAVON ETJ, COLLIN COUNTY, TEXAS	PD-E



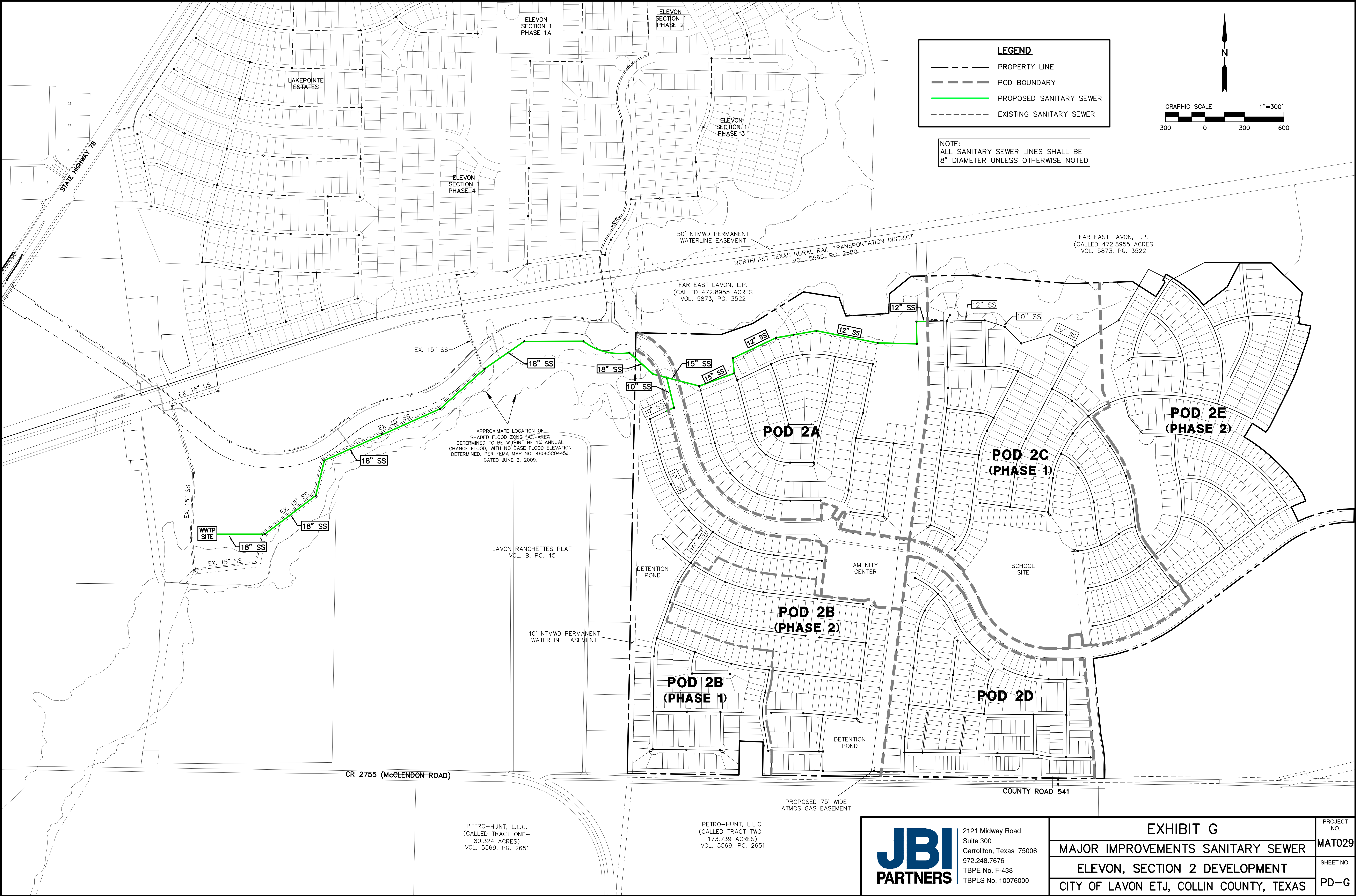
PETRO-HUNT, L.L.C.
(CALLED TRACT ONE-
80.324 ACRES)
VOL. 5569, PG. 2651

PETRO-HUNT, L.L.C.
(CALLED TRACT TWO-
173.739 ACRES)
VOL. 5569, PG. 2651



2121 Midway Road
Suite 300
Carrollton, Texas 75006
972.248.7676
TBPE No. F-438
TBPLS No. 10076000

EXHIBIT F		PROJECT NO.
INTRACT SANITARY SEWER		MAT029
ELEVON, SECTION 2 DEVELOPMENT		SHEET NO.
CITY OF LAVON ETJ, COLLIN COUNTY, TEXAS		PD-F



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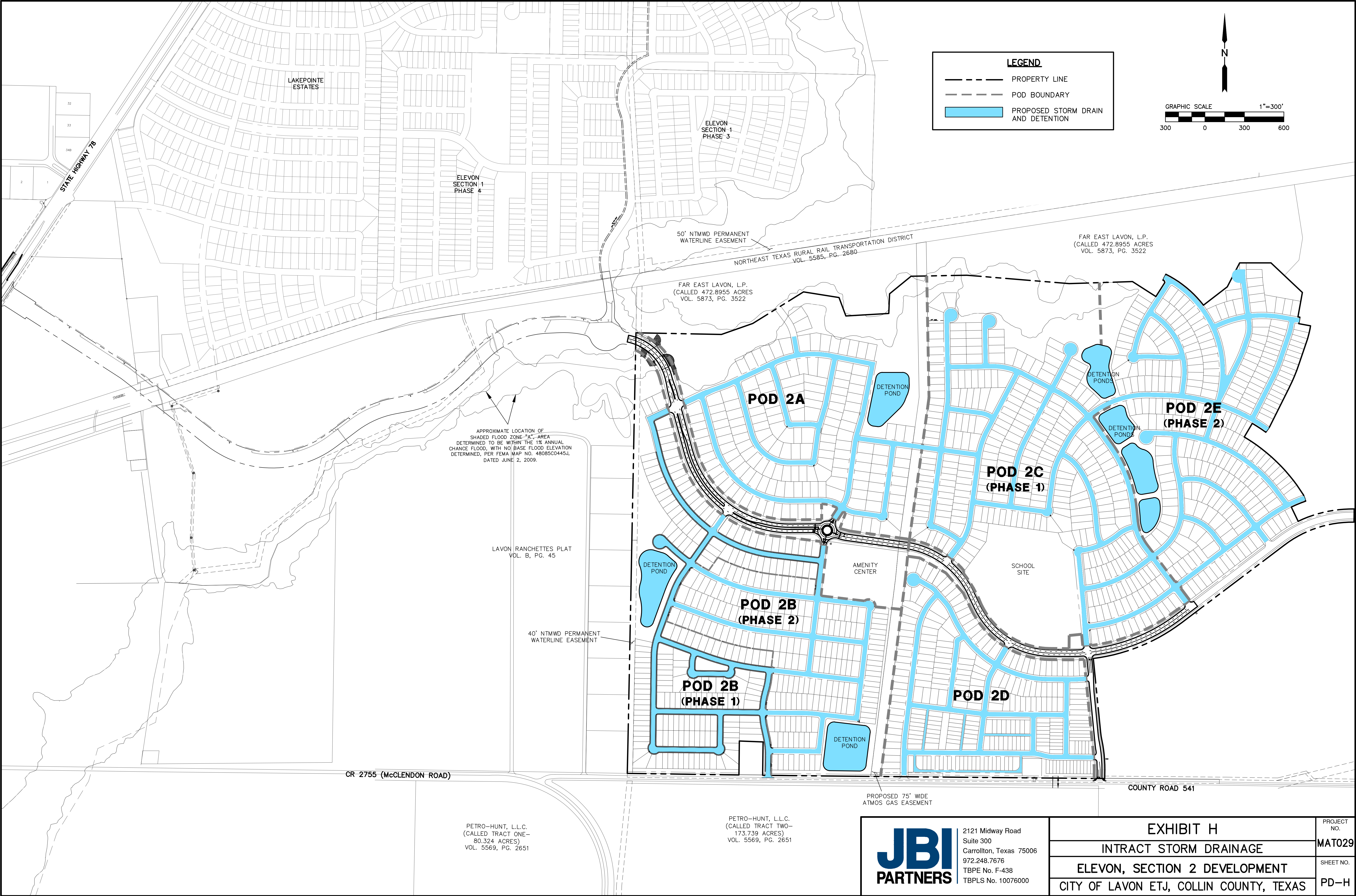
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2121 Midway Road
Suite 300
Carrollton, Texas 75006
972.248.7676
TBPE No. F-438
TBPLS No. 10076000

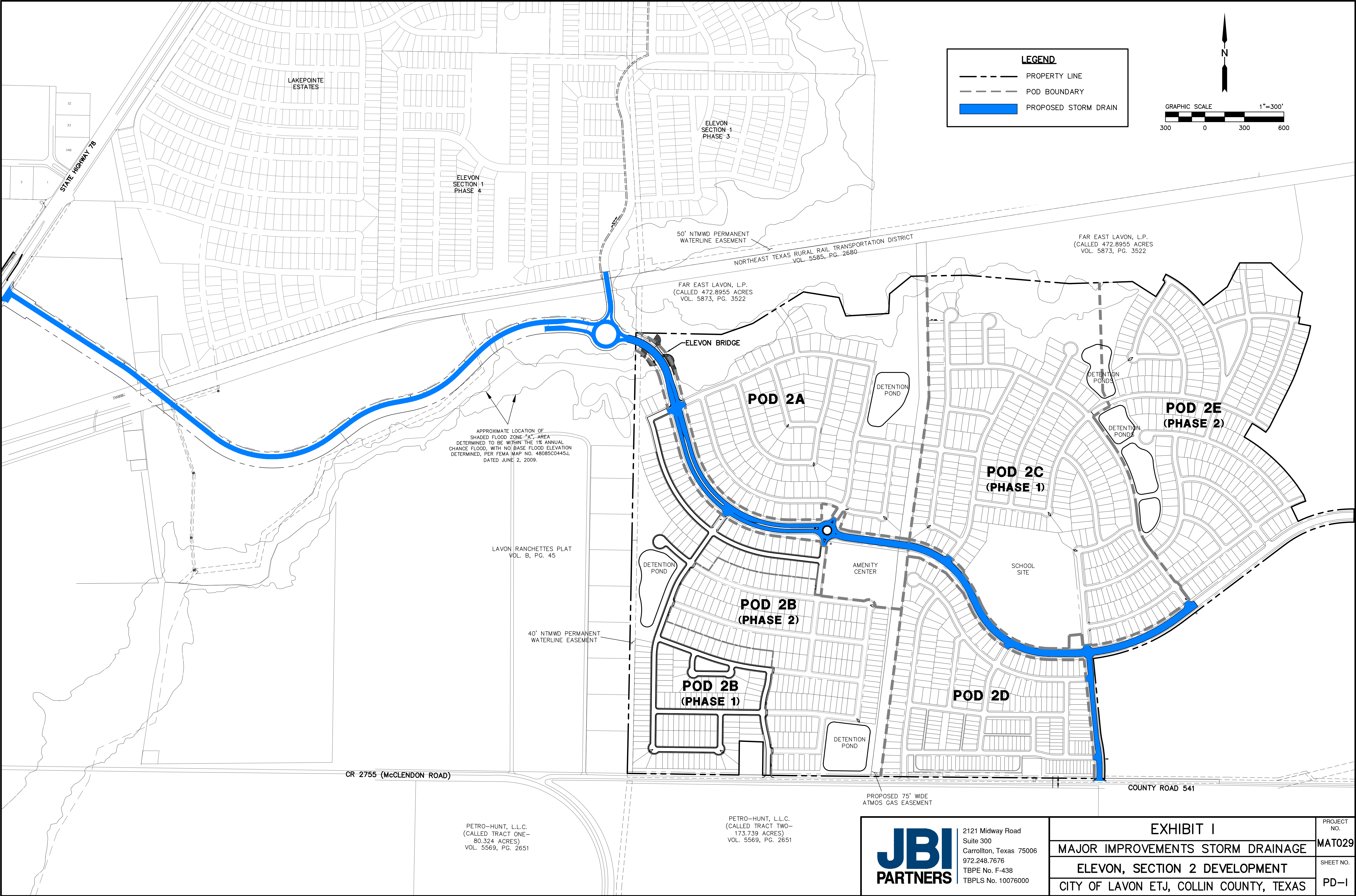
EXHIBIT G
MAJOR IMPROVEMENTS SANITARY SEWER
ELEVON, SECTION 2 DEVELOPMENT
CITY OF LAVON ETJ, COLLIN COUNTY, TEXAS

PROJECT NO.
MAT029
SHEET NO.
PD-G



2121 Midway Road
Suite 300
Carrollton, Texas 75006
972.248.7676
TBPE No. F-438
TBPLS No. 10076000

EXHIBIT H		PROJECT NO.
INTRACT STORM DRAINAGE		MAT029
ELEVON, SECTION 2 DEVELOPMENT		SHEET NO.
CITY OF LAVON ETJ, COLLIN COUNTY, TEXAS		PD-H



JBI
PARTNERS

2121 Midway Road
Suite 300
Carrollton, Texas 75006
972.248.7676
TBPE No. F-438
TBPLS No. 10076000

EXHIBIT I

MAJOR IMPROVEMENTS STORM DRAINAGE

ELEVON, SECTION 2 DEVELOPMENT

CITY OF LAVON ETJ, COLLIN COUNTY, TEXAS

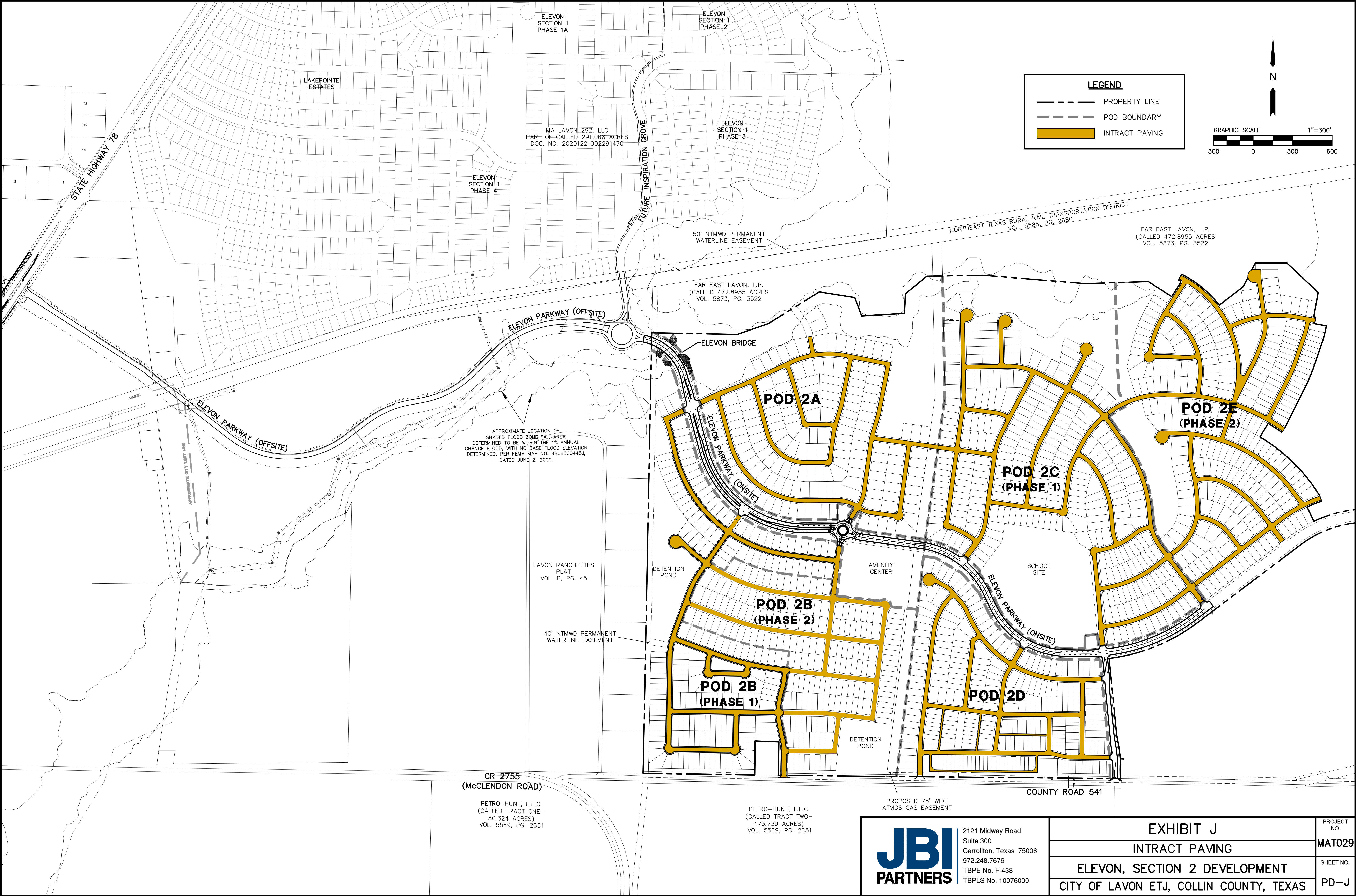
PROJECT NO.

MAT029

SHEET NO.

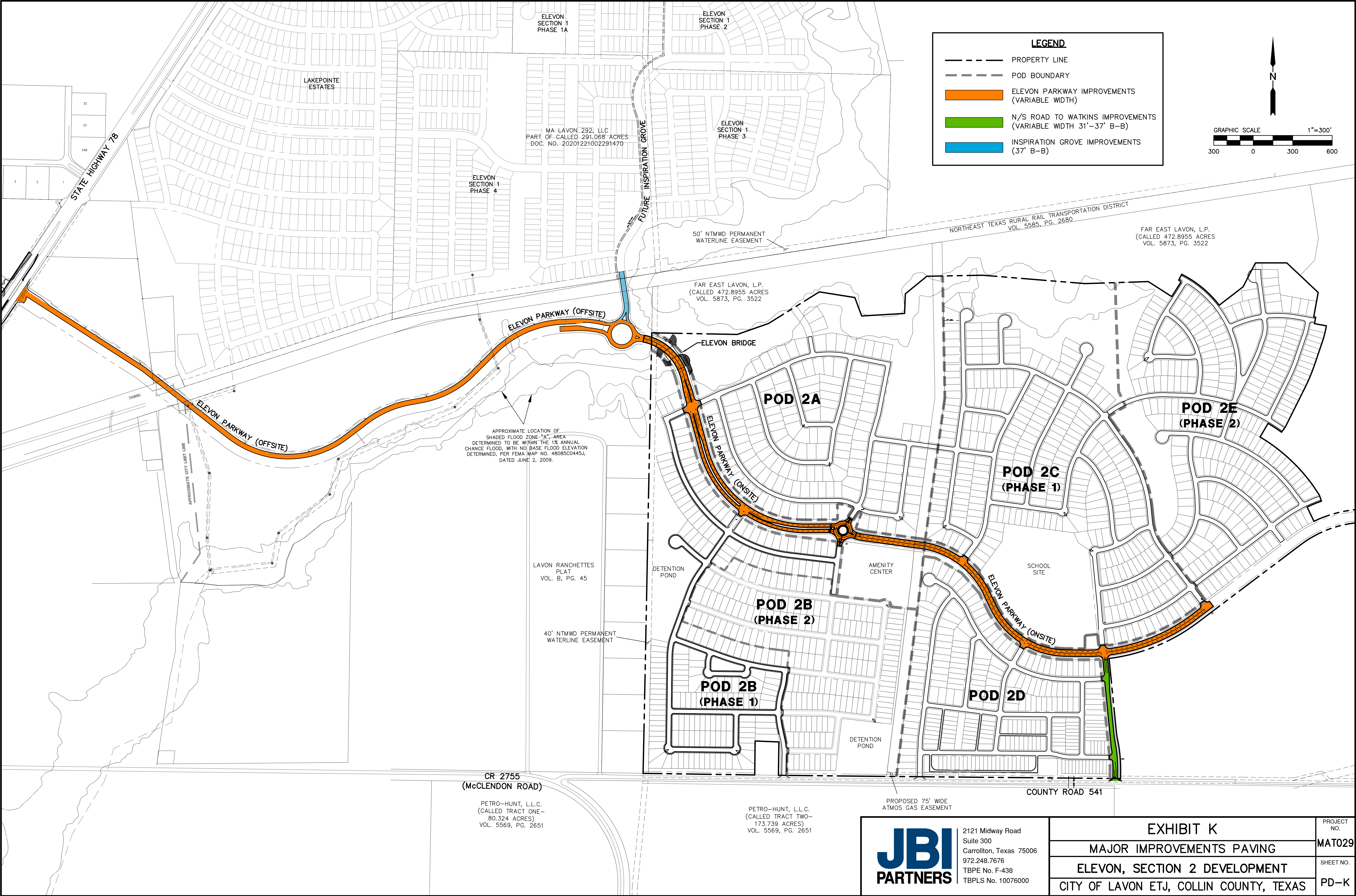
PD-I

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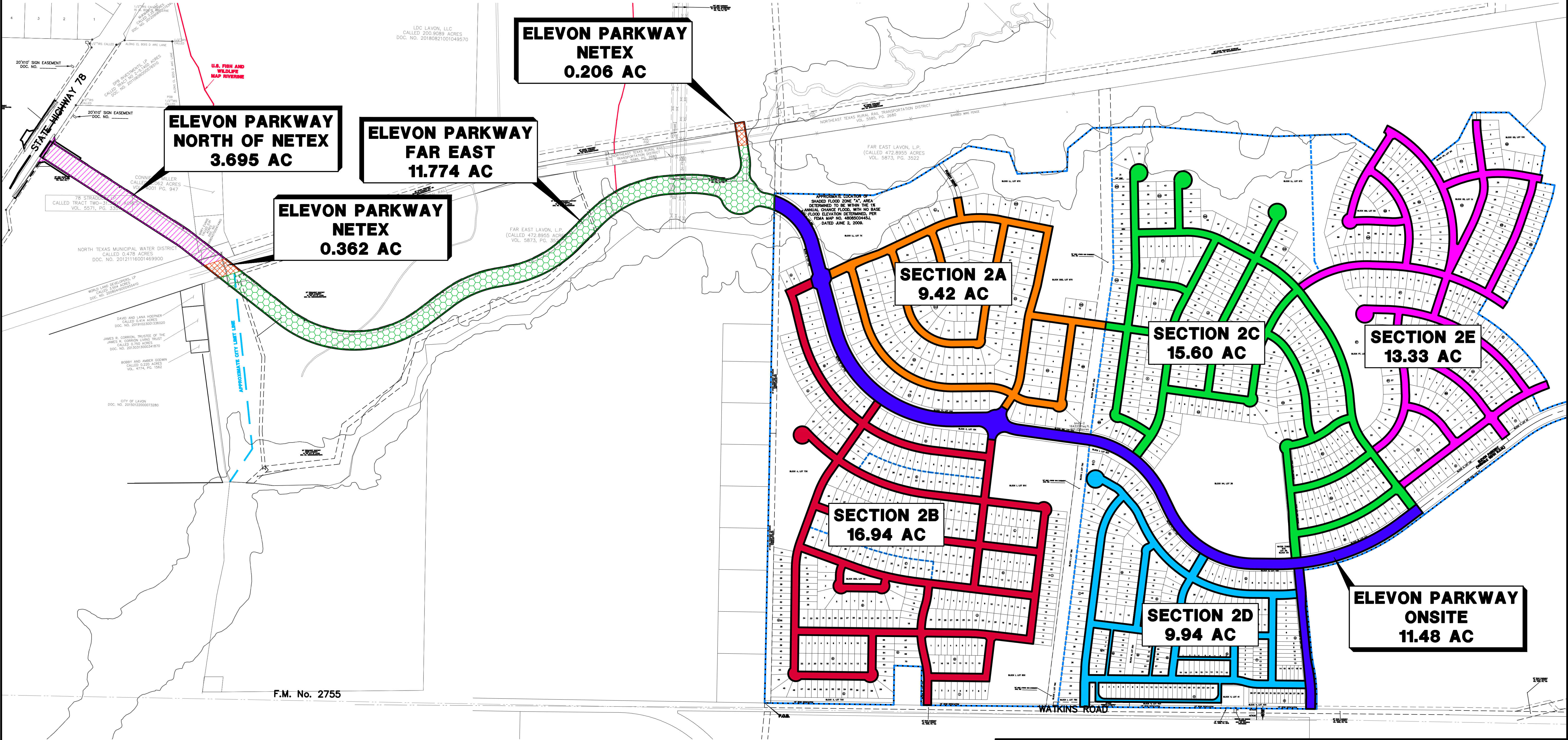
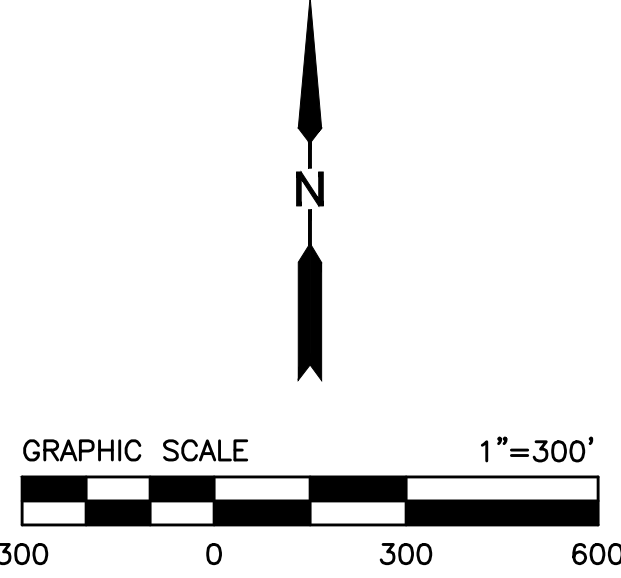


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	2121 Midway Road Suite 300 Carrollton, Texas 75006 972.248.7676 TBPE No. F-438 TBPLS No. 10076000	EXHIBIT K		PROJECT NO.
		MAJOR IMPROVEMENTS PAVING		MAT029
		ELEVON, SECTION 2 DEVELOPMENT		SHEET NO.
		CITY OF LAVON ETJ, COLLIN COUNTY, TEXAS		PD-K

ELEVON SECTION 2 R.O.W. AREAS	
	ACRES
PHASE 2A	10.79
PHASE 2B	16.85
PHASE 2C	15.83
PHASE 2D	11.31
PHASE 2E	13.28
ELEVON PKWY ONSITE	10.01
ELEVON PKWY OFFSITE	16.32
TOTAL	94.39





2121 Midway Road
Suite 300
Carrollton, Texas 75006
972.248.7676
TBPE No. F-438
TBPLS No. 10076000

EXHIBIT L		PROJECT NO.
R.O.W. AREAS EXHIBIT		MAT029
ELEVON SECTION 2		SHEET NO.
City of Lavon, Collin County, TX		PD-L

Plotted by: ddewey Plot Date: 10/14/2021 8:56 AM
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Elevon PID

[illegible]

Elevon Section 2 Schedule

	Jul-22				Aug-22					Sep-22					Oct-22				Nov-22					Dec-22				Jan-23				
Cumulative Weeks	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	
Task																																
1 Major Improvements (MI) Bidding and Contract Award																																
2 MI Erosion Control Install																																
3 MI Earthwork																																
4 MI Wet Utilities																																
5 MI Bridge																																
6 MI Paving																																
7 MI Franchise																																
8 MI Final Acceptance																																
9 MI Screening Walls																																
10 MI Landscape - Irrigation																																
11 Pod Erosion Control Install																																
12 Pod Earthwork																																
13 Pod Wet Utilities																																
14 Pod Paving																																
15 Pod Franchise																																
16 Pod Final Acceptance																																

APPENDIX B-1 – ZONE 1 REMAINDER AREA INITIAL PARCEL BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF LAVON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

**ZONE 1 REMAINDER AREA INITIAL PARCEL PRINCIPAL ASSESSMENT:
\$8,395,000**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Elevon 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 City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon 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 City of Lavon.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - ZONE 1 REMAINDER AREA INITIAL PARCEL

Due 1/31	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Annual Collection Costs	Total Annual Installment
2023	\$ -	\$ 398,763	\$ (398,763)	\$ 41,975	\$ -	\$ 45,000	\$ 86,975
2024	\$ -	\$ 398,763	\$ (398,763)	\$ 41,975	\$ -	\$ 45,900	\$ 87,875
2025	\$ 149,000	\$ 398,763	\$ -	\$ 41,975	\$ -	\$ 46,818	\$ 636,556
2026	\$ 157,000	\$ 391,685	\$ -	\$ 41,230	\$ -	\$ 47,754	\$ 637,669
2027	\$ 164,000	\$ 384,228	\$ -	\$ 40,445	\$ -	\$ 48,709	\$ 637,382
2028	\$ 172,000	\$ 376,438	\$ -	\$ 39,625	\$ -	\$ 49,684	\$ 637,746
2029	\$ 180,000	\$ 368,268	\$ -	\$ 38,765	\$ -	\$ 50,677	\$ 637,710
2030	\$ 189,000	\$ 359,718	\$ -	\$ 37,865	\$ -	\$ 51,691	\$ 638,273
2031	\$ 198,000	\$ 350,740	\$ -	\$ 36,920	\$ -	\$ 52,725	\$ 638,385
2032	\$ 207,000	\$ 341,335	\$ -	\$ 35,930	\$ -	\$ 53,779	\$ 638,044
2033	\$ 217,000	\$ 331,503	\$ -	\$ 34,895	\$ -	\$ 54,855	\$ 638,252
2034	\$ 227,000	\$ 321,195	\$ -	\$ 33,810	\$ -	\$ 55,952	\$ 637,957
2035	\$ 238,000	\$ 310,413	\$ -	\$ 32,675	\$ -	\$ 57,071	\$ 638,158
2036	\$ 249,000	\$ 299,108	\$ -	\$ 31,485	\$ -	\$ 58,212	\$ 637,805
2037	\$ 261,000	\$ 287,280	\$ -	\$ 30,240	\$ -	\$ 59,377	\$ 637,897
2038	\$ 273,000	\$ 274,883	\$ -	\$ 28,935	\$ -	\$ 60,564	\$ 637,382
2039	\$ 286,000	\$ 261,915	\$ -	\$ 27,570	\$ -	\$ 61,775	\$ 637,260
2040	\$ 300,000	\$ 248,330	\$ -	\$ 26,140	\$ -	\$ 63,011	\$ 637,481
2041	\$ 314,000	\$ 234,080	\$ -	\$ 24,640	\$ -	\$ 64,271	\$ 636,991
2042	\$ 329,000	\$ 219,165	\$ -	\$ 23,070	\$ -	\$ 65,557	\$ 636,792
2043	\$ 345,000	\$ 203,538	\$ -	\$ 21,425	\$ -	\$ 66,868	\$ 636,830
2044	\$ 361,000	\$ 187,150	\$ -	\$ 19,700	\$ -	\$ 68,205	\$ 636,055
2045	\$ 378,000	\$ 170,003	\$ -	\$ 17,895	\$ -	\$ 69,569	\$ 635,467
2046	\$ 396,000	\$ 152,048	\$ -	\$ 16,005	\$ -	\$ 70,960	\$ 635,013
2047	\$ 415,000	\$ 133,238	\$ -	\$ 14,025	\$ -	\$ 72,380	\$ 634,642
2048	\$ 435,000	\$ 113,525	\$ -	\$ 11,950	\$ -	\$ 73,827	\$ 634,302
2049	\$ 455,000	\$ 92,863	\$ -	\$ 9,775	\$ -	\$ 75,304	\$ 632,941
2050	\$ 477,000	\$ 71,250	\$ -	\$ 7,500	\$ -	\$ 76,810	\$ 632,560
2051	\$ 500,000	\$ 48,593	\$ -	\$ 5,115	\$ -	\$ 78,346	\$ 632,054
2052	\$ 523,000	\$ 24,843	\$ -	\$ 2,615	\$ (548,740)	\$ 79,913	\$ 81,631
Total	\$ 8,395,000	\$ 7,753,615	\$ (797,526)	\$ 816,170	\$ (548,740)	\$ 1,825,564	\$ 17,444,083

¹ Interest on the Zone 1 Remainder Area Bonds is calculated at a 4.75% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX B-2 – POD 2A BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF LAVON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$9,925,749

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Eleven 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 City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon 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 City of Lavon.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - POD 2A

Due 1/31	Improvement Area #1 Bonds					Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Principal	Interest ²		
2023	\$ -	\$ 299,975	\$ (299,975)	\$ 37,497	\$ -	\$ -	\$ -	\$ 10,806	\$ 48,303
2024	\$ 141,683	\$ 299,975	\$ -	\$ 37,497	\$ -	\$ 45,810	\$ 97,055	\$ 11,022	\$ 633,042
2025	\$ 147,206	\$ 294,307	\$ -	\$ 36,788	\$ -	\$ 47,642	\$ 95,223	\$ 11,243	\$ 632,410
2026	\$ 153,210	\$ 288,419	\$ -	\$ 36,052	\$ -	\$ 49,548	\$ 93,317	\$ 11,468	\$ 632,014
2027	\$ 159,213	\$ 282,291	\$ -	\$ 35,286	\$ -	\$ 51,530	\$ 91,335	\$ 11,697	\$ 631,353
2028	\$ 165,697	\$ 275,922	\$ -	\$ 34,490	\$ -	\$ 53,591	\$ 89,274	\$ 11,931	\$ 630,906
2029	\$ 172,181	\$ 269,294	\$ -	\$ 33,662	\$ -	\$ 55,735	\$ 87,131	\$ 12,170	\$ 630,172
2030	\$ 179,145	\$ 262,407	\$ -	\$ 32,801	\$ -	\$ 57,964	\$ 84,901	\$ 12,413	\$ 629,631
2031	\$ 186,349	\$ 255,241	\$ -	\$ 31,905	\$ -	\$ 60,283	\$ 82,583	\$ 12,661	\$ 629,022
2032	\$ 193,794	\$ 247,787	\$ -	\$ 30,973	\$ -	\$ 62,694	\$ 80,171	\$ 12,915	\$ 628,334
2033	\$ 201,478	\$ 240,035	\$ -	\$ 30,004	\$ -	\$ 65,202	\$ 77,663	\$ 13,173	\$ 627,556
2034	\$ 209,643	\$ 231,976	\$ -	\$ 28,997	\$ -	\$ 67,810	\$ 75,055	\$ 13,436	\$ 626,918
2035	\$ 218,048	\$ 223,591	\$ -	\$ 27,949	\$ -	\$ 70,522	\$ 72,343	\$ 13,705	\$ 626,158
2036	\$ 226,693	\$ 214,869	\$ -	\$ 26,859	\$ -	\$ 73,343	\$ 69,522	\$ 13,979	\$ 625,265
2037	\$ 235,818	\$ 205,801	\$ -	\$ 25,725	\$ -	\$ 76,277	\$ 66,588	\$ 14,259	\$ 624,469
2038	\$ 245,184	\$ 196,368	\$ -	\$ 24,546	\$ -	\$ 79,328	\$ 63,537	\$ 14,544	\$ 623,508
2039	\$ 255,030	\$ 186,561	\$ -	\$ 23,320	\$ -	\$ 82,501	\$ 60,364	\$ 14,835	\$ 622,611
2040	\$ 265,116	\$ 176,360	\$ -	\$ 22,045	\$ -	\$ 85,801	\$ 57,064	\$ 15,131	\$ 621,517
2041	\$ 275,682	\$ 165,755	\$ -	\$ 20,719	\$ -	\$ 89,233	\$ 53,632	\$ 15,434	\$ 620,456
2042	\$ 286,728	\$ 154,728	\$ -	\$ 19,341	\$ -	\$ 92,803	\$ 50,063	\$ 15,743	\$ 619,405
2043	\$ 298,255	\$ 143,259	\$ -	\$ 17,907	\$ -	\$ 96,515	\$ 46,351	\$ 16,058	\$ 618,344
2044	\$ 310,262	\$ 131,328	\$ -	\$ 16,416	\$ -	\$ 100,375	\$ 42,490	\$ 16,379	\$ 617,251
2045	\$ 322,750	\$ 118,918	\$ -	\$ 14,865	\$ -	\$ 104,390	\$ 38,475	\$ 16,706	\$ 616,104
2046	\$ 335,477	\$ 106,008	\$ -	\$ 13,251	\$ -	\$ 108,566	\$ 34,299	\$ 17,041	\$ 614,642
2047	\$ 348,925	\$ 92,589	\$ -	\$ 11,574	\$ -	\$ 112,909	\$ 29,957	\$ 17,381	\$ 613,334
2048	\$ 362,853	\$ 78,632	\$ -	\$ 9,829	\$ -	\$ 117,425	\$ 25,440	\$ 17,729	\$ 611,908
2049	\$ 377,502	\$ 64,118	\$ -	\$ 8,015	\$ -	\$ 122,122	\$ 20,743	\$ 18,084	\$ 610,583
2050	\$ 392,631	\$ 49,018	\$ -	\$ 6,127	\$ -	\$ 127,007	\$ 15,859	\$ 18,445	\$ 609,086
2051	\$ 408,240	\$ 33,312	\$ -	\$ 4,164	\$ -	\$ 132,087	\$ 10,778	\$ 18,814	\$ 607,396
2052	\$ 424,569	\$ 16,983	\$ -	\$ 2,123	\$ (441,667)	\$ 137,371	\$ 5,495	\$ 19,190	\$ 164,063
Total	\$ 7,499,364	\$ 5,605,823	\$ (299,975)	\$ 700,728	\$ (441,667)	\$ 2,426,385	\$ 1,716,711	\$ 438,393	\$ 17,645,762

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX B-3 – POD 2B-1 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF LAVON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$8,140,213

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Eleven 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 City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon 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 City of Lavon.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - POD 2B-1

Due 1/31	Improvement Area #1 Bonds						Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release		Principal	Interest ²		
2023	\$ -	\$ 246,012	\$ (246,012)	\$ 30,752	\$ -		\$ -	\$ -	\$ 8,862	\$ 39,614
2024	\$ 116,196	\$ 246,012	\$ -	\$ 30,752	\$ -		\$ 37,569	\$ 79,596	\$ 9,040	\$ 519,165
2025	\$ 120,726	\$ 241,365	\$ -	\$ 30,171	\$ -		\$ 39,072	\$ 78,093	\$ 9,220	\$ 518,646
2026	\$ 125,649	\$ 236,535	\$ -	\$ 29,567	\$ -		\$ 40,635	\$ 76,531	\$ 9,405	\$ 518,322
2027	\$ 130,573	\$ 231,510	\$ -	\$ 28,939	\$ -		\$ 42,260	\$ 74,905	\$ 9,593	\$ 517,779
2028	\$ 135,890	\$ 226,287	\$ -	\$ 28,286	\$ -		\$ 43,951	\$ 73,215	\$ 9,785	\$ 517,413
2029	\$ 141,208	\$ 220,851	\$ -	\$ 27,606	\$ -		\$ 45,709	\$ 71,457	\$ 9,981	\$ 516,811
2030	\$ 146,919	\$ 215,203	\$ -	\$ 26,900	\$ -		\$ 47,537	\$ 69,628	\$ 10,180	\$ 516,368
2031	\$ 152,827	\$ 209,326	\$ -	\$ 26,166	\$ -		\$ 49,439	\$ 67,727	\$ 10,384	\$ 515,868
2032	\$ 158,932	\$ 203,213	\$ -	\$ 25,402	\$ -		\$ 51,416	\$ 65,749	\$ 10,591	\$ 515,304
2033	\$ 165,235	\$ 196,856	\$ -	\$ 24,607	\$ -		\$ 53,473	\$ 63,693	\$ 10,803	\$ 514,666
2034	\$ 171,931	\$ 190,246	\$ -	\$ 23,781	\$ -		\$ 55,612	\$ 61,554	\$ 11,019	\$ 514,142
2035	\$ 178,824	\$ 183,369	\$ -	\$ 22,921	\$ -		\$ 57,836	\$ 59,329	\$ 11,240	\$ 513,519
2036	\$ 185,913	\$ 176,216	\$ -	\$ 22,027	\$ -		\$ 60,150	\$ 57,016	\$ 11,464	\$ 512,786
2037	\$ 193,397	\$ 168,779	\$ -	\$ 21,097	\$ -		\$ 62,556	\$ 54,610	\$ 11,694	\$ 512,133
2038	\$ 201,078	\$ 161,044	\$ -	\$ 20,130	\$ -		\$ 65,058	\$ 52,108	\$ 11,928	\$ 511,345
2039	\$ 209,153	\$ 153,000	\$ -	\$ 19,125	\$ -		\$ 67,660	\$ 49,505	\$ 12,166	\$ 510,610
2040	\$ 217,424	\$ 144,634	\$ -	\$ 18,079	\$ -		\$ 70,366	\$ 46,799	\$ 12,409	\$ 509,713
2041	\$ 226,090	\$ 135,937	\$ -	\$ 16,992	\$ -		\$ 73,181	\$ 43,984	\$ 12,658	\$ 508,842
2042	\$ 235,149	\$ 126,894	\$ -	\$ 15,862	\$ -		\$ 76,109	\$ 41,057	\$ 12,911	\$ 507,981
2043	\$ 244,602	\$ 117,488	\$ -	\$ 14,686	\$ -		\$ 79,153	\$ 38,013	\$ 13,169	\$ 507,111
2044	\$ 254,449	\$ 107,704	\$ -	\$ 13,463	\$ -		\$ 82,319	\$ 34,847	\$ 13,432	\$ 506,214
2045	\$ 264,690	\$ 97,526	\$ -	\$ 12,191	\$ -		\$ 85,612	\$ 31,554	\$ 13,701	\$ 505,273
2046	\$ 275,128	\$ 86,938	\$ -	\$ 10,867	\$ -		\$ 89,036	\$ 28,129	\$ 13,975	\$ 504,074
2047	\$ 286,157	\$ 75,933	\$ -	\$ 9,492	\$ -		\$ 92,598	\$ 24,568	\$ 14,255	\$ 503,002
2048	\$ 297,580	\$ 64,487	\$ -	\$ 8,061	\$ -		\$ 96,301	\$ 20,864	\$ 14,540	\$ 501,832
2049	\$ 309,593	\$ 52,584	\$ -	\$ 6,573	\$ -		\$ 100,154	\$ 17,012	\$ 14,831	\$ 500,746
2050	\$ 322,001	\$ 40,200	\$ -	\$ 5,025	\$ -		\$ 104,160	\$ 13,006	\$ 15,127	\$ 499,518
2051	\$ 334,802	\$ 27,320	\$ -	\$ 3,415	\$ -		\$ 108,326	\$ 8,839	\$ 15,430	\$ 498,132
2052	\$ 348,194	\$ 13,928	\$ -	\$ 1,741	\$ (362,216)		\$ 112,659	\$ 4,506	\$ 15,738	\$ 134,550
Total	\$ 6,150,309	\$ 4,597,396	\$ (246,012)	\$ 574,674	\$ (362,216)		\$ 1,989,904	\$ 1,407,893	\$ 359,531	\$ 14,471,478

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX B-4 – POD 2C BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF LAVON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$14,080,227

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Eleven 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 City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon 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 City of Lavon.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - POD 2C

Due 1/31	Improvement Area #1 Bonds					Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Principal	Interest ²		
2023	\$ -	\$ 425,531	\$ (425,531)	\$ 53,191	\$ -	\$ -	\$ -	\$ 15,329	\$ 68,521
2024	\$ 200,986	\$ 425,531	\$ -	\$ 53,191	\$ -	\$ 64,984	\$ 137,678	\$ 15,636	\$ 898,006
2025	\$ 208,821	\$ 417,491	\$ -	\$ 52,186	\$ -	\$ 67,583	\$ 135,079	\$ 15,949	\$ 897,109
2026	\$ 217,337	\$ 409,138	\$ -	\$ 51,142	\$ -	\$ 70,287	\$ 132,376	\$ 16,268	\$ 896,548
2027	\$ 225,853	\$ 400,445	\$ -	\$ 50,056	\$ -	\$ 73,098	\$ 129,564	\$ 16,593	\$ 895,609
2028	\$ 235,051	\$ 391,411	\$ -	\$ 48,926	\$ -	\$ 76,022	\$ 126,640	\$ 16,925	\$ 894,975
2029	\$ 244,248	\$ 382,009	\$ -	\$ 47,751	\$ -	\$ 79,063	\$ 123,600	\$ 17,263	\$ 893,934
2030	\$ 254,127	\$ 372,239	\$ -	\$ 46,530	\$ -	\$ 82,226	\$ 120,437	\$ 17,609	\$ 893,167
2031	\$ 264,347	\$ 362,074	\$ -	\$ 45,259	\$ -	\$ 85,515	\$ 117,148	\$ 17,961	\$ 892,303
2032	\$ 274,907	\$ 351,500	\$ -	\$ 43,937	\$ -	\$ 88,935	\$ 113,727	\$ 18,320	\$ 891,327
2033	\$ 285,808	\$ 340,504	\$ -	\$ 42,563	\$ -	\$ 92,493	\$ 110,170	\$ 18,686	\$ 890,224
2034	\$ 297,390	\$ 329,071	\$ -	\$ 41,134	\$ -	\$ 96,192	\$ 106,470	\$ 19,060	\$ 889,318
2035	\$ 309,313	\$ 317,176	\$ -	\$ 39,647	\$ -	\$ 100,040	\$ 102,623	\$ 19,441	\$ 888,240
2036	\$ 321,577	\$ 304,803	\$ -	\$ 38,100	\$ -	\$ 104,041	\$ 98,621	\$ 19,830	\$ 886,973
2037	\$ 334,522	\$ 291,940	\$ -	\$ 36,492	\$ -	\$ 108,203	\$ 94,459	\$ 20,227	\$ 885,843
2038	\$ 347,807	\$ 278,559	\$ -	\$ 34,820	\$ -	\$ 112,531	\$ 90,131	\$ 20,631	\$ 884,480
2039	\$ 361,774	\$ 264,647	\$ -	\$ 33,081	\$ -	\$ 117,032	\$ 85,630	\$ 21,044	\$ 883,208
2040	\$ 376,081	\$ 250,176	\$ -	\$ 31,272	\$ -	\$ 121,714	\$ 80,949	\$ 21,465	\$ 881,656
2041	\$ 391,070	\$ 235,133	\$ -	\$ 29,392	\$ -	\$ 126,582	\$ 76,080	\$ 21,894	\$ 880,151
2042	\$ 406,740	\$ 219,490	\$ -	\$ 27,436	\$ -	\$ 131,646	\$ 71,017	\$ 22,332	\$ 878,661
2043	\$ 423,092	\$ 203,220	\$ -	\$ 25,403	\$ -	\$ 136,912	\$ 65,751	\$ 22,779	\$ 877,156
2044	\$ 440,124	\$ 186,297	\$ -	\$ 23,287	\$ -	\$ 142,388	\$ 60,275	\$ 23,234	\$ 875,605
2045	\$ 457,838	\$ 168,692	\$ -	\$ 21,086	\$ -	\$ 148,083	\$ 54,579	\$ 23,699	\$ 873,977
2046	\$ 475,893	\$ 150,378	\$ -	\$ 18,797	\$ -	\$ 154,007	\$ 48,656	\$ 24,173	\$ 871,903
2047	\$ 494,969	\$ 131,342	\$ -	\$ 16,418	\$ -	\$ 160,167	\$ 42,495	\$ 24,656	\$ 870,048
2048	\$ 514,727	\$ 111,544	\$ -	\$ 13,943	\$ -	\$ 166,574	\$ 36,089	\$ 25,150	\$ 868,026
2049	\$ 535,507	\$ 90,954	\$ -	\$ 11,369	\$ -	\$ 173,237	\$ 29,426	\$ 25,653	\$ 866,146
2050	\$ 556,968	\$ 69,534	\$ -	\$ 8,692	\$ -	\$ 180,166	\$ 22,496	\$ 26,166	\$ 864,022
2051	\$ 579,111	\$ 47,255	\$ -	\$ 5,907	\$ -	\$ 187,373	\$ 15,290	\$ 26,689	\$ 861,625
2052	\$ 602,275	\$ 24,091	\$ -	\$ 3,011	\$ (626,530)	\$ 194,868	\$ 7,795	\$ 27,223	\$ 232,733
Total	\$ 10,638,265	\$ 7,952,172	\$ (425,531)	\$ 994,021	\$ (626,530)	\$ 3,441,962	\$ 2,435,250	\$ 621,884	\$ 25,031,495

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX B-5 – POD 2D BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF LAVON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$9,186,812

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Eleven 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 City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon 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 City of Lavon.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - POD 2D

Due 1/31	Improvement Area #1 Bonds					Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Principal	Interest ²		
2023	\$ -	\$ 277,643	\$ (277,643)	\$ 34,705	\$ -	\$ -	\$ -	\$ 10,002	\$ 44,707
2024	\$ 131,135	\$ 277,643	\$ -	\$ 34,705	\$ -	\$ 42,400	\$ 89,830	\$ 10,202	\$ 585,915
2025	\$ 136,247	\$ 272,397	\$ -	\$ 34,050	\$ -	\$ 44,095	\$ 88,134	\$ 10,406	\$ 585,330
2026	\$ 141,804	\$ 266,947	\$ -	\$ 33,368	\$ -	\$ 45,859	\$ 86,370	\$ 10,614	\$ 584,963
2027	\$ 147,361	\$ 261,275	\$ -	\$ 32,659	\$ -	\$ 47,694	\$ 84,536	\$ 10,826	\$ 584,351
2028	\$ 153,362	\$ 255,381	\$ -	\$ 31,923	\$ -	\$ 49,602	\$ 82,628	\$ 11,043	\$ 583,937
2029	\$ 159,363	\$ 249,246	\$ -	\$ 31,156	\$ -	\$ 51,586	\$ 80,644	\$ 11,264	\$ 583,258
2030	\$ 165,808	\$ 242,872	\$ -	\$ 30,359	\$ -	\$ 53,649	\$ 78,581	\$ 11,489	\$ 582,758
2031	\$ 172,476	\$ 236,239	\$ -	\$ 29,530	\$ -	\$ 55,795	\$ 76,435	\$ 11,719	\$ 582,194
2032	\$ 179,367	\$ 229,340	\$ -	\$ 28,668	\$ -	\$ 58,027	\$ 74,203	\$ 11,953	\$ 581,557
2033	\$ 186,479	\$ 222,166	\$ -	\$ 27,771	\$ -	\$ 60,348	\$ 71,882	\$ 12,192	\$ 580,837
2034	\$ 194,036	\$ 214,706	\$ -	\$ 26,838	\$ -	\$ 62,762	\$ 69,468	\$ 12,436	\$ 580,246
2035	\$ 201,815	\$ 206,945	\$ -	\$ 25,868	\$ -	\$ 65,272	\$ 66,957	\$ 12,685	\$ 579,543
2036	\$ 209,817	\$ 198,872	\$ -	\$ 24,859	\$ -	\$ 67,883	\$ 64,346	\$ 12,938	\$ 578,716
2037	\$ 218,263	\$ 190,480	\$ -	\$ 23,810	\$ -	\$ 70,598	\$ 61,631	\$ 13,197	\$ 577,979
2038	\$ 226,931	\$ 181,749	\$ -	\$ 22,719	\$ -	\$ 73,422	\$ 58,807	\$ 13,461	\$ 577,090
2039	\$ 236,044	\$ 172,672	\$ -	\$ 21,584	\$ -	\$ 76,359	\$ 55,870	\$ 13,730	\$ 576,260
2040	\$ 245,379	\$ 163,230	\$ -	\$ 20,404	\$ -	\$ 79,414	\$ 52,816	\$ 14,005	\$ 575,247
2041	\$ 255,158	\$ 153,415	\$ -	\$ 19,177	\$ -	\$ 82,590	\$ 49,639	\$ 14,285	\$ 574,265
2042	\$ 265,382	\$ 143,209	\$ -	\$ 17,901	\$ -	\$ 85,894	\$ 46,336	\$ 14,571	\$ 573,293
2043	\$ 276,051	\$ 132,593	\$ -	\$ 16,574	\$ -	\$ 89,330	\$ 42,900	\$ 14,862	\$ 572,311
2044	\$ 287,164	\$ 121,551	\$ -	\$ 15,194	\$ -	\$ 92,903	\$ 39,327	\$ 15,159	\$ 571,299
2045	\$ 298,722	\$ 110,065	\$ -	\$ 13,758	\$ -	\$ 96,619	\$ 35,611	\$ 15,463	\$ 570,237
2046	\$ 310,502	\$ 98,116	\$ -	\$ 12,264	\$ -	\$ 100,483	\$ 31,746	\$ 15,772	\$ 568,884
2047	\$ 322,949	\$ 85,696	\$ -	\$ 10,712	\$ -	\$ 104,503	\$ 27,727	\$ 16,087	\$ 567,673
2048	\$ 335,840	\$ 72,778	\$ -	\$ 9,097	\$ -	\$ 108,683	\$ 23,547	\$ 16,409	\$ 566,354
2049	\$ 349,398	\$ 59,344	\$ -	\$ 7,418	\$ -	\$ 113,030	\$ 19,199	\$ 16,737	\$ 565,127
2050	\$ 363,401	\$ 45,368	\$ -	\$ 5,671	\$ -	\$ 117,552	\$ 14,678	\$ 17,072	\$ 563,742
2051	\$ 377,848	\$ 30,832	\$ -	\$ 3,854	\$ -	\$ 122,254	\$ 9,976	\$ 17,413	\$ 562,177
2052	\$ 392,962	\$ 15,718	\$ -	\$ 1,965	\$ (408,787)	\$ 127,144	\$ 5,086	\$ 17,762	\$ 151,849
Total	\$ 6,941,063	\$ 5,188,489	\$ (277,643)	\$ 648,561	\$ (408,787)	\$ 2,245,749	\$ 1,588,908	\$ 405,756	\$ 16,332,097

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX B-6 – IMPROVEMENT AREA #1 LOT TYPE 1 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF LAVON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 1 PRINCIPAL ASSESSMENT: \$30,478.38

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Eleven 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 City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon 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 City of Lavon.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 1

Due 1/31	Improvement Area #1 Bonds						Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release		Principal	Interest ²		
2023	\$ -	\$ 921.11	\$ (921.11)	\$ 115.14	\$ -		\$ -	\$ -	\$ 33.18	\$ 148.32
2024	\$ 435.06	\$ 921.11	\$ -	\$ 115.14	\$ -		\$ 140.67	\$ 298.02	\$ 33.85	\$ 1,943.84
2025	\$ 452.02	\$ 903.71	\$ -	\$ 112.96	\$ -		\$ 146.29	\$ 292.40	\$ 34.52	\$ 1,941.90
2026	\$ 470.45	\$ 885.63	\$ -	\$ 110.70	\$ -		\$ 152.14	\$ 286.54	\$ 35.21	\$ 1,940.69
2027	\$ 488.89	\$ 866.81	\$ -	\$ 108.35	\$ -		\$ 158.23	\$ 280.46	\$ 35.92	\$ 1,938.66
2028	\$ 508.80	\$ 847.26	\$ -	\$ 105.91	\$ -		\$ 164.56	\$ 274.13	\$ 36.64	\$ 1,937.28
2029	\$ 528.71	\$ 826.90	\$ -	\$ 103.36	\$ -		\$ 171.14	\$ 267.55	\$ 37.37	\$ 1,935.03
2030	\$ 550.09	\$ 805.76	\$ -	\$ 100.72	\$ -		\$ 177.99	\$ 260.70	\$ 38.12	\$ 1,933.37
2031	\$ 572.21	\$ 783.75	\$ -	\$ 97.97	\$ -		\$ 185.11	\$ 253.58	\$ 38.88	\$ 1,931.50
2032	\$ 595.07	\$ 760.86	\$ -	\$ 95.11	\$ -		\$ 192.51	\$ 246.18	\$ 39.66	\$ 1,929.39
2033	\$ 618.67	\$ 737.06	\$ -	\$ 92.13	\$ -		\$ 200.21	\$ 238.48	\$ 40.45	\$ 1,927.00
2034	\$ 643.74	\$ 712.31	\$ -	\$ 89.04	\$ -		\$ 208.22	\$ 230.47	\$ 41.26	\$ 1,925.04
2035	\$ 669.55	\$ 686.57	\$ -	\$ 85.82	\$ -		\$ 216.55	\$ 222.14	\$ 42.08	\$ 1,922.70
2036	\$ 696.09	\$ 659.78	\$ -	\$ 82.47	\$ -		\$ 225.21	\$ 213.48	\$ 42.92	\$ 1,919.96
2037	\$ 724.11	\$ 631.94	\$ -	\$ 78.99	\$ -		\$ 234.22	\$ 204.47	\$ 43.78	\$ 1,917.52
2038	\$ 752.87	\$ 602.98	\$ -	\$ 75.37	\$ -		\$ 243.59	\$ 195.10	\$ 44.66	\$ 1,914.57
2039	\$ 783.10	\$ 572.86	\$ -	\$ 71.61	\$ -		\$ 253.33	\$ 185.36	\$ 45.55	\$ 1,911.81
2040	\$ 814.07	\$ 541.54	\$ -	\$ 67.69	\$ -		\$ 263.46	\$ 175.22	\$ 46.46	\$ 1,908.45
2041	\$ 846.52	\$ 508.97	\$ -	\$ 63.62	\$ -		\$ 274.00	\$ 164.68	\$ 47.39	\$ 1,905.19
2042	\$ 880.44	\$ 475.11	\$ -	\$ 59.39	\$ -		\$ 284.96	\$ 153.72	\$ 48.34	\$ 1,901.97
2043	\$ 915.83	\$ 439.90	\$ -	\$ 54.99	\$ -		\$ 296.36	\$ 142.33	\$ 49.31	\$ 1,898.71
2044	\$ 952.70	\$ 403.26	\$ -	\$ 50.41	\$ -		\$ 308.22	\$ 130.47	\$ 50.29	\$ 1,895.35
2045	\$ 991.05	\$ 365.15	\$ -	\$ 45.64	\$ -		\$ 320.54	\$ 118.14	\$ 51.30	\$ 1,891.83
2046	\$ 1,030.13	\$ 325.51	\$ -	\$ 40.69	\$ -		\$ 333.37	\$ 105.32	\$ 52.33	\$ 1,887.34
2047	\$ 1,071.42	\$ 284.31	\$ -	\$ 35.54	\$ -		\$ 346.70	\$ 91.99	\$ 53.37	\$ 1,883.33
2048	\$ 1,114.19	\$ 241.45	\$ -	\$ 30.18	\$ -		\$ 360.57	\$ 78.12	\$ 54.44	\$ 1,878.95
2049	\$ 1,159.17	\$ 196.88	\$ -	\$ 24.61	\$ -		\$ 374.99	\$ 63.70	\$ 55.53	\$ 1,874.88
2050	\$ 1,205.63	\$ 150.52	\$ -	\$ 18.81	\$ -		\$ 389.99	\$ 48.70	\$ 56.64	\$ 1,870.28
2051	\$ 1,253.56	\$ 102.29	\$ -	\$ 12.79	\$ -		\$ 405.59	\$ 33.10	\$ 57.77	\$ 1,865.09
2052	\$ 1,303.70	\$ 52.15	\$ -	\$ 6.52	\$ (1,356.20)		\$ 421.82	\$ 16.87	\$ 58.93	\$ 503.78
Total	\$ 23,027.83	\$ 17,213.45	\$ (921.11)	\$ 2,151.68	\$ (1,356.20)		\$ 7,450.55	\$ 5,271.40	\$ 1,346.15	\$ 54,183.74

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX B-7 – IMPROVEMENT AREA #1 LOT TYPE 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF LAVON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 2 PRINCIPAL ASSESSMENT: \$36,626.38

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Eleven 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 City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon 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 City of Lavon.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 2

	Improvement Area #1 Bonds						Improvement Area #1 Reimbursement Obligation			
Due 1/31	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release		Principal	Interest ²	Annual Collection Costs	Total Annual Installment
2023	\$ -	\$ 1,106.92	\$ (1,106.92)	\$ 138.36	\$ -		\$ -	\$ -	\$ 39.88	\$ 178.24
2024	\$ 522.82	\$ 1,106.92	\$ -	\$ 138.36	\$ -		\$ 169.04	\$ 358.14	\$ 40.67	\$ 2,335.95
2025	\$ 543.20	\$ 1,086.00	\$ -	\$ 135.75	\$ -		\$ 175.80	\$ 351.38	\$ 41.49	\$ 2,333.62
2026	\$ 565.35	\$ 1,064.28	\$ -	\$ 133.03	\$ -		\$ 182.83	\$ 344.34	\$ 42.32	\$ 2,332.16
2027	\$ 587.50	\$ 1,041.66	\$ -	\$ 130.21	\$ -		\$ 190.15	\$ 337.03	\$ 43.16	\$ 2,329.72
2028	\$ 611.43	\$ 1,018.16	\$ -	\$ 127.27	\$ -		\$ 197.75	\$ 329.43	\$ 44.03	\$ 2,328.07
2029	\$ 635.35	\$ 993.71	\$ -	\$ 124.21	\$ -		\$ 205.66	\$ 321.51	\$ 44.91	\$ 2,325.36
2030	\$ 661.05	\$ 968.29	\$ -	\$ 121.04	\$ -		\$ 213.89	\$ 313.29	\$ 45.80	\$ 2,323.36
2031	\$ 687.64	\$ 941.85	\$ -	\$ 117.73	\$ -		\$ 222.45	\$ 304.73	\$ 46.72	\$ 2,321.12
2032	\$ 715.11	\$ 914.34	\$ -	\$ 114.29	\$ -		\$ 231.34	\$ 295.83	\$ 47.66	\$ 2,318.58
2033	\$ 743.46	\$ 885.74	\$ -	\$ 110.72	\$ -		\$ 240.60	\$ 286.58	\$ 48.61	\$ 2,315.71
2034	\$ 773.59	\$ 856.00	\$ -	\$ 107.00	\$ -		\$ 250.22	\$ 276.96	\$ 49.58	\$ 2,313.35
2035	\$ 804.61	\$ 825.06	\$ -	\$ 103.13	\$ -		\$ 260.23	\$ 266.95	\$ 50.57	\$ 2,310.55
2036	\$ 836.51	\$ 792.87	\$ -	\$ 99.11	\$ -		\$ 270.64	\$ 256.54	\$ 51.58	\$ 2,307.25
2037	\$ 870.18	\$ 759.41	\$ -	\$ 94.93	\$ -		\$ 281.46	\$ 245.71	\$ 52.62	\$ 2,304.31
2038	\$ 904.74	\$ 724.61	\$ -	\$ 90.58	\$ -		\$ 292.72	\$ 234.46	\$ 53.67	\$ 2,300.77
2039	\$ 941.07	\$ 688.42	\$ -	\$ 86.05	\$ -		\$ 304.43	\$ 222.75	\$ 54.74	\$ 2,297.46
2040	\$ 978.29	\$ 650.77	\$ -	\$ 81.35	\$ -		\$ 316.61	\$ 210.57	\$ 55.84	\$ 2,293.42
2041	\$ 1,017.28	\$ 611.64	\$ -	\$ 76.46	\$ -		\$ 329.27	\$ 197.90	\$ 56.95	\$ 2,289.50
2042	\$ 1,058.04	\$ 570.95	\$ -	\$ 71.37	\$ -		\$ 342.45	\$ 184.73	\$ 58.09	\$ 2,285.63
2043	\$ 1,100.57	\$ 528.63	\$ -	\$ 66.08	\$ -		\$ 356.14	\$ 171.04	\$ 59.25	\$ 2,281.71
2044	\$ 1,144.88	\$ 484.61	\$ -	\$ 60.58	\$ -		\$ 370.39	\$ 156.79	\$ 60.44	\$ 2,277.68
2045	\$ 1,190.96	\$ 438.81	\$ -	\$ 54.85	\$ -		\$ 385.20	\$ 141.97	\$ 61.65	\$ 2,273.45
2046	\$ 1,237.92	\$ 391.17	\$ -	\$ 48.90	\$ -		\$ 400.61	\$ 126.57	\$ 62.88	\$ 2,268.05
2047	\$ 1,287.55	\$ 341.66	\$ -	\$ 42.71	\$ -		\$ 416.64	\$ 110.54	\$ 64.14	\$ 2,263.22
2048	\$ 1,338.94	\$ 290.15	\$ -	\$ 36.27	\$ -		\$ 433.30	\$ 93.88	\$ 65.42	\$ 2,257.96
2049	\$ 1,393.00	\$ 236.60	\$ -	\$ 29.57	\$ -		\$ 450.63	\$ 76.54	\$ 66.73	\$ 2,253.07
2050	\$ 1,448.82	\$ 180.88	\$ -	\$ 22.61	\$ -		\$ 468.66	\$ 58.52	\$ 68.06	\$ 2,247.55
2051	\$ 1,506.42	\$ 122.92	\$ -	\$ 15.37	\$ -		\$ 487.41	\$ 39.77	\$ 69.42	\$ 2,241.31
2052	\$ 1,566.68	\$ 62.67	\$ -	\$ 7.83	\$ (1,629.77)		\$ 506.90	\$ 20.28	\$ 70.81	\$ 605.40
Total	\$ 27,672.93	\$ 20,685.69	\$ (1,106.92)	\$ 2,585.71	\$ (1,629.77)		\$ 8,953.45	\$ 6,334.73	\$ 1,617.69	\$ 65,113.51

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX B-8 – IMPROVEMENT AREA #1 LOT TYPE 3 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF LAVON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 3 PRINCIPAL ASSESSMENT: \$42,512.76

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Eleven 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 City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon 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 City of Lavon.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 3

Due 1/31	Improvement Area #1 Bonds					Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Principal	Interest ²		
2023	\$ -	\$ 1,284.81	\$ (1,284.81)	\$ 160.60	\$ -	\$ -	\$ -	\$ 46.28	\$ 206.89
2024	\$ 606.84	\$ 1,284.81	\$ -	\$ 160.60	\$ -	\$ 196.21	\$ 415.70	\$ 47.21	\$ 2,711.37
2025	\$ 630.50	\$ 1,260.54	\$ -	\$ 157.57	\$ -	\$ 204.06	\$ 407.85	\$ 48.15	\$ 2,708.66
2026	\$ 656.21	\$ 1,235.32	\$ -	\$ 154.42	\$ -	\$ 212.22	\$ 399.69	\$ 49.12	\$ 2,706.97
2027	\$ 681.92	\$ 1,209.07	\$ -	\$ 151.13	\$ -	\$ 220.71	\$ 391.20	\$ 50.10	\$ 2,704.13
2028	\$ 709.69	\$ 1,181.80	\$ -	\$ 147.72	\$ -	\$ 229.54	\$ 382.37	\$ 51.10	\$ 2,702.22
2029	\$ 737.47	\$ 1,153.41	\$ -	\$ 144.18	\$ -	\$ 238.72	\$ 373.19	\$ 52.12	\$ 2,699.08
2030	\$ 767.29	\$ 1,123.91	\$ -	\$ 140.49	\$ -	\$ 248.27	\$ 363.64	\$ 53.17	\$ 2,696.76
2031	\$ 798.15	\$ 1,093.22	\$ -	\$ 136.65	\$ -	\$ 258.20	\$ 353.71	\$ 54.23	\$ 2,694.15
2032	\$ 830.03	\$ 1,061.29	\$ -	\$ 132.66	\$ -	\$ 268.52	\$ 343.38	\$ 55.31	\$ 2,691.20
2033	\$ 862.95	\$ 1,028.09	\$ -	\$ 128.51	\$ -	\$ 279.26	\$ 332.64	\$ 56.42	\$ 2,687.87
2034	\$ 897.92	\$ 993.57	\$ -	\$ 124.20	\$ -	\$ 290.44	\$ 321.47	\$ 57.55	\$ 2,685.14
2035	\$ 933.92	\$ 957.66	\$ -	\$ 119.71	\$ -	\$ 302.05	\$ 309.85	\$ 58.70	\$ 2,681.88
2036	\$ 970.94	\$ 920.30	\$ -	\$ 115.04	\$ -	\$ 314.13	\$ 297.77	\$ 59.87	\$ 2,678.06
2037	\$ 1,010.03	\$ 881.46	\$ -	\$ 110.18	\$ -	\$ 326.70	\$ 285.20	\$ 61.07	\$ 2,674.65
2038	\$ 1,050.14	\$ 841.06	\$ -	\$ 105.13	\$ -	\$ 339.77	\$ 272.14	\$ 62.29	\$ 2,670.53
2039	\$ 1,092.31	\$ 799.05	\$ -	\$ 99.88	\$ -	\$ 353.36	\$ 258.54	\$ 63.54	\$ 2,666.69
2040	\$ 1,135.51	\$ 755.36	\$ -	\$ 94.42	\$ -	\$ 367.49	\$ 244.41	\$ 64.81	\$ 2,662.01
2041	\$ 1,180.77	\$ 709.94	\$ -	\$ 88.74	\$ -	\$ 382.19	\$ 229.71	\$ 66.11	\$ 2,657.46
2042	\$ 1,228.08	\$ 662.71	\$ -	\$ 82.84	\$ -	\$ 397.48	\$ 214.42	\$ 67.43	\$ 2,652.96
2043	\$ 1,277.45	\$ 613.59	\$ -	\$ 76.70	\$ -	\$ 413.38	\$ 198.52	\$ 68.78	\$ 2,648.42
2044	\$ 1,328.88	\$ 562.49	\$ -	\$ 70.31	\$ -	\$ 429.92	\$ 181.99	\$ 70.15	\$ 2,643.73
2045	\$ 1,382.36	\$ 509.33	\$ -	\$ 63.67	\$ -	\$ 447.11	\$ 164.79	\$ 71.55	\$ 2,638.82
2046	\$ 1,436.87	\$ 454.04	\$ -	\$ 56.75	\$ -	\$ 465.00	\$ 146.91	\$ 72.99	\$ 2,632.56
2047	\$ 1,494.47	\$ 396.56	\$ -	\$ 49.57	\$ -	\$ 483.60	\$ 128.31	\$ 74.45	\$ 2,626.96
2048	\$ 1,554.13	\$ 336.79	\$ -	\$ 42.10	\$ -	\$ 502.94	\$ 108.96	\$ 75.93	\$ 2,620.85
2049	\$ 1,616.87	\$ 274.62	\$ -	\$ 34.33	\$ -	\$ 523.06	\$ 88.85	\$ 77.45	\$ 2,615.18
2050	\$ 1,681.67	\$ 209.95	\$ -	\$ 26.24	\$ -	\$ 543.98	\$ 67.92	\$ 79.00	\$ 2,608.76
2051	\$ 1,748.52	\$ 142.68	\$ -	\$ 17.83	\$ -	\$ 565.74	\$ 46.16	\$ 80.58	\$ 2,601.52
2052	\$ 1,818.46	\$ 72.74	\$ -	\$ 9.09	\$ (1,891.70)	\$ 588.37	\$ 23.53	\$ 82.19	\$ 702.70
Total	\$ 32,120.36	\$ 24,010.18	\$ (1,284.81)	\$ 3,001.27	\$ (1,891.70)	\$ 10,392.40	\$ 7,352.81	\$ 1,877.67	\$ 75,578.18

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX B-9 – IMPROVEMENT AREA #1 LOT TYPE 4 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF LAVON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 4 PRINCIPAL ASSESSMENT: \$45,782.97

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Eleven 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 City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon 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 City of Lavon.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 4

Due 1/31	Improvement Area #1 Bonds					Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Principal	Interest ²		
2023	\$ -	\$ 1,383.65	\$ (1,383.65)	\$ 172.96	\$ -	\$ -	\$ -	\$ 49.84	\$ 222.80
2024	\$ 653.52	\$ 1,383.65	\$ -	\$ 172.96	\$ -	\$ 211.30	\$ 447.67	\$ 50.84	\$ 2,919.94
2025	\$ 679.00	\$ 1,357.51	\$ -	\$ 169.69	\$ -	\$ 219.75	\$ 439.22	\$ 51.86	\$ 2,917.02
2026	\$ 706.69	\$ 1,330.35	\$ -	\$ 166.29	\$ -	\$ 228.54	\$ 430.43	\$ 52.90	\$ 2,915.20
2027	\$ 734.38	\$ 1,302.08	\$ -	\$ 162.76	\$ -	\$ 237.68	\$ 421.29	\$ 53.95	\$ 2,912.14
2028	\$ 764.29	\$ 1,272.70	\$ -	\$ 159.09	\$ -	\$ 247.19	\$ 411.78	\$ 55.03	\$ 2,910.08
2029	\$ 794.19	\$ 1,242.13	\$ -	\$ 155.27	\$ -	\$ 257.08	\$ 401.89	\$ 56.13	\$ 2,906.70
2030	\$ 826.32	\$ 1,210.36	\$ -	\$ 151.30	\$ -	\$ 267.36	\$ 391.61	\$ 57.26	\$ 2,904.20
2031	\$ 859.55	\$ 1,177.31	\$ -	\$ 147.16	\$ -	\$ 278.06	\$ 380.92	\$ 58.40	\$ 2,901.39
2032	\$ 893.88	\$ 1,142.93	\$ -	\$ 142.87	\$ -	\$ 289.18	\$ 369.79	\$ 59.57	\$ 2,898.22
2033	\$ 929.33	\$ 1,107.17	\$ -	\$ 138.40	\$ -	\$ 300.75	\$ 358.23	\$ 60.76	\$ 2,894.63
2034	\$ 966.99	\$ 1,070.00	\$ -	\$ 133.75	\$ -	\$ 312.78	\$ 346.20	\$ 61.98	\$ 2,891.69
2035	\$ 1,005.76	\$ 1,031.32	\$ -	\$ 128.92	\$ -	\$ 325.29	\$ 333.69	\$ 63.22	\$ 2,888.18
2036	\$ 1,045.63	\$ 991.09	\$ -	\$ 123.89	\$ -	\$ 338.30	\$ 320.67	\$ 64.48	\$ 2,884.06
2037	\$ 1,087.72	\$ 949.27	\$ -	\$ 118.66	\$ -	\$ 351.83	\$ 307.14	\$ 65.77	\$ 2,880.39
2038	\$ 1,130.92	\$ 905.76	\$ -	\$ 113.22	\$ -	\$ 365.90	\$ 293.07	\$ 67.08	\$ 2,875.96
2039	\$ 1,176.34	\$ 860.52	\$ -	\$ 107.57	\$ -	\$ 380.54	\$ 278.43	\$ 68.43	\$ 2,871.82
2040	\$ 1,222.86	\$ 813.47	\$ -	\$ 101.68	\$ -	\$ 395.76	\$ 263.21	\$ 69.79	\$ 2,866.78
2041	\$ 1,271.60	\$ 764.55	\$ -	\$ 95.57	\$ -	\$ 411.59	\$ 247.38	\$ 71.19	\$ 2,861.88
2042	\$ 1,322.55	\$ 713.69	\$ -	\$ 89.21	\$ -	\$ 428.06	\$ 230.92	\$ 72.61	\$ 2,857.04
2043	\$ 1,375.72	\$ 660.79	\$ -	\$ 82.60	\$ -	\$ 445.18	\$ 213.79	\$ 74.07	\$ 2,852.14
2044	\$ 1,431.10	\$ 605.76	\$ -	\$ 75.72	\$ -	\$ 462.99	\$ 195.99	\$ 75.55	\$ 2,847.10
2045	\$ 1,488.70	\$ 548.51	\$ -	\$ 68.56	\$ -	\$ 481.50	\$ 177.47	\$ 77.06	\$ 2,841.81
2046	\$ 1,547.40	\$ 488.97	\$ -	\$ 61.12	\$ -	\$ 500.76	\$ 158.21	\$ 78.60	\$ 2,835.06
2047	\$ 1,609.43	\$ 427.07	\$ -	\$ 53.38	\$ -	\$ 520.80	\$ 138.18	\$ 80.17	\$ 2,829.03
2048	\$ 1,673.68	\$ 362.69	\$ -	\$ 45.34	\$ -	\$ 541.63	\$ 117.35	\$ 81.78	\$ 2,822.45
2049	\$ 1,741.24	\$ 295.75	\$ -	\$ 36.97	\$ -	\$ 563.29	\$ 95.68	\$ 83.41	\$ 2,816.34
2050	\$ 1,811.03	\$ 226.10	\$ -	\$ 28.26	\$ -	\$ 585.82	\$ 73.15	\$ 85.08	\$ 2,809.44
2051	\$ 1,883.02	\$ 153.65	\$ -	\$ 19.21	\$ -	\$ 609.26	\$ 49.72	\$ 86.78	\$ 2,801.64
2052	\$ 1,958.35	\$ 78.33	\$ -	\$ 9.79	\$ (2,037.21)	\$ 633.63	\$ 25.35	\$ 88.52	\$ 756.75
Total	\$ 34,591.16	\$ 25,857.12	\$ (1,383.65)	\$ 3,232.14	\$ (2,037.21)	\$ 11,191.81	\$ 7,918.41	\$ 2,022.11	\$ 81,391.89

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX B-10 – IMPROVEMENT AREA #1 LOT TYPE 5 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF LAVON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 5 PRINCIPAL ASSESSMENT: \$27,469.78

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Eleven 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 City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon 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 City of Lavon.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 5

	Improvement Area #1 Bonds						Improvement Area #1 Reimbursement Obligation			
Due 1/31	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Principal	Interest ²	Annual Collection Costs	Total Annual Installment	
2023	\$ -	\$ 830.19	\$ (830.19)	\$ 103.77	\$ -	\$ -	\$ -	\$ 29.91	\$ 133.68	
2024	\$ 392.11	\$ 830.19	\$ -	\$ 103.77	\$ -	\$ 126.78	\$ 268.60	\$ 30.50	\$ 1,751.96	
2025	\$ 407.40	\$ 814.50	\$ -	\$ 101.81	\$ -	\$ 131.85	\$ 263.53	\$ 31.12	\$ 1,750.21	
2026	\$ 424.01	\$ 798.21	\$ -	\$ 99.78	\$ -	\$ 137.13	\$ 258.26	\$ 31.74	\$ 1,749.12	
2027	\$ 440.63	\$ 781.25	\$ -	\$ 97.66	\$ -	\$ 142.61	\$ 252.77	\$ 32.37	\$ 1,747.29	
2028	\$ 458.57	\$ 763.62	\$ -	\$ 95.45	\$ -	\$ 148.32	\$ 247.07	\$ 33.02	\$ 1,746.05	
2029	\$ 476.52	\$ 745.28	\$ -	\$ 93.16	\$ -	\$ 154.25	\$ 241.14	\$ 33.68	\$ 1,744.02	
2030	\$ 495.79	\$ 726.22	\$ -	\$ 90.78	\$ -	\$ 160.42	\$ 234.97	\$ 34.35	\$ 1,742.52	
2031	\$ 515.73	\$ 706.39	\$ -	\$ 88.30	\$ -	\$ 166.83	\$ 228.55	\$ 35.04	\$ 1,740.84	
2032	\$ 536.33	\$ 685.76	\$ -	\$ 85.72	\$ -	\$ 173.51	\$ 221.88	\$ 35.74	\$ 1,738.93	
2033	\$ 557.60	\$ 664.30	\$ -	\$ 83.04	\$ -	\$ 180.45	\$ 214.94	\$ 36.46	\$ 1,736.78	
2034	\$ 580.19	\$ 642.00	\$ -	\$ 80.25	\$ -	\$ 187.67	\$ 207.72	\$ 37.19	\$ 1,735.01	
2035	\$ 603.45	\$ 618.79	\$ -	\$ 77.35	\$ -	\$ 195.17	\$ 200.21	\$ 37.93	\$ 1,732.91	
2036	\$ 627.38	\$ 594.65	\$ -	\$ 74.33	\$ -	\$ 202.98	\$ 192.40	\$ 38.69	\$ 1,730.44	
2037	\$ 652.63	\$ 569.56	\$ -	\$ 71.19	\$ -	\$ 211.10	\$ 184.29	\$ 39.46	\$ 1,728.23	
2038	\$ 678.55	\$ 543.45	\$ -	\$ 67.93	\$ -	\$ 219.54	\$ 175.84	\$ 40.25	\$ 1,725.57	
2039	\$ 705.80	\$ 516.31	\$ -	\$ 64.54	\$ -	\$ 228.32	\$ 167.06	\$ 41.06	\$ 1,723.09	
2040	\$ 733.72	\$ 488.08	\$ -	\$ 61.01	\$ -	\$ 237.46	\$ 157.93	\$ 41.88	\$ 1,720.07	
2041	\$ 762.96	\$ 458.73	\$ -	\$ 57.34	\$ -	\$ 246.96	\$ 148.43	\$ 42.71	\$ 1,717.13	
2042	\$ 793.53	\$ 428.21	\$ -	\$ 53.53	\$ -	\$ 256.83	\$ 138.55	\$ 43.57	\$ 1,714.22	
2043	\$ 825.43	\$ 396.47	\$ -	\$ 49.56	\$ -	\$ 267.11	\$ 128.28	\$ 44.44	\$ 1,711.28	
2044	\$ 858.66	\$ 363.45	\$ -	\$ 45.43	\$ -	\$ 277.79	\$ 117.59	\$ 45.33	\$ 1,708.26	
2045	\$ 893.22	\$ 329.11	\$ -	\$ 41.14	\$ -	\$ 288.90	\$ 106.48	\$ 46.24	\$ 1,705.08	
2046	\$ 928.44	\$ 293.38	\$ -	\$ 36.67	\$ -	\$ 300.46	\$ 94.92	\$ 47.16	\$ 1,701.04	
2047	\$ 965.66	\$ 256.24	\$ -	\$ 32.03	\$ -	\$ 312.48	\$ 82.91	\$ 48.10	\$ 1,697.42	
2048	\$ 1,004.21	\$ 217.62	\$ -	\$ 27.20	\$ -	\$ 324.98	\$ 70.41	\$ 49.07	\$ 1,693.47	
2049	\$ 1,044.75	\$ 177.45	\$ -	\$ 22.18	\$ -	\$ 337.98	\$ 57.41	\$ 50.05	\$ 1,689.81	
2050	\$ 1,086.62	\$ 135.66	\$ -	\$ 16.96	\$ -	\$ 351.49	\$ 43.89	\$ 51.05	\$ 1,685.66	
2051	\$ 1,129.81	\$ 92.19	\$ -	\$ 11.52	\$ -	\$ 365.55	\$ 29.83	\$ 52.07	\$ 1,680.98	
2052	\$ 1,175.01	\$ 47.00	\$ -	\$ 5.88	\$ (1,222.33)	\$ 380.18	\$ 15.21	\$ 53.11	\$ 454.05	
Total	\$ 20,754.70	\$ 15,514.27	\$ (830.19)	\$ 1,939.28	\$ (1,222.33)	\$ 6,715.09	\$ 4,751.05	\$ 1,213.26	\$ 48,835.13	

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX B-11 – IMPROVEMENT AREA #1 LOT TYPE 6 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF LAVON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 6 PRINCIPAL ASSESSMENT: \$54,939.57

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Eleven 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 City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon 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 City of Lavon.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 6

	Improvement Area #1 Bonds						Improvement Area #1 Reimbursement Obligation			
Due 1/31	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release		Principal	Interest ²	Annual Collection Costs	Total Annual Installment
2023	\$ -	\$ 1,660.38	\$ (1,660.38)	\$ 207.55	\$ -		\$ -	\$ -	\$ 59.81	\$ 267.36
2024	\$ 784.22	\$ 1,660.38	\$ -	\$ 207.55	\$ -		\$ 253.56	\$ 537.21	\$ 61.01	\$ 3,503.93
2025	\$ 814.80	\$ 1,629.01	\$ -	\$ 203.63	\$ -		\$ 263.70	\$ 527.06	\$ 62.23	\$ 3,500.43
2026	\$ 848.03	\$ 1,596.41	\$ -	\$ 199.55	\$ -		\$ 274.25	\$ 516.52	\$ 63.47	\$ 3,498.23
2027	\$ 881.26	\$ 1,562.49	\$ -	\$ 195.31	\$ -		\$ 285.22	\$ 505.55	\$ 64.74	\$ 3,494.57
2028	\$ 917.14	\$ 1,527.24	\$ -	\$ 190.91	\$ -		\$ 296.63	\$ 494.14	\$ 66.04	\$ 3,492.10
2029	\$ 953.03	\$ 1,490.56	\$ -	\$ 186.32	\$ -		\$ 308.50	\$ 482.27	\$ 67.36	\$ 3,488.04
2030	\$ 991.58	\$ 1,452.44	\$ -	\$ 181.55	\$ -		\$ 320.84	\$ 469.93	\$ 68.71	\$ 3,485.05
2031	\$ 1,031.45	\$ 1,412.77	\$ -	\$ 176.60	\$ -		\$ 333.67	\$ 457.10	\$ 70.08	\$ 3,481.67
2032	\$ 1,072.66	\$ 1,371.52	\$ -	\$ 171.44	\$ -		\$ 347.02	\$ 443.75	\$ 71.48	\$ 3,477.86
2033	\$ 1,115.19	\$ 1,328.61	\$ -	\$ 166.08	\$ -		\$ 360.90	\$ 429.87	\$ 72.91	\$ 3,473.56
2034	\$ 1,160.39	\$ 1,284.00	\$ -	\$ 160.50	\$ -		\$ 375.33	\$ 415.44	\$ 74.37	\$ 3,470.03
2035	\$ 1,206.91	\$ 1,237.59	\$ -	\$ 154.70	\$ -		\$ 390.35	\$ 400.42	\$ 75.86	\$ 3,465.82
2036	\$ 1,254.76	\$ 1,189.31	\$ -	\$ 148.66	\$ -		\$ 405.96	\$ 384.81	\$ 77.38	\$ 3,460.87
2037	\$ 1,305.27	\$ 1,139.12	\$ -	\$ 142.39	\$ -		\$ 422.20	\$ 368.57	\$ 78.92	\$ 3,456.47
2038	\$ 1,357.11	\$ 1,086.91	\$ -	\$ 135.86	\$ -		\$ 439.09	\$ 351.68	\$ 80.50	\$ 3,451.15
2039	\$ 1,411.60	\$ 1,032.62	\$ -	\$ 129.08	\$ -		\$ 456.65	\$ 334.12	\$ 82.11	\$ 3,446.19
2040	\$ 1,467.43	\$ 976.16	\$ -	\$ 122.02	\$ -		\$ 474.91	\$ 315.85	\$ 83.75	\$ 3,440.13
2041	\$ 1,525.91	\$ 917.46	\$ -	\$ 114.68	\$ -		\$ 493.91	\$ 296.86	\$ 85.43	\$ 3,434.26
2042	\$ 1,587.06	\$ 856.43	\$ -	\$ 107.05	\$ -		\$ 513.67	\$ 277.10	\$ 87.14	\$ 3,428.44
2043	\$ 1,650.86	\$ 792.94	\$ -	\$ 99.12	\$ -		\$ 534.21	\$ 256.55	\$ 88.88	\$ 3,422.57
2044	\$ 1,717.32	\$ 726.91	\$ -	\$ 90.86	\$ -		\$ 555.58	\$ 235.18	\$ 90.66	\$ 3,416.52
2045	\$ 1,786.44	\$ 658.22	\$ -	\$ 82.28	\$ -		\$ 577.81	\$ 212.96	\$ 92.47	\$ 3,410.17
2046	\$ 1,856.88	\$ 586.76	\$ -	\$ 73.34	\$ -		\$ 600.92	\$ 189.85	\$ 94.32	\$ 3,402.08
2047	\$ 1,931.32	\$ 512.48	\$ -	\$ 64.06	\$ -		\$ 624.96	\$ 165.81	\$ 96.21	\$ 3,394.84
2048	\$ 2,008.41	\$ 435.23	\$ -	\$ 54.40	\$ -		\$ 649.95	\$ 140.81	\$ 98.13	\$ 3,386.95
2049	\$ 2,089.49	\$ 354.89	\$ -	\$ 44.36	\$ -		\$ 675.95	\$ 114.82	\$ 100.09	\$ 3,379.61
2050	\$ 2,173.23	\$ 271.32	\$ -	\$ 33.91	\$ -		\$ 702.99	\$ 87.78	\$ 102.10	\$ 3,371.32
2051	\$ 2,259.63	\$ 184.39	\$ -	\$ 23.05	\$ -		\$ 731.11	\$ 59.66	\$ 104.14	\$ 3,361.97
2052	\$ 2,350.01	\$ 94.00	\$ -	\$ 11.75	\$ (2,444.65)		\$ 760.35	\$ 30.41	\$ 106.22	\$ 908.10
Total	\$ 41,509.39	\$ 31,028.54	\$ (1,660.38)	\$ 3,878.57	\$ (2,444.65)		\$ 13,430.17	\$ 9,502.09	\$ 2,426.53	\$ 97,670.27

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX B-12 – IMPROVEMENT AREA #1 LOT TYPE 7 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF LAVON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 7 PRINCIPAL ASSESSMENT: \$64,096.16

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Eleven 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 City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon 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 City of Lavon.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 7

Due 1/31	Improvement Area #1 Bonds					Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Annual Installment
	Principal	Interest ¹	Capitalized Interest	Additional Interest	Reserve Fund Release	Principal	Interest ²		
2023	\$ -	\$ 1,937.11	\$ (1,937.11)	\$ 242.14	\$ -	\$ -	\$ -	\$ 69.78	\$ 311.92
2024	\$ 914.93	\$ 1,937.11	\$ -	\$ 242.14	\$ -	\$ 295.82	\$ 626.74	\$ 71.18	\$ 4,087.91
2025	\$ 950.60	\$ 1,900.51	\$ -	\$ 237.56	\$ -	\$ 307.65	\$ 614.91	\$ 72.60	\$ 4,083.83
2026	\$ 989.36	\$ 1,862.48	\$ -	\$ 232.81	\$ -	\$ 319.96	\$ 602.60	\$ 74.05	\$ 4,081.27
2027	\$ 1,028.13	\$ 1,822.91	\$ -	\$ 227.86	\$ -	\$ 332.76	\$ 589.80	\$ 75.54	\$ 4,077.00
2028	\$ 1,070.00	\$ 1,781.78	\$ -	\$ 222.72	\$ -	\$ 346.07	\$ 576.49	\$ 77.05	\$ 4,074.12
2029	\$ 1,111.87	\$ 1,738.98	\$ -	\$ 217.37	\$ -	\$ 359.91	\$ 562.65	\$ 78.59	\$ 4,069.38
2030	\$ 1,156.84	\$ 1,694.51	\$ -	\$ 211.81	\$ -	\$ 374.31	\$ 548.25	\$ 80.16	\$ 4,065.89
2031	\$ 1,203.36	\$ 1,648.24	\$ -	\$ 206.03	\$ -	\$ 389.28	\$ 533.28	\$ 81.76	\$ 4,061.95
2032	\$ 1,251.44	\$ 1,600.10	\$ -	\$ 200.01	\$ -	\$ 404.85	\$ 517.71	\$ 83.40	\$ 4,057.51
2033	\$ 1,301.06	\$ 1,550.04	\$ -	\$ 193.76	\$ -	\$ 421.05	\$ 501.52	\$ 85.06	\$ 4,052.49
2034	\$ 1,353.78	\$ 1,498.00	\$ -	\$ 187.25	\$ -	\$ 437.89	\$ 484.68	\$ 86.77	\$ 4,048.36
2035	\$ 1,408.06	\$ 1,443.85	\$ -	\$ 180.48	\$ -	\$ 455.40	\$ 467.16	\$ 88.50	\$ 4,043.45
2036	\$ 1,463.89	\$ 1,387.53	\$ -	\$ 173.44	\$ -	\$ 473.62	\$ 448.94	\$ 90.27	\$ 4,037.69
2037	\$ 1,522.81	\$ 1,328.97	\$ -	\$ 166.12	\$ -	\$ 492.56	\$ 430.00	\$ 92.08	\$ 4,032.55
2038	\$ 1,583.29	\$ 1,268.06	\$ -	\$ 158.51	\$ -	\$ 512.27	\$ 410.30	\$ 93.92	\$ 4,026.34
2039	\$ 1,646.87	\$ 1,204.73	\$ -	\$ 150.59	\$ -	\$ 532.76	\$ 389.81	\$ 95.80	\$ 4,020.55
2040	\$ 1,712.00	\$ 1,138.85	\$ -	\$ 142.36	\$ -	\$ 554.07	\$ 368.50	\$ 97.71	\$ 4,013.49
2041	\$ 1,780.23	\$ 1,070.37	\$ -	\$ 133.80	\$ -	\$ 576.23	\$ 346.33	\$ 99.67	\$ 4,006.63
2042	\$ 1,851.57	\$ 999.16	\$ -	\$ 124.90	\$ -	\$ 599.28	\$ 323.28	\$ 101.66	\$ 3,999.85
2043	\$ 1,926.00	\$ 925.10	\$ -	\$ 115.64	\$ -	\$ 623.25	\$ 299.31	\$ 103.69	\$ 3,993.00
2044	\$ 2,003.54	\$ 848.06	\$ -	\$ 106.01	\$ -	\$ 648.18	\$ 274.38	\$ 105.77	\$ 3,985.94
2045	\$ 2,084.18	\$ 767.92	\$ -	\$ 95.99	\$ -	\$ 674.11	\$ 248.46	\$ 107.88	\$ 3,978.53
2046	\$ 2,166.36	\$ 684.55	\$ -	\$ 85.57	\$ -	\$ 701.07	\$ 221.49	\$ 110.04	\$ 3,969.09
2047	\$ 2,253.21	\$ 597.90	\$ -	\$ 74.74	\$ -	\$ 729.11	\$ 193.45	\$ 112.24	\$ 3,960.64
2048	\$ 2,343.15	\$ 507.77	\$ -	\$ 63.47	\$ -	\$ 758.28	\$ 164.28	\$ 114.49	\$ 3,951.44
2049	\$ 2,437.74	\$ 414.04	\$ -	\$ 51.76	\$ -	\$ 788.61	\$ 133.95	\$ 116.78	\$ 3,942.88
2050	\$ 2,535.44	\$ 316.53	\$ -	\$ 39.57	\$ -	\$ 820.15	\$ 102.41	\$ 119.11	\$ 3,933.21
2051	\$ 2,636.23	\$ 215.12	\$ -	\$ 26.89	\$ -	\$ 852.96	\$ 69.60	\$ 121.49	\$ 3,922.30
2052	\$ 2,741.68	\$ 109.67	\$ -	\$ 13.71	\$ (2,852.10)	\$ 887.08	\$ 35.48	\$ 123.92	\$ 1,059.45
Total	\$ 48,427.63	\$ 36,199.97	\$ (1,937.11)	\$ 4,525.00	\$ (2,852.10)	\$ 15,668.54	\$ 11,085.77	\$ 2,830.95	\$ 113,948.65

¹ Interest on the Improvement Area #1 Bonds is calculated at a 4.00% rate for illustrative purposes.

² Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

CITY OF LAVON, TEXAS

ORDINANCE NO. 2022-02-02

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE “CITY OF LAVON, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (ELEVON PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)”; **APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A LIMITED OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT, A CONSTRUCTION, FUNDING AND ACQUISITION AGREEMENT, A REIMBURSEMENT AGREEMENT AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH;** **MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City of Lavon, Texas (the “City”), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, (the “PID Act”) has previously established the “Elevon Public Improvement District” (the “District”); and

WHEREAS, the City Council of the City (the “Council”) has found and determined that it is in the best interests of the City to issue its bonds to be designated “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project)” (the “Bonds”), such Bonds to be payable from and secured by the Pledged Revenues (as defined in the Indenture); and

WHEREAS, the City is authorized by the PID Act to issue the Bonds for the purpose of (i) paying the Improvement Area #1 Project Costs (as defined in the Indenture), (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1 Projects (as defined in the Indenture), (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuance of the Bonds; and

WHEREAS, the Council has found and determined to approve (i) the issuance of the Bonds to finance the Improvement Area #1 Projects, (ii) the form, terms and provisions of the Indenture securing the Bonds authorized hereby, (iii) the form, terms and provisions of a Bond Purchase Agreement (defined below) between the City and the Underwriter (defined below), (iv) a Limited Offering Memorandum (defined below), (v) a Continuing Disclosure Agreement (defined below), (vi) a Construction, Funding and Acquisition Agreement (defined below); (vii) a Reimbursement Agreement (defined below), and (viii) forms of Completion Agreements with certain builders in Improvement Area #1 as described below; and

WHEREAS, pursuant to the PID Act, the Council published notice of the assessment hearing in a newspaper of general circulation in the City and in the part of the extraterritorial jurisdiction of the City in which the District is located, and opened, conducted and continued a public hearing on January 4, 2022, regarding the levy of special assessments within the District, reopened, conducted and continued the public hearing on January 18, 2022, and intends to

reopen and conduct the public hearing on February 1, 2022, and on such date the Council intends to adopt an ordinance levying such special assessments (the “Assessment Ordinance”); and

WHEREAS, in the Assessment Ordinance, the Council will approve and accept a Service and Assessment Plan (as defined in the Indenture) relating to the District and levy the Assessments (as defined in the Indenture) against the Assessed Property (as defined in the Indenture) for payment of the Bonds; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS, THAT:

Section 1. Findings. The findings and determinations set forth in the preamble hereof are hereby incorporated by reference for all purposes as if set forth in full herein.

Section 2. Approval of Issuance of Bonds and Indenture of Trust.

(a) The issuance of the Bonds in the principal amount of \$[31,229,000] for the purpose of (i) paying a portion of the Improvement Area #1 Project Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1 Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the “Indenture”), dated as of February 1, 2022, between the City and Wilmington Trust, National Association, Dallas, Texas, as trustee (the “Trustee”), with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Mayor or Mayor Pro Tem of the City, such approval to be evidenced by the execution and delivery of the Indenture, which Indenture is hereby approved in substantially final form attached hereto as **Exhibit A** and incorporated herein as a part hereof for all purposes. The Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute the Indenture.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amount or amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture, with such insertions, omissions and modifications as may be required to conform the form of Bond to the actual terms of the Bonds. The Bonds shall be payable from and secured by the Pledged Revenues (as defined in the Indenture) and other assets of the Trust Estate (as defined in the Indenture) pledged to the Bonds, and shall never be payable from ad valorem taxes or any other funds or revenues of the City.

Section 3. Sale of Bonds; Approval of Bond Purchase Agreement. The Bonds shall be sold to FMSbonds, Inc. (the “Underwriter”) at the price and on the terms and provisions set forth in that certain Bond Purchase Agreement (the “Bond Purchase Agreement”), dated the date hereof, between the City and the Underwriter, attached hereto as **Exhibit B** and incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interest of the City. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver the Bond Purchase Agreement.

Section 4. Limited Offering Memorandum. The use and distribution of the Preliminary Limited Offering Memorandum dated January 14, 2022 in the offering of the Bonds is hereby ratified, approved and confirmed. The final Limited Offering Memorandum, with such appropriate variations from the Preliminary Limited Offering Memorandum as shall be approved by the Mayor or Mayor Pro Tem of the City and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The form and substance of the final Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto is hereby approved and adopted in all respects. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The City deemed the Preliminary Limited Offering Memorandum final, within the meaning of Rule 15c2-12 issued by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”), as of its date, except for the omission of information specified in Section (b)(1) of the Rule, as permitted by Section (b)(1) of the Rule. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Council, the Council is not responsible for and proclaims no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum pertaining to the Improvement Area #1 Projects, MA Elevon 429, LLC, a Texas limited liability company (the “Developer”) or the Builders (hereinafter defined), or their financial ability, any other builders, any landowners or the appraisal of the property in the District.

Section 5. Continuing Disclosure Agreement. The Continuing Disclosure Agreement of the Issuer (the “Continuing Disclosure Agreement”) between the City, P3Works, LLC and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., is hereby authorized and approved in substantially final form attached hereto as **Exhibit C** and incorporated herein as a part hereof for all purposes, and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

Section 6. Construction, Funding and Acquisition Agreement. The Elevon Public Improvement District Improvement Area #1 Construction, Funding and Acquisition Agreement (the “Construction, Funding and Acquisition Agreement”) between the City and the Developer is hereby authorized and approved in substantially final form attached hereto as **Exhibit D** and incorporated herein as a part hereof for all purposes, and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver such Construction, Funding and Acquisition Agreement with such changes as may be required to carry out the purpose of this

Ordinance and approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

Section 7. Reimbursement Agreement. The Elevon Public Improvement District Improvement Area #1 Reimbursement Agreement (the “Reimbursement Agreement”) between the City and the Developer is hereby authorized and approved in substantially final form attached hereto as **Exhibit E** and incorporated herein as a part hereof for all purposes, and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver such Reimbursement Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

Section 8. Builder Completion Agreements. The Council hereby approves the Completion Agreements from K. Hovnanian DFW Elevon, LLC, HMM/Stratford Elevon JV, LLC, GRBK Edgewood LLC and Qualico Developments (U.S.), Inc. (collectively, the “Builders”), each substantially in the form and substance submitted to the Council at the meeting at which this Ordinance is adopted, with such changes as may be required to carry out the purpose of this Ordinance and approved by the Mayor or Mayor Pro Tem, as “Builder Completion Agreements” satisfactory for the completion of improvements within Improvement Area #1 in Zone 1 of the District as described in the Elevon Development Agreement dated November 2, 2021 (the “Development Agreement”) between the City, the Developer, Petro-Hunt, L.L.C., a Texas limited liability company, Far East Lavon, LP, a Texas limited partnership, 78 Straddle, LP, a Texas limited partnership, East Lavon Partners, LP, a Texas limited partnership, and World Land Developers, LP, a Texas limited liability company. The Council acknowledges that each Builder is an affiliate of a “Publicly-Held Builder” or “Substantial Builder” (as those terms are defined in the Development Agreement), and the Council hereby waives the requirement in the Development Agreement that the party to a Builder Completion Agreement be a Publicly-Held Builder or a Substantial Builder.

Section 9. Additional Actions. The Mayor, the Mayor Pro Tem, the City Administrator and the City Secretary are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance. The Mayor, the Mayor Pro Tem, the City Administrator and the City Secretary are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance.

Section 10. Severability. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 11. Effective Date. This Ordinance is passed on one reading as authorized by Texas Government Code, Section 1201.028, and shall be effective immediately upon its passage and adoption.

PASSED AND APPROVED on this the 1st day of February, 2022.

CITY OF LAVON, TEXAS

Vicki Sanson, Mayor

ATTEST:

Rae Norton, City Secretary

[SEAL]

EXHIBIT A

INDENTURE OF TRUST

INDENTURE OF TRUST

By and Between

CITY OF LAVON, TEXAS

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee**

DATED AS OF FEBRUARY 1, 2022

SECURING

\$(PAR)

**CITY OF LAVON, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION	4
Section 1.1. Definitions.	4
Section 1.2. Findings.	13
Section 1.3. Table of Contents, Titles and Headings.	13
Section 1.4. Interpretation.	13
ARTICLE II THE BONDS.....	14
Section 2.1. Security for the Bonds Similarly Secured.	14
Section 2.2. Limited Obligations.	14
Section 2.3. Authorization for Indenture.	14
Section 2.4. Contract with Owners and Trustee.	15
ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS	15
Section 3.1. Authorization.	15
Section 3.2. Date, Denomination, Maturities, Numbers and Interest.	15
Section 3.3. Conditions Precedent to Delivery of Bonds.	16
Section 3.4. Medium, Method and Place of Payment.	16
Section 3.5. Execution and Registration of Bonds.	17
Section 3.6. Ownership.	18
Section 3.7. Registration, Transfer and Exchange.	18
Section 3.8. Cancellation.	19
Section 3.9. Temporary Bonds.	20
Section 3.10. Replacement Bonds.	20
Section 3.11. Book-Entry-Only System.	21
Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.	22
Section 3.13. Payments to Cede & Co.	22
ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY.....	23
Section 4.1. Limitation on Redemption.	23
Section 4.2. Mandatory Sinking Fund Redemption.	23
Section 4.3. Optional Redemption.	24
Section 4.5. Partial Redemption.	24
Section 4.6. Notice of Redemption to Owners.	25
Section 4.7. Payment Upon Redemption.	26
Section 4.8. Effect of Redemption.	26
ARTICLE V FORM OF THE BONDS	26
Section 5.1. Form Generally.	26
Section 5.2. Form of the Bonds.	27
Section 5.3. CUSIP Registration.	34
Section 5.4. Legal Opinion.	34
ARTICLE VI FUNDS AND ACCOUNTS	34
Section 6.1. Establishment of Funds and Accounts.	34
Section 6.2. Initial Deposits to Funds and Accounts.	36
Section 6.3. Pledged Revenue Fund.	36
Section 6.4. Bond Fund.	37
Section 6.5. Project Fund.	38
Section 6.6. Redemption Fund.	41
Section 6.7. Reserve Fund.	41

Section 6.8.	Rebate Fund: Rebatable Arbitrage.	43
Section 6.9.	Administrative Fund	43
Section 6.10.	Investment of Funds.	44
Section 6.11.	Security of Funds.	45
Section 6.12.	Reimbursement Fund.	45
ARTICLE VII	COVENANTS	46
Section 7.1.	Confirmation of Assessments.	46
Section 7.2.	Collection and Enforcement of Assessments.	46
Section 7.3.	Against Encumbrances.	46
Section 7.4.	Records, Accounts, Accounting Reports.	47
Section 7.5.	Covenants Regarding Tax Exemption of Interest on Bonds.	47
ARTICLE VIII	LIABILITY OF CITY	50
Section 8.1.	Liability of City.	50
ARTICLE IX	THE TRUSTEE	51
Section 9.1.	Acceptance of Trust; Trustee as Registrar and Paying Agent.	51
Section 9.2.	Trustee Entitled to Indemnity.	51
Section 9.3.	Responsibilities of the Trustee.	52
Section 9.4.	Property Held in Trust.	54
Section 9.5.	Trustee Protected in Relying on Certain Documents.	54
Section 9.6.	Compensation.	55
Section 9.7.	Permitted Acts.	56
Section 9.8.	Resignation of Trustee.	56
Section 9.9.	Removal of Trustee.	56
Section 9.10.	Successor Trustee.	56
Section 9.11.	Transfer of Rights and Property to Successor Trustee.	57
Section 9.12.	Merger, Conversion or Consolidation of Trustee.	58
Section 9.13.	Trustee To File Continuation Statements.	58
Section 9.14.	Accounts, Periodic Reports and Certificates.	58
Section 9.15.	Construction of Indenture.	58
ARTICLE X	MODIFICATION OR AMENDMENT OF THIS INDENTURE	59
Section 10.1.	Amendments Permitted.	59
Section 10.2.	Owners' Meetings.	60
Section 10.3.	Procedure for Amendment with Written Consent of Owners.	60
Section 10.4.	Procedure for Amendment Not Requiring Owner Consent.	61
Section 10.5.	Effect of Supplemental Indenture.	61
Section 10.6.	Endorsement or Replacement of Bonds Issued After Amendments.	61
Section 10.7.	Amendatory Endorsement of Bonds.	62
Section 10.8.	Waiver of Default.	62
Section 10.9.	Execution of Supplemental Indenture.	62
ARTICLE XI	DEFAULT AND REMEDIES	62
Section 11.1.	Events of Default.	62
Section 11.2.	Immediate Remedies for Default.	63
Section 11.3.	Restriction on Owner's Action.	64
Section 11.4.	Application of Revenues and Other Moneys After Default.	64
Section 11.5.	Effect of Waiver.	65
Section 11.6.	Evidence of Ownership of Bonds.	65
Section 11.7.	No Acceleration.	66
Section 11.8.	Mailing of Notice.	66
Section 11.9.	Exclusion of Bonds.	66
ARTICLE XII	GENERAL COVENANTS AND REPRESENTATIONS	66

Section 12.1. Representations as to Pledged Revenues.	66
Section 12.2. General.	67
ARTICLE XIII SPECIAL COVENANTS	67
Section 13.1. Further Assurances; Due Performance.	67
Section 13.2. Other Obligations or Other Liens; Additional Bonds.	67
Section 13.3. Books of Record.	69
ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE	69
Section 14.1. Trust Irrevocable.	69
Section 14.2. Satisfaction of Indenture.	69
Section 14.3. Bonds Deemed Paid.	69
ARTICLE XV MISCELLANEOUS	70
Section 15.1. Benefits of Indenture Limited to Parties.	70
Section 15.2. Successor is Deemed Included in All References to Predecessor.	71
Section 15.3. Execution of Documents and Proof of Ownership by Owners.	71
Section 15.4. No Waiver of Personal Liability.	71
Section 15.5. Notices to and Demands on City and Trustee.	71
Section 15.6. Partial Invalidity.	72
Section 15.7. Applicable Laws.	72
Section 15.8. Payment on Business Day.	72
Section 15.9. Construction, Funding and Acquisition Agreement Amendments and Supplements.	73
Section 15.10. Counterparts.	73
Section 15.11. No Boycott of Israel; No Discrimination Against Fossil-Fuel Companies, Firearm Entities and Firearm Trade Associations.	73
Section 15.12. No Terrorist Organization.	73
EXHIBIT A DESCRIPTION OF THE PROPERTY WITHIN IMPROVEMENT AREA #1 OF THE ELEVON PUBLIC IMPROVEMENT DISTRICT	A-1

INDENTURE OF TRUST

THIS INDENTURE, dated as of February 1, 2022, is by and between the CITY OF LAVON, TEXAS (the “City”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, Dallas, Texas, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, on or before September 20, 2021, a petition (the “*Petition*”) was submitted and filed with the City Secretary of the City (the “*City Secretary*”) pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “*Act*” or “*PID Act*”), requesting the creation of a public improvement district located within the extraterritorial jurisdiction of the City to be known as “Elevon Public Improvement District” (the “*District*”); and

WHEREAS, the Petition contained the signatures of the (i) owners of taxable real property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Collin Central Appraisal District, and (ii) record owners of real property liable for assessment by the District who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment by the District; or (B) own taxable real property that constitutes more than fifty percent of the area of all taxable real property that is liable for assessment by the District; and

WHEREAS, on September 21, 2021, the City Council of the City (the “*City Council*”) adopted Resolution No. 2021-09-08 accepting the Petition and calling a public hearing on the creation of the District on October 19, 2021; and

WHEREAS, after due notice, on October 19, 2021 the City Council opened, conducted and continued the public hearing, and on November 2, 2021 the City Council reopened, conducted and closed the public hearing in the manner required by law on the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the PID Act and, on November 2, 2021, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2021-11-07 adopted by the City Council (the “*Creation Resolution*”), authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

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

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City to consider the proposed “*Assessment Roll*” and the “*Service and Assessment Plan*” and the levy of the “*Assessments*” on property in the District; and

WHEREAS, the City, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Assessment Roll and the Service and Assessment Plan

and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council opened, conducted and continued a public hearing on January 4, 2022, reopened, conducted and continued the public hearing on January 18, 2022, and reopened, conducted and closed the public hearing on February 1, 2022, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Improvement Area #1 Project Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, at the January 4, 2022, January 18, 2022, and February 1, 2022, public hearing referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Improvement Area #1 Project Costs, the Assessment Roll, or the levy of the Assessments; and

WHEREAS, the City Council closed the public hearing and, after considering all written and documentary evidence presented at the public hearing, including all written comments and statements filed with the City, at a meeting held on February 1, 2022, 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 the Improvement Area #1 Project Costs, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1 Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization 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 Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Eleven Public Improvement District Improvement Area #1 Project)” (the “*Bonds*”), such Bonds being payable solely from the Assessments and other funds pledged under this Indenture to the payment of the Bonds 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, as herein defined, including all moneys and investments held in the Pledged Funds, including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

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

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds 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 Pledged Revenues, 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 Pledged Revenues. 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 Pledged Revenues.

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 Bonds*” means the additional parity bonds and bonds to refund any Outstanding Bonds Similarly Secured authorized to be issued in accordance with the terms and conditions provided in Section 13.2(c) 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 Fund*” means that Fund established by Section 6.1 and administered pursuant to Section 6.9.

“*Administrative Expenses*” means the “Annual Collection Costs”, as defined in the Service and Assessment Plan, related specifically to Improvement Area #1, including costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (i) the Administrator; (ii) City staff; (iii) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (iv) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (v) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (vi) paying and redeeming Bonds Similarly Secured; (vii) investing or depositing Assessments and Annual Installments; (viii) complying with the Service and Assessment Plan, this Indenture and the PID Act with respect to the Bonds Similarly Secured, including continuing disclosure requirements; and (ix) the paying agent/registrar and Trustee in connection with Bonds Similarly Secured, including their respective legal counsel. 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 shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of Administrative Expenses.

“*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 (excluding interest paid from funds on deposit in the Capitalized Interest Account of the Bond Fund), assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

“Annual Installment” means, with respect to each Assessed Property, each annual payment of: (i) the principal of and interest on the Assessments as shown on the Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit F-2 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.

“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.

“Appraisal” means an independent appraisal of the Assessed Property provided by a MAI Appraiser acceptable to the City.

“Assessed Property” means the property located in the Improvement Area #1 that benefit from the Improvement Area #1 Projects, and is defined as the “Improvement Area #1 Assessed Property” in the Service and Assessment Plan.

“Assessment Ordinance” means the ordinance adopted by the City Council on February 1, 2022, as may be amended or supplemented, that levied the Assessments on the Assessed Property.

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

“Assessment Roll” means the “Improvement Area #1 Assessment Roll”, which document is attached to the Service and Assessment Plan as Exhibit F-1, as updated, modified or amended from time to time.

“Assessments” means an assessment levied against Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #1 Projects.

“Attorney General” means the Attorney General of the State.

“Authorized Amount” has the meaning assigned to such term in Section 6.5(g)(1) of this Indenture.

“Authorized Denomination” means, for the Bonds, \$100,000 and any integral multiple of \$1,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect.

“Authorized Improvements” mean those improvements authorized by Section 372.003 of the PID Act 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 February 1, 2022 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 Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Eleven Public Improvement District Improvement Area #1 Project)”.

“Bonds Similarly Secured” means, collectively, any Outstanding Bonds or Outstanding Additional 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.

“Capitalized Interest Account” means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

“Certificate for Payment” means, with respect to payment or reimbursement of Improvement Area #1 Project Costs, a certificate substantially in the form of Exhibit B attached to the Construction, Funding and Acquisition Agreement 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 #1 Project Costs thereof, and requesting payment for such Improvement Area #1 Project Costs from money on deposit in the Project

Fund as further described in the Construction, Funding and Acquisition Agreement and 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.

“Construction, Funding and Acquisition Agreement” means the Elevon Public Improvement District Improvement Area #1 Projects Construction, Funding and Acquisition Agreement by and between the City and the Developer, dated February 1, 2022, as may be amended and/or supplemented from time to time, which provides, in part, for the construction and maintenance of the Improvement Area #1 Projects, the issuance of bonds, the payment or reimbursement for costs of Improvement Area #1 Projects paid from the Improvement Area #1 Developer Improvement Account of the Project Fund and other matters related thereto.

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

“Defeasance Securities” means Investment Securities now or hereafter authorized by applicable 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 the reserve account administered by the City and segregated from other funds of the City and 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.

“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.

“Delivery Date” means February 15, 2022, which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

“Developer” means MA Elevon 429, LLC, a Texas limited liability company, and any successor thereto.

“Development Agreement” means the Elevon Development Agreement between the City, the Developer, Petro-Hunt, L.L.C., a Texas limited liability company, Far East Lavon, LP, a Texas limited partnership, 78 Straddle, LP, a Texas limited partnership, East Lavon Partners, LP, a Texas limited partnership, and World Land Developers, LP, a Texas limited liability company, dated November 2, 2021, as may be amended and supplemented from time to time.

“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 #1.

“Improvement Area #1” means that portion of the District generally described in Section II of the Service and Assessment Plan and generally shown in Exhibit A-3 to the Service and Assessment Plan and as specifically described in Exhibit M-3 to the Service and Assessment Plan and Exhibit A to this Indenture.

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

“Improvement Area #1 Developer Improvement Account” means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

“Improvement Area #1 Improvements” means the Authorized Improvements which only benefit property located in the Improvement Area #1 and are described in Section III.B., shown on Exhibit B and depicted on Exhibit G-2 to the Service and Assessment Plan.

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

“Improvement Area #1 Projects” means, collectively, (i) the pro rata portion of the Zone 1 Improvements allocable to Improvement Area #1; (ii) the pro rata portion of the Offsite Improvements allocable to Improvement Area #1; and (iii) the Improvement Area #1 Improvements.

“Indenture” means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more 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, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds Similarly Secured; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

“Initial 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 March 15 and September 15 of each year, commencing September 15, 2022.

“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.

“MAI Appraiser” means a licensed appraiser with a Member, Appraisal Institute designation by the Appraisal Institute, an international membership association of professional real estate appraisers, or its successor.

“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.

“Offsite Improvements” means those improvements authorized by Section 372.003 of the PID Act that confer a special benefit to all property within the District, as further described in Section III.C. and depicted on Exhibit G-1 to 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, (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 which 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 Collin 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 Collin 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.

“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 (but excluding the Improvement Area #1 Developer Improvement Account), 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 which represent a payment of principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

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

“Project Fund” means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5.

“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.

“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.

“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 Additional Bond, the redemption price set forth in a Supplemental Indenture.

“Refunding Bonds” means Additional Bonds issued to refund all or any portion of the Outstanding Bonds Similarly Secured, as more specifically described in the Supplemental Indenture authorizing such Refunding Bonds.

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

“Reimbursement Agreement” means the “Elevon Public Improvement District Improvement Area #1 Reimbursement Agreement” between the City and the Developer, dated February 1, 2022 which provides for the payment of costs to the Developer for funds advanced by the Developer and used to pay Improvement Area #1 Project Costs and other matters related thereto.

“Reimbursement Fund” means that fund of such name established pursuant to Section 6.1 and administered pursuant to Section 6.12.

“Release Condition” shall have the meaning assigned to such term in Section 6.5(g)(2) in this Indenture.

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

“Reserve Fund” means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.7.

“Reserve Fund Obligations” means cash or Investment Securities.

“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.

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

“Treasury Regulations” shall have the meaning assigned to such term in Section 7.5(c).

“Trust Estate” means the Trust Estate described in the granting clauses of this Indenture, and the Trust Estate shall only include Pledged Revenues related to Assessment levied on Assessed Property within Improvement Area #1 for the Improvement Area #1 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 Wilmington Trust, National Association, Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds Similarly Secured.

“*Value of Investment Securities*” means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which 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 Improvements*” means those improvements authorized by Section 372.003 of the PID Act that confer a special benefit to all property within Zone 1, as further described in Section III.A. and depicted on Exhibit G-1 to 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 and pledge of the Trust Estate.

(b) The lien on and pledge of the Pledged Revenues 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 Pledged Revenues, 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 Pledged Revenues 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 Pledged Revenues 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 Owner, 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 \$[PAR] for the purpose of (i) paying a portion of the Improvement Area #1 Project Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1 Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization 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 March 15 and September 15 of each year, commencing September 15, 2022, computed on the basis of a 360-day year of twelve 30-day months.

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

<u>Year</u>	<u>Principal Amount</u> \$	<u>Interest Rate</u> %

(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 to the Trustee of:

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Construction, Funding and Acquisition Agreement with all executed amendments thereto;
- (d) a copy of this Indenture executed by the Trustee and the City;
- (e) an executed City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee;
- (f) an executed Signature and No-Litigation Certificate;
- (g) an executed opinion of Bond Counsel; and
- (h) the approving opinion of the Attorney General of the State and the State 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 shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds 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 executed by the Comptroller, 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 represents and warrants that it will maintain a copy of the Register, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

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

(c) The Bonds Similarly Secured shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond Similarly Secured or Bonds Similarly Secured of the same 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 in accordance with this Section.

(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 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 forty-five (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.

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 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 request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any 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 Trustee shall authenticate and deliver in exchange therefor a replacement Bond Similarly Secured of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond Similarly Secured to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond Similarly Secured is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State 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, in its discretion, instead of issuing a replacement Bond Similarly Secured may pay such Bond Similarly Secured if it has become due and payable or may pay such Bond Similarly Secured when it becomes due and payable.

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

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

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

City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on 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 and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13. Payments to Cede & Co.

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. **Limitation on Redemption.**

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

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

(a) The Bonds maturing on September 15 in each of the years [____], [____], [____] and [____] (collectively, the “*Term Bonds*”), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective sinking fund installments as set forth in the following schedule:

Term Bonds maturing September 15, [____]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, [____]	\$
September 15, [____]	
September 15, [____]	
September 15, [____]*	

Term Bonds maturing September 15, [____]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, [____]	\$
September 15, [____]	
September 15, [____]	
September 15, [____]*	

Term Bonds maturing September 15, [____]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, [____]	\$
September 15, [____]	
September 15, [____]	
September 15, [____]*	

Term Bonds maturing September 15, [____]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, [____]	\$
September 15, [____]	
September 15, [____]	
September 15, [____]*	

* Stated Maturity.

(b) At least thirty (30) days prior to each mandatory sinking fund redemption date, the Trustee shall select 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 unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 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 September 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.

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

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

Section 4.7. Payment Upon Redemption.

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

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

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

(a) Form of Bond.

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

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$_____

CITY OF LAVON, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

INTEREST RATE	MATURITY DATE	DELIVERY DATE	CUSIP NUMBER
_____%	September 15, 20__	[____], 2022	_____

The City of Lavon, Texas (the “City”), for value received, hereby promises to pay, solely from the Trust Estate, to

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

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Delivery Date, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 15 and September 15 of each year, commencing September 15, 2022.

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

Wilmington Trust, National Association, as trustee and paying agent/registrar (the “*Trustee*”), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the “Record Date,” which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 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 \$[PAR] and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of February 1, 2022 (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 #1 Project Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1 Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

The Bonds are limited obligations of the City payable solely from 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 Additional 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 September 15 in the years [____], [____], [____]and [____] (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 September 15, [____]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, [____]	\$
September 15, [____]	
September 15, [____]	
September 15, [____]*	

Term Bonds maturing September 15, [____]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, [____]	\$
September 15, [____]	
September 15, [____]	
September 15, [____]*	

Term Bonds maturing September 15, [____]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, [____]	\$
September 15, [____]	
September 15, [____]	
September 15, [____]*	

Term Bonds maturing September 15, [____]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>

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 GENERAL TAXING POWER OF THE CITY, COLLIN COUNTY, TEXAS, OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

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

IN WITNESS WHEREOF, the City 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 a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

WILMINGTON TRUST, NATIONAL
ASSOCIATION,
as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

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

Dated: _____

Signature Guaranteed by:

Authorized Signatory

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

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

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

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

Years Principal Installments Interest Rates”

(Information to be inserted from Section 3.2(b)); 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 S&P Global Markets Intelligence on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. Except as authorized under Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

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;

(vii) Administrative Fund; and

(viii) Reimbursement Fund.

(b) Creation of Accounts.

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

(A) Capitalized Interest Account; and

(B) Principal and Interest Account.

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

(A) Reserve Account; and

(B) Delinquency and Prepayment Reserve Account.

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

(A) Improvement Area #1 Bond Improvement Account;

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

(C) Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds Similarly Secured. The Improvement Area #1 Developer Improvement Account and the Reimbursement Fund shall constitute trust funds which shall be held in trust by the Trustee solely for the benefit of the City. The Improvement Area #1 Developer Improvement Account and the Reimbursement Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured. Amounts in the Improvement Area #1 Developer Improvement Account and in the Reimbursement Fund shall not be used to pay the principal of or interest on 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 Capitalized Interest Account of the Bond Fund: \$[____];
- (ii) to the Reserve Account of the Reserve Fund: \$[____], which is equal to the initial Reserve Account Requirement;
- (iii) to the Costs of Issuance Account of the Project Fund: \$[____];
- (iv) to the Improvement Area #1 Bond Improvement Account of the Project Fund: \$[____]; and
- (v) to the Administrative Fund: \$[____].

(b) Funds received from the Developer on the Delivery Date in the amount of \$[____] shall be deposited to the Improvement Area #1 Developer Improvement Account.

Section 6.3. Pledged Revenue Fund.

(a) Periodically upon receipt thereof, the City shall transfer 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 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 such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, (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, and (iii) third, to the Reimbursement Fund, to fund obligations under the Reimbursement Agreement. 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), 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 Rebataable 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 Rebatale 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 #1 Projects, (ii) 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 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 and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, 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.

(d) The Trustee shall transfer Prepayments to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 or Additional 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 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 Additional Bonds pursuant to a Supplemental Indenture.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in 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 Certificate.

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, less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account as provided below.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency 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) Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on September 15, 2022. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Improvement Area #1 Bond Improvement Account of the Project Fund, or if the Improvement Area #1 Bond Improvement Account of the Project Fund has been closed as provided in Section 6.5(d) or (f), such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 and the Capitalized Interest Account shall be closed.

(d) 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.

(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 Certificates.

(2) Disbursements from the Improvement Area #1 Bond Improvement Account and Improvement Area #1 Developer Improvement Account of the Project Fund to pay Improvement Area #1 Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The funds from the Improvement Area #1 Bond Improvement Account and Improvement Area #1 Developer Improvement Account of the Project Fund shall be disbursed in accordance with a Certificate for Payment for Improvement Area #1 Project Costs as described in the Construction, Funding and Acquisition Agreement. 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.

(c) Except as provided in Section 6.5(d), (f) and (j), money on deposit in the Improvement Area #1 Bond Improvement Account and Improvement Area #1 Developer Improvement Account of the Project Fund shall be used solely to pay Improvement Area #1 Project Costs. Until such time as the Authorized Amount has been disbursed from the Improvement Area #1 Bond Improvement Account, the Trustee shall pay Improvement Area #1 Project Costs from funds in the Improvement Area #1 Bond Improvement Account until the Authorized Amount has been disbursed from such Account. After the Authorized Amount has

been disbursed from the Improvement Area #1 Bond Improvement Account and prior to the satisfaction of a Release Condition in accordance with Section 6.5(g) of this Indenture, the Trustee shall pay Improvement Area #1 Project Costs only from funds on deposit in the Improvement Area #1 Developer Improvement Account. After the Authorized Amount has been disbursed from the Improvement Area #1 Bond Improvement Account and a Release Condition has been satisfied in accordance with Section 6.5(g) of this Indenture, the Trustee shall pay Improvement Area #1 Project Costs, first, from funds in the Improvement Area #1 Bond Improvement Account until such Account is depleted, and thereafter from funds on deposit in the Improvement Area #1 Developer Improvement Account.

(d) If the City Representative determines in his or her sole discretion that certain amounts then on deposit in the Improvement Area #1 Bond Improvement Account and the Improvement Area #1 Developer Improvement Account are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1 Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1 Bond Improvement Account and the Improvement Area #1 Developer Improvement Account will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Bond Improvement Account and the Improvement Area #1 Developer Improvement Account that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the identified amounts on deposit in the Improvement Area #1 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 Certificate filed with the Trustee, and the identified amounts on deposit in the Improvement Area #1 Developer Improvement Account shall be transferred and released to the Developer, or to the Developer's successors and assigns or designees pursuant to Section 6.5(h).

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

(f) Upon the filing of a City Certificate stating that all Improvement Area #1 Projects have been completed and that all Improvement Area #1 Project Costs have been paid, or that any Improvement Area #1 Project Costs are not required to be paid from the Project Fund pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #1 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 Certificate filed with the Trustee, and the amounts on deposit in the Improvement Area #1 Developer Improvement Account shall be transferred and released to the Developer, or to the Developer's successors and assigns or designees pursuant to Section 6.5(h). Upon such transfer, the Improvement Area #1 Bond Improvement Account and Improvement Area #1 Developer Improvement Account of the Project Fund shall be closed.

(g) (1) The aggregate amount of funds that the Trustee may disburse from the Improvement Area #1 Bond Improvement Account shall not exceed \$[25,865,000] (the "*Authorized Amount*") except and until a Release Condition has been satisfied. The Trustee may make disbursements from the Improvement Area #1 Bond Improvement Account that exceed the Authorized Amount only when the Developer provides written certification to the Trustee and

the City in a Certificate for Payment that a Release Condition has been satisfied. The first Certificate for Payment that requests funds in excess of the Authorized Amount from the Improvement Area #1 Bond Improvement Account after satisfaction of a Release Condition shall be submitted to the City, the Trustee, the City's financial advisor, Bond Counsel and the Administrator for review and confirmation.

(2) Money may be disbursed from the Improvement Area #1 Bond Improvement Account in excess of the Authorized Amount only if either (i) the ratio of the estimated taxable assessed value of the property within Improvement Area #1 to the total amounts drawn from the Improvement Area #1 Bond Improvement Account and the Improvement Area #1 Developer Improvement Account, inclusive of the amounts requested under the then current Certificate for Payment, equal at least 2.00 to 1.00, or (ii) the City has issued a certificate of occupancy for at least two homes within the Improvement Area #1 (each a "*Release Condition*"). The City may not approve a Certificate for Payment for payment from the Improvement Area #1 Bond Improvement Account for any amounts that exceed the Authorized Amount until at least one of the Release Conditions have been satisfied. In determining the estimated taxable assessed valuation of the property within Improvement Area #1 for purposes of the above-described Release Condition, the Developer may use: (i) the sale price (as evidenced by executed real estate contracts or HUD-1 settlement statement provided to the City) of property within the District that has been sold and for which development on that property has begun; (ii) the sale price (as evidenced by executed real estate contracts or HUD-1 settlement statement provided to the City) of property which has been sold but for which development has not begun; (iii) the Collin Central Appraisal District's value of property established by the last tax statement sent by the Collin County Tax Assessor; or (iv) any combination of (i) through (iii) without duplication.

(h) Any amounts in the Improvement Area #1 Developer Improvement Account to be transferred and released pursuant to Section 6.5(d), (f) or (i) shall be irrevocably and unconditionally transferred and released to the Developer, or to the Developer's successors and assigns or designees as identified in a written notice from the Developer to the Trustee and the City. The City and the Trustee shall solely and conclusively rely as to payment of amounts released from the Improvement Area #1 Developer Improvement Account on any such written notice from the Developer as to their successors and assigns or designees. The City shall provide written notice of the release to the Trustee and Developer, or to the Developer's successors and assigns or designees, and the amount payable to the Developer, or its successors and assigns or designees.

(i) 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 to the Improvement Area #1 Bond Improvement Account of the Project Fund and used to pay Improvement Area #1 Project Costs or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee.

(j) In the event the Developer has not completed the Improvement Area #1 Projects by February 15, 2025, then the City shall provide written direction to the Trustee to (i) transfer all funds on deposit in the Improvement Area #1 Bond Improvement Account to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof, and (ii) transfer and release amounts on deposit in the Improvement Area #1 Developer Improvement Account to the Developer, or to the Developer's successors and assigns or designees pursuant to Section 6.5(h). Upon such transfers,

the Improvement Area #1 Bond Improvement Account and Improvement Area #1 Developer Improvement Account of the Project Fund shall be closed.

Section 6.6. Redemption Fund.

The Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4 and to redeem Additional 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 Additional 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 Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 15 of each year, commencing March 15, 2023, an amount 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 calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan 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 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 Additional 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 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 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. 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 thirty 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 or (iii) to the Improvement Area #1 Bond Improvement Account of the Project Fund to pay Improvement Area #1 Project Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(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, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 or Additional 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 Additional 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 full compliance with this Section.

(f) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds 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 Redemption Fund 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 and of all Outstanding Bonds Similarly Secured on the next date the Bonds Similarly Secured may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds Similarly Secured as of such date, 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 Additional 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 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 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 which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee is hereby directed to invest and re-invest cash balances in the Wilmington U.S. Government Money Market Fund – Institutional Share Class, CUSIP No. 97181C605, but only so long as such fund is an authorized investment and permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, and only so long as such investment constitutes Investment Securities and the money required to be expended from any Fund will be available at the proper time or times.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses (including depreciation) arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality or suitability of any investments. The Parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

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

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatale 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 Rebatale 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.

Section 6.12. Reimbursement Fund.

Money on deposit in the Reimbursement Fund shall be used to reimburse the Developer to pay costs of Improvement Area #1 Projects as provided in the Reimbursement Agreement. When all amounts due to the Developer to reimburse it for the costs of Improvement Area #1 Projects have been paid to the Developer, whether through Assessments received and applied in accordance with the Service and Assessment Plan or through the proceeds of Additional Bonds, no further deposits shall be made to the Reimbursement Fund and the Reimbursement Fund shall be closed.

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 Additional 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 Pledged Revenues or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

(b) So long as Bonds Similarly Secured are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Additional

Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, 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 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 twenty 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 is 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)(8), 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 #1 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 #1 Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. **Liability of City.**

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and 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 Pledged Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond 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 Pledged Revenues. 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 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 institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own

negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers (provided such payment or transfer is prior to an Event of Default) when required hereunder, or to deliver any notice when required hereunder. During the occurrence of an Event of Default, the Trustee shall be entitled to indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers as Trustee, and in such case the Trustee may make transfers from the Pledged Revenue Fund and Administrative Fund to pay all 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.

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 with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds Similarly Secured for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (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. 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 or 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 have 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 expense which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential loss or damages in connection with or arising from

this Indenture for the existence, furnishing or use of the Improvement Area #1 Projects. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in 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, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, and the discharge of this Indenture.

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through receivers, agents or attorneys and the Trustee shall not be responsible for any 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. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

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

(i) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least 50% in aggregate principal amount of Bonds then Outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default.

(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 fault or negligence 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; 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 which 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 immediate 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.

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 rely 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 any statements contained or matters referred to in any such instrument. Subject to Section 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, reasonably and in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, 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, all pursuant to a City Order and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Order, and the Trustee shall have a 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. If the City shall fail to make any payment required by this Section, the Trustee shall make such payment 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, expense, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7. **Permitted Acts.**

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds 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 of the Bonds Similarly Secured. 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 misconduct.

Section 9.8. **Resignation of Trustee.**

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 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. Notwithstanding the foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.9. **Removal of Trustee.**

The Trustee may be removed at any time on 30 days' advance written notice to the Trustee by (i) the Owners of at least a majority in aggregate Outstanding principal amount of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% in aggregate Outstanding principal amount of the Bonds Similarly Secured.

Section 9.10. **Successor Trustee.**

(a) If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 50% of the aggregate Outstanding principal amount of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(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.

(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 Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds Similarly Secured and each of the Owners of the Bonds Similarly Secured.

(g) Trustee shall not be responsible or liable for the acts or omissions of any successor Trustee, nor shall it be responsible or liable for any costs of appointment or transition of such successor Trustee.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, 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 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, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC; provided unless the Trustee is otherwise notified 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 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 which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of the Bonds 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.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds Similarly Secured may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds Similarly Secured, or with the written consent without a meeting, of the Owners of the Bonds Similarly Secured of at least a majority of the 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 Pledged Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured (except as otherwise permitted by Applicable Laws 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 or obligations of the Trustee without its written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law, and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds Similarly Secured in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds Similarly Secured;

(iv) to set forth additional provisions, if deemed necessary or advisable, in connection with the issuance of Additional 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 sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such

consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. Procedure for Amendment Not Requiring Owner Consent.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds 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 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 at least 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 which 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;

(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; and

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and which shall give such notice at the written request of the Owners of not less than 50% in aggregate Outstanding 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 one hundred eighty (180) days after such notice.

(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 thirty (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 not less than 50% in aggregate Outstanding principal amount of the Bonds Similarly Secured then Outstanding hereunder 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.

(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 cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate, and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the

Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing 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 50% of the aggregate principal amount of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds 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 which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds Similarly Secured due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners pursuant to this Section 11.4 within thirty (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 any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds 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.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Pledged Revenues.

(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 Pledged

Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Pledged Revenues 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.

Section 12.2. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Other Obligations or Other Liens; Additional Bonds.

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

(b) Other than Additional 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 Additional Bonds for any purpose permitted by the PID Act, including for the purpose of refunding any of the Bonds Similarly Secured and in accordance with the conditions set forth below:

(i) The City Representative shall certify that the City is not in, or with the issuance of the Additional Bonds will not be in, default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in this Indenture or in the Development Agreement;

(ii) The Developer, through an authorized representative, shall certify that the Developer is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the Developer contained in the Development Agreement;

(iii) The City and Developer are in compliance with any continuing disclosure requirements pursuant to Rule 15c2-12 for Bonds Similarly Secured;

(iv) The City has not received an adverse opinion on the tax-exempt status of existing or proposed Bonds Similarly Secured;

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

(vi) The maximum amount of Additional Bonds that may be used is \$[10,104,000];

(vii) The principal of and interest on the Additional Bonds must be scheduled to be paid or mature on March 15 or September 15, or both, of the years in which each principal or interest are scheduled to be paid or mature;

(viii) 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 Additional Bonds then proposed to be issued;

(ix) The Trustee and City shall receive (1) evidence that the aggregate value of the Assessed Property to the sum of (A) the principal amount of the Additional Bonds being issued, and (B) the principal amount of the then Outstanding Bonds Similarly Secured, is at least 2:1, or (2) evidence that the City has issued a certificate of occupancy for at least 125 homes within the Improvement Area #1. In determining the ratio as set forth under (1) herein, the aggregate value of the Assessed Property may be determined by: (i) an Appraisal, (ii) the Collin Central Appraisal District's value of property established by the last tax statement sent by the Collin County Tax Assessor, (iii) the sale price (as evidenced by executed real estate contracts or HUD-1 settlement statement provided to the City), or (iv) any combination of (i) through (iii) without duplication; and

(x) Other than as otherwise provided in this Section 13.2(c), all requirements and conditions to the issuance of the Additional Bonds under the Development Agreement have been met.

(d) Notwithstanding the provisions of Section 13.2(c) above, the requirements of Section 13.2(c)(ii), (vi), (ix) and (x) shall not apply to the issuance of Refunding Bonds.

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.

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, 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 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 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 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.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds 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 Lavon, Texas
120 School Road
Lavon, Texas 75166
Attn: City Manager
Telephone: (972) 843-4220

If to the Trustee, initially also acting in
the capacity of Paying Agent/Registrar

Wilmington Trust, National Association
15950 N. Dallas Parkway, Suite 550
Dallas, Texas 75248
Attn: Corporate Trust Administration
Telephone: (972) 383-3154

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Owner of a Bond Similarly Secured notice of the redemption or defeasance of all Bonds Similarly Secured Outstanding.

Section 15.6. **Partial Invalidity.**

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds 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. Venue and exclusive jurisdiction for any action to enforce or construe this Indenture shall be a state court of competent jurisdiction in Collin 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. Construction, Funding and Acquisition Agreement Amendments and Supplements.

The City and the Developer may amend and supplement the Construction, Funding and Acquisition Agreement and the Reimbursement Agreement from time to time without the consent or approval of the Owners or the Trustee.

Section 15.10. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.11. No Boycott of Israel; No Discrimination Against Fossil-Fuel Companies, Firearm Entities and Firearm Trade Associations.

This Indenture has a value of less than \$100,000 for purposes of Sections 2271.002 and 2274.002. Texas Government Code.

Section 15.12. No Terrorist Organization.

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, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal or Texas law and excludes the Trustee and each of its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

[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 LAVON, TEXAS

By: _____
Mayor

Attest:

City Secretary

(CITY SEAL)

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

**DESCRIPTION OF THE PROPERTY WITHIN
IMPROVEMENT AREA #1 OF THE ELEVON PUBLIC IMPROVEMENT DISTRICT**

IMPROVEMENT AREA # 1
LEGAL DESCRIPTION

EXHIBIT B

BOND PURCHASE AGREEMENT

\$31,229,000
CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

BOND PURCHASE AGREEMENT

February 1, 2022

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Agreement”) with the City of Lavon, Texas (the “City”), which will be binding upon the City and the Underwriter upon the acceptance of this Agreement by the City. This offer is made subject to its acceptance by the City by execution of this Agreement and its delivery to the Underwriter on or before 10:00 p.m., Central Time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the City at any time prior to the acceptance hereof by the City. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture (defined herein) between the City and Wilmington Trust, National Association, as trustee (the “Trustee”), authorizing the issuance of the Bonds (defined herein), and in the Limited Offering Memorandum (defined herein).

Section 1 Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the \$31,229,000 aggregate principal amount of the “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project)” (the “Bonds”), at a purchase price of \$[] (representing the aggregate principal amount of the Bonds, less an Underwriter’s discount of \$[]).

Inasmuch as this purchase and sale represents a negotiated transaction, the City understands, and hereby confirms, that the Underwriter is not acting as a municipal advisor or fiduciary of the City (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act)), but rather is acting solely in its capacity as Underwriter for its own account. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm’s length commercial transaction between the City and the Underwriter, (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor, or fiduciary of the City, (iii) the Underwriter has not

assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering described herein or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering described herein except the obligations expressly set forth in this Agreement, (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, (v) the Underwriter has financial and other interests that differ from those of the City, and (vi) the Underwriter has provided to the City prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (“MSRB”), which have been received by the City. The City further acknowledges and agrees that following the issuance and delivery of the Bonds, the Underwriter has indicated that it may have periodic discussions with the City regarding the expenditure of Bond proceeds and the construction of the Improvement Area #1 Projects financed with the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the City.

The Bonds shall be dated the date of issuance and shall have the maturities and redemption features, if any, and bear interest at the rates per annum shown on Schedule I hereto. Payment for and delivery of the Bonds, and the other actions described herein, shall take place on February 15, 2022 (or such other date as may be agreed to by the City and the Underwriter) (the “Closing Date”).

Section 2 Authorization Instruments and Law. The Bonds were authorized by an Ordinance enacted by the City Council of the City (the “City Council”) on February 1, 2022 (the “Bond Ordinance”) and shall be issued pursuant to the provisions of Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “Act”), and the Indenture of Trust, dated as of February 1, 2022, between the City and the Trustee, authorizing the issuance of the Bonds (the “Indenture”). The Bonds shall be substantially in the form described in, and shall be secured under the provisions of, the Indenture.

The Bonds and interest thereon shall be secured by the “Trust Estate” consisting primarily of revenue from proceeds of special assessments (the “Assessments”) levied on the assessable parcels within Improvement Area #1 of the Eleveon Public Improvement District (the “District”). The District was established by a resolution enacted by the City Council on November 2, 2021 (the “Creation Resolution”) in accordance with the Act. The Assessments were levied in accordance with a Service and Assessment Plan (the “Service and Assessment Plan”), which sets forth the costs of the Improvement Area #1 Projects and the method of payment of the Assessments, pursuant to an ordinance adopted by the City Council on February 1, 2022 (the “Assessment Ordinance” and, together with the Creation Resolution, the Indenture and the Bond Ordinance, the “Authorizing Documents”).

The Bonds shall be as described in Schedule I attached hereto, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for the purposes described within “PLAN OF FINANCE – The Bonds” of the final Limited Offering Memorandum (defined below).

Section 3 Limited Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds in accordance with Section 11 hereof. On or before the third (3rd) business day prior to the Closing Date, the Underwriter shall execute and deliver to Bond Counsel the Issue Price Certificate (as defined herein) in substantially the form attached hereto as Appendix B.

Section 4 Limited Offering Memorandum.

a. Delivery of Limited Offering Memorandum. The City previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Limited Offering Memorandum for the Bonds dated January 14, 2022 (the “Preliminary Limited Offering Memorandum”), in a “designated electronic format,” as defined in MSRB Rule G-32 (“Rule G-32”). The City will prepare, or cause to be prepared, a final Limited Offering Memorandum relating to the Bonds (the “Limited Offering Memorandum”) which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission’s Rule 15c2-12, as amended (“Rule 15c2-12”), (iii) in a “designated electronic format,” and (iv) substantially in the form of the most recent version of the Preliminary Limited Offering Memorandum provided to the Underwriter before the execution hereof. The Limited Offering Memorandum, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds are collectively referred to herein as the “Limited Offering Memorandum.” Until the Limited Offering Memorandum has been prepared and is available for distribution, the City shall provide to the Underwriter, upon request, sufficient quantities (which may be in electronic format) of the Preliminary Limited Offering Memorandum as the Underwriter reasonably deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer.

b. Preliminary Limited Offering Memorandum Deemed Final. The Preliminary Limited Offering Memorandum has been prepared for use by the Underwriter in connection with the offering, sale, and distribution of the Bonds. The City hereby represents and warrants that the Preliminary Limited Offering Memorandum has been deemed final by the City as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12.

c. Use of Limited Offering Memorandum in Offering and Sale. The City hereby authorizes the Limited Offering Memorandum and the information therein contained to be used by the Underwriter in connection with the offering and the sale of the Bonds. The City consents to the use by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with the offering of the Bonds. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City’s acceptance of this Agreement (but, in any event, not later than the earlier of the Closing Date or seven (7) business days after the City’s acceptance of this Agreement) copies of the Limited Offering Memorandum which is complete as of the date of its delivery to the Underwriter. The City shall provide the Limited Offering Memorandum, or cause the Limited Offering Memorandum to be provided, (i) in a “designated electronic format” consistent with the

requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

d. Updating of Limited Offering Memorandum. If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than the 25th day after the “end of the underwriting period” for the Bonds), the City becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the City will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the City will forthwith prepare and furnish, at no expense to the Underwriter (in a form and manner approved by the Underwriter), either an amendment or a supplement to the Limited Offering Memorandum so that the statements therein as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or so that the Limited Offering Memorandum will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the City in accordance herewith, (i) the City makes no representations with respect to the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York (“DTC”), or its book-entry-only system, and (ii) the City makes no representation with respect to the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum under the captions and subcaptions “PLAN OF FINANCE — Development Plan,” “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BOOK-ENTRY-ONLY SYSTEM,” “THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE MASTER DEVELOPER AND BUILDERS,” “PID ADMINISTRATOR,” “APPRAISAL OF PROPERTY WITHIN THE DISTRICT,” “BONDHOLDERS’ RISKS” (only as it pertains to the Master Developer, the Builders (as defined herein), Improvement Area #1 Projects, the Private Improvements, and the Elevon Development, each as defined in the Limited Offering Memorandum), “LEGAL MATTERS — Litigation — The Master Developer,” “CONTINUING DISCLOSURE – The Master Developer,” and “– The Master Developer’s Compliance with Prior Undertakings” and “INFORMATION RELATING TO THE TRUSTEE,” “APPENDIX E-2,” and “APPENDIX H.” The items contained in (i) and (ii) of the immediately preceding sentence are collectively referred to herein as the “Non-City Disclosures.” If such notification shall be subsequent to the Closing Date, the City, at no expense to the Underwriter, shall furnish such legal opinions, certificates, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering Memorandum. The City shall provide any such amendment or

supplement, or cause any such amendment or supplement to be provided, (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

e. Filing with MSRB. The Underwriter hereby agrees to timely file the Limited Offering Memorandum with the MSRB through its Electronic Municipal Market Access (“EMMA”) system within one business day after receipt but no later than the Closing Date. Unless otherwise notified in writing by the Underwriter, the City can assume that the “end of the underwriting period” for purposes of Rule 15c2-12 is the Closing Date.

f. Limited Offering. The Underwriter hereby represents, warrants and covenants that the Bonds were initially sold pursuant to a limited offering. The Bonds were sold to not more than thirty-five persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act (as defined herein)) or “Qualified Institutional Buyers” (within the meaning of Rule 144A under the Securities Act).

Section 5 City Representations, Warranties and Covenants. The City represents, warrants and covenants that:

a. Due Organization, Existence and Authority. The City is a political subdivision of the State of Texas (the “State”), and has, and at the Closing Date will have, full legal right, power and authority:

i. to enter into:

1. this Agreement;
2. the Indenture;
3. the Elevon Development Agreement, dated as of November 2, 2021, by and among the City; MA Elevon 429, LLC, a Texas limited liability company (the “Master Developer”); Petro-Hunt, L.L.C., a Texas limited liability company; Far East Lavon, LP, a Texas limited partnership; 78 Straddle, LP, a Texas limited partnership; East Lavon Partners, LP, a Texas limited partnership; and World Land Developers, LP, a Texas limited partnership (the “Development Agreement”);
4. the Elevon Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement by and between the City and the Master Developer dated February 1, 2022 (the “CFA Agreement”);
5. the Elevon Public Improvement District Improvement Area #1 Reimbursement Agreement, dated February 15, 2022, by and between the City and the Master Developer (the “Improvement Area #1 Reimbursement Agreement”);
6. the Improvement Area #1 Landowner Agreement, dated February 1, 2022, by and between the City and the Master Developer (the “Master Developer Landowner Agreement”);

7. the Improvement Area #1 Landowner Agreement (the “K Hovnanian Landowner Agreement”), dated February 1, 2022, by and between the City and K. Hovnanian DFW Elevon, LLC, a Texas limited liability company (“K Hovnanian”);

8. the Improvement Area #1 Landowner Agreement (the “History Maker Landowner Agreement”), dated February 1, 2022, by and between the City and HMH/Stratford Elevon JV, LLC, a Texas limited liability company (“History Maker”);

9. the Improvement Area #1 Landowner Agreement, dated February 1, 2022 (the “Greenbrick Landowner Agreement”), by and between the City and GRBK Edgewood, LLC, a Texas limited liability company (“Greenbrick”);

10. the Improvement Area #1 Landowner Agreement, dated February 1, 2022 (the “UMH Landowner Agreement”), by and between the City and UMH Development, LLC, a Texas limited liability company (“UMH”);

11. the Improvement Area #1 Landowner Agreement (the “Qualico Landowner Agreement” and together with the Master Developer Landowner Agreement, K Hovnanian Landowner Agreement, History Maker Landowner Agreement, the Greenbrick Landowner Agreement, and the UMH Landowner Agreement, the “Landowner Agreements”), dated February 1, 2022, by and between the City and Qualico Developments (U.S.), Inc., a Delaware corporation (“Qualico” and together with K Hovnanian, History Maker, Greenbrick, and UMH, the “Builders”); and

12. the Continuing Disclosure Agreement of the Issuer with respect to the Bonds, dated as of February 1, 2022 (the “City Continuing Disclosure Agreement”), executed and delivered by the City, P3Works, LLC, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent.

ii. to issue, sell, and deliver the Bonds to the Underwriter as provided herein; and

iii. to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the Development Agreement, (4) the CFA Agreement, (5) the Landowner Agreements, (6) the City Continuing Disclosure Agreement, (7) the Limited Offering Memorandum, and (8) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (8) being referred to collectively herein as the “City Documents”).

b. Due Authorization and Approval of City. By all necessary official action of the City, the City has duly authorized and approved the adoption or execution and delivery by the City of, and the performance by the City of the obligations on its part contained in, the City Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded, except as may have been approved by the Underwriter. When validly executed and delivered by the other parties thereto, the City Documents will constitute the legally valid and binding obligations of the City enforceable upon the City in accordance with their respective terms, except insofar as enforcement may be limited by principles of governmental immunity, bankruptcy, insolvency, reorganization, moratorium, or

similar laws or equitable principles relating to or affecting creditors' rights generally. The City has complied, and will at the Closing (as defined herein) be in compliance, in all material respects, with the obligations on its part to be performed on or prior to the Closing Date under the City Documents.

c. Due Authorization for Issuance of the Bonds. The City has duly authorized the issuance and sale of the Bonds pursuant to the Bond Ordinance, the Indenture, and the Act. The City has, and at the Closing Date will have, full legal right, power and authority (i) to enter into, execute, deliver, and perform its obligations under this Agreement and the other City Documents, (ii) to issue, sell and, deliver the Bonds to the Underwriter pursuant to the Indenture, the Bond Ordinance, the Act, and as provided herein, and (iii) to carry out, give effect to and consummate the transactions on the part of the City described by the City Documents and the Bond Ordinance.

d. No Breach or Default. As of the time of acceptance hereof, and to the best of its knowledge, the City is not, and as of the Closing Date the City will not be, in material breach of or in default in any material respect under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument related to the Bonds and to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have a material adverse effect on the City's ability to perform its obligations under the Bonds or the City Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the City Documents and compliance by the City with the obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a material breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties securing the Bonds or under the terms of any such law, regulation or instrument, except as may be permitted by the City Documents.

e. No Litigation. At the time of acceptance hereof there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending against the City with respect to which the City has been served with process, nor to the knowledge of the City is any Action threatened against the City, in which any such Action (i) in any way questions the existence of the City or the rights of the members of the City Council to hold their respective positions, (ii) in any way questions the formation or existence of the District, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the City Documents or the consummation of the transactions on the part of the City described therein, or contests the

exclusion of the interest on the Bonds from federal income taxation, or (iv) which may result in any material adverse change in the financial condition of the City; and, as of the time of acceptance hereof, to the City's knowledge, there is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of this sentence.

f. Bonds Issued Pursuant to Indenture. The City represents that the Bonds, when issued, executed, and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the City subject to the terms of the Indenture, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the Assessments received by the City, all to the extent provided for in the Indenture. The Indenture creates a valid pledge of the monies in certain funds and accounts established pursuant to the Indenture to the extent provided for in the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

g. Assessments. The Assessments constituting the security for the Bonds have been levied by the City in accordance with the Act on those parcels of land identified in the Improvement Area #1 Assessment Roll (as defined in the Service and Assessment Plan). According to the Act, such Assessments constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipality ad valorem taxes.

h. Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the City of, its obligations in connection with the City Documents have been duly obtained or made and are in full force and effect, except the approval of the Bonds by the Attorney General of the State, registration of the Bonds by the Comptroller of Public Accounts of the State, and the approvals, consents and orders as may be required under Blue Sky or securities laws of any jurisdiction.

i. Public Debt. Prior to the Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Assessments which secure the Bonds without the prior approval of the Underwriter.

j. Preliminary Limited Offering Memorandum. The information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures.

k. Limited Offering Memorandum. At the time of the City's acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to

paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the 25th day subsequent to the “end of the underwriting period,” the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures and further provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 4(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

l. Supplements or Amendments to Limited Offering Memorandum. If the Limited Offering Memorandum is supplemented or amended pursuant to paragraph (d) of Section 4 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the 25th day subsequent to the “end of the underwriting period,” the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 4(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

m. Compliance with Rule 15c2-12. During the past five years, the City has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with Rule 15c2-12, except as described in the Limited Offering Memorandum.

n. Use of Bond Proceeds. The City will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Indenture and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

o. Blue Sky and Securities Laws and Regulations. The City will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request, at no expense to the City, (i) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the initial distribution of the Bonds by the Underwriter (provided, however, that the City will not be required to qualify as a foreign corporation or to file any general or special consents to service of

process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

p. Certificates of the City. Any certificate signed by any official of the City authorized to do so in connection with the transactions described in this Agreement shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein and can be relied upon by the Underwriter as to the statements made therein.

q. Intentional Actions Regarding Representations and Warranties. The City covenants that between the date hereof and the Closing it will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

r. Financial Advisor. The City has engaged Hilltop Securities Inc. as its financial advisor in connection with its offering and issuance of the Bonds.

By delivering the Limited Offering Memorandum to the Underwriter, the City shall be deemed to have reaffirmed, with respect to the Limited Offering Memorandum, the representations, warranties and covenants set forth above.

Section 6 Master Developer Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from the Master Developer, an executed Master Developer Letter of Representations (the “Master Developer Letter of Representations”) in the form of Appendix A hereto.

Section 7 The Closing. At 10:00 a.m., Central time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City and the Underwriter, (i) the City will deliver or cause to be delivered to DTC through its “FAST” System, the Bonds in the form of one fully registered Bond for each maturity, registered in the name of Cede & Co., as nominee for DTC, duly executed by the City and authenticated by the Trustee as provided in the Indenture, and (ii) the City will deliver the closing documents hereinafter mentioned to McCall, Parkhurst & Horton L.L.P., Dallas, Texas (“Bond Counsel”), or a place to be mutually agreed upon by the City and the Underwriter. Settlement will be through the facilities of DTC. The Underwriter will accept delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in federal funds payable to the order of the City or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the “Closing.” The Bonds will be made available to the Underwriter or counsel to the Underwriter for inspection not less than twenty-four (24) hours prior to the Closing.

Section 8 Underwriter’s Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations and covenants herein and in the Master Developer Letters of Representation and the performance by the City of its obligations under this Agreement, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter’s obligations under this Agreement to purchase, accept delivery of, and pay for the

Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder at or prior to Closing and shall also be subject to the following additional conditions:

a. Bring-Down Representations of the City. The representations and covenants of the City contained in this Agreement shall be true and correct in all material respects as of the date hereof and at the time of the Closing, as if made on the Closing Date.

b. Executed Agreements and Performance Thereunder. At the time of the Closing (i) the City Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented except with the written consent of the Underwriter; (ii) the Authorizing Documents shall be in full force and effect; (iii) there shall be in full force and effect such other resolutions or actions of the City as, in the opinion of Bond Counsel and Counsel to the Underwriter, shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the City described in this Agreement and the City Documents; (iv) there shall be in full force and effect such other resolutions or actions of the Master Developer as, in the opinion of Miklos Cinclair, PLLC (“Master Developer’s Counsel”), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Master Developer described in the Master Developer Documents (defined below); and (v) the City shall perform or have performed its obligations required or specified in the City Documents to be performed at or prior to Closing. As used herein, the “Master Developer Documents” collectively include the following:

- i. the Master Developer Letter of Representations;
- ii. the Development Agreement;
- iii. the CFA Agreement;
- iv. the Master Developer Landowner Agreement;
- v. the Improvement Area #1 Reimbursement Agreement; and
- vi. the Continuing Disclosure Agreement of the Master Developer with respect to the Bonds, dated as of February 1, 2022 executed and delivered by the Master Developer, P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent (the “Master Developer Continuing Disclosure Agreement”).

c. No Default. At the time of the Closing, no default shall have occurred or be existing and no circumstances or occurrences that, with the passage of time or giving of notice, shall constitute an event of default under this Agreement, the Indenture, the City Documents, the Master Developer Documents, the Builder Documents (as defined in and described within Appendices E-2 through E-6 hereto) or other documents relating to the financing and construction of the Improvement Area #1 Projects or the Private Improvements and the Elevon Development (as defined in the Limited Offering Memorandum), and the Master Developer and the Builders shall not be in default in the payment of principal or interest on any of their respective indebtedness which default shall materially adversely impact the ability of the

Master Developer or the Builders to pay the Assessments when due or complete the Improvement Area #1 Projects or the Private Improvements.

d. Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 9 below.

e. Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Agreement without liability therefor by written notification to the City if, between the date of this Agreement and the Closing, in the Underwriter's sole and reasonable judgment, any of the following shall have occurred:

i. the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by the occurrence of any of the following:

1. legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either House thereof, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice, or otherwise) by the President of the United States, the Treasury Department of the United States, or the Internal Revenue Service or legislation shall have been proposed for consideration by either the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation, or official statement (final, temporary, or proposed) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service, or other federal agency shall be made, which would result in federal taxation of revenues or other income of the general character expected to be derived by the City or upon interest on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the holders thereof, and which in either case, makes it, in the reasonable judgment of the Underwriter, impracticable or inadvisable to proceed with the offer, sale, or delivery of the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

2. legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission ("SEC") or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as described herein or by the Limited Offering Memorandum, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or that the

Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the “Trust Indenture Act”); or

3. a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so; or

4. there shall have occurred any outbreak of hostilities (including, without limitation, an act of terrorism) or other national or international calamity or crisis, including, but not limited to, an escalation of hostilities that existed prior to the date hereof, and the effect of any such event on the financial markets of the United States shall be such as would make it impracticable, in the reasonable judgment of the Underwriter, for it to sell the Bonds on the terms and in the manner contemplated by the Limited Offering Memorandum; or

5. there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the City, except as disclosed in or contemplated by the Limited Offering Memorandum; or

6. any state blue sky or securities commission or other governmental agency or body in any state in which more than 10% of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

7. any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), or the validity or enforceability of the Assessments pledged to pay principal of and interest on the Bonds; or

ii. the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

iii. any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which change shall occur subsequent to the date of this Agreement and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter; or

iv. any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to the Limited Offering Memorandum; or

v. a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and shall be in force; or

vi. a material disruption in securities settlement, payment or clearance services shall have occurred; or

vii. a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Agreement or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws on the date of Closing, including the Securities Act, the Securities Exchange Act of 1934 (the "Securities Exchange Act") and the Trust Indenture Act; or

viii. the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, which prohibition shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance, or nonfeasance of the Underwriter.

With respect to the conditions described in subparagraphs (ii), (vii) and (viii) above, the Underwriter is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights hereunder.

Section 9 Closing Documents. At or prior to the Closing, the Underwriter (or counsel to the Underwriter on behalf of the Underwriter) shall receive the following documents:

a. Bond Opinion. The approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix D to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the date of the Closing and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 9(b), to the effect that the foregoing opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

b. Supplemental Opinion. A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the City and the Underwriter, in form and substance acceptable to counsel for the Underwriter, to the following effect:

i. Except to the extent noted therein, Bond Counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements and information contained in the Limited Offering Memorandum but that such firm has reviewed the information describing the Bonds in the Limited Offering

Memorandum under the captions or subcaptions “PLAN OF FINANCE — The Bonds” (except for the final paragraph thereof), “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS SIMILARLY SECURED,” “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology” and “Assessment Amounts”), “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS — Legal Proceedings” (first paragraph only), “LEGAL MATTERS — Legal Opinions”, “CONTINUING DISCLOSURE – The City,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS” and “APPENDIX B – Form of Indenture” and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained under such captions and subcaptions 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;

ii. The Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

iii. The City has or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance, and the Bond Ordinance (collectively, the foregoing documents are referred to herein as the “City Actions”) and perform its obligations thereunder and the City Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and

iv. The Indenture, the Landowner Agreements, the CFA Agreement, the City Continuing Disclosure Agreement and this Agreement have been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of such instruments, documents, and agreements by the other parties thereto, constitute the legal, valid, and binding agreements of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors’ rights, or by the application of equitable principles if equitable remedies are sought and to the application of Texas law relating to governmental immunity applicable to local governmental entities.

c. City Legal Opinion. An opinion of an attorney for the City, dated the Closing Date and addressed to the Underwriter, the City and the Trustee, with respect to matters relating to the City, substantially in the form of Appendix C hereto or in form otherwise agreed upon by the Underwriter.

d. Opinion of Master Developer’s Counsel. An opinion of Master Developer’s Counsel, substantially in the form of Appendix D hereto, dated the Closing Date and addressed to the City, Bond Counsel, the Attorney for the City, the Underwriter, counsel to the Underwriter and the Trustee.

e. Closing Certificates of the Master Developer and Builders. The certificate, dated as of the Closing Date and signed by an authorized officer, of each of the following: (i) the Master Developer in substantially the form of Appendix E-1 hereto, (ii) K

Hovnanian in substantially the form of Appendix E-2 hereto, (iii) History Maker in substantially the form of Appendix E-3 hereto, (iv) Greenbrick in substantially the form of Appendix E-4 hereto, (v) Qualico in substantially the form of Appendix E-5 hereto, and (vi) UMH in substantially the form of Appendix E-6 hereto.

f. City Certificate. A certificate of the City, dated the Closing Date, to the effect that, to an authorized City official's knowledge:

i. the representations and warranties of the City contained herein and in the City Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

ii. the Authorizing Documents and City Documents are in full force and effect and have not been amended, modified, or supplemented;

iii. except as disclosed in the Limited Offering Memorandum, no litigation or proceeding against the City is pending or, to the knowledge of such person, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City or the establishment of the District, (c) contest the validity, due authorization and execution of the Bonds or the City Documents, or (d) attempt to limit, enjoin or otherwise restrict or prevent the City from levying and collecting the Assessments pledged to pay the principal of and interest on the Bonds, or the pledge thereof; and

iv. the City has, to such person's knowledge, complied with all agreements and covenants and satisfied all conditions set forth in the City Documents, on its part to be complied with or satisfied hereunder at or prior to the Closing.

g. Trustee's Certificate. A certificate of the Trustee, dated the date of Closing, in form and substance acceptable to counsel for the Underwriter to the following effect:

i. The Trustee is duly organized and validly existing as a national banking association organized under the laws of the United States of America, having the full power and authority, including trust powers, to accept and perform its duties under the Indenture;

ii. The Indenture has been duly authorized, executed and delivered by the Trustee and is valid and enforceable against the Trustee in accordance with its terms; and

iii. No consent, approval, authorization or other action by any governmental authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture.

h. Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Orrick, Herrington & Sutcliffe LLP, counsel to the Underwriter, to the effect that:

i. based on (A) such counsel's review of the Bond Ordinance, the Indenture, and the Limited Offering Memorandum; (B) its discussions with bond counsel and with the Underwriter; (C) its review of the documents, certificates, opinions and other instruments delivered at the closing of the sale of the Bonds on the date hereof; and (D) such other matters as it deems relevant, such counsel is of the opinion that the Bonds are exempt securities under the Securities Act, and the Trust Indenture Act, and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the Securities Act and the Indenture is not required to be qualified under the Trust Indenture Act;

ii. based upon (A) such counsel's review of Rule 15c2-12 and interpretive guidance published by the SEC relating thereto; (B) its review of the continuing disclosure undertaking of the City contained in the City Continuing Disclosure Agreement; and (C) the inclusion in the Limited Offering Memorandum of a description of the specifics of such undertaking, and assuming that the Bond Ordinance, the Indenture, and the City Continuing Disclosure Agreement have been duly adopted by the City and are in full force and effect, such undertaking provides a suitable basis for the Underwriter, to make a reasonable determination that the City has met the qualifications of paragraph (b)(5)(i) of Rule 15c2-12; and

iii. although such counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the information contained in the Limited Offering Memorandum, it has participated in the preparation of the Limited Offering Memorandum and without independent verification, no facts came to its attention that caused it to believe that the Limited Offering Memorandum (except for the Appendices as well as any other financial, engineering and statistical data contained therein or included therein by reference or any litigation disclosed therein, as to which it expresses no view) as of its date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

i. Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

j. Delivery of City Documents, Master Developer Documents and Builder Documents. The City Documents, the Master Developer Documents, and the Builder Documents (as defined in and described within Appendices E-2 through E-6 hereto) shall have been executed and delivered in form and content satisfactory to the Underwriter.

k. Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

l. Federal Tax Certificate. A certificate of the City in form and substance satisfactory to Bond Counsel and counsel to the Underwriter setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code.

m. Attorney General Opinion and Comptroller Registration. The approving opinion of the Attorney General of the State regarding the Bonds and the Comptroller of the State's Certificate of Registration for the Initial Bond.

n. Continuing Disclosure Agreements. The (i) City Continuing Disclosure Agreement shall have been executed by the parties thereto in substantially the form attached to the Limited Offering Memorandum as Appendix E-1; and (ii) the Master Developer Continuing Disclosure Agreement shall have been executed by the parties thereto in substantially the form attached to the Limited Offering Memorandum as Appendix E-2.

o. Letter of Representation of the Appraiser. (i) Letter of Representation of Peyco Southwest Realty Inc. (the "Appraiser"), substantially in the form of Appendix F hereto, addressed to the City, Bond Counsel, the Underwriter, counsel to the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter, and (ii) a copy of the real estate appraisal of the property within the District as attached to the Limited Offering Memorandum as Appendix H.

p. Letter of Representation of Administrator. Letter of Representation of the Administrator, substantially in the form of Appendix G hereto, addressed to the City, Bond Counsel, the Underwriter, counsel to the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter.

q. Evidence of Filing of Creation Resolution, Assessment Ordinance, and Landowner Agreements. Evidence that (i) the Creation Resolution, including legal description of the District by metes and bounds, (ii) the Assessment Ordinance, including the Assessment Roll for Improvement Area #1 of the District and a statement indicating the contact for and address of where a copy of the Service and Assessment Plan, and any updates thereto may be obtained or viewed, and (iii) the Landowner Agreements have been filed of record in the real property records of Collin County, Texas.

r. Lender Consent Certificate. A Lender Consent Certificate of each holder of a lien, if any, on land in Improvement Area #1 of the District on the Closing Date, consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Assessments, and the subordination of their respective liens to the lien created by the Assessments in a form acceptable to the Underwriter. In the event that there are no such lienholders, the Master Developer shall provide such certifications as may be reasonably requested by the Underwriter to confirm that no such liens exist as of the Closing Date.

s. Rule 15c2-12 Certification. A resolution or certificate of the City (which may be included in the Bond Ordinance) whereby the City has deemed the Preliminary Limited Offering Memorandum final as of its date, except for permitted omissions, as contemplated by Rule 15c2-12 in connection with the offering of the Bonds.

t. Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the City has engaged a dissemination agent acceptable to the Underwriter, with the execution of the City Continuing Disclosure Agreement and the Master Developer

Continuing Disclosure Agreement by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

u. BLOR. A copy of the Blanket Issuer Letter of Representation to DTC signed by the City.

v. Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or their counsel may reasonably deem necessary.

Section 10 City's Closing Conditions. The obligation of the City hereunder to deliver the Bonds shall be subject to receipt on or before the date of the Closing of the purchase price set forth in Section 1 hereof, the Attorney General Opinion, the opinion of Bond Counsel described in Section 9(a) hereof, and all documents required to be delivered by the Master Developer and the Builders.

Section 11 Establishment of Issue Price. Notwithstanding any provision of this Agreement to the contrary, the following provisions related to the establishment of the issue price of the Bonds apply:

(a) Definitions. For purposes of this Section, the following definitions apply:

(i) *"Public"* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than a Participating Underwriter or a Related Party to a Participating Underwriter.

(ii) *"Participating Underwriter"* means (A) any person that agrees pursuant to a written contract with the City (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

(iii) *"Related Party"* means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another) or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iv) *"Sale Date"* means the date of execution of this Agreement by all parties.

(b) *Issue Price Certificate.* The Underwriter agrees to assist the City in establishing the issue price of the Bonds and to execute and deliver to the City at Closing an Issue Price Certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel (as defined herein), to accurately reflect, as applicable, the initial offering price (the “Initial Offering Price”) or prices or the sales price or prices to the Public of the Bonds. As applicable, all actions to be taken by the City under this section to establish the issue price of the Bonds may be taken on behalf of the City by the City's financial advisor and any notice or report to be provided to the City may be provided to the City's financial advisor.

(c) *Substantial Amount Test.* The City will treat the Initial Offering Price at which at least ten percent (a “Substantial Amount”) in principal amount of each maturity of the Bonds is sold to the Public as of the Sale Date (the “Substantial Amount Test”) as the issue price of that maturity (or each separate CUSIP number within that maturity). Those maturities of the Bonds which do not satisfy the Substantial Amount Test (the “Hold-the-Price Maturities”) will be identified in the Issue Price Certificate and will be subject to the Hold-the-Price Restriction (as hereinafter defined). At or promptly after the execution of this Agreement, the Underwriter will report to the City the price or prices at which the Participating Underwriters have offered and sold to the Public each maturity of the Bonds.

(d) *Hold-The-Price Restriction.* The Underwriter agrees that it will neither offer nor sell any of the Hold-the-Price Maturities to any person at a price that is higher than the applicable Initial Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriter has sold a Substantial Amount of such Hold-the-Price Maturity to the Public at a price that is no higher than the Initial Offering Price of such Hold-the-Price Maturity (the “Hold-the-Price Restriction”). The Initial Offering Price of the Hold-the-Price Maturities shall be the issue price for such maturities.

The Underwriter shall promptly advise the City when the Participating Underwriters have sold a Substantial Amount of each such Hold-The-Price Maturity to the Public at a price that is no higher than the applicable Initial Offering Price of such Hold-The-Price Maturity, if that occurs prior to the close of the fifth business day after the Sale Date.

The City acknowledges that, in making the representation set forth in this subparagraph (4), the Underwriter will rely on (A) the agreement of each Participating Underwriter to comply with the Hold-the-Price Restriction, as set forth in an agreement among underwriters and the related pricing wires, (B) in the event a selling group has been created in connection with the sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Price Restriction, as set forth in a selling group agreement and the related pricing wires, and (C) in the event that a Participating Underwriter is a party to a third-party distribution agreement that was employed in connection with the sale of the Bonds, the agreement of each such underwriter, dealer or broker-dealer that is a party to such agreement to comply with the Hold-the-Price Restriction, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each Participating Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Price

Restriction and that no Participating Underwriter will be liable for the failure of any other Participating Underwriter to comply with its corresponding agreement regarding the Hold-the-Price Restrictions as applicable to the Bonds.

(e) *Agreements Among Participating Underwriters.* The Underwriter confirms that (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement to which the Underwriter is a party relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Participating Underwriter, each dealer who is a member of any selling group, and each broker-dealer that is a party to any such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until it is notified by the Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the relating pricing wires, and (C) acknowledge that, unless otherwise advised by the Participating Underwriter, the Underwriter will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Participating Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each underwriter or broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter or the applicable Participating Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter or the applicable Participating Underwriter and as set forth in the relating pricing wires.

(f) *Sale to Related Party not a Sale to the Public.* The Participating Underwriters acknowledge that sales of any Bonds to any person that is a Related Party to a Participating Underwriter do not constitute sales to the Public for purposes of this Section. If a Related Party to a Participating Underwriter purchases during the initial offering period all of a Hold-The-Price Maturity, the related Participating Underwriter will notify the Underwriter and will take steps to confirm in writing that such Related Party will either (i) hold such Bonds for its own account, without present intention to sell, reoffer or otherwise dispose of such Bonds for at least five business days from the Sale Date, or (ii) comply with the Hold-The-Price Restriction.

Section 12 Consequences of Termination. If the City shall be unable to satisfy the conditions contained in this Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and the Underwriter and the City shall have no further obligation hereunder, except as further set forth in Sections 13, 15 and 16 hereof.

Section 13 Costs and Expenses.

a. The Underwriter shall be under no obligation to pay, and the City shall cause to be paid from proceeds of the Bonds the following expenses incident to the issuance of the Bonds and performance of the City's obligations hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the cost of preparation, printing, and mailing of the Preliminary Limited Offering Memorandum, the final Limited Offering Memorandum and any supplements and amendments thereto; (iii) the fees and disbursements of the City's financial advisor and legal counsel, the Trustee's counsel, Bond Counsel, Master Developer's Counsel, and the Trustee relating to the issuance of the Bonds, (iv) the Attorney General's review fees, (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the City or the Master Developer, including but not limited to the fees and expenses of the Appraiser and the Administrator, and (vi) the expenses incurred by or on behalf of City employees and representatives that are incidental to the issuance of the Bonds and the performance by the City of its obligations under this Agreement.

b. The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the offering of the Bonds; (ii) fees of counsel to the Underwriter; and (iii) all other expenses, including CUSIP fees (including out-of-pocket expenses and related regulatory expenses), incurred by it in connection with its offering and distribution of the Bonds, except as noted in Subsection 13(a) above.

c. The City acknowledges that the Underwriter will pay from the Underwriter's expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a nonprofit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

Section 14 Notice. Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to: City of Lavon, Texas, 120 School Road, Lavon, Texas 75166, Attention: City Administrator. Any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to: FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Attention: Tripp Davenport, Director.

Section 15 Entire Agreement. This Agreement is made solely for the benefit of the City and the Underwriter (including their respective successors and permitted assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties, and agreements contained in this Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Underwriter, provided the City shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase of the Bonds; or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in the last sentence of the penultimate paragraph of Section 1, this Section and in Sections 16 and 18 shall survive any termination of this Agreement.

Section 16 Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or in connection with the transactions described in or by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

Section 17 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 18 Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

Section 19 State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Texas.

Section 20 No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by the Underwriter or the City without the prior written consent of the other party hereto.

Section 21 No Personal Liability. None of the members of the City Council, nor any officer, representative, agent, or employee of the City, shall be charged personally by the Underwriter with any liability, or be held liable to the Underwriter under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Agreement.

Section 22 Form 1295. Submitted herewith or on a date prior hereto is a completed Form 1295 in connection with the Underwriter's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Underwriter, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Underwriter and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Underwriter; and, neither the City nor its consultants have verified such information.

Section 23 Anti-Boycott Verification. The Underwriter hereby verifies that the Underwriter and its parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with Section 2271.002, Texas Government Code, and

to the extent such Section does not contravene applicable State or Federal Law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Underwriter understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

Section 24 Iran, Sudan and Foreign Terrorist Organizations. The Underwriter hereby represents that neither the Underwriter nor any of its parent companies, 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, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal law and excludes the Underwriter and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Underwriter understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

Section 25 Verification Regarding Energy Company Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Underwriter hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Underwriter understands “affiliate” to mean an entity that

controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

Section 26 Verification Regarding Discrimination Against Firearm Entity or Trade Association. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, “SB 19”), Texas Government Code, as amended, the Underwriter hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any:

(a) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association; and

(b) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association.

The foregoing verification is made solely to enable the City to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification:

(1) “discriminate against a firearm entity or firearm trade association,” a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association,

(2) “firearm entity,” a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including

detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and

(3) “firearm trade association,” a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

The Underwriter understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

Section 27 Index of Appendices.

Appendix A	Form of Master Developer Letter of Representations
Appendix B	Form of Issue Price Certificate
Appendix C	Form of Opinion of City Attorney
Appendix D	Form of Opinion of Master Developer’s Counsel
Appendix E-1	Form of Closing Certificate of Master Developer
Appendix E-2	Form of Closing Certificate of K Hovnanian
Appendix E-3	Form of Closing Certificate of History Maker
Appendix E-4	Form of Closing Certificate of Greenbrick
Appendix E-5	Form of Closing Certificate of Qualico
Appendix E-6	Form of Closing Certificate of UMH
Appendix F	Form of Letter of Representations of Appraiser
Appendix G	Form of Letter of Representations of PID Administrator

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

FMSbonds, Inc.,
as Underwriter

By: _____
Name: Theodore A. Swinarski
Title: Senior Vice President - Trading

Accepted at _____ a.m./p.m. central time on the
date first stated above.

CITY OF LAVON, TEXAS

By: _____
Mayor

SCHEDULE I

\$31,229,000
CITY OF LAVON, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVEN PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

Interest Accrues From: Closing Date

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

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

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

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

- (a) The initial prices or yields of the Bonds are furnished by the Underwriter, have been determined in accordance with the “10% test”, and represent the initial offering prices or yields to the public, which may be changed by the Underwriter at any time.
- (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 1, 20__, at the price of par plus accrued interest to the date of redemption, as set forth in the Limited Offering Memorandum under “DESCRIPTION OF THE BONDS — Redemption Provisions.”
- (c) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under “DESCRIPTION OF THE BONDS — Redemption Provisions.”

The Bonds are subject to mandatory sinking fund redemption on the dates and in the principal amounts as set forth in the following schedule.

\$_____ Term Bonds Maturing September 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

\$_____ Term Bonds Maturing September 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

† Final Maturity

APPENDIX A

FORM OF MASTER DEVELOPER LETTER OF REPRESENTATIONS

\$31,229,000
CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

MASTER DEVELOPER LETTER OF REPRESENTATIONS

February 1, 2022

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Ladies and Gentlemen:

This letter is being delivered to the City of Lavon, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”), in consideration for your entering into the Bond Purchase Agreement dated the date hereof (the “Bond Purchase Agreement”) for the sale and purchase of the \$31,229,000 “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project)” (the “Bonds”). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the City, and the City has agreed to sell to the Underwriter, the Bonds. In order to induce the City to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the City and the purchase of them by the Underwriter, the undersigned, MA Elevon 429, LLC (the “Master Developer”), makes the representations, warranties, and covenants contained in this Master Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used and not otherwise defined in this Master Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Master Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Master Developer, but rather is acting solely in its capacity as Underwriter of the Bonds for its own account.

2. Updating of the Limited Offering Memorandum. If, after the date of this Master Developer Letter of Representations, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the “end of the underwriting period” for the Bonds), the Master Developer becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the Master Developer will notify the City and the Underwriter (and for the purposes of this clause provide the City and the Underwriter with such information as they may from time to time request); however, that for the purposes of this Master Developer Letter of Representations and any certificate delivered by the Master Developer in accordance with the Bond Purchase Agreement, the Master Developer makes no representations with respect to (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York, or its book-entry-only system and (ii) the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions “THE CITY,” “THE DISTRICT,” “BONDHOLDERS’ RISKS” (except as it pertains to the Master Developer, the Improvement Area #1 Projects, the Private Improvements, and the Elevon Development, as defined in the Limited Offering Memorandum), “TAX MATTERS,” “LEGAL MATTERS — Litigation — The City,” “CONTINUING DISCLOSURE — The City” and “ — The City’s Compliance with Prior Undertakings” and “INFORMATION RELATING TO THE TRUSTEE.”

3. Master Developer Documents. The Master Developer has executed or caused the execution of and delivered each of the below listed documents (individually, a “Master Developer Document” and collectively, the “Master Developer Documents”) in the capacity provided for in each such Master Developer Document, and each such Master Developer Document constitutes a valid and binding obligation of the Master Developer, enforceable against the Master Developer in accordance with its terms:

- (a) this Master Developer Letter of Representations;
- (b) the Elevon Development Agreement, dated as of November 2, 2021, by and among the City; the Master Developer; Petro-Hunt, L.L.C., a Texas limited liability company; Far East Lavon, LP, a Texas limited partnership; 78 Straddle, LP, a Texas limited partnership; East Lavon Partners, LP, a Texas limited partnership; and World Land Developers, LP, a Texas limited partnership;
- (c) the Elevon Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement by and between the City and the Master Developer dated February 1, 2022;

- (d) the Elevon Public Improvement District Improvement Area #1 Reimbursement Agreement dated February 15, 2022 by and between the City and the Master Developer (the “Improvement Area #1 Reimbursement Agreement”);
- (e) the Improvement Area #1 Landowner Agreement, dated February 1, 2022, by and between the City and the Master Developer (the “Master Developer Landowner Agreement”); and
- (f) the Continuing Disclosure Agreement of the Master Developer with respect to the Bonds, dated as of February 1, 2022 executed and delivered by the Master Developer, P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent.

The Master Developer has complied in all material respects with all of the Master Developer’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Master Developer under the Master Developer Documents on or prior to the date hereof.

The representations and warranties of the Master Developer contained in the Master Developer Documents are true and correct in all material respects on and as of the date hereof.

4. Master Developer Representations, Warranties and Covenants. The Master Developer represents, warrants, and covenants to the City and the Underwriter that:

(a) Due Organization and Existence. The Master Developer is duly formed and validly existing as a limited liability company under the laws of the State of Texas.

(b) Organizational Documents. The copies of the organizational documents of the Master Developer provided by the Master Developer (the “Master Developer Organizational Documents”) to the City and the Underwriter are fully executed, true, correct, and complete copies of such documents and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

(c) Due Authorization and Approval. By all necessary action, the Master Developer has duly authorized an approved its execution and delivery of the Master Developer Documents and the performance by the Master Developer of its obligations contained in the Master Developer Documents as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(d) No Breach. The execution and delivery of the Master Developer Documents by Master Developer does not violate any judgment, order, writ, injunction or decree binding on Master Developer or any indenture, agreement, or other instrument to which Master Developer is a party.

(e) No Litigation. Other than as described in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Master

Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Master Developer to perform its obligations under the Master Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Elevon Development in accordance with the description thereof in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(f) Information. The information prepared and submitted by the Master Developer to the City or the Underwriter in connection with the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum was, and is, as of this date, true and correct in all material respects.

(g) Consent to Bond Issuance. The Master Developer hereby consents to the issuance of the Bonds.

(h) Agreement. The Master Developer covenants that, while the Bonds are outstanding, the Master Developer will not bring any action, suit proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body which in any way seeks to challenge or overturn the District, the validity of the Master Developer Documents, the levy or collection of the Assessments or the validity of the Bonds or the proceedings relating to their issuance.

(i) Permits, Licenses, Etc. The Master Developer has obtained and there are currently in force and effect, or the Master Developer is not aware of any fact that will prevent the Master Developer from receiving at or prior to the Closing Date or by the date required or necessary therefor, all consents, permits, licenses, certificates and other approvals (governmental or otherwise) required of it that

i. are necessary to conduct the Master Developer's business as it is currently being conducted;

ii. would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance of its obligations under this Letter of Representations, the Master Developer Documents and any other material agreement or instrument to which they are a party and which is to be used or contemplated for use in the consummation of the transactions described herein or by the Limited Offering Memorandum relating to the financing and construction of the Improvement Area #1 Projects and the Private Improvements which are to be constructed by the Master Developer; or

iii. are necessary for the acquisition, construction and operation of the Improvement Area #1 Projects and the Private Improvements which are to be constructed by the Master Developer.

(j) Events of Default. No "Event of Default" or "event of default" by the Master Developer under any of the Master Developer Documents, any documents to which the Master Developer is a party described in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum, or under any material documents relating to the financing and construction of Improvement Area #1 Projects and the Private Improvements which are to be

constructed by the Master Developer to which the Master Developer is a party, or event that, with the passage of time or the giving of notice or both, would constitute such “Event of Default” or “event of default,” by the Master Developer has occurred and is continuing.

(k) Financing. Other than the Assessments, no debt will be issued nor will any additional liens be placed on the property within the District in order to complete the construction of the Improvement Area #1 Projects and the Private Improvements which are to be constructed by the Master Developer unless such debt or additional liens are subordinate to the liens created by the levy of the Assessments, and the Master Developer provides written notice of such subordination to the lender of such subordinate debt and the City.

(l) Taxes and Assessments. All ad valorem taxes and Assessments are current on the property which the Master Developer owns within the District.

(m) Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Master Developer represents and warrants that the information set forth in the Preliminary Limited Offering Memorandum under the following captions (collectively, the “Master Developer Disclosures”): “PLAN OF FINANCE” (excluding the subcaptions “—The District,” “—The Bonds” and “—Future Indebtedness”), “THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE MASTER DEVELOPER AND BUILDERS,” “CONTINUING DISCLOSURE – The Master Developer” and “– The Master Developer’s Compliance with Prior Undertakings,” and, to the best of the Master Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Master Developer, Improvement Area #1 Projects, the Private Improvements, and the Elevon Development, each as defined in the Limited Offering Memorandum), and “LEGAL MATTERS — Litigation — The Master Developer,” “APPENDIX E-2,” “APPENDIX F” and “APPENDIX G” is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Master Developer agrees to provide a certificate dated the Closing Date and in substantially the form required by the Bond Purchase Agreement affirming, as of such date, the representations contained in this subsection (m) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(n) Intentional Actions Regarding Representations and Warranties. The Master Developer covenants that between the date hereof and the Closing they will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

5. Indemnification.

a. The Master Developer will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Preliminary Limited Offering Memorandum and

the Limited Offering Memorandum within the Master Developer Disclosures or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the Master Developer Disclosures, or arise out of or are based upon the omission or untrue statement or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions not misleading under the circumstances under which they were made and will reimburse any indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred.

b. Promptly after receipt by an indemnified party under subsection (a) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party otherwise than under such subsection, unless such indemnifying party was prejudiced by such delay or lack of notice. In case any such action shall be brought against an indemnified party, it shall promptly notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. The indemnity herein shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the City, the Master Developer or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Master Developer Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Master Developer Letter of Representations will be binding upon the Master Developer and its successors and assigns and inure solely to the benefit of the Underwriter and the City, and no other person or firm or entity will acquire or have any right under or by virtue of this Master Developer Letter of Representations.

MASTER DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

APPENDIX B

\$31,229,000

**CITY OF LAVON, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of FMSbonds, Inc. (the “Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “Bonds”) by the City of Lavon, Texas (the “City”).

The first price at which at least ten percent (“Substantial Amount”) of the principal amount of each maturity of the Bonds having the same credit and payment terms (a “Maturity”) was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (the “Public”) is set forth in the final Limited Offering Memorandum relating to the Bonds.

A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule A.

For purposes of this Issue Price Certificate, the term “Underwriter” means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

[Signature page follows]

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____, 2022.

FMSbonds, Inc.,
as Underwriter

By: _____
Name: Theodore A. Swinarski
Title: Senior Vice President - Trading

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

APPENDIX C

[LETTERHEAD OF CITY ATTORNEY]

February 15, 2022

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

\$31,229,000
CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

Ladies and Gentlemen:

This firm has acted as City Attorney of the City of Lavon, Texas (the “City”) and renders this opinion for limited purposes in connection with the issuance and sale of \$31,229,000 “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project)” (the “Bonds”), by the City, a political subdivision of the State of Texas (the “State”).

The Bonds are authorized pursuant to Ordinance No. [_____] and enacted by the City Council of the City (the “City Council”) on February 1, 2022 (the “Bond Ordinance”) and shall be issued pursuant to the provisions of Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “Act”) and the Indenture of Trust dated as of February 1, 2022 (the “Indenture”) by and between the City and Wilmington Trust, National Association, a national banking association, as trustee (the “Trustee”). The Bonds are being sold to FMSbonds, Inc. pursuant to the Bond Purchase Agreement dated February 1, 2022 between the City and FMSbonds, Inc. (the “Bond Purchase Agreement”). This opinion is being delivered pursuant to Section 9(c) of the Bond Purchase Agreement. Capitalized terms not defined herein shall have the same meanings as in the Bond Purchase Agreement, unless otherwise stated herein.

For the purposes of rendering this opinion, we have reviewed the following (the “Reviewed Documents”):

(a) Resolution No. 2021-11-07 (the “Creation Resolution”), enacted by the City Council on November 2, 2021;

(b) Ordinance No. [_____] approved by the City Council on February 1, 2022 (the “Assessment Ordinance”), and the Service and Assessment Plan (the “Service and Assessment Plan”) attached as an exhibit thereto (the “Service and Assessment Plan”);

(c) The Bond Ordinance;

(d) The Indenture;

(e) The Bond Purchase Agreement;

(f) That certain Elevon Development Agreement, dated as of November 2, 2021, by and among the City; MA Elevon 429, LLC, a Texas limited liability company (the “Master Developer”); Petro-Hunt, L.L.C., a Texas limited liability company; Far East Lavon, LP, a Texas limited partnership; 78 Straddle, LP, a Texas limited partnership; East Lavon Partners, LP, a Texas limited partnership; and World Land Developers, LP, a Texas limited partnership (the “Development Agreement”);

(g) The Elevon Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement by and between the City and the Master Developer dated as of February 1, 2022 (the “CFA Agreement”);

(h) The Elevon Public Improvement District Improvement Area #1 Reimbursement Agreement, dated February 1, 2022, by and between the City and the Master Developer (the “Reimbursement Agreement”);

(i) The Improvement Area #1 Landowner Agreement, dated February 1, 2022, by and between the City and the Master Developer;

(j) The Improvement Area #1 Landowner Agreement, dated February 1, 2022, by and between the City and K. Hovnanian DFW Elevon, LLC, a Texas limited liability company;

(k) The Improvement Area #1 Landowner Agreement, dated February 1, 2022, by and between the City and HMM/Stratford Elevon JV, LLC, a Texas limited liability company;

(l) The Improvement Area #1 Landowner Agreement, dated February 1, 2022, by and between the City and GRBK Edgewood, LLC, a Texas limited liability company;

(m) The Improvement Area #1 Landowner Agreement, dated February 1, 2022, by and between the City and UMH Development, LLC, a Texas limited liability company;

(n) The Improvement Area #1 Landowner Agreement, dated February 1, 2022, by and between the City and Qualico Developments (U.S.), Inc., a Delaware corporation; and

(o) The Continuing Disclosure Agreement of the Issuer with respect to the Bonds, dated as of February 1, 2022, executed and delivered by the City, P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent.

In rendering the opinions expressed below, we have, with your concurrence and without any inquiry or other investigation, made and relied upon the following assumptions: (a) the due authorization, execution and delivery of each of the Reviewed Documents by all parties thereto other than the City; (b) the genuineness of all signatures to the Reviewed Documents; (c) the correctness and truthfulness of all the statements of fact contained in the Reviewed Documents; (d) the authenticity of the Reviewed Documents; (e) the conformity to original documents of the Reviewed Documents submitted to us as copies; and (f) the additional assumptions set forth on **Exhibit A** attached to this letter and the exclusions set forth on **Exhibit B** attached to this letter. Our opinions are limited to matters expressly stated herein and no opinion is to be inferred or may be implied beyond the matters expressly stated.

In rendering the opinions set forth below, we have also relied upon: (a) the representations and warranties contained in the Reviewed Documents; (b) the resolutions and other documents of the parties to the Reviewed Documents authorizing or approving the Reviewed Documents; (c) the Closing Certificate of the Master Developer and Builders delivered pursuant to the Bond Purchase Agreement; (d) the Master Developer Letter of Representations delivered pursuant to the Bond Purchase Agreement; and (e) the legal opinion delivered pursuant to the Bond Purchase Agreement by Miklos Cinclair, PLLC counsel to the Master Developer (collectively, the “Reliance Materials”). We have not made any independent or other investigation, review, analysis, or inquiry as to any of the facts, matters, circumstances or legal opinions or conclusions contained in the Reviewed Documents or Reliance Materials or the accuracy or completeness thereof. Additionally, we have assumed that none of the Reviewed Documents or Reliance Materials contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in light of the circumstances in which they are made, not misleading. We have not made any examination of any accounting or financial matters, and we express no opinion with respect thereto.

The opinions expressed herein are subject to the correctness in understanding that no beneficiary to this opinion letter may rely on this opinion letter to the extent that such beneficiary or its counsel has actual knowledge of any applicable laws, facts, or circumstances which would make any opinion expressed herein incorrect, subject to question, or require further investigation of any laws, facts or circumstances.

Whenever our opinion or advice with respect to the existence or absence of facts is indicated to be based on our knowledge, we are referring to the actual knowledge of the Messer, Fort & McDonald, PLLC attorneys who have given attention to matters concerning the City during the course of our representation of the City in connection with the Reviewed Documents, which knowledge has been obtained by such attorneys in their capacity as such. In particular, our response does not include matters known to any attorney of our firm in a capacity other than as attorney to the City. Further, the words “our knowledge,” “our actual knowledge” and similar expressions used in this opinion letter are intended to be limited to the actual knowledge of Julie Fort of our firm who have been directly involved in representing the City. We have not undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to our knowledge concerning such facts should be drawn from the fact that such limited representation has been undertaken by us.

Based upon and subject to the foregoing and the additional qualifications and assumptions set forth herein, we are of the opinion that:

1. The City is a Texas political subdivision and has all necessary power and authority to enter into and perform its obligations under the Reviewed Documents. The City has taken or obtained all actions, approvals, consents and authorizations required of it by applicable laws in connection with the execution of the Reviewed Documents and the performance of its obligations thereunder.

2. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or threatened against the City: (a) affecting the existence of the City or the titles of its officers to their respective offices, (b) in any way questioning the formation or existence of the District, (c) affecting, contesting or seeking to prohibit, restrain or enjoin the delivery of any of the Bonds, or the payment, collection or application of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, including the Assessments in Improvement Area #1 of the District pursuant to the provisions of the Assessment Ordinance and the Service and Assessment Plan referenced therein, (d) contesting or affecting the validity or enforceability or the City's performance of the Reviewed Documents, (e) contesting the exclusion of the interest on the Bonds from federal income taxation, or (f) which may result in any material adverse change relating to the financial condition of the City.

3. The Reviewed Documents have been duly authorized, executed and delivered by the City and remain legal, valid and binding obligations of the City enforceable against the City in accordance with their terms. However, the enforceability of the obligations of the City under such Reviewed Documents may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (b) principles of equity, whether considered at law or in equity, or (c) the application of Texas law relating to action by future councils and relating to governmental immunity applicable to governmental entities.

4. The performance by the City of the obligations under the Reviewed Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

5. No further consent, approval, authorization, or order of any court or governmental agency or body or official is required to be obtained by the City as a condition precedent to the performance by the City of its obligations under the Reviewed Documents.

6. Based upon our limited participation in the preparation of the Limited Offering Memorandum, the statements and information contained in the Limited Offering Memorandum with respect to the City under the captions and subcaptions "ASSESSMENT PROCEDURES – first paragraph of "Assessment Methodology" and second paragraph of " – Assessment Amounts," "THE CITY," "THE DISTRICT," "LEGAL MATTERS – Litigation – The City," and "CONTINUING DISCLOSURE – second and third paragraphs of "The City" and "APPENDIX A – Location and Population" are a fair and accurate summary of the laws and the documents and facts summarized therein.

7. The execution and delivery of the Reviewed Documents and the compliance with the provisions of the Reviewed Documents under the circumstances contemplated thereby, to the best of our knowledge: (a) do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement to which the City is a party or by which it is bound, and (b) do not and will not in any material respect conflict with or constitute on the part of the City a violation, breach of or default under any existing law, regulation, court order or consent decree to which the City is subject.

The foregoing opinions are, with your concurrence, predicated on, limited by and qualified in their entirety by the following:

(a) The foregoing opinions are based on and limited to the laws of the State of Texas, and we render no opinion with respect to the federal laws of the United States or to the laws of any other jurisdiction.

(b) We express no opinion with respect to the enforceability of provisions of the Reviewed Documents that relate to (i) mediation or arbitration; (ii) limitations or restrictions on, or waiver of, legal or equitable remedies; (iii) indemnity or release; (iv) limitations or restrictions on assignment or transfer of rights, interests or property; (v) the rights or obligations of third parties; (vi) evidentiary standards; (vii) waiver of rights to notice or the obligations of good faith, fair, dealing, diligence or reasonableness; (viii) self-help, subrogation, delay or omission to enforce rights or remedies, contribution or severability; (ix) the availability of specific performance, injunctive relief or any other equitable remedy (regardless of whether such question is considered in a proceeding in equity or at law); (x) fixed, stipulated or liquidated damages; (xi) the making of determinations in the sole and absolute (or similarly described) discretion of a party to the Reviewed Documents; (xii) authorizing any party to exercise any rights other than in accordance with applicable law; (xiii) liability of any party for payment of any amount payable under the Reviewed Documents to the extent such amounts (A) accrue, or are attributable to any period of time, after the termination of any of the Reviewed Documents, (B) allow any other party to recover more than the "benefit of its bargain" or (C) exceed the amount of any party's actual damages; (xiv) rendering inapplicable any otherwise applicable law (other than those laws which by their terms may be rendered inapplicable); (xv) requiring all amendments, waivers and terminations be in writing or requiring disregard of any course of dealing between the parties; (xvi) establishing any obligation of the parties as absolute or unconditional regardless of the occurrence or non-occurrence or existence or non-existence of any event or other state of facts; (xvii) obligations of the parties by reference to and/or incorporation of any provision of any agreement other than the Reviewed Documents, or that consist of or employ provisions (whether operative or definitional) contained in any such other agreement; (xviii) obligating any party to take action it has no legal right to take, or to take or not take an action if taking or failing to take the same would constitute, or aid or abet, a violation of applicable law; (xix) certain agreements of non-signatories, or obligations of signatories with respect to non-signatories or other persons or entities, whether or not signatories, not under the control of such signatories; (xx) selection of venue; (xxi) modifying the time at which any applicable statute of limitation begins to run or at which any cause of action begins to accrue; (xxii) an exemption from any sales or other taxes; (xxiii) disclaiming or limiting warranties implied by or required pursuant to law; (xxiv) waiving the defense that an adequate remedy at law exists; and (xxv) waiving any suretyship defenses.

(c) The validity, binding effect, and enforceability of the Reviewed Documents may be limited by (i) applicable bankruptcy, insolvency, reorganization, receivership, moratorium, liquidation, redemption, conservatorship, rearrangement, fraudulent conveyance, or other similar statutes, regulations or laws affecting creditor's rights and remedies generally; (ii) general principles of equity; (iii) judicial discretion; (iv) the exercise by political subdivisions or governmental authorities or corporations acting on their behalf of sovereign or governmental immunity, legislative or governmental powers, police powers, taxing powers, or rights of appropriation; and (v) applicable court decisions relating to a duty or obligation to mitigate damages.

(d) We express no opinion regarding the effect of the laws of usury or similar laws regarding interest rate limitations on the provisions of the Reviewed Documents.

(e) We express no opinion with respect to the matters described on **Exhibit B** attached to this letter.

(f) The opinions set forth herein are also subject to the qualification that enforceability of the Reviewed Documents may be limited by (i) the provisions of Section 130.002 of the Texas Civil Practice and Remedies Code regarding limitations on indemnifications; (ii) Section 28 of the Texas Property Code regarding prompt payment to contractors and subcontractors; (iii) Section 16.071 of the Texas Civil Practice and Remedies Code regarding the time period for a claimant to give notice of a claim for damages as a condition precedent to the right to sue on a contract; (iv) Section 16.070 of the Texas Civil Practice and Remedies Code regarding permitted contractual limitations on when a claimant may bring suit on a contract; (v) Section 38.02 of the Texas Civil Practice and Remedies Code providing for the notice time period in order for a claimant to recover attorneys' fees; (vi) the "express negligence" and "clear and conspicuous" rules adopted by the Texas Supreme Court, as applied to any indemnity or release provisions in the Reviewed Documents; (vii) Section 35.52 of the Texas Business and Commerce Code; (viii) Section 162.001 et seq. of the Texas Property Code; (ix) Section 302.002 of the Texas Finance Code; (x) Section 28.009 of the Texas Property Code; and (xi) claims of sovereign or governmental immunity by political subdivisions or governmental authorities or corporations acting on their behalf.

We express no opinion as to the laws of any jurisdiction other than the laws of Texas and the laws of the United States of America. The opinions expressed above concern only the effect of the laws (excluding the principles of conflict of laws) of Texas and the United States of America as currently in effect.

We assume there are no material misstatements in the legal opinions delivered by the other parties and entities to this transaction; and further specifically rely upon Bond Counsel to the City with regard to the Bond Ordinance, Indenture, bond purchase agreement or other documents prepared, delivered or executed in connection with the Bonds and Bond documents, and the Attorney General's review and approval of the transaction.

This opinion letter has been rendered solely for the benefit of the addressees named above in connection with the transactions described therein, and may not be used, circulated, quoted, relied upon or otherwise referred to for any other purpose or by any other person without

our prior written consent. This opinion letter does not constitute a warranty or guarantee or an opinion as to matters of fact and should not be construed or relied upon as such. This opinion letter is as of the date hereof only, and we undertake no, and hereby disclaim any, obligation to advise you of any change in any matter set forth herein.

Very truly yours,

MESSER, FORT & MCDONALD PLLC
ATTORNEY FOR THE CITY

EXHIBIT A TO CITY ATTORNEY OPINION LETTER

ADDITIONAL ASSUMPTIONS

In addition to the assumptions contained in the letter to which this Exhibit A is attached, we have, with your concurrence and without any inquiry or other investigation, made and relied upon the following additional assumptions:

1. The legal capacity of all natural persons executing the Reviewed Documents;
2. No undue influence, duress, fraud, or deceit exists with respect to the transactions described in the Reviewed Documents, and there has not been any mutual mistake of fact or misunderstanding with respect to the same;
3. The conduct of the parties to the Reviewed Documents has complied, and will comply, with any requirement of good faith, fair dealing, and conscionability;
4. There are no agreements or understandings, written or oral, among the parties to the Reviewed Documents, and there is no usage or trade or course of prior dealing among the parties to the Reviewed Documents that would, in either case, define, supplement, or qualify the terms of the Reviewed Documents;
5. All statutes and ordinances enacted by an official legislative body were validly enacted and are constitutional, and all rules and regulations promulgated or issued by an official administrative body and not adjudicated invalid or unenforceable are valid and enforceable;
6. All parties to the Reviewed Documents have complied with all legal requirements that are applicable to them to the extent necessary to authorize such parties to enter into the Reviewed Documents and, except as to the Developer, the Reviewed Documents are enforceable against the other parties thereto;
7. There has been no modification of any provision of the Reviewed Documents, and no waiver or release of any right or remedy thereunder;
8. All parties to the Reviewed Documents will act in accordance with, and will refrain from taking any action that is forbidden by, the terms and conditions of the Reviewed Documents; and
9. All parties to the Reviewed Documents will obtain all permits and governmental approvals required in the future, and take all actions similarly required, relevant to subsequent consummation of the transactions evidenced by the Reviewed Documents or performance of the Reviewed Documents.
10. There are no material misstatements in the legal opinions delivered pursuant to the Bond Purchase Agreement by: (i) McCall, Parkhurst & Horton L.L.P. Bond Counsel to the City; (ii) Miklos Cinclair, PLLC; and (iii) Orrick Herrington & Sutcliffe LLP counsel to the Underwriter.

EXHIBIT B TO CITY ATTORNEY OPINION LETTER

ADDITIONAL EXCLUSIONS

None of the opinions expressed in the letter to which this Exhibit B is attached include any implied opinion unless such implied opinion is both (a) essential to the legal conclusion reached by the express opinions set forth in this letter and (b) based upon prevailing norms and expectations among experienced lawyers in the State of Texas, reasonable in the circumstances. Moreover, unless explicitly addressed in the letter to which this Exhibit B is attached, our opinions specifically do not address any of the following legal issues or the effects thereof on the transactions evidenced by the Bond Purchase Agreement or any other documents prepared, delivered, or executed in connection with the Bonds (the “**Bond Documents**”):

1. Federal and State securities laws and regulations administered by the Securities and Exchange Commission and state “**Blue Sky**” laws and regulations.
2. The compliance or noncompliance by the Underwriter, the Trustee, the City, any party to the Bond Documents, or the purchasers of the Bonds with any federal and state laws or regulations applicable to the transactions evidenced by the Bond Documents;
3. Compliance with fiduciary duty requirements;
4. Decisions, orders, rules, policies, and regulations of any political subdivision, department, agency, organization, or entity of any kind created under or pursuant to federal law and judicial decisions to the extent they deal with any of the foregoing.
5. Title to any asset or property described or referred to in the Bond Documents or the accuracy or sufficiency of its description;
6. The creation, attachment, perfection, priority or enforcement of any lien, security interest or right of offset purported to be granted under the Bond Documents or created by operation of law;
7. The recordation or filing of any Bond Documents or related documents;
8. Federal and state environmental laws and regulations;
9. Federal and state land use and subdivision laws and regulations;
10. Federal and state tax laws and regulations;
11. Federal patent, copyright and trademark, state trademark, and other federal and state intellectual property laws and regulations;
12. Federal and state racketeering laws and regulations (e.g., RICO);
13. Federal and state health and safety laws and regulations (e.g., OSHA);
14. Federal and state labor laws and regulations;
15. Federal and state laws, regulations and policies concerning (i) national and local emergency, (ii) possible judicial deference to acts of sovereign states, and (iii) criminal and civil forfeiture laws; and
16. Other federal and state statutes of general application to the extent they provide for criminal prosecution (e.g., mail fraud and wire fraud statutes).

APPENDIX D

[LETTERHEAD OF MIKLOS CINCLAIR, PLLC, MASTER DEVELOPER’S COUNSEL]

February 15, 2022

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

McCall, Parkhurst & Horton L.L.P.
717 North Harwood St., Suite 900
Dallas, Texas 75201

Messer, Fort & McDonald PLLC
6371 Preston Road, Suite 200
Frisco, TX 75034

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

Orrick, Herrington & Sutcliffe LLP
300 W 6th Street, Suite 1850
Austin, Texas 78701

\$31,229,000

CITY OF LAVON, TEXAS

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(ELEVON IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

Ladies & Gentlemen:

We have acted as special counsel to MA Elevon 429, LLC, a Texas limited liability company (“the “Master Developer”) in connection with the issuance and sale by the City of Lavon, Texas (the “City”), of \$31,229,000 City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “Bonds”), pursuant to the Indenture of Trust, dated as of February 1, 2022 (the “Indenture”), by and between the City and Wilmington Trust, National Association, as trustee (the “Trustee”). Proceeds from the sale of the Bonds will be used, in part, to fund certain public infrastructure improvements in the development known as “Elevon” (the “Elevon Development”) located in the City of Lavon, Texas (the “City”).

The Bonds are being sold to FMSbonds, Inc. (the “Underwriter”), pursuant to that certain Bond Purchase Agreement dated February 1, 2022 (the “Bond Purchase Agreement”), between the City and the Underwriter.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

In our capacity as special counsel to the Master Developer, and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

(a) The following documents (collectively, the “Material Documents”):

(1) the Elevon Development Agreement, dated as of November 2, 2021, by and among the City; the Master Developer; Petro-Hunt, L.L.C., a Texas limited liability company; Far East Lavon, LP, a Texas limited partnership; 78 Straddle, LP, a Texas limited partnership; East Lavon Partners, LP, a Texas limited partnership; and World Land Developers, LP, a Texas limited partnership;

(2) the Elevon Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement by and between the City and the Master Developer dated February 1, 2022 (the “CFA Agreement”);

(3) the Elevon Public Improvement District Improvement Area #1 Reimbursement Agreement dated February 15, 2022 by and between the City and the Master Developer (the “Improvement Area #1 Reimbursement Agreement”);

(4) the Master Developer Letter of Representations, dated as of February 1, 2022, and signed by the Master Developer;

(5) the Improvement Area #1 Landowner Agreement, dated February 1, 2022, by and between the City and the Master Developer (the “Master Developer Landowner Agreement”); and

(6) Continuing Disclosure Agreement of the Master Developer with respect to the Bonds, dated as of February 1, 2022 executed and delivered by the Master Developer, P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent.

(b) General Certificate of the Master Developer and the Closing Certificate of the Master Developer, each dated as of the date hereof (together, the “Master Developer Certificate”).

(c) The Preliminary Limited Offering Memorandum, dated January 14, 2022 relating to the issuance of the Bonds (the “Preliminary Limited Offering Memorandum”).

(d) The final Limited Offering Memorandum, dated February 1, 2022, relating to the issuance of the Bonds (the “Limited Offering Memorandum”).

(e) Such other documents, records, agreements and certificates of the Master Developer as we have deemed necessary or appropriate to render the opinions expressed below.

Whenever our opinion or advice with respect to the existence or absence of facts is indicated to be based on our knowledge, we are referring to the actual knowledge of the Miklos Cinclair, PLLC attorneys who have given substantive attention to matters concerning the Master Developer during the course of our representation of the Master Developer in connection with the Material Documents, which knowledge has been obtained by such attorneys in their capacity as such after review of certificates, reports and information provided by the Master Developer, assuming such certificates, reports and information are accurate and complete. Further, the words “our knowledge” and similar language used herein are intended to be limited to the knowledge of the attorneys within our firm who have worked on the matters contemplated by our representation as special counsel. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters.

In rendering the opinions set forth herein, we have assumed, without independent investigation (other than the Master Developer), that: (i) the due authorization, execution, and delivery of each of the documents referred to in this opinion letter by all parties thereto and that each such document constitutes a valid, binding, and enforceable obligation of each party thereto, (ii) all of the parties to the documents referred to in this opinion letter are duly organized, validly existing, in good standing and have the requisite power, authority (corporate, limited liability company, partnership or other) and legal right to execute, deliver, and perform its obligations under such documents (except to the extent set forth in our opinions set forth herein regarding valid existence and power and authority of the Master Developer to execute, deliver, and perform its obligations under the Material Documents), (iii) each certificate from governmental officials reviewed by us is accurate, complete, and authentic, and all official public records are accurate and complete, (iv) the legal capacity of all natural persons, (v) the genuineness of all signatures (other than those of the Master Developer in respect of the Material Documents), (vi) the authenticity and accuracy of all documents submitted to us as originals, (vii) the conformity to original documents of all documents submitted to us as photostatic or certified copies, (viii) that no laws or judicial, administrative, or other action of any governmental authority of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein, and (ix) that the execution and delivery by each party of, and performance of its agreements in, the Material Documents do not breach or result in a default under any existing obligation of such party under any agreements, contracts or instruments to which such party is a party to or otherwise subject to or any order, writ, injunction or decree of any court applicable to such party.

In addition, we have assumed that the Material Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and obligations of the parties thereunder. We have also assumed that the terms and conditions of the transaction as reflected in the Material Documents have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the Material Documents.

We assume that none of the parties to the Material Documents (other than the Master Developer) is a party to any court or regulatory proceeding relating to or otherwise affecting the Material Documents or is subject to any order, writ, injunction or decree of any court or federal, state or local governmental agency or commission that would prohibit the execution and delivery of the Material Documents, or the consummation of the transactions therein contemplated in the manner therein provided, or impair the validity or enforceability thereof. We assume that each of the parties to the Material Documents (other than the Master Developer) has full authority to close this transaction in accordance with the terms and provisions of the Material Documents.

We assume that the City nor its counsel have any current actual knowledge of any facts not known to us or any law or judicial decision which would make the opinions set forth herein incorrect, and that no party upon whom we have relied for purposes of this opinion letter has perpetrated a fraud.

We have only been engaged by our clients in connection with the Material Documents (and the transactions contemplated in the Material Documents) and do not represent these clients generally.

Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

1. The Master Developer is (a) a Texas limited liability company duly formed, validly existing under the laws of the State of Texas and qualified to transact business as a Texas limited liability company, and (b) in good standing under the laws of the State of Texas.

2. The Master Developer has the power and authority under the Texas Business Organizations Code and the Master Developer's organizational documents to execute, deliver and perform its obligations under the Material Documents to which it is a party. The execution and delivery by the Master Developer of each Material Document to which it is a party, and the performance by the Master Developer of its agreements set forth therein, have been duly authorized by all necessary limited liability company action under the laws of the State of Texas, the Texas Business Organizations Code and the Master Developer's organizational documents.

3. The execution and delivery by the Master Developer of the Material Documents and the performance by the Master Developer of its obligations under the Material Documents will not (i) violate any applicable law; or (ii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Master Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Master Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Master Developer to perform its obligations under the Material Documents to which it is a party.

4. To our knowledge, no governmental approval which has not been obtained or taken is required to be obtained or taken by the Master Developer on or before the date hereof as a condition to the performance by the Master Developer of its obligations under the Material Documents to which it is a party, except for governmental approvals that may be required to comply with certain covenants contained in the Material Documents (including, without limitation, covenants to comply with applicable laws).

5. The Master Developer has duly executed and delivered each of the Material Documents to which it is a party, and each of the Material Documents constitute the legal, valid, and binding obligations of the Master Developer, enforceable against the Master Developer in accordance with their respective terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, indemnification provisions therein may be limited, in whole or in part. The execution, delivery, and performance by the Master Developer of its obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the Master Developer or any ordinance of the City applicable to the Master Developer or any ordinance of the City applicable to the Master Developer.

6. To our knowledge after reasonable inquiry, there are no actions, suits or proceedings pending or threatened against the Master Developer identified in the Master Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion in any court of law or equity, or before or by any governmental instrumentality with respect to (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the validity or enforceability against it of such Material Documents or the transactions described therein; (iv) the titles of the parties executing the Material Documents; (v) the execution and delivery of the Material Documents on behalf of the Master Developer; (vi) the operations or financial condition of the Master Developer that would materially adversely affect those operations or the financial condition of the Master Developer; or (vii) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum.

7. The execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, Indenture, bond note, resolution, agreement or other instrument to which the Master Developer is a party or is otherwise subject and which have been identified in the Master Developer Certificate which violation, breach or default would materially adversely affect the Master Developer or its performance of its obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Master Developer, except as expressly described in the Material Documents (a) under applicable law or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

8. The information set forth in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in the maps therein and under the captions “PLAN OF FINANCE” (excluding the subcaptions “—The District,” “—The Bonds” and “—Future Indebtedness”), “THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE MASTER DEVELOPER AND BUILDERS,” “CONTINUING DISCLOSURE – The Master Developer” and “– The Master Developer’s Compliance with Prior Undertakings,” “BONDHOLDERS’ RISKS” (only as it pertains to the Master Developer, Improvement Area #1 Projects, the Private Improvements, and the Elevon Development, each as defined in the Limited Offering Memorandum) and “LEGAL MATTERS — Litigation — The Master Developer,” “APPENDIX E-2,” “APPENDIX F” and “APPENDIX G” adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

Subject to the below qualifications and based upon our participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and our participation at conferences with representatives of the Underwriter and its Counsel, of the City

and its counsel, and with representatives of the Master Developer at which the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and any amendment or supplement thereto, except as described in paragraph 6 above, no facts have come to our attention that lead us to believe that the information set forth under the captions referenced in the preceding paragraph, with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of February 1, 2022, and with respect to the Limited Offering Memorandum, as of the date of the Limited Offering Memorandum and the date hereof, contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Qualifications

In addition to any assumptions, qualifications and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

(a) We have not examined any court dockets, agency files or other public records regarding the entry of any judgments, writs, decrees or orders or the pendency of any actions, proceedings, investigations or litigation.

(b) We have relied upon the Master Developer Certificate, as well as the representations of the Master Developer contained in the Material Documents, with respect to certain facts material to our opinion. Except as otherwise specifically indicated herein, we have made no independent investigation regarding any of the foregoing documents or the representations contained therein.

(c) Our opinion delivered pursuant to Section 5 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws affecting creditors' rights generally and to the effect of general principles of equity, including (without limitation) remedies of specific performance and injunctive relief and concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(d) Except for the Material Documents, we have not reviewed, and express no opinion as to, any other contracts or agreements to which the Master Developer is a party or by which the Master Developer is or may be bound.

(e) The opinions expressed herein are based upon and limited to the applicable laws of the State of Texas and the laws of the United States of America, excluding the principles of conflicts of laws thereof, as in effect as of the date hereof, and our knowledge of the facts relevant to such opinions on such date. In this regard, we note that we are members of the Bar of the State of Texas, we do not express any opinion herein as to matters governed by the laws of any other jurisdiction, except the United States of America, we do not purport to be experts in

any other laws and we can accept no responsibility for the applicability or effect of any such laws. In addition, we assume no obligation to supplement the opinions expressed herein if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances that affect the opinions expressed herein.

(f) This letter is strictly limited to the matters expressly set forth herein and no statements or opinions should be inferred beyond such matters.

(g) Notwithstanding anything contained herein to the contrary, we express no opinion whatsoever concerning the status of title to any real or personal property.

(h) The opinions expressed herein regarding the enforceability of the Material Documents are subject to the qualification that certain of the remedial, waiver or other provisions thereof may not be enforceable; but such unenforceability will not, in our judgment, render the Material Documents invalid as a whole or substantially interfere with the practical realization of the principal legal benefits provided in the Material Documents, except to the extent of any economic consequences of any procedural delays which may result therefrom.

(i) The opinion expressed herein as to the enforceability of the Material Documents is specifically subject to the qualification that enforceability of the Material Documents is limited by the following: (i) the rights of the United States under the Federal Tax Lien Act of 1966, as amended; (ii) principles of equity, public policy and unconscionability which may limit the availability of certain remedies; (iii) bankruptcy, insolvency, reorganization, fraudulent conveyance, liquidation, probate, conservatorship and other laws applicable to creditors' rights or the collection of debtors' obligations generally; and (iv) requirements of due process under the United States Constitution, the Constitution of the State of Texas and other laws or court decisions limiting the rights of creditors to repossess, foreclose or otherwise realize upon the property of a debtor without appropriate notice or hearing or both.

(j) We express no opinion as to whether a court would grant specific performance or any other equitable remedy with respect to the enforcement of the Material Documents.

(k) We express no opinion as to the validity, binding effect, or enforceability of: (i) provisions which purport to waive rights or notices, including rights to trial by jury, counterclaims or defenses, jurisdiction or venue; (ii) provisions relating to consent judgments, waivers of defenses or the benefits of statutes of limitations, marshaling of assets, the transferability of any assets which by their nature are nontransferable, sales in inverse order of alienation, or severance; (iii) provisions purporting to waive the benefits of present or of future laws relating to exemptions, appraisal, valuation, stay of execution, redemption, extension of time for payment, setoff and similar debtor protection laws; or (iv) provisions requiring a party to pay fees and expenses regardless of the circumstances giving rise to such fees or expenses or the reasonableness thereof.

(l) The opinions expressed herein are subject to the effect of generally applicable rules of law that provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected.

(m) We express no opinion as to the enforceability of any provisions in the Material Documents purporting to entitle a party to indemnification in respect of any matters arising in whole or in part by reason of any negligent, illegal or wrongful act or omission of such party.

This opinion is furnished to those parties addressed in this letter solely in connection with the transactions, for the purposes and on the terms described above and may not be relied upon for any other purpose or by any other person in any manner or for any purpose.

Very truly yours,
Miklos Cinclair, PLLC

By: _____
Name: Robert Miklos

APPENDIX E-1

CLOSING CERTIFICATE OF MASTER DEVELOPER

In connection with that certain Bond Purchase Agreement, dated February 1, 2022 (the “Bond Purchase Agreement”), between the City of Lavon, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) related to the City’s \$31,229,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “Bonds”), MA Elevon 429, LLC, a Texas limited liability company (the “Master Developer”), DOES HEREBY CERTIFY the following as of February 15, 2022. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Bond Purchase Agreement.

1. The Master Developer is a limited liability company, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Master Developer have provided information to the City and the Underwriter to be used in connection with the offering by the City of the Bonds, pursuant to the City’s Preliminary Limited Offering Memorandum, dated January 14, 2022 and Limited Offering Memorandum dated February 1, 2022 (together, the “Limited Offering Memorandum”).

3. The Master Developer has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Master Developer’s organizational documents, and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

4. The Master Developer has delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Master Developer.

5. The Master Developer has executed or caused the execution of, and delivered each of the Master Developer Documents (as defined in the Bond Purchase Agreement) in the capacity provided for therein, and each of the Master Developer Documents constitutes a valid and binding obligation of the Master Developer, enforceable against the Master Developer in accordance with its terms.

6. The Master Developer has complied in all material respects with all of the Master Developer’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Master Developer under the Master Developer Documents on or prior to the date hereof.

7. The representations and warranties of the Master Developer contained in the Master Developer Documents are true and correct in all material respects on and as of the date hereof.

8. The execution and delivery of the Master Developer Documents by the Master Developer does not violate any judgment, order, writ, injunction or decree binding on the Master

Developer or any indenture, agreement, or other instrument to which Master Developer is a party. To the Master Developer's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against the Master Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Master Developer to perform its obligations under the Master Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Elevon Development in accordance with the description thereof in the Limited Offering Memorandum.

9. The Master Developer has reviewed and approved the information contained in the Limited Offering Memorandum under the captions "PLAN OF FINANCE" (excluding the subcaptions "—The District," "—The Bonds" and "—Future Indebtedness"), "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE MASTER DEVELOPER AND BUILDERS" (only as it pertains to the Master Developer, Improvement Area #1 Projects, the Private Improvements, and the Elevon Development, each as defined in the Limited Offering Memorandum), "CONTINUING DISCLOSURE – The Master Developer" and "– The Master Developer's Compliance with Prior Undertakings," and, to the best of the Master Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Master Developer, Improvement Area #1 Projects, the Private Improvements, and the Elevon Development, each as defined in the Limited Offering Memorandum) and "LEGAL MATTERS — Litigation — The Master Developer," "APPENDIX E-2," "APPENDIX F" and "APPENDIX G", and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading respecting the Master Developer and the portion of the Elevon Development owned by the Master Developer, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

10. The Master Developer is in compliance in all material respects with all provisions of applicable law in all material respects relating to the Master Developer in connection with the Elevon Development. Except as otherwise described in the Limited Offering Memorandum: (a) there is no default of any zoning condition, land use permit or development agreement binding upon the Master Developer or any portion of the Elevon Development that would materially and adversely affect the Master Developer's ability to complete or cause to be completed the development of such portion of the Elevon Development as described in the Limited Offering Memorandum; and (b) we have no reason to believe that any additional permits, consents and licenses required to complete the Elevon Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

11. The Master Developer is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

12. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in Improvement Area #1 of the District owned by the Master Developer will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Master Developer is a party or to which the Master Developer or any of its property or assets is subject.

13. The Master Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the Elevon Development.

14. The Master Developer has no knowledge of any physical condition of the Elevon Development owned or to be developed by the Master Developer that currently requires, or currently is reasonably expected to require in the process of development investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

[Signature page to follow]

MASTER DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

APPENDIX E-2

CLOSING CERTIFICATE OF K HOVNANIAN

In connection with that certain Bond Purchase Agreement, dated February 1, 2022 (the “Bond Purchase Agreement”), between the City of Lavon, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) related to the City’s \$31,229,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “IA#1 Bonds”), K. Hovnanian DFW Elevon, LLC, a Texas limited liability company (the “Builder”), DOES HEREBY CERTIFY the following as of February 15, 2022. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Bond Purchase Agreement.

1. The Builder is a Texas limited liability company, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Builder have provided information to the City and the Underwriter to be used in connection with: (a) the offering by the City of the IA#1 Bonds, pursuant to the City’s Preliminary Limited Offering Memorandum, dated January 14, 2022 and Limited Offering Memorandum, dated February 1, 2022 (together, the “IA#1 Limited Offering Memorandum”), and (b) the offering by the City of its \$8,148,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project) (the “Z1RA Bonds” and together with the IA#1 Bonds, the “Bonds”), pursuant to the City’s Preliminary Limited Offering Memorandum, dated January 14, 2022 and Limited Offering Memorandum, dated February 1, 2022 (together, the “Z1RA Limited Offering Memorandum” and together with the IA#1 Limited Offering Memorandum, the “Limited Offering Memorandum”).

3. The Builder has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Builder’s organizational documents, and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

4. The Builder has delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Builder.

5. The Builder has executed or caused the execution of, and delivered each of the below listed documents (individually, a “Builder Document” and collectively, the “Builder Documents”) in the capacity provided for in each such Builder Document, and each such Builder Document constitutes a valid and binding obligation of the Builder, enforceable against the Builder in accordance with its terms:

- (a) this Closing Certificate;
- (b) the Improvement Area #1 Landowner Agreement, by and between the Builder and the City; and
- (c) the Completion Agreement, by and between the Builder and the Trustee.

6. The Builder has complied in all material respects with all of the Builder's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Builder under the Builder Documents on or prior to the date hereof.

7. The representations and warranties of the Builder contained in the Builder Documents are true and correct in all material respects on and as of the date hereof.

8. The execution and delivery of the Builder Documents by the Builder does not violate any judgment, order, writ, injunction or decree binding on the Builder or any indenture, agreement, or other instrument to which the Builder is a party. To the Builder's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against the Builder that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Builder to perform its obligations under the Builder Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Elevon Development in accordance with the description thereof in the Limited Offering Memorandum.

9. The Builder has reviewed and approved the information relating to the Builder and its Builders' Development Obligations (as defined in the Limited Offering Memorandum) contained:

(a) in the IA#1 Limited Offering Memorandum under the captions "PLAN OF FINANCE" (except for the information under the subcaption "— The Bonds"), "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE MASTER DEVELOPER AND BUILDERS," and, to the best of Builder's knowledge after due inquiry, under the caption "BONDHOLDERS' RISKS," and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading respecting the Builder and the portion of the Elevon Development owned by the Builder, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

(b) in the Z1RA Limited Offering Memorandum under the captions "PLAN OF FINANCE" (except for the information under the subcaption "— The Bonds"), "THE DEVELOPMENT," and "THE MASTER DEVELOPER AND BUILDERS," and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading respecting the Builder and the portion of the Elevon Development owned by the Builder, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Z1RA Limited Offering Memorandum.

10. The Builder is in compliance in all material respects with all provisions of applicable law in all material respects relating to the Builder in connection with the Elevon Development. Except as otherwise described in the Limited Offering Memorandum: (a) to the best of Builder's knowledge, there is no default of any zoning condition, land use permit or

development agreement binding upon the Builder or any portion of the Elevon Development that would materially and adversely affect the Builder's ability to complete or cause to be completed the development of such portion of the Elevon Development as described in the Limited Offering Memorandum; and (b) we have no reason to believe that any additional permits, consents and licenses required to complete the Elevon Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

11. The Builder is not insolvent and have not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

12. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in Improvement Area #1 of the District owned by the Builder will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Builder is a party or to which the Builder or any of its property or assets is subject.

13. The Builder is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the Elevon Development.

14. The Builder has no knowledge of any physical condition of the Elevon Development owned or to be developed by the Builder that currently requires, or currently is reasonably expected to require in the process of development, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

15. The Builder has satisfied the fiscal security requirements of the Completion Agreement.

[Signature page to follow]

K HOVNANIAN:

K. Hovnanian DFW Elevon, LLC,
a Texas limited liability company

By: _____
Rick Trotter, DFW Division President

APPENDIX E-3

CLOSING CERTIFICATE OF HISTORY MAKER

In connection with that certain Bond Purchase Agreement, dated February 1, 2022 (the “Bond Purchase Agreement”), between the City of Lavon, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) related to the City’s \$31,229,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “Bonds”), HMH/Stratford Elevon JV, LLC, a Texas limited liability company (the “Builder”), DOES HEREBY CERTIFY the following as of February 15, 2022. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Bond Purchase Agreement.

1. The Builder is a Texas limited liability company, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Builder have provided information to the City and the Underwriter to be used in connection with the offering by the City of the Bonds, pursuant to the City’s Preliminary Limited Offering Memorandum, dated January 14, 2022 and Limited Offering Memorandum, dated February 1, 2022 (together, the “Limited Offering Memorandum”).

3. The Builder has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Builder’s organizational documents, and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

4. The Builder has delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Builder.

5. The Builder has executed or caused the execution of, and delivered each of the below listed documents (individually, a “Builder Document” and collectively, the “Builder Documents”) in the capacity provided for in each such Builder Document, and each such Builder Document constitutes a valid and binding obligation of the Builder, enforceable against the Builder in accordance with its terms:

- (a) this Closing Certificate;
- (b) the Improvement Area #1 Landowner Agreement, by and between the Builder and the City; and
- (c) the Completion Agreement, by and between the Builder and the Trustee.

6. The Builder has complied in all material respects with all of the Builder’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Builder under the Builder Documents on or prior to the date hereof.

7. The representations and warranties of the Builder contained in the Builder Documents are true and correct in all material respects on and as of the date hereof.

8. The execution and delivery of the Builder Documents by the Builder does not violate any judgment, order, writ, injunction or decree binding on the Builder or any indenture, agreement, or other instrument to which the Builder is a party. To the Builder's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against the Builder that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Builder to perform its obligations under the Builder Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Elevon Development in accordance with the description thereof in the Limited Offering Memorandum.

9. The Builder has reviewed and approved the information relating to the Builder and its Builders' Development Obligations (as defined in the Limited Offering Memorandum) contained in the Limited Offering Memorandum under the captions "PLAN OF FINANCE" (except for the information under the subcaption "— The Bonds"), "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE MASTER DEVELOPER AND BUILDERS," and, to the best of Builder's knowledge after due inquiry, under the caption "BONDHOLDERS' RISKS," and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading respecting the Builder and the portion of the Elevon Development owned by the Builder, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

10. The Builder is in compliance in all material respects with all provisions of applicable law in all material respects relating to the Builder in connection with the Elevon Development. Except as otherwise described in the Limited Offering Memorandum: (a) there is no default of any zoning condition, land use permit or development agreement binding upon the Builder or any portion of the Elevon Development that would materially and adversely affect the Builder's ability to complete or cause to be completed the development of such portion of the Elevon Development as described in the Limited Offering Memorandum; and (b) we have no reason to believe that any additional permits, consents and licenses required to complete the Elevon Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

11. The Builder is not insolvent and have not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

12. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in Improvement Area #1 of the District owned by the Builder will not conflict with

or constitute a breach of or default under any agreement, indenture or other instrument to which the Builder is a party or to which the Builder or any of its property or assets is subject.

13. The Builder is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the Elevon Development.

14. The Builder has no knowledge of any physical condition of the Elevon Development owned or to be developed by the Builder that currently requires, or currently is reasonably expected to require in the process of development, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

15. The Builder has satisfied the fiscal security requirements of the Completion Agreement.

[Signature page to follow]

HISTORY MAKER:

HMH/STRATFORD ELEVON JV, LLC,
a Texas limited liability company

By: _____
Name: _____
Its: _____

APPENDIX E-4

CLOSING CERTIFICATE OF GREENBRICK

In connection with that certain Bond Purchase Agreement, dated February 1, 2022 (the “Bond Purchase Agreement”), between the City of Lavon, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) related to the City’s \$31,229,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “Bonds”), GRBK Edgewood, LLC, a Texas limited liability company (the “Builder”), DOES HEREBY CERTIFY the following as of February 15, 2022. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Bond Purchase Agreement.

1. The Builder is a Texas limited liability company, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Builder have provided information to the City and the Underwriter to be used in connection with the offering by the City of the Bonds, pursuant to the City’s Preliminary Limited Offering Memorandum, dated January 14, 2022 and Limited Offering Memorandum, dated February 1, 2022 (together, the “Limited Offering Memorandum”).

3. The Builder has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Builder’s organizational documents, and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

4. The Builder has delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Builder.

5. The Builder has executed or caused the execution of, and delivered each of the below listed documents (individually, a “Builder Document” and collectively, the “Builder Documents”) in the capacity provided for in each such Builder Document, and each such Builder Document constitutes a valid and binding obligation of the Builder, enforceable against the Builder in accordance with its terms:

- (a) this Closing Certificate;
- (b) the Improvement Area #1 Landowner Agreement, by and between the Builder and the City; and
- (c) the Completion Agreement, by and between the Builder and the Trustee.

6. The Builder has complied in all material respects with all of the Builder’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Builder under the Builder Documents on or prior to the date hereof.

7. The representations and warranties of the Builder contained in the Builder Documents are true and correct in all material respects on and as of the date hereof.

8. The execution and delivery of the Builder Documents by the Builder does not violate any judgment, order, writ, injunction or decree binding on the Builder or any indenture, agreement, or other instrument to which the Builder is a party. To the Builder's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against the Builder that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Builder to perform its obligations under the Builder Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Elevon Development in accordance with the description thereof in the Limited Offering Memorandum.

9. The Builder has reviewed and approved the information relating to the Builder and its Builders' Development Obligations (as defined in the Limited Offering Memorandum) contained in the Limited Offering Memorandum under the captions "PLAN OF FINANCE" (except for the information under the subcaption "— The Bonds"), "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE MASTER DEVELOPER AND BUILDERS," and, to the best of Builder's knowledge after due inquiry, under the caption "BONDHOLDERS' RISKS," and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading respecting the Builder and the portion of the Elevon Development owned by the Builder, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

10. The Builder is in compliance in all material respects with all provisions of applicable law in all material respects relating to the Builder in connection with the Elevon Development. Except as otherwise described in the Limited Offering Memorandum: (a) there is no default of any zoning condition, land use permit or development agreement binding upon the Builder or any portion of the Elevon Development that would materially and adversely affect the Builder's ability to complete or cause to be completed the development of such portion of the Elevon Development as described in the Limited Offering Memorandum; and (b) we have no reason to believe that any additional permits, consents and licenses required to complete the Elevon Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

11. The Builder is not insolvent and have not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

12. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in Improvement Area #1 of the District owned by the Builder will not conflict with

or constitute a breach of or default under any agreement, indenture or other instrument to which the Builder is a party or to which the Builder or any of its property or assets is subject.

13. The Builder is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the Elevon Development.

14. The Builder has no knowledge of any physical condition of the Elevon Development owned or to be developed by the Builder that currently requires, or currently is reasonably expected to require in the process of development, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

15. The Builder has satisfied the fiscal security requirements of the Completion Agreement.

[Signature page to follow]

GREENBRICK:

GRBK EDGEWOOD, LLC,
a Texas limited liability company

By: _____
Name: _____
Its: _____

APPENDIX E-5

CLOSING CERTIFICATE OF QUALICO

In connection with that certain Bond Purchase Agreement, dated February 1, 2022 (the “Bond Purchase Agreement”), between the City of Lavon, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) related to the City’s \$31,229,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “IA#1 Bonds”), Qualico Developments (U.S.), Inc., a Delaware corporation (the “Builder”), DOES HEREBY CERTIFY the following as of February 15, 2022. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Bond Purchase Agreement.

1. The Builder is a Delaware corporation, validly existing and in good standing under the laws of the State of Delaware. The Builder is authorized to do business in the State of Texas and is in good standing with the State of Texas.

2. Employees of the Builder have provided information to the City and the Underwriter to be used in connection with: (a) the offering by the City of the IA#1 Bonds, pursuant to the City’s Preliminary Limited Offering Memorandum, dated January 14, 2022 and Limited Offering Memorandum, dated February 1, 2022 (together, the “IA#1 Limited Offering Memorandum”), and (b) the offering by the City of its \$8,148,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project) (the “Z1RA Bonds” and together with the IA#1 Bonds, the “Bonds”), pursuant to the City’s Preliminary Limited Offering Memorandum, dated January 14, 2022 and Limited Offering Memorandum, dated February 1, 2022 (together, the “Z1RA Limited Offering Memorandum” and together with the IA#1 Limited Offering Memorandum, the “Limited Offering Memorandum”).

3. The Builder has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Builder’s organizational documents listed on Schedule E-5-1 attached hereto, and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

4. The Builder has delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State, (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Builder, and (iii) a certificate from the Delaware Secretary of State evidencing that the Builder is in good standing with the State of Delaware.

5. The Builder has executed or caused the execution of, and delivered each of the below listed documents (individually, a “Builder Document” and collectively, the “Builder Documents”) in the capacity provided for in each such Builder Document, and each such Builder Document constitutes a valid and binding obligation of the Builder, enforceable against the Builder in accordance with its terms:

(a) this Closing Certificate;

(b) the Improvement Area #1 Landowner Agreement, by and between the Builder and the City; and

(c) the Completion Agreement, by and between the Builder and the Trustee.

6. The Builder has complied in all material respects with all of the Builder's agreements and covenants, and satisfied all conditions required to be complied with or satisfied by the Builder, under the Builder Documents on or prior to the date hereof.

7. The representations and warranties of the Builder contained in the Builder Documents are true and correct in all material respects on and as of the date hereof.

8. The execution and delivery of the Builder Documents by the Builder does not violate any judgment, order, writ, injunction or decree binding on the Builder or any indenture, agreement, or other instrument to which the Builder is a party. To the best of Builder's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against the Builder that (a) is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Builder to perform its obligations under the Builder Documents in all material respects or (b) that would reasonably be expected to prevent or prohibit the development of the Elevon Development in accordance with the description thereof in the Limited Offering Memorandum.

9. The Builder has reviewed and approved the information relating to the Builder and its Builders' Development Obligations (as defined in the Limited Offering Memorandum) contained:

(a) in the IA#1 Limited Offering Memorandum under the captions "PLAN OF FINANCE" (except for the information under the subcaption "— The Bonds"), "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE MASTER DEVELOPER AND BUILDERS," and under the caption "BONDHOLDERS' RISKS," and certifies that, solely as to the Builder and its Builders' Development Obligations, the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

(b) in the Z1RA Limited Offering Memorandum under the captions "PLAN OF FINANCE" (except for the information under the subcaption "— The Bonds"), "THE DEVELOPMENT," and "THE MASTER DEVELOPER AND BUILDERS," and certifies that, solely as to the Builder and its Builders' Development Obligations, the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Z1RA Limited Offering Memorandum.

10. To the best of Builder's knowledge, after due inquiry, the Builder is in compliance in all material respects with all provisions of applicable law in all material respects relating to the Builder in connection with the portion of the Elevon Development owned by the Builder. To the best of Builder's knowledge, after due inquiry: (a) there is no default of any zoning condition, land use permit or development agreement binding upon the Builder or any portion of the Elevon Development owned by the Builder that would materially and adversely affect the Builder's ability to complete or cause to be completed the development of such portion of the Elevon Development as described in the Completion Agreement; and (b) Builder has no reason to believe that any additional permits, consents and licenses required to complete the Elevon Development as described in the Completion Agreement will not be reasonably obtainable in due course.

11. The Builder is not insolvent and have not made an assignment for the general benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

12. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in Improvement Area #1 of the District owned by the Builder will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Builder is a party or to which the Builder or any of its property or assets is subject.

13. The Builder is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the portion of the Elevon Development owned by the Builder.

14. The Builder has no knowledge of any physical condition of the Elevon Development owned or to be developed by the Builder that currently requires, or currently is reasonably expected to require in the process of development, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

15. The Builder has satisfied the fiscal security requirements of the Completion Agreement.

[Signature page to follow]

QUALICO:

QUALICO DEVELOPMENTS (U.S.), INC.,
a Delaware corporation

By: _____
Name: _____
Its: _____

Schedule E-5-1

[Articles of Incorporation and Bylaws or equivalent documents, as amended to the date of the Closing Certificate, to be inserted]

APPENDIX E-6

CLOSING CERTIFICATE OF UMH

In connection with that certain Bond Purchase Agreement, dated February 1, 2022 (the “Bond Purchase Agreement”), between the City of Lavon, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) related to the City’s \$31,229,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “Bonds”), UMH Development, LLC, a Texas limited liability company (the “Builder”), DOES HEREBY CERTIFY the following as of February 15, 2022. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Bond Purchase Agreement.

2. The Builder is a Texas limited liability company, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Builder have provided information to the City and the Underwriter to be used in connection with the offering by the City of the Bonds, pursuant to the City’s Preliminary Limited Offering Memorandum, dated January 14, 2022 and Limited Offering Memorandum, dated February 1, 2022 (together, the “Limited Offering Memorandum”).

3. The Builder has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Builder’s organizational documents, and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

4. The Builder has delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Builder.

5. The Builder has executed or caused the execution of, and delivered each of the below listed documents (individually, a “Builder Document” and collectively, the “Builder Documents”) in the capacity provided for in each such Builder Document, and each such Builder Document constitutes a valid and binding obligation of the Builder, enforceable against the Builder in accordance with its terms:

(a) this Closing Certificate; and

(b) the Improvement Area #1 Landowner Agreement, by and between the Builder and the City.

6. The Builder has complied in all material respects with all of the Builder’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Builder under the Builder Documents on or prior to the date hereof.

7. The representations and warranties of the Builder contained in the Builder Documents are true and correct in all material respects on and as of the date hereof.

8. The execution and delivery of the Builder Documents by the Builder does not violate any judgment, order, writ, injunction or decree binding on the Builder or any indenture, agreement, or other instrument to which the Builder is a party. To the Builder's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against the Builder that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Builder to perform its obligations under the Builder Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Elevon Development in accordance with the description thereof in the Limited Offering Memorandum.

9. The Builder has reviewed and approved the information relating to the Builder and its Builders' Development Obligations (as defined in the Limited Offering Memorandum) contained in the Limited Offering Memorandum under the captions "PLAN OF FINANCE" (except for the information under the subcaption "— The Bonds"), "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE MASTER DEVELOPER AND BUILDERS," and, to the best of Builder's knowledge after due inquiry, under the caption "BONDHOLDERS' RISKS," and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading respecting the Builder and the portion of the Elevon Development owned by the Builder, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

10. The Builder is in compliance in all material respects with all provisions of applicable law in all material respects relating to the Builder in connection with the Elevon Development. Except as otherwise described in the Limited Offering Memorandum: (a) there is no default of any zoning condition, land use permit or development agreement binding upon the Builder or any portion of the Elevon Development that would materially and adversely affect the Builder's ability to complete or cause to be completed the development of such portion of the Elevon Development as described in the Limited Offering Memorandum; and (b) we have no reason to believe that any additional permits, consents and licenses required to complete the Elevon Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

11. The Builder is not insolvent and have not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

12. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in Improvement Area #1 of the District owned by the Builder will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Builder is a party or to which the Builder or any of its property or assets is subject.

13. The Builder is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the Elevon Development.

14. The Builder has no knowledge of any physical condition of the Elevon Development owned or to be developed by the Builder that currently requires, or currently is reasonably expected to require in the process of development, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

15. The Builder has satisfied the fiscal security requirements of the Completion Agreement.

[Signature page to follow]

UMH:

UMH DEVELOPMENT, LLC,
a Texas limited liability company

By: _____
Name: _____
Its: _____

APPENDIX F

[LETTERHEAD OF APPRAISER]

[____], 2022

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Orrick, Herrington & Sutcliffe LLP
300 W 6th Street, Suite 1850
Austin, Texas 78701

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

McCall, Parkhurst & Horton L.L.P.
717 North Harwood St., Suite 900
Dallas, Texas 75201

Re: City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, appraiser of the property contained in Improvement Area #1 of the Elevon Public Improvement District (the “District”), does hereby represent the following:

1. On behalf of Peyco Southwest Realty Inc., I have supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated January 14, 2022, and the Limited Offering Memorandum for the Bonds, dated on or about February 1, 2022 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City of Lavon, Texas, as described above. The information I have provided is the real estate appraisal of the property in Improvement Area #1 of the District, located in APPENDIX H to the Limited Offering Memorandum, and the description thereof, set forth under the caption “APPRAISAL OF PROPERTY WITHIN THE DISTRICT — The Appraisal”.

2. To the best of my professional knowledge and belief, as of the date of my appraisal report, the portion of the Limited Offering Memorandum described above does not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. I agree to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of the name of my firm in the Limited Offering Memorandum for the Bonds.

4. I agree that, to the best of my ability, I will inform you immediately should I learn of any event(s) or information of which you are not aware subsequent to the date of this letter

and prior to the actual time of delivery of the Bonds (anticipated to occur on or about February 15, 2022) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any statement in the appraisal materially misleading.

5. The undersigned hereby represents that he has been duly authorized to execute this letter of representations.

Sincerely yours,

Peyco Southwest Realty Inc.

By: _____
Its: _____

APPENDIX G

[LETTERHEAD OF ADMINISTRATOR]

[____], 2022

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Orrick, Herrington & Sutcliffe LLP
300 W 6th Street, Suite 1850
Austin, Texas 78701

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

McCall, Parkhurst & Horton L.L.P.
717 North Harwood St., Suite 900
Dallas, Texas 75201

Re: City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, of P3Works, LLC, consultant in connection with the creation by the City of Lavon, Texas (the “City”), of the Elevon Public Improvement District (the “District”), does hereby represent the following:

1. On behalf of P3Works, LLC, I have supplied certain information contained in the Preliminary Limited Offering Memorandum, January 14, 2022, (the “Preliminary Limited Offering Memorandum”), and the final Limited Offering Memorandum, dated on or about February 1, 2022 (together with the Preliminary Limited Offering Memorandum, the “Limited Offering Memorandum”), both in connection with the Bonds, relating to the issuance of the Bonds by the City, as described above. The information I provided for the Limited Offering Memorandum is located (a) under the captions “ASSESSMENT PROCEDURES” and “PID ADMINISTRATOR,” and (b) in the Service and Assessment Plan (the “SAP”) for the City located in APPENDIX C to the Limited Offering Memorandum.

2. To the best of my professional knowledge and belief, the portions of the Limited Offering Memorandum described above do not contain an untrue statement of a material fact as to the information and data set forth therein, and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. I agree to the inclusion of the SAP in the Limited Offering Memorandum and to the use of the name of my firm in the Limited Offering Memorandum for the Bonds.

4. I agree that, to the best of my ability, I will inform you immediately should I learn of any event(s) or information of which you are not aware subsequent to the date of this letter

and prior to the actual time of delivery of the Bonds (anticipated to occur on or about February 15, 2022) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any such information materially misleading.

5. The undersigned hereby represents that he has been duly authorized to execute this letter of representation.

Sincerely yours,

P3WORKS, LLC

By: _____
Its: _____

EXHIBIT C

CONTINUING DISCLOSURE AGREEMENT

**CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of February 1, 2022 (this “Disclosure Agreement”) is executed and delivered by and between the City of Lavon, Texas (the “Issuer”), P3Works, LLC, (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 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 February 1, 2022, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, as amended or supplemented, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Collection Costs” shall have the meaning assigned to the term “Administrative Expenses” in the Indenture.

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

“Affiliate” shall have the meaning assigned to such term in Section 22 of this Disclosure Agreement.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual 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 Service and Assessment Plan.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Audited Financial Statements” shall mean the audited financial statements of the Issuer that have been prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant.

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

“Disclosure Agreement of Master Developer” shall mean the Continuing Disclosure Agreement of the Master Developer dated as of February 1, 2022 executed and delivered by the Master Developer, the Administrator, and the Dissemination Agent, relating to the Bonds.

“Disclosure Representative” shall mean the City Administrator of the Issuer or his or her designee, or such other officer or employee as the Issuer, may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Elevon Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“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 to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the calendar year from October 1 through September 30.

“Foreclosure Proceeds” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Master Developer” shall mean MA Elevon 429, LLC, a Texas limited liability company, and its successors and assigns.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reporting pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

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

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean Wilmington Trust, National Association, Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) Commencing with the Fiscal Year ending September 30, 2022, the Issuer shall provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB (i) not later than six (6) months after the end of the Issuer’s Fiscal Year, its Annual Financial Information and (ii) not later than twelve (12) months after the end of the Issuer’s Fiscal Year, its Audited Financial Statements. In each case, the Annual Financial Information and the Audited Financial Statements, as applicable, may be submitted as a single document or as separate documents comprising a package and 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 date by which the Issuer otherwise would be required to provide the Annual Financial Information or Audited Financial Statements, as applicable, pursuant to Section 4 of this Disclosure Agreement. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Upon delivery by the Issuer of the Annual Financial Information or the Audited Financial Statements, as applicable, to the Dissemination Agent together, with written instructions

to file such information or financial statements, as applicable, with the MSRB, the Dissemination Agent shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required in subsection (a); and

(ii) file the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required, containing or incorporating by reference the information set forth in Section 4 hereof;

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Financial Information or the Audited Financial Statements, as applicable, together with written instructions to file such financial information or financial statements with the MSRB and the Dissemination Agent has filed such financial information or financial statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or the Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which such financial information or financial statements shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Financial Information and Audited Financial Statements. The Annual Financial Information and the Audited Financial Statements shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent, the following:

(a) *Annual Financial Information.* Within six (6) months after the end of each Fiscal Year, the Annual Financial Information of the Issuer (any or all of which may be unaudited) being:

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount, the principal amount remaining Outstanding, and the outstanding interest amount;

(B) The amounts in the funds and accounts under the Indenture 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, in substantially similar form to that shown in the tables provided under Sections 4(a)(ii)(A) and 4(a)(ii)(B) of Exhibit B attached hereto. Such information shall be provided: (a) as of the end of the Fiscal Year (for tables in Section 4(a)(ii)(A) of Exhibit B), and (b) both as of the end of the Fiscal Year and through February 1 of the calendar year immediately succeeding such Fiscal Year (for tables in Section 4(a)(ii)(B) of Exhibit B).

(iii) The certified total assessed value for the land in Improvement Area #1 of the District for such Fiscal Year according to the Collin Central Appraisal District.

(iv) Updates to the information in the Service and Assessment Plan or the Annual Service Plan Update as most recently amended or supplemented, including any changes to the methodology for levying the Assessments in Improvement Area #1 of the District.

(v) Until building permits have been issued for parcels or lots representing, in the aggregate, ninety-five percent (95%) of the total the Assessments levied within Improvement Area #1 of the District, the Annual Financial Information (in the Annual Service Plan Update or otherwise) shall include the number of certificates of occupancy (“COs”) issued for new homes completed in Improvement Area #1 of the District during such Fiscal Year and the aggregate number of COs issued for new homes completed within Improvement Area #1 of the District since filing the initial Annual Financial Information for Fiscal Year ending September 30, 2022.

(vi) If the total amount of delinquencies greater than 150 days equals or exceeds five percent (5%) of the amount of Assessments due in any fiscal year, a list of delinquent property owners.

(vii) 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) *Audited Financial Statements.* Within twelve (12) months after the end of each Fiscal Year, the Audited Financial Statements of the Issuer, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If such audited financial statements are not complete within twelve (12) months after the end of each Fiscal Year, then the Issuer shall provide unaudited financial statements within such period and shall provide audited financial statements for the applicable Fiscal Year when and if the audit report on such statements becomes available.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs. The Issuer has designated P3Works, LLC, as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer’s staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information and Audited Financial Statements 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.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds,
if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Master Developer of real property within the District in the ordinary course of the Master Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the issuance of additional bonds under the Indenture or the incurrence of additional obligations will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with Section 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.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide Audited Financial Statements (or unaudited financial statements, if Audited Financial Statements are not available) or Annual Financial Information, as applicable, as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting "Notice to MSRB of Failure to File."

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made pursuant to Sections 4 and 5 of this Disclosure Agreement. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than three (3) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than the Business Day immediately following the day on which it receives written instructions from the Issuer. 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 Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 6. 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 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 Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until it receives 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 may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).

SECTION 7. 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. If the Issuer discharges the Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 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 Master Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Master Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Master Developer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

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 or Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Audited 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 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial

Information, Audited Financial Statements or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement by the Issuer shall not be deemed a default under the Disclosure Agreement of Master Developer by the Master Developer, and a default under the Disclosure Agreement of Master Developer by the Master Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Financial Information and the Audited Financial Statements) prepared by the Issuer pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Master Developer or from Annual Collection Costs collected from the property owners in Improvement Area #1 of the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; 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 Master Developer or the failure of the Master Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Master 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. The Dissemination Agent shall not be responsible for the Issuer's failure to submit a complete Annual Financial Information or Audited Financial Statements to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any

person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(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 with funds to be provided by the Master Developer or from Annual Collection Costs collected from the property owners in Improvement Area #1 of the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; 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 Master Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Master 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 their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(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 THE ISSUER, THE ADMINISTRATOR, OR THE DISSEMINATION AGENT, RESPECTIVELY, 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 OR THE ADMINISTRATOR IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessments Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit C which is solely intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1 of the District, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Anti-Boycott Verification. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, 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 boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent and the 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, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the Issuer to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Dissemination Agent and the Administrator, each respectively, and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

SECTION 20. No Discrimination Against Fossil-Fuel Companies. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, 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 boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable Federal or Texas law; or (B) does business with a company described by (A) above.

SECTION 21. No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, 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. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, (a) ‘discriminate against a firearm entity or firearm trade association’ (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association. As used in the foregoing verification, (b) ‘firearm entity’ means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (c) ‘firearm trade association’ means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net

earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

SECTION 22. Affiliate. As used in Sections 18 through 21, the Dissemination Agent and Administrator, each respectively, understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of SEC Rule 405, 17.C.F.R. § 230.405, and exists to make a profit.

SECTION 23. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement.

SECTION 24. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 25. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

[Signature pages follow.]

CITY OF LAVON, TEXAS
(as Issuer)

By: _____
Mayor

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(ELEVON PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

S-1

HTS CONTINUING DISCLOSURE SERVICES,
a division of Hilltop Securities Inc.
(as Dissemination Agent)

By: _____

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(ELEVON PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

S-2

P3WORKS, LLC,
(as Administrator)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(ELEVON PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

S-3

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION] [AUDITED FINANCIAL STATEMENTS]**

Name of Issuer: City of Lavon, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022
(Elevon Public Improvement District Improvement Area #1 Project)
Date of Delivery _____, 20__
CUSIP Nos: [Insert CUSIP Nos]

NOTICE IS HEREBY GIVEN that the City of Lavon, Texas, has not provided [an Annual Financial Information] [Audited Financial Statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated as of February 1, 2022, between the Issuer, P3Works, LLC, as Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent. The Issuer anticipates that the [Annual Financial Information] [Audited Financial Statements] will be filed by _____.

Dated: _____

HTS CONTINUING DISCLOSURE SERVICES, a
division of Hilltop Securities Inc.,
on behalf of the City of Lavon, Texas
(solely in its capacity as Dissemination Agent)

By: _____

Title: _____

cc: City of Lavon, Texas

EXHIBIT B

**CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [Insert CUSIP Nos]

DISSEMINATION AGENT

Name: _____
Address: _____
City: _____
Telephone: _____
Contact Person: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

Section 4(a)(i)(B)

INVESTMENTS

Fund/Account Name	Investment Description	Par Value	Book Value	Market Value

* Excluding Audited Financial Statements of the Issuer

Section 4(a)(i)(A)**ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE****ASSETS**

Bonds (Principal Balance)	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

LIABILITIES

Outstanding Bond Principal	_____
Outstanding Program Expenses (if any)	_____
TOTAL LIABILITIES	_____

EQUITY

Assets Less Liabilities	_____
Parity Ratio	_____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)(A)**FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR****Debt Service Requirements on the Bonds**

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>

Top Assessment Payers⁽¹⁾

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Assessments</u>

⁽¹⁾ Does not include those owing less than one percent (1%) of total Assessments.

Section 4(a)(ii)(B)**FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR AND AS OF FEBRUARY 1 OF THE NEXT SUCCEEDING YEAR****Foreclosure History Related to the Assessments**

<u>Time Period</u>	<u>Delinquent Assessment</u>		<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
	<u>Parcels in Foreclosure Proceedings</u>	<u>Amount in Foreclosure Proceedings</u>		
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.**Collection and Delinquency History of Assessments**

<u>Time Period</u>	<u>Total Assessment Levied</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent % as of 3/1</u>	<u>Delinquent Amount as of 9/1</u>	<u>Delinquent % as of 9/1</u>	<u>Total Assessments Collected⁽²⁾</u>
[FISCAL YEAR END]	\$		\$	%	\$	%	\$
[FEB 1. OF CURRENT YEAR] ⁽³⁾	\$		\$	%	N/A	N/A	\$

⁽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. Includes \$_____ attributable to Prepayments.

⁽³⁾ Collected as of February 1, 20__.

History of Prepayment of Assessments

<u>Time Period</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u>	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u>
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.

ITEM REQUIRED BY SECTION 4(a)(iii)

Assessed Value of the District

The [YEAR] certified total assessed value for the land in Improvement Area #1 of the District is approximately \$[AMOUNT] according to the Collin Central Appraisal District.

ITEMS REQUIRED BY SECTION 4(a)(iv) - (vii)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES⁽¹⁾

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received. Upon receipt but no later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing. Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 15	43/44	Issuer and/or Administrator should be aware of actual and specific delinquencies. Trustee pays bond interest payments to Owners. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

⁽¹⁾ Illustrates anticipated dates and procedures for pursuing the collection of delinquent 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 County Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

April 1

59/60

At this point, if total delinquencies are under 5% and if there is adequate funding for 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 delinquency. **For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure, in accordance with the County Tax/Assessor Collector's procedures.**

If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of the Bond Fund such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the County Tax/Assessor Collector's procedures.

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's procedures.

Issuer and/or Administrator to notify Dissemination Agent in writing for disclosure to MSRB of all delinquencies.

Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the

Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

A committee of not less than 25% of the Owners may request a meeting with the City Administrator to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day 30 if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed 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 Assessments.

EXHIBIT D

CONSTRUCTION, FUNDING AND ACQUISITION AGREEMENT

ELEVON PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1
CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

This **ELEVON PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT** (this “Agreement”), dated February 1, 2022 is by and between the **CITY OF LAVON, TEXAS**, a type A general law municipality of the State of Texas (the “City”), and **MA ELEVON 429, LLC**, a Texas limited liability company, (the “Developer”). The Developer and the City are sometimes individually referred to as a “Party” and collectively as the “Parties.”

ARTICLE I
DEFINITIONS

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

“**Act**” means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

“**Actual Costs**” means, with respect to each Improvement Area #1 Projects, the costs of the Improvement Area #1 Projects actually paid or incurred for construction and installation of the Improvement Area #1 Projects.

“**Administrator**” means, initially, P3Works, LLC, or any other individual or entity designated by the City to administer the District.

“**Annual Service Plan Update**” means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan.

“**Authorized Amount**” has the meaning assigned to such term in Section 6.5(g)(1) of the Indenture.

“**Authorized Improvements**” means the improvements authorized by Section 372.003 of the Act, including those listed in Section III of the Service and Assessment Plan. An individual Authorized Improvement, including a completed segment or part, shall be referred to as an **Authorized Improvement**.

“**Bond Ordinance**” means the ordinance adopted by the City Council on February 1, 2022 authorizing the issuance of the Bonds pursuant to the Indenture.

“Bonds” means the City’s bonds designated “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project)”.

“Budgeted Costs” means the anticipated, agreed upon costs of the Improvement Area #1 Projects as shown in Exhibit B-1 of the Service and Assessment Plan.

“Certificate for Payment” means a certificate, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the Developer, the Administrator and the City Representative, executed by the Developer and approved by the City Representative, provided each month to the City Representative and the Trustee, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment from the Improvement Area #1 Bond Improvement Account or the Improvement Area #1 Developer Improvement Account of the Project Fund for Actual Costs of Improvement Area #1 Projects under the Indenture.

“City Administrator” means the City Administrator of the City.

“City Representative” means that official or agent of the City authorized by the City Council to undertake the action referenced herein. As of the date hereof, the City Administrator, and/or its designees are the authorized City Representatives.

“Closing Disbursement Request” means the certificate, substantially in the form of **Exhibit A** hereto or otherwise mutually agreed to by the Developer, Administrator and City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative (as defined in the Indenture), specifying the amounts to be disbursed for the costs related to the creation of the District and the costs of issuance of the Bonds.

“Construction Contracts” means the contracts for the construction of an Improvement Area #1 Project. “Construction Contract” means any one of the Construction Contracts.

“Cost” means the Budgeted Costs or the cost of an Improvement Area #1 Project as reflected in a Construction Contract, if greater than the Budgeted Costs.

“Cost Overrun” means, with respect to each Improvement Area #1 Project, the Actual Cost of such Improvement Area #1 Project in excess of the Budgeted Cost.

“Development Agreement” means that certain Elevon Development Agreement executed by and between the City, Petro-Hunt, LLC, a Texas limited liability company, Far East Lavon, LP, a Texas limited partnership, 78 Straddle, LP, a Texas limited partnership, East Lavon Partners, LP, a Texas limited partnership, and World Land Developers, LP, a Texas limited liability company, and the Developer, effective as of November 2, 2021.

“District” shall mean Elevon Public Improvement District.

“Final Completion” means completion of an Improvement Area #1 Project in compliance with existing City standards for dedication under the City’s ordinances and the Development Agreement.

“Force Majeure” means any act that (i) materially and adversely affects the affected Party’s ability to perform the relevant obligations under this Agreement or delays such affected Party’s ability to do so, (ii) is beyond the reasonable control of the affected Party (financial inability excepted), (iii) is not due to the affected Party’s fault or negligence and (iv) could not be avoided, by the Party who suffers it, by the exercise of commercially reasonable efforts. “Force Majeure” shall include: (a) natural phenomena, such as storms, floods, lightning and earthquakes; (b) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (c) transportation disasters, whether by ocean, rail, land or air; (d) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (e) fires; (f) pandemics and epidemics; and (g) actions or omissions of a governmental authority (including the actions of the City in its capacity as a governmental authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach of its obligations under this Agreement or any applicable law or failure to comply with City regulations; provided, however, that under no circumstances shall Force Majeure include any of the following events if caused by the action or inaction of the Developer: (u) economic hardship; (v) changes in market condition; (w) any strike or labor dispute involving the employees of the Developer or any Affiliate of the Developer, other than industry or nationwide strikes or labor disputes; (x) weather conditions which could reasonably be anticipated by experienced contractors operating the relevant location; (y) the occurrence of any manpower, material or equipment shortages; or (z) any delay, default or failure (financial or otherwise) of the general contractor or any subcontractor, vendor or supplier of the Developer, or any construction contracts for the Authorized Improvements.

“Indenture” means that certain Indenture of Trust between the City and Wilmington Trust, National Association, as trustee, dated as of February 1, 2022 relating to the Bonds.

“Inspector” means (i) with respect to an Improvement Area #1 Project other than Water Improvements, an individual employed by the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected, and (ii) with respect to Water Improvements, a SUD Representative whose job is, in part or in whole, to inspect infrastructure to be owned by applicable SUD for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

“Improvement Area” means specifically defined and designated portions of the District that are developed in phases, including Improvement Area #1.

“Improvement Area #1” means the initial phase to be developed in the District, as further identified and depicted in Exhibit A-2 and more specifically described in Exhibit K-4 to the Service and Assessment Plan and in Exhibit A to the Indenture.

“Improvement Area #1 Improvements” means the Authorized Improvements which only benefit property within Improvement Area #1 of the District, as described in Section III.B., shown on Exhibit B-1 and depicted on Exhibit G-2 to the Service and Assessment Plan.

“Improvement Area #1 Projects” means, collectively, (i) the pro rata portion of the Zone 1 Improvements allocable to Improvement Area #1; (ii) the pro rata portion of the Offsite Improvements allocable to Improvement Area #1; and (iii) the Improvement Area #1 Improvements.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements, as determined by the City Council.

“Offsite Improvements” means those improvements authorized by Section 372.003 of the PID Act that confer a special benefit to all property within the District, other than Non-Benefited Property, as further described in Section III.C. and depicted on Exhibit G-1 to the Service and Assessment Plan.

“Plans” means the plans, specifications, schedules and related construction contracts for the Improvement Area #1 Projects, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the City, the Development Agreement, a SUD, and any other applicable governmental entity.

“Project Fund” means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other funds in accordance with the Indenture, and monies from the Developer, shall be deposited, and the fund by such name created under the Indenture.

“Reimbursement Agreement” means the “Elevon Public Improvement District Improvement Area #1 Reimbursement Agreement” between the City and the Developer, dated February 1, 2022 which provides for the payment of costs to the Developer for funds advanced by the Developer and used to pay Actual Costs of Improvement Area #1 Projects and other matters related thereto.

“Service and Assessment Plan” means Elevon Public Improvement District Service and Assessment Plan adopted on February 1, 2022 by the City Council, prepared pursuant to the Act, as amended and updated from time to time.

“SUD” means, as applicable, either (i) the Bear Creek Special Utility District, a political subdivision of the State of Texas, located in Collin County, or (ii) the Nevada Special Utility District, a political subdivision of the State of Texas, located in Collin County.

“SUD Representative” means that official or agent of a SUD authorized by the Board of Directors of such SUD to undertake the action referenced herein.

“Water Improvements” means the water lines, facilities and infrastructure improvements constituting a portion of the Improvement Area #1 Projects.

“Zone 1” means approximately 336.724 acres located within the District and more specifically described in Exhibit K-3 and depicted on Exhibit A-2 to the Service and Assessment Plan.

“Zone 1 Improvements” means those improvements authorized by Section 372.003 of the PID Act that confer a special benefit to all property within Zone 1, other than Non-Benefited Property, as further described in Section III.A. and depicted on Exhibit G-1 to the Service and Assessment Plan.

ARTICLE II RECITALS

Section 2.01. The District and the Improvement Area #1 Projects.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Improvement Area #1 Projects.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, a portion of the proceeds of which shall be used, in part, to finance a portion of the Improvement Area #1 Projects.

(c) All Improvement Area #1 Projects are eligible to be financed with proceeds of the Bonds to the extent specified in the Indenture and the Service and Assessment Plan.

(d) The proceeds from the issuance and sale of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer shall deposit monies into the Improvement Area #1 Developer Improvement Account in the amount specified in the Indenture.

(f) The Developer will perform or cause to be performed the engineering, construction and development of the Improvement Area #1 Projects for acquisition and acceptance by the City or, in the case of the Water Improvements, the applicable SUD.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) Subject to the Cost Overrun provisions set forth in the Development Agreement and Section 4.04 of this Agreement, the Bonds will finance a portion of the Actual Costs of the Improvement Area #1 Projects as provided for in the Service and Assessment Plan, as may be updated or amended. The payment of costs from the proceeds of the Bonds for such Improvement Area #1 Projects shall be made from the Project Fund established under the Indenture.

(c) The City's obligation with respect to the payment of the Improvement Area #1 Projects shall be limited to the Actual Costs and shall be payable solely from amounts on deposit for the payment of such costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns, Actual Costs and all expenses related to the Improvement Area #1 Projects, qualified, however, by the distribution of Cost Underrun (as defined in Section 4.04 hereof) monies, as detailed in Section 4.04. The Developer agrees and acknowledges that, based on the estimated costs of the Improvement Area #1 Projects, it is expected that the Developer or its designees will expend funds for Actual Costs of Improvement Area #1 Projects in amounts greater than the amount deposited by the Developer into the Improvement Area #1 Developer Improvement Account of the Project Fund under the Indenture.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment. Any such loss may diminish the amounts available in the Project Fund to pay the Costs of the Improvement Area #1 Projects in the District, including the Developer to the extent it owns any real property in the District. The obligation of a property owner in the District to pay Assessments is not in any way dependent on the availability of amounts in the Project Fund to pay for all or any portion of the Costs of the Improvement Area #1 Projects.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Improvement Area #1 Projects shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Improvement Area #1 Projects required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

(f) The Developer acknowledges that some funds may not be immediately available for reimbursement for Actual Costs of the Improvement Area #1 Projects submitted and approved in accordance with Section 5.02 of this Agreement with an approved Certificate for Payment. Both

parties acknowledge that these remaining amounts will be disbursed, to the extent of available monies in the Project Fund under the terms of the Indenture, as money is deposited into the Project Fund for the payment of such costs. Both Parties acknowledge that the availability of funds in the Project Fund does not relieve the Developer from its responsibility to acquire, construct or ensure the construction of the Improvement Area #1 Projects in accordance with the Development Agreement, the Service and Assessment Plan, and this Agreement.

(g) The Developer acknowledges that each of K. Hovnanian DFW Elevon, LLC, HMH/Stratford Elevon JV, LLC, GRBK Edgewood LLC, and Qualico Developments (U.S.), Inc. (each, a “Builder”) have or will execute a builder completion agreement (each, an “IA #1 Builder Completion Agreement”) with the Trustee relating to each Builder’s obligations to fund certain of the costs of the Improvement Area #1 Projects and Private Improvements (as defined in the Development Agreement) in Improvement Area #1 in satisfaction of the requirements of Sections 3.02(c)(vii) and 3.04 of the Development Agreement, and under the terms of each IA #1 Builder Completion Agreement, each Builder has provided or will provide certain, specified evidence of its ability to fund (a “Funding Deficit Funding Source”) its portion of the costs of such Private Improvements and its portion of the costs of the Improvement Area #1 Projects not funded with proceeds of the Bonds (each, a “Funding Deficit”). In the event that a Builder fails to provide, maintain or file evidence of its agreed-to Funding Deficit Funding Source under the terms of its IA #1 Builder Completion Agreement, upon notice by the City to the Developer of such failure, the Developer agrees to provide to the City evidence of the Developer’s ability to fund the Builder’s Funding Deficit in conformance with the requirements of Sections 3.02(c)(vii) and 3.04 of the Development Agreement.

Section 3.02. Disbursements and Transfers at Bond Closing.

(a) The City and the Developer agree that from the proceeds of the Bonds and upon the presentation of evidence satisfactory to the Administrator, the City will cause the Trustee to pay at closing of the Bonds from the Costs of Issuance Account of the Project Fund and/or the Improvement Area #1 Bond Improvement Account of the Project Fund, an amount not to exceed the amount set forth in the Indenture to the persons entitled to the payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the District as of the delivery of the Bonds, as described in the Service and Assessment Plan, as may be updated and amended.

Section 3.03 Accounts. In addition to the Costs of Issuance Account, there shall be two subaccounts, the Improvement Area #1 Bond Improvement Account and the Improvement Area #1 Developer Improvement Account, in the Project Fund administered by the Trustee at the direction of the City Representative:

(a) The Improvement Area #1 Bond Improvement Account of the Project Fund. Certain proceeds from the issuance and sale of the Bonds attributable to the Improvement Area #1

Projects shall be deposited into the Improvement Area #1 Bond Improvement Account of the Project Fund in the amount shown in the Indenture.

(b) The Improvement Area #1 Developer Improvement Account of the Project Fund. On the Closing Date and pursuant to the terms of the Indenture, if required, the Developer shall make an initial deposit to the Improvement Area #1 Developer Improvement Account of the Project Fund in the amount shown in the Indenture.

Section 3.04. Security for the Improvement Area #1 Projects.

(a) Prior to completion and conveyance to the City of an Improvement Area #1 Project, including a segment, section, or portion thereof, the Developer or the Developer's contractor shall provide to the City a maintenance bond, which maintenance bond shall be for a term of two years from the date of final acceptance of the Improvement Area #1 Project. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that the City, through the City attorney, shall retain the right to reject any surety company as a surety for any work hereunder regardless of such company's authorization to do business in Texas. Approvals by the City shall not be unreasonably withheld or delayed. The Developer shall construct or cause to be constructed the Improvement Area #1 Projects in accordance with the City's established ordinances, regulations, policies, procedures, specifications, and the Development Agreement. Prior to City accepting any Improvement Area #1 Project and/or approving a final disbursement for an Improvement Area #1 Project, the Developer shall provide an "all bills paid/no liens" affidavit, in the form provided by the City and shall also provide such supporting documentation as required by the City, that affirms that all invoices and bills, other than statutory ten percent (10%) retainage, were paid for the Improvement Area #1 Project.

(b) The Developer shall construct or cause to be constructed the Water Improvements in accordance with the applicable SUD regulations and the Development Agreement.

ARTICLE IV

DEDICATION OF LAND AND CONSTRUCTION OF IMPROVEMENT AREA #1 PROJECTS

Section 4.01. Duty of Developer to Construct.

(a) All Improvement Area #1 Projects shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Improvement Area #1 Projects in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work

and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Improvement Area #1 Projects, to be acquired and accepted by the City (or, with respect to the Water Improvements, the applicable SUD), from the Developer as provided in this Agreement and the Development Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Improvement Area #1 Project and, upon completion, inspection, and acceptance, convey each such Improvement Area #1 Project to the City (or, with respect to the Water Improvements, the applicable SUD) in accordance with the terms hereof, even if there are insufficient funds in the Project Fund to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Improvement Area #1 Projects required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Improvement Area #1 Projects shall not require competitive bidding pursuant to Sections 252.022(a)(9) and 252.022(a)(11) of the Texas Local Government Code, as amended, based upon current cost estimates.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City with respect to the Improvement Area #1 Projects.

Section 4.04. Remaining Funds After Completion of an Improvement Area #1 Project. Upon the Final Completion of an Improvement Area #1 Project (or its completed segment or phase thereof) and payment of all outstanding invoices for such Improvement Area #1 Project (or its completed segment or phase thereof), if the Actual Cost of such Improvement Area #1 Project is less than the Budgeted Cost (a "Cost Underrun"), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Improvement Area #1 Project (or its completed segment or phase thereof) with the approval of the City Administrator and provided that all Improvement Area #1 Projects as set forth in the Service and Assessment Plan are undertaken at least in part. The elimination of a category of Improvement Area #1 Projects in the Service and Assessment Plan will require an amendment to the Service and Assessment Plan. Upon the approval of a final bid for an Improvement Area #1 Project (or segment or phase thereof), if the Construction Contract for an Improvement Area #1 Project (or segment or phase thereof) is lower than the Budgeted Cost, funds available from the applicable improvement category may be used as Cost Underruns and applied to another improvement category with the approval of the City Administrator, and the Service and Assessment Plan shall be amended or updated in an Annual Service Plan Update to reflect the reallocation of Budgeted Costs. If, upon completion of the Improvement Area #1 Projects in any improvement category, there are funds remaining in any

improvement categories for the Improvement Area #1 Projects, those funds can then be used to reimburse the Developer for any qualifying costs of the Improvement Area #1 Projects that have not been previously paid.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “Change Orders”) required for the construction of the Improvement Area #1 Projects. Developer or its contractors may approve and implement any Change Orders, even if such Change Order would increase the Cost of an Improvement Area #1 Project, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such Change Orders except to the extent amounts are available pursuant to Section 4.04. If any Change Order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City’s engineer prior to execution of the Change Order.

ARTICLE V

ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Closing Disbursement Request. In order to receive the disbursement from the Project Fund at closing of the Bonds described in Section 3.02, on or prior to the fifteenth (15th) day before the closing of the Bonds, the Developer shall cause to be delivered to the Trustee at Closing a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise acceptable and agreed to by the Developer, Administrator, and the City Representative for the disbursements described in Section 3.02.

Section 5.02. Certificate for Payment for an Improvement Area #1 Project.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Improvement Area #1 Project until a monthly Certificate for Payment is received from the Developer for work with respect to an Improvement Area #1 Project (or its completed segment or phase thereof). Upon receipt of a Certificate for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation acceptable to the City) from the Developer, the City Representative shall conduct a review in order to confirm that such request is complete, that the work with respect to such Improvement Area #1 Project identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement and the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certificate for Payment (collectively, the “Developer Compliance Requirements”), and shall forward the request to the Trustee. The approval of the Certificate for Payment by the City Representative shall constitute a representation by the City to the Trustee that the Developer Compliance Requirements have been satisfied with respect to the Improvement Area #1 Projects identified therein. The Inspector shall also conduct such review as is required in his discretion to

confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the Inspector in conducting each such review and to provide the Inspector with such additional information and documentation as is reasonably necessary for the Inspector to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Certificate for Payment, the City Representative or their designee shall either (i) approve and execute the Certificate for Payment and forward the same to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the City Representative or their designee disapproves the Certificate for Payment, give written notification to the Developer of the City's disapproval, in whole or in part, of such Certificate for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certificate for Payment. If a Certificate for Payment seeking reimbursement is approved only in part, the City shall specify the extent to which the Certificate for Payment is approved and shall deliver such partially approved Certificate for Payment to the Trustee for payment to the Developer or its designee in accordance with Section 5.03 hereof, and any such partial work shall be processed for payment under Section 5.03(c) hereof notwithstanding such partial denial.

(c) If the City requires additional documentation, timely disapproves or questions the correctness or authenticity of the Certificate for Payment, the City shall deliver a detailed notice to the Developer within fifteen (15) business days of receipt thereof, then payment with respect to disputed portion(s) of the Certificate for Payment shall not be made until the Developer and the City have jointly settled such dispute or additional information has been provided to the City's reasonable satisfaction. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial of the Certificate for Payment by the City Council shall be attempted to be resolved by half-day mediation between the Parties in the event an agreement is not otherwise reached by the Parties, with the mediator's fee being paid by Developer. The portion of the Certificate for Payment in dispute shall not be forwarded to the Trustee for payment until the dispute is resolved by the City and the Developer.

(d) The City shall deliver the approved or partially approved Certificate for Payment to the Trustee for payment and the Trustee shall make such payment from the Project Fund in accordance with Section 5.03 below.

Section 5.03. Payment for an Improvement Area #1 Project.

(a) Upon receipt of a reviewed and approved Certificate for Payment, the Trustee shall make payment from the following funds: (1) first, from the Improvement Area #1 Bond Improvement Account of the Project Fund; then (2) second, from the Improvement Area #1 Developer Improvement Account of the Project Fund as designated in the Certificate for Payment pursuant to the terms of the Certificate for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular Improvement Area #1 Project (or its completed segment),

unless a Cost Overrun amount has been approved for a particular Improvement Area #1 Project. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount. Notwithstanding the foregoing, if the Authorized Amount has been disbursed and prior to the satisfaction of a Release Condition, the Trustee shall make payment from the Improvement Area #1 Developer Improvement Account until satisfaction of a Release Condition.

(b) Until such time as the Authorized Amount has been disbursed from the Improvement Area #1 Bond Improvement Account, the Trustee shall pay Actual Costs of the Improvement Area #1 Projects from funds in the Improvement Area #1 Bond Improvement Account. After the Authorized Amount has been disbursed from the Improvement Area #1 Bond Improvement Account and prior to the satisfaction of the Release Condition (as such term defined in the Indenture), the Trustee shall pay Actual Costs of the Improvement Area #1 Projects only from funds on deposit in the Improvement Area #1 Developer Improvement Account. After the Authorized Amount has been disbursed from the Improvement Area #1 Bond Improvement Account and the Release Condition has been satisfied, the Trustee shall pay Actual Costs of the Improvement Area #1 Projects, first, from funds in the Improvement Area #1 Bond Improvement Account until such Account is depleted, and thereafter from funds on deposit in the Improvement Area #1 Developer Improvement Account. In the event of any conflict between this provision and Section 6.5 of the Indenture, Section 6.5 of the Indenture shall control.

(c) Approved Certificates for Payment that await reimbursement shall not accrue interest.

(d) Notwithstanding any other provisions of this Agreement, when payment is made, the Trustee shall make payment directly to the person or entity specified by the Developer in an approved Certificate for Payment, including: (1) a general contractor or supplier of materials or services or jointly to the Developer (or any permitted assignee of the Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certificate for Payment; (2) to the Developer or any assignee of the Developer if an unconditional lien release (or a conditional lien release accompanied by evidence of payment satisfactory to the City) related to the items referenced in the Certificate for Payment is attached to such Certificate for Payment; and (3) to the Developer, or to the third party contractor directly, at Developer's request as specified in the Certificate for Payment, in the event the Developer provides a general contractor's or suppliers of materials unconditional lien release (or a conditional lien release accompanied by evidence of payment satisfactory to the City) for a portion of the work covered by a Developer or any assignee of the Developer to the extent of such lien release. Neither the Trustee, nor the City, City Council, City Administrator, or City Representative or their designee shall have any liability for relying on the accuracy of the payee information in any Certificate for Payment as presented by the Developer or its assignees.

(e) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanic's or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Improvement Area #1 Project to foreclosure, forfeiture, or sale.

Section 5.04. Reimbursement Agreement Certificate for an Improvement Area #1 Project.

(a) The Developer shall submit a Reimbursement Agreement Certificate substantially in the form of **Exhibit C** hereto (and all accompanying documentation acceptable to the City) for work on an Improvement Area #1 Project for reimbursement of Actual Costs on an Improvement Area #1 Project (or its completed segment or phase thereof) pursuant to the Reimbursement Agreement. The Developer may submit Reimbursement Agreement Certificates periodically, but not more often than once each calendar month. Upon receipt of a Reimbursement Agreement Certificate from the Developer, the City Representative shall conduct a review in order to confirm that such request is complete, that the work with respect to such Improvement Area #1 Project identified therein for which reimbursement is requested was completed in accordance with the Developer Compliance Requirements, and to verify and approve the Actual Cost of such work specified in such Reimbursement Agreement Certificate. The Inspector shall also conduct such review as is required in his discretion to confirm the matters certified in the Reimbursement Agreement Certificate. The Developer agrees to cooperate with the Inspector in conducting each such review and to provide the Inspector with such additional information and documentation as is reasonably necessary for the Inspector to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Reimbursement Agreement Certificate, the City Representative or their designee shall either (i) approve and execute the Reimbursement Agreement Certificate or (ii) in the event the City Representative or their designee disapproves the Reimbursement Agreement Certificate, give written notification to the Developer of the City's disapproval, in whole or in part, of such Reimbursement Agreement Certificate, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Reimbursement Agreement Certificate. If a Reimbursement Agreement Certificate seeking reimbursement is approved only in part, the City shall specify the extent to which the Reimbursement Agreement Certificate is approved.

(c) If the City requires additional documentation, timely disapproves or questions the correctness or authenticity of the Reimbursement Agreement Certificate, the City shall deliver a detailed notice to the Developer within fifteen (15) business days of receipt thereof, then establishment of an amount for reimbursement under the Reimbursement Agreement with respect

to disputed portion(s) of the Reimbursement Agreement Certificate shall not be made until the Developer and the City have jointly settled such dispute or additional information has been provided to the City's reasonable satisfaction. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial of the Reimbursement Agreement Certificate by the City Council shall be attempted to be resolved by half-day mediation between the Parties in the event an agreement is not otherwise reached by the Parties, with the mediator's fee being paid by Developer.

(d) The reimbursement amount under a Reimbursement Agreement Certificate approved or partially approved Reimbursement Agreement Certificate shall be added to the "Reimbursement Amount" under the Reimbursement Agreement, subject to the maximum amount allowed for such Reimbursement Amount or other provisions of the Reimbursement Agreement.

ARTICLE VI

OWNERSHIP AND TRANSFER OF IMPROVEMENT AREA #1 PROJECTS

Section 6.01. Improvement Area #1 Projects to be Owned by the City– Title Evidence. The Developer shall furnish to the City a preliminary title report for land with respect to an Improvement Area #1 Project to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City, for review and approval at least thirty (30) calendar days prior to the transfer of title of an Improvement Area #1 Project to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Improvement Area #1 Project until the Developer has cured such objections to title to the satisfaction of the City.

Section 6.02. Improvement Area #1 Project Constructed on City Land or Developer Land. If an Improvement Area #1 Project is on land owned by the City, the City hereby grants to the Developer, where applicable, a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Improvement Area #1 Project. The provisions for inspection and acceptance of such Improvement Area #1 Project otherwise provided herein shall apply. If the Improvement Area #1 Project is on land owned by the Developer, the Developer hereby grants to the City an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Improvement Area #1 Project. The provisions for inspection and acceptance of such Improvement Area #1 Project otherwise provided herein and in the Development Agreement shall apply.

ARTICLE VII

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer is a limited liability company duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands of the Developer in the District or the Improvement Area #1 Projects in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Improvement Area #1 Projects.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund or reimbursement under the Reimbursement Agreement for the acquisition, construction or installation of any improvements that are not part of the Improvement Area #1 Projects, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certificate for Payments.

(f) Financial Records. For a period of two years after completion of the Improvement Area #1 Projects, the Developer covenants to maintain proper books of record and account for the construction of the Improvement Area #1 Projects and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City, the applicable SUD, and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Improvement Area #1 Projects have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the

Act, this Agreement and the Development Agreement. Developer shall provide as-built plans for all Improvement Area #1 Projects to the City.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the Inspector and the City Representative related to the status of construction of Improvement Area #1 Projects within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement executed by the Developer, the Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent, dated as February 1, 2022 in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the “Tax Certificate”) containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, “Bond Proceeds”).

The Developer covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquiries to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including, but not limited to, the use of the Improvement Area #1 Projects) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. The Developer shall assume the defense of, and indemnify and hold harmless the Inspector, the City, employees, officials, officers,

representatives and agents of the City, and each of them (each an “Indemnified Party”), from and against all actions, damages, claims, losses or expense of every type and description to which they may be subjected or put, by reason of, or resulting from the breach of any provision of this Agreement by the Developer, the negligent design, engineering and/or construction by the Developer or any architect, engineer or contractor hired by the Developer of any of the Improvement Area #1 Projects or other Authorized Improvements constructed by the Developer hereunder, the Developer’s nonpayment under contracts between the Developer and its consultants, engineers, advisors, contractors, subcontractors and suppliers in the provision of the Improvement Area #1 Projects or other Authorized Improvements constructed by Developer, or any claims of Persons employed by the Developer or its agents to construct such projects. Notwithstanding the foregoing, no indemnification is given hereunder for any action, damage, claim, loss or expense directly attributable to the willful misconduct or gross negligence of any Indemnified Party. The City does not waive its defenses and immunities, whether governmental, sovereign, official, or otherwise, and nothing in this Agreement is intended to or shall confer any right or interest in any person not a party hereto.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Improvement Area #1 Projects, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Improvement Area #1 Projects is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer are or may be substantially increased or otherwise adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied within the Improvement Area #1 as of the effective date of this Agreement.

ARTICLE VIII

TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Projects not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of an

Improvement Area #1 Project hereunder for any remaining work, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the Inspector and other appropriate City staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the Improvement Area #1 Projects. Such options may include, but not be limited to, the termination of this Agreement by the City. If the City elects to terminate this Agreement, the City shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) of the grounds for such termination and allow the Developer a minimum of forty-five (45) days to eliminate or to mitigate to the satisfaction of the City the grounds for such termination. Such period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the City, the City may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work accepted by the City related to an Improvement Area #1 Project only as provided for under the terms of the Indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the City to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the City may in its discretion cause the Trustee to cease making payments for the Actual Costs of Improvement Area #1 Projects, provided that the Developer shall receive payment of the Actual Costs of any Improvement Area #1 Projects that were accepted by the City at the time of the occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement and of the Development Agreement.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Projects not accepted by the City or the applicable SUD and use all or any portion of the funds on deposit in the Project Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Improvement Area #1 Projects hereunder, except as

otherwise may be provided upon the mutual written consent of the City and the Developer or as provided for in the Indenture. The City shall have no obligation to perform any work related to an Improvement Area #1 Project or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding Bonds issued under the Indenture.

Section 8.04. Construction of the Improvement Area #1 Projects Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Improvement Area #1 Projects in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to Force Majeure, to perform its obligations under this Agreement, then the obligations affected by the Force Majeure shall be temporarily suspended. Within fifteen (15) business days after the occurrence of a Force Majeure, the Party claiming the right to temporarily suspend its performance, shall give notice to all the Parties, including a detailed explanation of the Force Majeure and a description of the action that will be taken to remedy the Force Majeure and resume full performance at the earliest possible time.

ARTICLE IX MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the Inspector, City Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The Inspector, City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days' prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Improvement Area #1 Projects and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	Attn: Kim Dobbs City Administrator City of Lavon 120 School Road P.O. Box 340 Lavon, Texas 75166 kdobbs@lavontx.gov
With a copy to:	Attn: Julie Fort Messer, Fort & McDonald 6371 Preston Road, STE 200 Frisco, Texas 75034 julie@txmunicipallaw.com
To the Developer:	Attn: John Marlin MA Elevon 429, LLC 15443 Knoll Trail Drive, Suite 130 Dallas, Texas 75248 jmarlin@madev.com
With a copy to:	Attn: Robert Miklos Miklos Cinclair, PLLC 1800 Valley View Lane, Suite 360 Farmers Branch, Texas 75234 Robert@m-clegal.com

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The City shall advise the Developer of the name and address of any Inspector who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Administrator, except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for the Developer for an Improvement Area #1 Project, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Improvement Area #1 Project. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the City being an “obligated person” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. In connection with any consent of the City, the City may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee’s express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the City deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned. The City may assign by a separate writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City’s or the Developer’s rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control. To the extent there is a conflict between this Agreement and the Development Agreement, this Agreement shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party’s right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. Except as otherwise provided in Section 9.05, upon agreement by the parties, this Agreement may be amended, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement shall become effective as of the date first above written. All representations and warranties set forth therein shall be deemed to have been made on the effective date of this Agreement and on the Closing Date of the Bonds.

Section 9.13 No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.14. Not a Listed Company. The Developer hereby 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, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

Section 9.15. Verification Regarding Energy Company Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

Section 9.16. Verification Regarding Discrimination Against Firearm Entity or Trade Association. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, "SB 19"), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" shall have the meaning assigned to such term in Section 2274.001(3) (as added by SB 19), Texas Government Code. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

[Execution pages follow.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed
February 1, 2022.

ATTEST:

CITY OF LAVON, TEXAS

Name: Rae Norton
Title: City Secretary

By: _____
Name: Vicki Sanson
Title: Mayor

Date: _____

(City Seal)

DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

Exhibit A

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for MA Elevon 429, LLC, (the “Developer”) and requests payment from:

[the Costs of Issuance Account of the Project Fund][the Improvement Area #1 Bond Improvement Account of the Project Fund] from Wilmington Trust, National Association (the “Trustee”) in the amount of _____DOLLARS (\$_____) for costs incurred in the establishment, administration, and operation of the Elevon Public Improvement District (the “District”), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Elevon Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement between the Developer and the City, dated as of February 1, 2022 (the “CFA Agreement”).

In connection to the above referenced payments, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with and within the costs as set forth in the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the CFA Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment Instructions

I hereby declare that the above representations and warranties are true and correct.

DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

APPROVAL OF REQUEST

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and authorizes and directs payment of such amounts by Trustee from the accounts listed below to the Developer or other person designated by the Developer.

Closing Costs	Amount to be Paid by Trustee from Costs of Issuance Account	Amount to be paid by Trustee from Improvement Area #1 Bond Improvement Account
\$_____	\$_____	\$_____

CITY OF LAVON, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B

CERTIFICATE FOR PAYMENT FORM – IMPROVEMENT AREA #1 PROJECT

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Elevon Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement between the Developer and the City, dated as of February 1, 2022 (the “CFA Agreement”).

The undersigned is an agent for MA Elevon 429, LLC, a Texas limited liability company (the “Developer”) and requests payment to the Developer (or to the person designated by the Developer) from:

_____ the Improvement Area #1 Bond Improvement Account of the Project Fund

_____ the Improvement Area #1 Developer Improvement Account of the Project Fund

from Wilmington Trust, National Association, (the “Trustee”), in the amount of _____ (\$_____) for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Improvement Area #1 Projects providing a special benefit to property within the Elevon Public Improvement District.

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment Form on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The itemized payment requested for the below referenced Improvement Area #1 Projects has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The itemized amounts listed for the Improvement Area #1 Projects below is a true and accurate representation of the Improvement Area #1 Projects associated with the creation, acquisition, or construction, or installation of said Improvement Area #1 Projects and such costs (i) are in compliance with the CFA Agreement, and (ii) are consistent with and within the cost identified for such Improvement Area #1 Projects as set forth in the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the CFA Agreement, the Indenture, and the Service and Assessment Plan.
5. The Developer or their assignee is not delinquent on PID assessments or property taxes for property under their respective control within the District.
6. All conditions set forth in the Indenture and the CFA Agreement for the payment hereby requested have been satisfied.

7. The work with respect to Improvement Area #1 Projects referenced below (or its completed segment) has been completed, and the Inspector has inspected such Improvement Area #1 Projects (or its completed segment).

8. The Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

Payee / Description of Improvement Area #1 Projects	Total Cost of Improvement Area #1 Projects	Budgeted Cost of Improvement Area #1 Projects	Amount requested to be paid from the Improvement Area #1 Bond Improvement Account ¹	Amount requested to be paid from the Improvement Area #1 Developer Improvement Account	Total amount disbursed from the Improvement Area #1 Bond Improvement Account upon payment of sums under this Payment Certificate	Total amount disbursed from the Improvement Area #1 Developer Improvement Account upon payment of sums under this Payment Certificate

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are **“bills paid” affidavits and supporting documentation** in the standard form for City construction projects evidencing that any contractor or subcontractor having performed work on an Improvement Area #1 Project described above has been paid in full for all work completed through the previous Certificate for Payment.

Pursuant to the CFA Agreement, after receiving this payment request, the Inspector has inspected the Improvement Area #1 Projects (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment instructions

[FOR INITIAL PAYMENT OUT OF IMPROVEMENT AREA #1 BOND IMPROVEMENT ACCOUNT THAT EXCEEDS THE AUTHORIZED AMOUNT, THE FOLLOWING REPRESENTATIONS MUST BE PROVIDED]

¹ Any amount over the Authorized Amount shall not be released from the Improvement Area #1 Bond Improvement Account unless and until satisfaction of a Release Condition (as defined in the Indenture)

[With this Certificate for Payment, the Developer is requesting disbursement of money from the Improvement Area #1 Bond Improvement Account in excess of the Authorized Amount, and the Developer hereby certifies that as of the date of submission of this Certificate for Payment [the City has issued a certificate of occupancy for at least two (2) homes within Improvement Area #1][the ratio of the estimated taxable assessed value of the property within Improvement Area #1 to the total amounts drawn from the Improvement Area #1 Bond Improvement Account and the Improvement Area #1 Developer Improvement Account, inclusive of the amounts requested under this Certificate for Payment, equals [TO BE PROVIDED] to 1.00, which is at least 2.00 to 1.00 as required under Section 6.5(g) of the Indenture. The estimated taxable assessed value of the property within Improvement Area #1 is \$[TO BE PROVIDED] which is derived from: (i) the sale price (as evidenced by executed real estate contracts or HUD-1 settlement statement provided to the City) of property within the District that has been sold and for which development on that property has begun; (ii) the sale price (as evidenced by executed real estate contracts or HUD-1 settlement statement provided to the City) of property which has been sold but for which development has not begun; (iii) the Collin Central Appraisal District's value of property established by the last tax statement sent by the Collin County Tax Assessor; or (iv) any combination of (i) through (iii) without duplication. The total amount drawn from the Improvement Area #1 Bond Improvement Account and from the Improvement Area #1 Developer Improvement Account, inclusive of the amounts requested under this Certificate for Payment is \$[TO BE PROVIDED].]

I hereby declare that the above representations and warranties are true and correct.

Dated: _____.

DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

APPROVAL OF REQUEST

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and authorizes and directs payment of the amounts set forth below by Trustee from the Project Fund to the Developer or other person designated by the Developer as listed and directed on such Certificate for Payment. The City's approval of the Certificate for Payment shall not have the effect of estopping or preventing the City from asserting claims under the CFA Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Improvement Area #1 Projects.

Pursuant to the CFA Agreement, after or upon receiving this payment request, the City has inspected or been provided inspection reports for the Improvement Area #1 Projects (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

Amount of Payment Certificate Request	Amount to be Paid by Trustee from Improvement Area #1 Bond Improvement Account	Amount to be paid by Trustee from Improvement Area #1 Developer Improvement Account
\$ _____	\$ _____	\$ _____

[TO BE CERTIFIED WITH CERTIFICATION FOR PAYMENT FOR INITIAL PAYMENT OUT OF IMPROVEMENT AREA #1 BOND IMPROVEMENT ACCOUNT THAT EXCEEDS THE AUTHORIZED AMOUNT AND SATISFACTION OF A RELEASE CONDITION (AS DEFINED IN THE INDENTURE): The City hereby certifies that it has received satisfactory evidence of satisfaction of a Release Condition set forth in the Indenture.]

CITY OF LAVON, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit C

**REIMBURSEMENT AGREEMENT CERTIFICATE FORM – IMPROVEMENT AREA
#1 PROJECT**

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Elevon Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement between the Developer and the City, dated as of February 1, 2022 (the “CFA Agreement”).

The undersigned is an agent for MA Elevon 429, LLC, a Texas limited liability company (the “Developer”) and requests establishment of an amount of _____ (\$_____) for reimbursement to the Developer under the Reimbursement Agreement for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Improvement Area #1 Projects providing a special benefit to property within the Elevon Public Improvement District.

In connection with the above referenced reimbursement amount, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Reimbursement Agreement Certificate Form on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The itemized reimbursement requested for the below referenced Improvement Area #1 Projects has not been the subject of any prior reimbursement request submitted for the same work to the City.
3. The itemized amounts listed for the Improvement Area #1 Projects below is a true and accurate representation of the Improvement Area #1 Projects associated with the creation, acquisition, or construction, or installation of said Improvement Area #1 Projects and such costs (i) are in compliance with the CFA Agreement, and (ii) are consistent with and within the cost identified for such Improvement Area #1 Projects as set forth in the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the CFA Agreement, the Indenture, and the Service and Assessment Plan.
5. The Developer or their assignee is not delinquent on PID assessments or property taxes for property under their respective control within the District.
6. All conditions set forth in the Reimbursement Agreement for the reimbursement hereby requested have been satisfied.
7. The work with respect to Improvement Area #1 Projects referenced below (or its completed segment) has been completed, and the Inspector has inspected such Improvement Area #1 Projects (or its completed segment).

8. The Developer agrees to cooperate with the City in conducting its review of the requested reimbursement and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Reimbursement amount requested is as follows:

Payee / Description of Improvement Area #1 Projects	Total Cost of Improvement Area #1 Projects	Budgeted Cost of Improvement Area #1 Projects	Amount requested to be reimbursed under Reimbursement Agreement	Total Reimbursement Amount requested under Reimbursement Agreement upon addition of sums under this Reimbursement Agreement Certificate

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are **“bills paid” affidavits and supporting documentation** in the standard form for City construction projects evidencing that any contractor or subcontractor having performed work on an Improvement Area #1 Project described above has been paid in full for all work completed through the previous Reimbursement Agreement Certificate.

Pursuant to the CFA Agreement, after receiving this reimbursement request, the Inspector has inspected the Improvement Area #1 Projects (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

I hereby declare that the above representations and warranties are true and correct.

Dated: _____.

DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

APPROVAL OF REQUEST

The City is in receipt of the attached Reimbursement Agreement Certificate, acknowledges the Reimbursement Agreement Certificate, and finds the Reimbursement Agreement Certificate to be in order. After reviewing the Reimbursement Agreement Certificate, the City approves the Reimbursement Agreement Certificate and authorizes the reimbursement amount to be added to the "Reimbursement Amount" under the Reimbursement Agreement, subject to any maximum amount or other provisions of the Reimbursement Agreement. The City's approval of the Reimbursement Agreement Certificate shall not have the effect of estopping or preventing the City from asserting claims under the CFA Agreement, the Indenture, the Service and Assessment Plan, the Reimbursement Agreement, or any other agreement between the parties or that there is a defect in the Improvement Area #1 Projects.

Pursuant to the CFA Agreement, after or upon receiving this reimbursement request, the City has inspected or been provided inspection reports for the Improvement Area #1 Projects (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

Amount of Reimbursement Agreement Certificate Request	Amount to be added to the Reimbursement Amount under the Reimbursement Agreement
\$ _____	\$ _____

CITY OF LAVON, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT E

REIMBURSEMENT AGREEMENT

**ELEVON PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 REIMBURSEMENT AGREEMENT**

This Elevon Public Improvement District Improvement Area #1 Reimbursement Agreement (this “Reimbursement Agreement”) is executed by and among the **City of Lavon, Texas**, a type A general law municipality of the State of Texas (the “City”) and **MA Elevon 429, LLC**, a Texas limited liability company (the “Developer”) (individually referred to as a “Party” and collectively as the “Parties”) to be effective February 1, 2022 (the “Effective Date”).

RECITALS

WHEREAS, capitalized terms used in this Reimbursement Agreement shall have the meanings given to them in this Reimbursement Agreement or in the *Elevon Public Improvement District Service and Assessment Plan*, as the same may be amended, supplemented, and updated from time to time (the “SAP” or “Service and Assessment Plan”) passed and approved by the City Council of the City on February 1, 2022; and

WHEREAS, on November 2, 2021, the City Council passed and approved Resolution No. 2021-11-07(the “Creation Resolution”) authorizing the creation of the Elevon Public Improvement District (the “District”), covering approximately 982.719 acres of land described by metes and bounds in said Creation Resolution (the “District Property”); and

WHEREAS, the purpose of the District is to finance public improvements (the “Authorized Improvements”) as provided by Chapter 372, Texas Local Government Code, as amended (the “PID Act”) that promote the interests of the City and confer a special benefit on the Assessed Property within the District; and

WHEREAS, the District Property is being developed in accordance with that certain Elevon Development Agreement executed by and between City, Petro-Hunt, LLC, a Texas limited liability company, Far East Lavon, LP, a Texas limited partnership, 78 Straddle, LP, a Texas limited partnership, East Lavon Partners, LP, a Texas limited partnership, and World Land Developers, LP, a Texas limited liability company, and the Developer, effective as of November 2, 2021, and as may be amended (the “Development Agreement”); and

WHEREAS, the District Property is being developed in phases or improvement areas, and special assessments for each phase or improvement area have been or will be levied against the Assessed Property within such phase or improvement area to pay the costs of Authorized Improvements that confer a special benefit on the Assessed Property within such phase; and

WHEREAS, Improvement Area #1 is the initial improvement area of the District Property to be developed, as described in the SAP; and

WHEREAS, Improvement Area #1 Projects (as defined in the SAP) are to be constructed within or to serve Improvement Area #1 of the District Property, as described and depicted in the SAP; and

WHEREAS, on December 7, 2021, the City Council passed and approved a resolution determining, among other things, the estimated costs of the Improvement Area #1 Projects to be approximately \$42,420,350 (the “Improvement Area #1 Projects Costs”); and

WHEREAS, on February 1, 2022, the City Council passed and approved Ordinance No. _____ (the “Assessment Ordinance”) which, among other things, approved the SAP (including the Improvement Area #1 Assessment Roll), levied assessments, and established the dates upon which interest on assessments will begin to accrue and collection of assessments will begin; and

WHEREAS, in addition to approving the SAP, the Assessment Ordinance levied assessments against property within Improvement Area #1 (the “Improvement Area #1 Assessed Property”) for the Improvement Area #1 Authorized Improvements, including Improvement Area #1 Projects, in accordance with the Improvement Area #1 Assessment Roll attached as Exhibit F-1 to the SAP; and

WHEREAS, the SAP allocated the Improvement Area #1 Projects Costs to Improvement Area #1 of the District Property, and the SAP contemplated the allocation of the costs of the Improvement Area #1 Authorized Improvements, including the Improvement Area #1 Projects Costs, among the single family residential lots to be created from the subdivision of the District Property; and

WHEREAS, assessments against lots within Improvement Area #1 of the District (the “Improvement Area #1 Assessments”) will be reflected on the Improvement Area #1 Assessment Roll as approved by the City Council; and

WHEREAS, the SAP and the Assessment Ordinance provide, in part, that an Assessment or Assessments may be paid in full at any time, and if an Assessment is not paid in full, it shall be due and payable in Annual Installments plus interest for a period of 30 years or until the Assessment is paid in full; and

WHEREAS, on February 1, 2022, the City adopted an ordinance authorizing the issuance and sale of its “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project)” (the “Improvement Area #1 Bonds”) to finance a portion of the Improvement Area #1 Projects Costs; and

WHEREAS, the Improvement Area #1 Assessments are dedicated and pledged to the Improvement Area #1 Bonds under the Indenture of Trust relating to the Improvement Area #1 Bonds, dated February 1, 2022 (the “Series 2022 Improvement Area #1 Bond Indenture”) between the City and Wilmington Trust, National Association, as trustee (the “Trustee”); and

WHEREAS, the Parties have entered into that certain “Elevon Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement” dated as of February 1, 2022 (the “Construction Funding Agreement”) for the construction of the Improvement Area #1 Projects; and

WHEREAS, the Parties intend for the portion of the Improvement Area #1 Projects Costs that are not financed by the Improvement Area #1 Bonds to be financed under the terms of this Reimbursement Agreement and the Construction Funding Agreement; and

WHEREAS, the City has established a project fund segregated from all other funds of the City (the “Project Fund”) for payment of the Actual Costs of the Improvement Area #1 Projects and the accounts established are the “Improvement Area #1 Bond Improvement Account” and the “Improvement Area #1 Developer Improvement Account” within such Project Fund under the Series 2022 Improvement Area #1 Bond Indenture; and

WHEREAS, the Developer has deposited \$[_____] into the Improvement Area #1 Developer Improvement Account for payment of Actual Costs of Improvement Area #1 Projects; and

WHEREAS, based on the estimated costs of the Improvement Area #1 Projects, it is expected that the Developer or its designees will expend funds for Actual Costs of Improvement Area #1 Projects in amounts greater than the \$[_____] deposited into the Improvement Area #1 Developer Improvement Account; and

WHEREAS, the City has established a fund segregated from all other funds of the City (the “Pledged Revenue Fund”) for the deposit of the Assessment Revenues (as defined in the Series 2022 Improvement Area #1 Bond Indenture) from the Improvement Area #1 Assessments and has established a “Bond Pledged Revenue Account” within such Pledged Revenue Fund under the Series 2022 Improvement Area #1 Bond Indenture; and

WHEREAS, the City has established a fund segregated from all other funds of the City for the purpose of paying and reimbursing the Developer (the “Reimbursement Fund”) for the Improvement Area #1 Project Costs incurred by the Developer and not paid from the Improvement Area #1 Bond Improvement Account, but including Improvement Area #1 Project Costs paid from the Improvement Area #1 Developer Account, in an amount not to exceed \$[10,104,000.00], plus interest, and the City will transfer funds from the Pledged Revenue Fund to the Reimbursement Fund in accordance with the Series 2022 Improvement Area #1 Bond Indenture;

WHEREAS, the obligations of the City to use the Improvement Area #1 Assessments hereunder is authorized by the PID Act; and

WHEREAS, at the discretion of the City and in accordance with the Development Agreement, it is anticipated that Future Improvement Area #1 Series B Bonds (as defined below) may be issued for a portion of the Improvement Area #1 Projects Costs pursuant to this Reimbursement Agreement; therefore, prior to or contemporaneously with the issuance of any such bonds, Developer and City agree to amend this Agreement and the Development Agreement as determined necessary by City’s bond counsel for issuance of any such bonds, for compliance with applicable law and for compliance with the obligations of the parties under this Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS OF THE PARTIES SET FORTH IN THIS REIMBURSEMENT AGREEMENT AND FOR VALUABLE CONSIDERATION THE RECEIPT AND ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. The recitals in the “WHEREAS” clauses of this Reimbursement Agreement are true and correct, create obligations of the Parties, and are incorporated as part of this Reimbursement Agreement for all purposes.
2. Strictly subject to the terms, conditions, and requirements and solely from the revenues herein described, the City agrees to pay the Developer and its assigns, and the Developer and its assigns shall be entitled to receive from the City, the amount equal to the Actual Costs of the Improvement Area #1 Projects paid by the Developer for the Improvement Area #1 Projects Costs that were within budgeted costs, or authorized Cost Overruns in accordance with the SAP and the Development Agreement, that were paid by the Developer as evidenced by one or more Certifications for Payment (as defined in the Construction Funding Agreement) approved by the City, or otherwise paid by the Developer pursuant to the Construction Funding Agreement, plus interest on the unpaid balance in accordance with the terms of this Reimbursement Agreement until September 1, 2051 (the “Maturity Date”), and which shall be reimbursed to the Developer and its assigns in a principal amount not to exceed TEN MILLION ONE HUNDRED FOUR THOUSAND AND 00/100 DOLLARS (\$10,104,000.00) (the “Reimbursement Amount”), plus interest accrued, as hereinafter provided. The Reimbursement Amount, plus interest, is payable from Assessment Revenue to be deposited in the Reimbursement Fund in accordance with the Series 2022 Improvement Area #1 Bond Indenture, or from the net proceeds of Future Improvement Area #1 Series B Bonds, as described below and in accordance with the Development Agreement:
 - a. The Reimbursement Amount is payable solely from: (i) the Assessment Revenue received and collected by the City and deposited into the Reimbursement Fund; (ii) the net proceeds (after payment of costs of issuance, including the costs paid or incurred by the City and Annual Collection Costs) of one or more series of bonds (the “Future Improvement Area #1 Series B Bonds”) issued by the City in accordance with the terms of the Development Agreement and the Series 2022 Improvement Area #1 Bond Indenture and secured by the Assessment Revenue; or (iii) a combination of items (i) and (ii) immediately above. The Assessment Revenue shall be received, collected and deposited into the Reimbursement Fund subject to the following limitations:
 - i. Calculation of the Improvement Area #1 Assessments and the first Annual Installment for a Parcel shall begin as provided for in the SAP.

- ii. Until such time as Future Improvement Area #1 Series B Bonds are issued, the Improvement Area #1 Assessments shall accrue interest at the per annum rates set forth in this Section 2. Interest shall continue on the unpaid principal amount of the Improvement Area #1 Assessments for a Parcel for the earlier of 30 years or until the Improvement Area #1 Assessments for such Parcel are paid in full.
 - iii. The Developer and its assigns shall be reimbursed in a combined aggregate amount not to exceed the Reimbursement Amount plus interest from the Reimbursement Fund and as allowed under this Section 2(a).
 - iv. The unpaid Reimbursement Amount shall bear simple interest per annum on the basis of a 360-day year composed of twelve 30-day months, at the rate of [____]% provided that, in the event Future Improvement Area #1 Series B Bonds are issued, the per annum interest rate on the Reimbursement Amount shall not exceed, and shall be limited to, the per annum interest rate on such bonds. The interest rate has been approved by the City Council and is authorized by the PID Act and was determined based upon *The Bond Buyer*, a daily publication that publishes this interest rate index, which the highest average index rate for tax-exempt bonds reported in the previous month was ____%. The interest rate of [____]% contained herein comply with Subsections 372.023(e)(1) and (e)(2) of the PID Act.
 - v. If Future Improvement Area #1 Series B Bonds are issued, the City shall bill, collect, and upon receipt, deposit all Assessment Revenue relating to such bonds in the manner set forth in the Series 2022 Improvement Area #1 Bond Indenture.
3. The amount of the Reimbursement Amount that has not been paid, plus the interest accrued as described in Section 2(a)(iv) above, are collectively, the “Unpaid Balance.” The Unpaid Balance is secured by and payable solely from the Assessment Revenue received and collected by the City and deposited into the Reimbursement Fund or from the net proceeds of the Future Improvement Area #1 Series B Bonds. No other City funds, revenue, taxes, or income of any kind shall be used to pay the Unpaid Balance, even if the Unpaid Balance is not paid in full by the Maturity Date, and such unpaid amount shall be canceled and for all purposes of this Agreement shall be deemed to have been conclusively and irrevocably PAID IN FULL, and such Unpaid Balance shall no longer be deemed to be payable. This Reimbursement Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than Assessment Revenue received, collected and deposited into the Reimbursement Fund. The City covenants that it will comply with the provisions of this Reimbursement Agreement, the Development Agreement, and the

PID Act, including provisions relating to the administration of the District and the enforcement and collection of taxes and assessments, and all other covenants provided therein. Notwithstanding its collection efforts, if the City fails to receive all or any part of the Assessment Revenue and, as a result, is unable to make transfers from the Reimbursement Fund for payments to the Developer as required under this Reimbursement Agreement, such failure and inability shall not constitute a Failure or Default by the City under this Reimbursement Agreement.

4. If Future Improvement Area #1 Series B Bonds are issued, the net proceeds of such Future Improvement Area #1 Series B Bonds shall be used, from time to time, first to pay the Unpaid Balance due to the Developer under this Reimbursement Agreement for the Actual Costs of Improvement Area #1 Projects that have already been paid by the Developer and then to pay all or any portion of any Improvement Area #1 Projects Cost, as set forth in the SAP such that no Future Improvement Area #1 Series B Bonds are issued unless the funds necessary to complete the Improvement Area #1 Projects are available pursuant to a Builder Completion Agreement (as defined in the Development Agreement) or deposited with the net proceeds of the Future Improvement Area #1 Series B Bonds on the closing date of the Future Improvement Area #1 Series B Bonds. The Reimbursement Agreement shall terminate on the earlier of (i) the payment of amounts due pursuant to this Reimbursement Agreement, (ii) the issuance of the Future Improvement Area #1 Series B Bonds, (iii) the expiration of thirty (30) years, or (iv) termination of this Reimbursement Agreement pursuant to an Event of Default herein or under the Development Agreement. Notwithstanding the foregoing, the Developer shall only be entitled to repayment of the costs of the Improvement Area #1 Projects as set forth in the SAP. If costs of completion of the Improvement Area #1 Project is less than the amounts set forth in the SAP, the Developer shall not be entitled to such excess amounts.
5. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with written notice to) the City, the Developer's right, title, or interest under this Reimbursement Agreement including, but not limited to, any right, title, or interest of the Developer in and to payment of the Unpaid Balance (any of the foregoing, a "Transfer," and the person or entity to whom the Transfer is made, a "Transferee"). The rights of the Developer to assignment are conditioned upon the Transferee agreeing, in writing, to assume the rights, title or interest being assigned and to be bound by the terms and conditions of this Reimbursement Agreement to the extent they apply to the rights, title or interest being assigned. An assignment by the Developer pursuant to this Section shall be effective upon delivery to the City of a copy of the fully executed assignment, which shall include the information required by Section 9 below and unambiguous provisions regarding any apportionment between the Developer and the Transferee of the right to receive payment of the Unpaid Balance or any other payment. The City may rely on any notice of a Transfer or executed assignment received from the

Developer without obligation to investigate or confirm the validity or occurrence of such Transfer. The Developer waives all rights or claims against the City for any such funds provided to a third party as a result of a Transfer for which the City has received notice, and the Developer's sole remedy shall be to seek the funds directly from the third party. If the City determines in its sole discretion that the executed assignment received from the Developer does not unambiguously provide for the apportionment between the Developer and the Transferee of the right to receive payments of the Unpaid Balance or any other amount, the City will make such payments solely to the Developer until such time as the executed assignment is amended to unambiguously provide for such apportionment and the Transferee or other third party's sole remedy shall be to seek the funds directly from the Developer. No conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made by the Developer or any successor or assignee of the Developer that results in the City being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. The City shall not be required to make payments pursuant to this Reimbursement Agreement to more than two parties. Any assignment by a Transferee of its rights, title or interest under this Reimbursement Agreement shall be subject to the requirements of the Developer under this Section 5.

6. The obligations of the City under this Reimbursement Agreement are non-recourse and payable only from the Reimbursement Fund or the net proceeds of the Future Improvement Area #1 Series B Bonds and such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income, or property. None of the City or any of its elected or appointed officials or any of its officers or employees shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omissions under this Reimbursement Agreement.
7. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the City of any remedy the City may otherwise have outside this Reimbursement Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction or installation of the Improvement Area #1 Projects. The obligations of Developer hereunder shall be those as a Party hereto and not solely as an owner of property in the District. Nothing herein shall be constructed, nor is intended, to affect the City's or Developer's rights and duties to perform their respective obligations under other agreements, regulations and ordinances.
8. This Reimbursement Agreement is being executed and delivered, and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement.

In the event of a dispute involving this Reimbursement Agreement, exclusive venue for such dispute shall lie in any court of competent jurisdiction in Collin County, Texas.

9. Any notice required or contemplated by this Reimbursement Agreement shall be signed by or on behalf of the Party giving the Notice, and shall be deemed effective as follows: (i) when delivered by a national company such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person was the named addressee; or (ii) 72 hours after the notice was deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section. All Notices given pursuant to this Section shall be addressed as follows:

To the City:	Attn: Kim Dobbs City Administrator City of Lavon 120 School Road P.O. Box 340 Lavon, Texas 75166 kdobbs@lavontx.gov
With a copy to:	Attn: Julie Fort Messer, Fort & McDonald 6371 Preston Road, STE 200 Frisco, Texas 75034 julie@txmunicipallaw.com
And to:	McCall, Parkhurst & Horton L.L.P. Attn: Gregory Schaecher 717 North Harwood, Suite 900 Dallas, TX 75201 gschaecher@mphlegal.com
To the Developer:	Attn: John Marlin MA Elevon 429, LLC 15443 Knoll Trail Drive, Suite 130 Dallas, Texas 75248 jmarlin@madev.com
With a copy to:	Attn: Robert Miklos Miklos Cinclair, PLLC 1800 Valley View Lane, Suite 360 Farmers Branch, Texas 75234 Robert@m-clegal.com

10. Notwithstanding anything herein to the contrary, nothing herein shall otherwise authorize or permit the use by the City of the Improvement Area #1 Assessments contrary to the provisions of the PID Act.
11. Remedies:
 - a. If either Party fails to perform an obligation imposed on such Party by this Reimbursement Agreement (a “Failure”) and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a “Default.” Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party and all Transferees of the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional 30-day period so long as the non-performing Party is diligently pursuing a cure. Any Transferee have the right, but not the obligation, to cure any alleged Failure by the Developer within the same time periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Reimbursement Agreement with respect to Developer obligations under this Reimbursement Agreement unless the Transferee agrees to be bound or is bound as a result of a Transfer to the Transferee.
 - b. If the City is in Default, the Developer’s sole and exclusive remedies shall be to: (1) seek a writ of mandamus to compel performance by the City; or (2) seek specific enforcement of this Reimbursement Agreement.
 - c. If the Developer is in Default, the City may pursue any legal or equitable remedy or remedies, including, without limitation, damages, and termination of this Agreement. The City shall not terminate this Reimbursement Agreement unless it delivers to the Developer a second notice expressly providing that the City will terminate within thirty (30) additional days. Termination or non-termination of this Reimbursement Agreement upon a Developer Event of Default shall not prevent the City from suing the Developer for specific performance, damages, actual damages, excluding punitive, special and consequential damages, injunctive relief or other available remedies with respect to obligations that expressly survive termination. In the event the Developer fails to pay any of the expenses or amounts or perform any obligation specified in this Reimbursement Agreement, then to the extent such failure constitutes an Event of Default hereunder, the City may, but

shall not be obligated to do so, pay any such amount or perform any such obligations and the amount so paid and the reasonable out of pocket costs incurred by the City in said performance shall be due and payable by the Developer to the City within thirty (30) days after the Developer's receipt of an itemized list of such costs.

- d. No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing at law or in equity.
 - e. The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.
- 12. To the extent there is a conflict between this Reimbursement Agreement and the Series 2022 Improvement Area #1 Bond Indenture, the Series 2022 Improvement Area #1 Bond Indenture shall control as the provisions relate to the Improvement Area #1 Assessments.
 - 13. The failure by a Party to insist upon the strict performance of any provision of this Reimbursement Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Reimbursement Agreement.
 - 14. The City does not waive or surrender any of its governmental powers, immunities, or rights except to the extent permitted by law and necessary to allow the Developer to enforce its remedies under this Reimbursement Agreement.
 - 15. Nothing in this Reimbursement Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer and its assigns any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in this Reimbursement Agreement shall be for the sole and exclusive benefit of the City and the Developer.
 - 16. In this Reimbursement Agreement, time is of the essence and compliance with the times for performance herein is required.
 - 17. The City represents and warrants that this Reimbursement Agreement has been approved by official action by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Reimbursement Agreement on behalf of the City has been duly authorized to do so. The Developer represents and warrants that this Reimbursement Agreement has been approved by appropriate action of the Developer, and that the individual executing this Reimbursement Agreement on behalf of the

Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Reimbursement Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

18. This Reimbursement Agreement represents the entire agreement of the Parties and no other agreement, statement or promise made by any Party or any employee, officer or agent of any Party with respect to any matters covered hereby that is not in writing and signed by all the Parties to this Agreement shall be binding. This Reimbursement Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Reimbursement Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Reimbursement Agreement; and (b) the remainder of this Reimbursement Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.
19. This Reimbursement Agreement may be executed in any number of counterparts, each of which shall be deemed an original.
20. The term of this Reimbursement Agreement is the earlier of (i) thirty (30) years, (ii) until the Unpaid Balance is paid in full in accordance herewith, (iii) the issuance of Future Improvement Area #1 Series B Bonds, or (iv) termination pursuant to an Event of Default, whichever occurs first. If the Developer defaults under this Reimbursement Agreement, the Construction Funding Agreement, or the Development Agreement, this Reimbursement Agreement, the Construction Funding Agreement, and the Development Agreement shall not terminate with respect to the costs of the Improvement Area #1 Projects that have been approved by the City pursuant to a Certification for Payment prior to the date of default.
21. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Reimbursement Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Reimbursement Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within fifteen (15) days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care, such as by reason of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or

other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the Party (financial inability excepted).

22. Any amounts or remedies due pursuant to this Reimbursement Agreement are not subject to acceleration.
23. The Developer hereby verifies that it and its parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Reimbursement Agreement is a contract for goods or services, will not boycott Israel during the term of this Reimbursement Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.
24. The Developer hereby represents that neither it nor any of its parent companies, 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, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.
25. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent companies, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section

2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

26. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, “SB 19”), Texas Government Code, as amended, the Developer hereby verifies that it and its parent companies, wholly- or majority- owned subsidiaries, and other affiliates, if any,
- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
 - (2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3) (as added by SB 19), Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

[SIGNATURE PAGES TO FOLLOW]

Executed by Developer and City to be effective on the Effective Date.

CITY OF LAVON, TEXAS

By: _____
Name: Vicki Sanson
Title: Mayor

ATTEST:

Name: Rae Norton
Title: City Secretary

[Signature Page for Elevon PID Improvement Area #1 Reimbursement Agreement]

DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

[Signature Page for Elevon PID Improvement Area #1 Reimbursement Agreement]

**COMPLETION AGREEMENTS APPROVED PURSUANT TO
SECTION 8**

COMPLETION AGREEMENT – POD 2A
(K. HOVNANIAN DFW ELEVON, LLC)

Prepared by and return to:
LIECHTY, MCGINNIS, BERRYMAN & BOWEN, LLP
Attention: Kevin P. McGinnis, Esq.
11910 Greenville Avenue, Suite 400
Dallas, Texas 75243

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

COMPLETION AGREEMENT – POD 2A

THIS COMPLETION AGREEMENT – POD 2A (K. HOVNANIAN DFW ELEVON, LLC) (herein, this “**Agreement**”) is made effective February 1, 2022, by and between K. Hovnanian DFW Elevon, LLC, a Texas limited liability company, together with its successors and assigns (the “**Pod 2A Developer**”), and Wilmington Trust, National Association, Dallas, Texas, a national banking association (the “**Trustee**”), solely in its capacity as trustee for the City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “**Bonds**”).

RECITALS

WHEREAS, the Pod 2A Developer is the sole owner and developer of the lands more particularly described in Exhibit A attached hereto and incorporated by referenced herein (the “**Property**”) which Property lies within the boundary of the Elevon Public Improvement District (the “**District**”) established by the City of Lavon, Texas (the “**Issuer**”);

WHEREAS, the Issuer, MA Elevon 429, LLC (the “**Master Developer**”), Far East Lavon, LP, 78 Straddle, LP East Lavon Partners, LP, World Land Developer, LP, and Petro-Hunt, L.L.C., have entered into that certain *Elevon Development Agreement* dated as of November 2, 2021, (as further amended from time to time, the “**Development Agreement**”) pursuant to which the Master Developer has agreed to provide evidence that sufficient funds are available to pay any deficit regarding the costs of the Public Improvements not financed with proceeds of the Bonds and the Private Improvements (each as described and defined in the Development Agreement, and, collectively, the “**PID Improvements**”) (such obligation to provide evidence of sufficient funds, the “**Master Developer Obligation**”);

WHEREAS, the Issuer has determined that it is in the best interests of the present and future landowners and is a special benefit to the lands within the District to finance, construct and deliver the PID Improvements as more specifically described in the *Elevon Public Improvement District Service and Assessment Plan*, adopted by the City Council of the Issuer on February 1, 2022 as updated and amended from time to time (the “**Service and Assessment Plan**”);

WHEREAS, the Pod 2A Developer and the Master Developer have entered into a purchase and sale agreement (as amended from time to time, the “**PSA**”) pursuant to which the Master Developer sold the Property to the Pod 2A Developer and the Pod 2A Developer agreed to finance and construct those PID Improvements set forth in the PSA, including, specifically, the Improvement

Area #1 Improvements (as defined in the Service and Assessment Plan) and the Private Improvements within the Property (collectively, the “**Builder Projects**”), in accordance with the budget and concept plan set forth in the PSA;

WHEREAS, the Issuer intends to fund a portion of the Builder Projects with the proceeds of the Bonds;

WHEREAS, the Development Agreement permits a “Publicly-Held Builder” or a “Substantial Builder” that is a developer to provide a builder completion agreement or other evidence satisfactory to the Issuer of its ability to fund any Public Improvements not funded from the proceeds of the Bonds and the Private Improvements;

WHEREAS, the Pod 2A Developer and the Trustee are entering into this Agreement to satisfy the Master Development Obligation with respect to the Builder Projects;

WHEREAS, in order to ensure that the Builder Projects are completed and funding is available to provide for their completion, the Pod 2A Developer has agreed to provide evidence of available funds to fund any shortfall between the amount of monies available from the sale of the Bonds to complete the Builder Projects and the total actual cost to complete the Builder Projects, after taking into account any approved application of an available Cost Underrun to a Cost Overrun pursuant to the terms of the Development Agreement (as such terms are defined in the Development Agreement) (the “**Funding Deficit**”);

WHEREAS, the Pod 2A Developer acknowledges and agrees that completion of the Builder Projects is important to ensuring the special assessments levied by the Issuer to fund debt service on the Bonds are allocated as intended and legally required;

WHEREAS, the Pod 2A Developer represents that it is an indirect wholly owned subsidiary of Hovnanian Enterprises, Inc., a “Publicly-Held Builder” as such term is defined in the Development Agreement, the financial statements of which are publicly available;

WHEREAS, the Bonds are issued by the Issuer pursuant to an Indenture of Trust, dated February 1, 2022, executed by and between the Issuer and the Trustee (the “**Indenture**”); and

WHEREAS, the Pod 2A Developer has agreed to provide the representations, warranties and covenants in this Agreement directly to the Trustee (on behalf of the owners of the Bonds (the “**Bondholders**”)) to ensure that the Builder Projects are completed;

NOW, THEREFORE, based upon the above recitals and other good and valuable consideration, the receipt of which and sufficiency of which is hereby acknowledged, the Pod 2A Developer and the Trustee (solely in its capacity as Trustee for the benefit of the Bondholders), agree as follows:

1. INCORPORATION OF RECITALS; CAPITALIZATION. The recitals stated above are true and correct and are incorporated by reference as a material part of this Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Development Agreement or the Service and Assessment Plan, as applicable.

2. PROJECT DEVELOPMENT. In accordance with the PSA, the Pod 2A Developer will undertake or cause the undertaking of the design, development, construction, maintenance, management, use and operation of the Builder Projects.

3. COMPLETION OF AUTHORIZED IMPROVEMENTS.

(a) The Pod 2A Developer shall complete the Builder Projects on the following schedule, subject to force majeure (the “Completion Schedule”):

(1) Not less than 50% of the Builder Projects shall be completed by January 31, 2023, which milestone shall be evidenced by the expenditure of not less than \$3,600,000 on the Builder Projects.

(2) The Builder Projects shall be completed not later than November 30, 2023, which completion shall be evidenced by final acceptance of all completed Builder Projects by the applicable entity.

In connection with the Completion Schedule set forth above, not later than fifteen (15) business days after each date specified for completion above, the Pod 2A Developer shall file a certificate with the Trustee indicating its compliance or non-compliance with the Completion Schedule set forth above. Notwithstanding anything in this Agreement to the contrary, the Trustee has no responsibility for and no duty to verify the correctness of the milestones in the Completion Schedule set forth above or ensure the timely completion of same.

(b) The parties hereto acknowledge that at closing of the Bonds, the Improvement Area #1 Bond Improvement Account of the Project Fund (as defined in the Indenture) (referred to herein as the “**Builder Subaccount**”) will not be funded in amounts sufficient to complete the Builder Projects and that a Funding Deficit will exist in the amount of \$[3,323,314] as set forth in Exhibit D hereto. Accordingly, the Pod 2A Developer agrees to provide evidence to the Issuer and the Trustee (“**Evidence of Available Funds**”) that sufficient funds are available to the Pod 2A Developer to fund the Funding Deficit in the form of: (A) a closed loan with a bank or financial institution, acceptable to the City; (B) a letter of credit with a financial institution, rated A+/A1 or higher, acceptable to the City; (C) available cash as demonstrated by the online financial statements of Hovnanian Enterprises, Inc.; or (D) other evidence the City finds acceptable, in its sole discretion (the “**Funding Deficit Funding Sources**”). Notwithstanding anything in this Agreement to the contrary, the Trustee has no responsibility for and no duty to make any determination regarding, or timely collect or verify the accuracy or sufficiency of, any Evidence of Available Funds submitted pursuant to this Section 3, or the lack of availability of any such funds at the time that they should be used for the Builder Projects, nor does the Trustee have any obligation to determine if the Pod 2A Developer is required (or when it is required) to submit Evidence of Available Funds.

(c) The Pod 2A Developer agrees to have sufficient funds available, using one or a combination of the Funding Deficit Funding Sources, to fund the Funding Deficit. On a quarterly basis, the Pod 2A Developer shall provide a letter (i) stating that it has available Funding Deficit Funding Sources for the Funding Deficit with a link to the online financial statements of Hovnanian Enterprises, Inc., and (ii) providing the remaining timeline for completion of any Builder Projects not completed as of the end of each quarter (the “**Uncompleted Builder Projects**”) as of each March 31, June 30, September 30, and December 31 (each a “**Quarterly Ending Date**”) beginning June 30, 2022, not later than

five (5) days after each Quarterly Ending Date, to the Master Developer for inclusion in the Quarterly Report to be filed by the Master Developer pursuant to the Continuing Disclosure Agreement of the Master Developer dated as of February 1, 2022 and executed in connection with the Bonds.

4. OTHER CONDITIONS AND ACKNOWLEDGEMENTS.

(a) *Change in Builder Projects.* The Pod 2A Developer acknowledges that the location, size, configuration and composition of the Builder Projects may change from that described in the Service and Assessment Plan, depending upon final design, permitting or other regulatory requirements over time, or other factors. The Pod 2A Developer agrees not to make changes to the Builder Projects which materially impair the marketability of the homes or lots within the Property without first obtaining the written consent of the Trustee at the direction of the Bondholders, which consent shall be at the written direction of the Bondholders of least 50% of the Bonds then outstanding and its receipt of indemnity satisfactory to it; provided, however, the Pod 2A Developer is not required to obtain such consent when the scope, configuration, size and/or composition of the Builder Projects is materially changed in response to a requirement imposed by law or by a regulatory agency (to be understood as including any governmental action or requirement, including but not limited to Issuer action). The consent of the Bondholders, as evidenced by the written consent of the Trustee delivered at the written direction of the Bondholders, is not and will not be a representation or warranty with regard to any Builder Project or the adequacy, marketability or compliance of the same, but is and will be merely the consent of the Bondholders to any such change. The Trustee fees and expenses relating to the obtaining of consent from Bondholders as set forth in this Section 4 shall be paid by the Pod 2A Developer.

(b) *PSA:* The Pod 2A Developer shall notify the Trustee in writing of any default relating to the Pod 2A Developer occurring pursuant to the terms of the PSA within fifteen (15) days of the occurrence of such default.

5. POD 2A DEVELOPER DEFAULT; PROTECTION AGAINST THIRD PARTY INTERFERENCE.

(a) *Pod 2A Developer Default.* In the event the Pod 2A Developer does not comply with the terms of this Agreement, and such failure continues for a period of thirty (30) days following written notice thereof to the Pod 2A Developer, the Trustee or its designee shall have the right to seek specific performance from a court of competent jurisdiction in order to ensure the Builder Projects are completed as soon thereafter as possible; provided, however, that if such default is curable, but cannot with reasonable diligence be cured within such thirty (30) day period, then so long as the Pod 2A Developer commences to cure such default within such thirty (30) day period and thereafter cures such default with due diligence, the Pod 2A Developer shall have such additional time as is reasonably necessary to cure such default; provided further, that the Trustee shall seek such relief solely at the written direction of the Bondholders of least 50% of the Bonds then outstanding and at the sole cost and expense of the Bondholders. The Trustee shall not be required to expend or risk its own funds in carrying out its duties under this Agreement.

(b) *Protection Against Third Party Interference.* Subject to any lienholder's rights to cure, the Trustee shall be solely responsible for enforcing its rights under this Agreement against any interfering third party. Nothing contained in this Agreement shall limit or impair the Trustee's right to protect its rights from interference by a third party to this Agreement. Notwithstanding anything contained herein, any action of the Trustee to enforce its rights under this Agreement shall be taken solely for the benefit of the Bondholders at the written direction of the Bondholders of least 50% of the Bonds then outstanding and in accordance with the Indenture at the Bondholders' sole cost and expense.

6. BONDHOLDERS BENEFIT. The Pod 2A Developer acknowledges and agrees that (i) it is entering into this Agreement for the benefit of the Bondholders and the Trustee acting on behalf of such Bondholders, and (ii) such Bondholders have reasonably relied upon this Agreement in purchasing the Bonds. The City has directed the Trustee to enter into this Agreement.

7. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both the Trustee and the Pod 2A Developer, provided that the Trustee shall execute such amendment or waiver solely upon the written consent of the Issuer and the Bondholders of at least 50% of the Bonds then outstanding and its receipt of indemnity satisfactory to it; provided the Trustee's rights, duties and immunities are not adversely affected thereby and the Trustee is fully paid and/or reimbursed for any services and/or expenses incurred in connection with such amendment. Notwithstanding the foregoing, the Pod 2A Developer and the Trustee may amend this Agreement to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the Pod 2A Developer and the Trustee may deem necessary or desirable and not inconsistent with this Agreement, and that shall not adversely affect the rights of the Bondholders. Notwithstanding the foregoing, no amendment or waiver of this Agreement may be made without the prior written consent of the Issuer.

8. AUTHORIZATION; CONSENT. The execution of this Agreement has been duly authorized by the Trustee and the Pod 2A Developer, and both the Trustee and the Pod 2A Developer have full power and authority to comply with the terms and provisions of this instrument. The Pod 2A Developer will obtain a certificate, in the form provided as Exhibit B hereto, from any current or future Lender for construction of the Builder Projects, consenting to and/or acknowledging the Pod 2A Developer's execution of this Agreement.

9. NOTICES. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) hand-delivered by prepaid express overnight courier or messenger service, with read receipt or email acknowledgement, or mailed (airmail if international) by registered or certified (postage prepaid), return receipt requested, to the following addresses:

Trustee:
Wilmington Trust, National Association
15950 N. Dallas Parkway, Suite 550
Dallas, Texas 75248

With copy to:

Naman, Howell, Smith & Lee, PLLC
8310 N. Capital of Texas Highway, Suite 490
Austin, Texas 78731
Attn: Cliff Blount
Telephone: (512) 807-2454
Email: blount@namanhowell.com

Pod 2A Developer:

K. HOVNANIAN DFW ELEVON, LLC
c/o K. Hovnanian Homes-DFW, L.L.C.
5808 W. Plano Parkway
Plano, Texas 75093
Attention: Rick Trotter

With a copy to:

K. HOVNANIAN HOMES-DFW, L.L.C.
5808 W. Plano Parkway
Plano, Texas 75093
Attention: Lorena Reyna

With a copy to:

LIECHTY, McGINNIS, BERRYMAN & BOWEN, LLP
11910 Greenville Avenue, Suite 400
Dallas, Texas 75243
Attention: Kevin P. McGinnis, Esq.

A copy of all notices, requests, consents and other communications required or permitted under this Agreement shall be provided to the Issuer concurrently with the delivery of any notice, request, consent or other communication to a party at the following address:

City Administrator
City of Lavon
120 School Road
P.O. Box 340
Lavon, Texas 75166

Except as otherwise provided in this Agreement, any mailed notice sent in the manner provided above shall be deemed received three (3) business days after delivery or mailing. Notices delivered after 5:00 PM (at the place of delivery) or on a non-business day shall be deemed received the next business day. If any time for giving notice contained in this Agreement would otherwise expire on a non-business day, the notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government or the Trustee shall not be regarded as business days. Any party or other person to whom notices are to be sent or copied may notify the other parties and addressees of any changes in name or

address to which notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

Notwithstanding anything to the contrary contained herein, no notice to the Trustee shall be deemed given to or received by the Trustee unless actually delivered to an officer of the Trustee having responsibility under the Indenture.

10. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the Trustee as agent for the Bondholders, in its capacity as the Trustee for the Bonds, the Pod 2A Developer and the Issuer, and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement (except as noted below with respect to the Bondholders and the Issuer). Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation, other than the Trustee and the Pod 2A Developer, any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the Trustee and the Pod 2A Developer and their respective representatives, successors, and assigns. Notwithstanding the foregoing or anything in this Agreement to the contrary, (i) the Bondholders shall be direct third party beneficiaries of the terms and conditions of this Agreement and shall, individually or collectively, be entitled to enforce or by written direction, and with receipt by the Trustee of indemnity satisfactory to it, cause the Trustee to enforce the Pod 2A Developer's obligations hereunder, and (ii) the Issuer shall be a direct third party beneficiary of the terms and conditions of this Agreement and shall be entitled to enforce the Pod 2A Developer's obligations hereunder and any right, remedy or claim given or granted to the Issuer under or by reason of this Agreement.

11. SUCCESSORS. The rights and obligations created by this Agreement shall be binding upon and inure to the benefit of Pod 2A Developer, and their receivers, trustees, successors and assigns.

12. ASSIGNMENT. This Agreement, or any monies to become due hereunder, may be assigned, provided that the assigning party first obtains the prior written approval of the other party and the Issuer, which approval shall not unreasonably be withheld, and with respect to any approval required to be given by the Trustee, with the prior written approval and direction of the Bondholders of at least 50% of the Bonds then outstanding, and its receipt of indemnity satisfactory to it. Notwithstanding the foregoing, the Pod 2A Developer may assign this Agreement to any entity to which the Pod 2A Developer is entitled to assign the PSA pursuant to the terms of the PSA in effect on the date hereof with written notice to, but without the consent of, the Trustee, the Bondholders and the Issuer. The Pod 2A Developer shall deliver such notice within five (5) business days to the Trustee and the Trustee shall provide such notice to Bondholders within three (3) business days of its receipt thereof, but the Trustee shall not incur any liability for failing to provide said notice.

13. CONSTRUCTION OF TERMS; CONFLICT WITH DEVELOPMENT AGREEMENT AND PSA. Whenever used the singular number shall include the plural, the plural the singular; the use of any gender shall include all genders, as the context requires; and the disjunctive shall be construed as the conjunctive, the conjunctive as the disjunctive, as the context requires. To the

extent there is a conflict between the terms of this Agreement and the Development Agreement or the PSA, the Development Agreement or the PSA, as applicable, shall control. To the extent there is a conflict between the terms of the Indenture and the Development Agreement or the PSA, the Indenture shall control. The Trustee shall not be responsible for any consequences of a conflict between provisions of this Agreement and the Development Agreement or the PSA.

14. CONTROLLING LAW. This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Texas.

15. FEE REIMBURSEMENT. The Pod 2A Developer shall pay the annual administration fee for the Trustee's ordinary fees and expenses in rendering its services under this Agreement during each twelve-month period, which fee is equal to \$750.00 which shall be payable annually in advance commencing on the date of delivery of the Bonds and on each annual anniversary date thereafter. Whenever the Bondholders direct the Trustee to take any action hereunder following a default by Pod 2A Developer which remains uncured following at least ten (10) days written notice to the Pod 2A Developer, it is acknowledged and agreed that the Trustee will be reimbursed for its reasonable fees and out-of-pocket expenses incurred in connection with such action, including reasonable attorneys' fees, within thirty (30) days after the Trustee's delivery of an invoice therefor to the Bondholders. If the Trustee, at the written direction of the Bondholders, employs an attorney to present, enforce or defend any of the rights or remedies of the Trustee under this Agreement, at law or in equity, it is hereby acknowledged and agreed that the Bondholders must pay any reasonable attorneys' fees incurred by the Trustee in connection therewith.

16. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

17. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

18. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

19. COVENANT AND RECORDATION. The Pod 2A Developer agrees that the obligations imposed upon it by this Agreement are valid and enforceable and shall be covenants running with the lands described in Exhibit A hereto, creating an obligation and one which is binding upon successor owners and assigns. The Pod 2A Developer shall record this Agreement in the Public Records of Collin County, Texas, against the lands so described and shall provide a copy thereof to the Trustee. Once the Pod 2A Developer has completed all the Builder Projects pursuant to the terms of this Agreement and the PSA, the Pod 2A Developer shall notify the Trustee and, upon the written consent of the Trustee, the Pod 2A Developer shall record, in the public records, a release and satisfaction of its obligations under this Agreement (the "**Completion Agreement**").

Release”). The Trustee shall provide the consent as soon as reasonably practicable after receipt of written verification from the Issuer, which verification may be delivered via electronic communication, that the Builder Projects are complete in accordance with the provisions of this Agreement and the PSA. The form of the Completion Agreement Release is attached hereto as Exhibit C. This Agreement, when recorded, shall be binding upon the Pod 2A Developer and the Trustee and their successors and assigns as permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-user, unaffiliated builder, or unaffiliated homebuilder except for land use and development regulations that apply to such lots.

20. TRUSTEE’S RIGHTS. Notwithstanding anything herein to the contrary, the applicable and necessary provisions of the Indenture are incorporated herein by reference, including the rights, protections and indemnification afforded the Trustee in its capacity as the Trustee under the Indenture. Notwithstanding anything to the contrary contained herein, neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor or oversee the performance or any action of the Pod 2A Developer, or any of its directors, members, officers, agents, affiliates or employees, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may conclusively assume performance by all such persons of their respective obligations unless and until the Trustee is provided written notice to the contrary.

IN WITNESS WHEREOF, the parties hereto execute this Agreement and further agree that it shall take effect as of the date first above written.

[Remainder of page intentionally left blank]

TRUSTEE:

Wilmington Trust, National Association,
solely in its capacity as trustee for the Bonds

By: _____
Name: Dayna L. Smith
Title: Vice President

STATE OF _____ §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____, 2022, by Dayna L. Smith, as Vice President on behalf of the Trustee.

[SEAL]

Notary Public
Commission Expires: _____

POD 2A DEVELOPER:

**K. HOVNANIAN DFW ELEVON, LLC,
a Texas limited liability company**

By: Rick Trotter
Its: DFW Division President

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on _____, 2022 by Rick Trotter, DFW Division President of K. Hovnanian DFW Elevon, LLC, a Texas limited liability company, on behalf of said limited liability company.

Notary Public, State of Texas

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE PROPERTY

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 50 degrees 19 minutes 12 seconds East, 2,785.72 feet to the POINT OF BEGINNING;

THENCE Northwesterly, 24.78 feet along a curve to the left having a central angle of 02 degrees 01 minutes 41 seconds, a radius of 700.00 feet, a tangent of 12.39 feet and whose chord bears North 81 degrees 07 minutes 10 seconds West, 24.78 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 08 minutes 01 seconds West, 434.21 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 77.13 feet along a curve to the right having a central angle of 12 degrees 48 minutes 33 seconds, a radius of 345.00 feet, a tangent of 38.73 feet and whose chord bears North 75 degrees 43 minutes 44 seconds West, 76.97 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 20 degrees 40 minutes 33 seconds East, 126.87 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 34.35 feet along a curve to the right having a central angle of 08 degrees 44 minutes 50 seconds, a radius of 225.00 feet, a tangent of 17.21 feet and whose chord bears North 58 degrees 43 minutes 50 seconds West, 34.32 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 164.40 feet along a curve to the left having a central angle of 34 degrees 15 minutes 07 seconds, a radius of 275.00 feet, a tangent of 84.74 feet and whose chord bears North 71 degrees 28 minutes 59 seconds West, 161.96 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 28 minutes 06 seconds East, 119.86 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 89 degrees 31 minutes 54 seconds West, 237.35 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 967.74 feet along a curve to the right having a central angle of 75 degrees 26 minutes 18 seconds, a radius of 735.00 feet a tangent of 568.47 feet and whose chord bears North 52 degrees 44 minutes 57 seconds West, 899.33 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 15 degrees 01 minutes 48 seconds West, 581.11 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 443.89 feet along a curve to the left having a central angle of 54 degrees 41 minutes 39 seconds, a radius of 465.00 feet, a tangent of 240.49 feet and whose chord bears North 42 degrees 22 minutes 38 seconds West, 427.22 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 88 degrees 52 minutes 39 seconds East, 629.94 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 70 degrees 37 minutes 18 seconds East, 252.27 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 58 degrees 06 minutes 24 seconds East, 454.01 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 81 degrees 00 minutes 14 seconds East, 273.36 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 20 degrees 23 minutes 20 seconds East, 149.63 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 86 degrees 39 minutes 17 seconds East, 326.44 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 02 degrees 14 minutes 27 seconds East, 149.62 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 50 degrees 45 minutes 14 seconds East, 210.82 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 88 degrees 55 minutes 55 seconds East, 119.51 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 01 degrees 04 minutes 05 seconds East, 924.12 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 51 minutes 55 seconds West, 1,088.26 feet to the POINT OF BEGINNING and containing 2,837,262 square feet or 65.135 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

EXHIBIT B
[use if lienholder]
LIENHOLDER CERTIFICATE

_____ (“Lienholder”), being a lienholder on the Property, hereby [consents to][acknowledges] the Pod 2A Developer entering into the *COMPLETION AGREEMENT – POD 2A (K. HOVNANIAN DFW ELEVON, LLC)* (the “Completion Agreement”) and accepts and agrees to the terms and provisions of the Completion Agreement.

LIENHOLDER:

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2022, by _____, the _____ of _____, on behalf of said bank.

Notary Public, State of _____

EXHIBIT C

COMPLETION AGREEMENT RELEASE

Wilmington Trust, National Association, a national banking association (the “**Trustee**”), solely in its capacity as trustee for the City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “**Bonds**”), hereby acknowledges receipt of notification of the completion of the Builder Projects in accordance with Paragraph 19 of the Completion Agreement (the “**Completion Agreement**”) by and between the Trustee and K. Hovnanian DFW Elevon, LLC, a Texas limited liability company, together with its affiliates, successors, assigns (the “**Pod 2A Developer**”).

The Completion Agreement was recorded in the Public Records of Collin County, Texas under Instrument No. _____ against the real property within the District more particularly described in Exhibit A attached hereto and incorporated by referenced herein (the “**Property**”).

The Pod 2A Developer and its successors and assigns shall have no further obligations, duties or liabilities under the Completion Agreement, and based solely upon written notice from the Issuer that the Builder Projects have been completed and in accordance with Paragraph 19 of the Completion Agreement, the Trustee hereby releases, waives and forever discharges the Pod 2A Developer from all obligations, duties or liabilities of whatever nature arising under or in connection with the Completion Agreement.

[SIGNATURE PAGE FOLLOWS]

Wilmington Trust, National Association,
solely in its capacity as trustee for the Bonds

By: _____

Name: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me this _____, 20__, by
_____, as _____ on behalf of the Trustee.

[SEAL]

Notary Public

Commission Expires: _____

Exhibit A

[PROPERTY LEGAL DESCRIPTION]

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and being further described as follows:

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BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

EXHIBIT D

[Final Appendix B to be inserted after pricing]

City of Lavon - Eleven PID Appendix B						
	Improvement Area #1 Total	POD 2A	POD 2B-1	POD 2C	POD 2D	
Zone 1 Remainder Area Bond Par	\$ -	\$ -	\$ -	\$ -	\$ -	
Improvement Area #1 Bond Par ¹ (67.84%)	21,184,748	5,087,327	4,172,171	7,216,656	4,708,593	
Improvement Area #1 Reimbursement Obligation ⁴	10,104,000	2,426,385	1,989,904	3,441,962	2,245,749	
Owner or Homebuilder Participation - Offsite Improvements ²	-	-	-	-	-	
Owner or Homebuilder Participation - Private Improvements ³	4,631,803	1,112,286	912,198	1,577,839	1,029,480	
Owner or Homebuilder Participation ³	14,585,919	3,502,678	2,872,583	4,968,743	3,241,915	
Total Sources	\$ 50,506,470	\$ 12,128,675	\$ 9,946,856	\$ 17,205,200	\$ 11,225,738	
	Uses of Funds					
Zone 1 Improvements	\$ 7,609,652	\$ 1,827,390	\$ 1,498,662	\$ 2,592,254	\$ 1,691,347	
Improvement Area #1 Improvements	29,254,917	7,025,306	5,761,528	9,965,787	6,502,296	
Offsite Improvements	5,512,724	1,323,831	1,085,688	1,877,928	1,225,277	
Private Improvements	4,631,803	1,112,286	912,198	1,577,839	1,029,480	
	\$ 47,009,097	\$ 11,288,812	\$ 9,258,076	\$ 16,013,808	\$ 10,448,400	
Bond Issuance Costs						
Debt Service Reserve Fund	\$ 1,278,371	\$ 306,989	\$ 251,765	\$ 435,481	\$ 284,135	
Capitalized Interest	529,619	127,183	104,304	180,416	117,715	
Underwriter's Discount	635,542	152,620	125,165	216,500	141,258	
Costs of Issuance	1,008,841	242,264	198,683	343,665	224,228	
	\$ 3,452,373	\$ 829,056	\$ 679,918	\$ 1,176,063	\$ 767,336	
Other Costs						
Deposit to Administrative Fund	\$ 45,000	\$ 10,806	\$ 8,862	\$ 15,329	\$ 10,002	
	\$ 45,000	\$ 10,806	\$ 8,862	\$ 15,329	\$ 10,002	
Total Uses	\$ 50,506,470	\$ 12,128,675	\$ 9,946,856	\$ 17,205,200	\$ 11,225,738	
Bond Proceeds (Bond Par minus bond issuance costs)	\$ 17,687,374	\$ 4,247,464	\$ 3,483,391	\$ 6,025,264	\$ 3,931,255	
Homebuilder's Direct Costs less Bond Proceeds	\$ 25,391,529	\$ 3,323,314	\$ 4,546,075	\$ 5,951,350	\$ 3,512,358	
Developer's Zone Improvements	\$ 19,574,587.00					
Zone 1- 32.16% allocation of IA#1 Bond Proceeds (32.16%)	8,392,917.11					
Zone 1- 100% allocation of Zone 1 Bond Proceeds (100%)	6,221,210.00					
Remainder to be covered by Developer	\$ 4,960,459.89					

Notes:

¹ Improvement Area #1 Bond preliminary sizing based on an estimated appraised value of \$1,400 per front foot per Lot. Any future increase in the Improvement Area #1 Bond par resulting from value adjustments in appraisal will become restricted funds, per the terms of the Development Agreement.

² Not reimbursable to Owner through Assessments.

³ Not reimbursable to Owner through Assessments. To be financed through TIRZ No. 2.

⁴ Generates no construction revenues. To be reimbursed to the Developer when construction is completed and after Assessments have begun to be collected.

COMPLETION AGREEMENT – POD 2B
(HMH/STRATFORD ELEVON)

Prepared by and return to:
Mier Law PLLC
1700 Pacific Avenue, Suite 1840
Dallas, Texas 75201

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

COMPLETION AGREEMENT – POD 2B

THIS COMPLETION AGREEMENT – POD 2B (HMH/STRATFORD ELEVON) (herein, this “**Agreement**”) is made effective February 1, 2022, by and between **HMH/Stratford Elevon JV, LLC**, a Texas limited liability company, together with its affiliates, successors and assigns (the “**Pod 2B Developer**”), and **Wilmington Trust, National Association, Dallas, Texas**, a national banking association (the “**Trustee**”), solely in its capacity as trustee for the City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “**Bonds**”).

RECITALS

WHEREAS, the Pod 2B Developer is the sole owner and developer of the lands more particularly described in Exhibit A attached hereto and incorporated by referenced herein (the “**Property**”) which Property lies within the boundary of the Elevon Public Improvement District (the “**District**”) established by the City of Lavon, Texas (the “**Issuer**”);

WHEREAS, the Issuer, MA Elevon 429, LLC (the “**Master Developer**”), Far East Lavon, LP, 78 Straddle, LP East Lavon Partners, LP, World Land Developer, LP, and Petro-Hunt, L.L.C., have entered into that certain *Elevon Development Agreement* dated as of November 2, 2021, (as further amended from time to time, the “**Development Agreement**”) pursuant to which the Master Developer has agreed to provide evidence that sufficient funds are available to pay any deficit regarding the costs of the Public Improvements not financed with proceeds of the Bonds and the Private Improvements (each as described and defined in the Development Agreement, and, collectively, the “**PID Improvements**”) (such obligation to provide evidence of sufficient funds, the “**Master Developer Obligation**”);

WHEREAS, the Issuer has determined that it is in the best interests of the present and future landowners and is a special benefit to the lands within the District to finance, construct and deliver the PID Improvements as more specifically described in the *Elevon Public Improvement District Service and Assessment Plan*, adopted by the City Council of the Issuer on February 1, 2022 as updated and amended from time to time (the “**Service and Assessment Plan**”);

WHEREAS, the Pod 2B Developer and the Master Developer have entered into a purchase and sale agreement (as amended from time to time, the “**PSA**”) pursuant to which the Master Developer sold the Property to the Pod 2B Developer and the Pod 2B Developer agreed to finance and construct those PID Improvements set forth in the PSA, including, specifically, the Improvement Area #1 Improvements (as defined in the Service and Assessment Plan) and the Private

Improvements within the Property (collectively, the “**Builder Projects**”), in accordance with the budget and concept plan set forth in the PSA;

WHEREAS, the Pod 2B Developer is a joint venture among HMH Elevon Land, LLC, a Texas limited liability company (“HMH Elevon”), Stratford Lavon Investor, LLC, a Texas limited liability partnership, and Stratford SM/SLP, L.P.;

WHEREAS, the Issuer intends to fund a portion of the Builder Projects with the proceeds of the Bonds;

WHEREAS, the Development Agreement permits a “Publicly-Held Builder” or a “Substantial Builder” that is a developer to provide a builder completion agreement or other evidence satisfactory to the Issuer of its ability to fund any Public Improvements not funded from the proceeds of the Bonds and the Private Improvements;

WHEREAS, the Pod 2B Developer and the Trustee are entering into this Agreement to satisfy the Master Development Obligation with respect to the Builder Projects;

WHEREAS, in order to ensure that the Builder Projects are completed and funding is available to provide for their completion, the Pod 2B Developer has agreed to provide evidence of available funds to fund any shortfall between the amount of monies available from the sale of the Bonds to complete the Builder Projects and the total actual cost to complete the Builder Projects, after taking into account any approved application of an available Cost Underrun to a Cost Overrun pursuant to the terms of the Development Agreement (as such terms are defined in the Development Agreement) (the “**Funding Deficit**”);

WHEREAS, the Pod 2B Developer acknowledges and agrees that completion of the Builder Projects is important to ensuring the special assessments levied by the Issuer to fund debt service on the Bonds are allocated as intended and legally required;

WHEREAS, the Pod 2B Developer represents that it or HMH Elevon, or affiliate(s) of the Pod 2B Developer or HMH Elevon, including, but not limited to HMH Lifestyles, L.P., a Texas limited partnership, dba HistoryMaker Homes, is/are a “Substantial Builder” as such term is defined in the Development Agreement;

WHEREAS, the Bonds are issued by the Issuer pursuant to an Indenture of Trust, dated February 1, 2022, executed by and between the Issuer and the Trustee (the “**Indenture**”); and

WHEREAS, the Pod 2B Developer has agreed to provide the representations, warranties and covenants in this Agreement directly to the Trustee (on behalf of the owners of the Bonds (the “**Bondholders**”)) to ensure that the Builder Projects are completed;

NOW, THEREFORE, based upon the above recitals and other good and valuable consideration, the receipt of which and sufficiency of which is hereby acknowledged, the Pod 2B Developer and the Trustee (solely in its capacity as Trustee for the benefit of the Bondholders), agree as follows:

1. INCORPORATION OF RECITALS; CAPITALIZATION. The recitals stated above are true and correct and are incorporated by reference as a material part of this Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Development Agreement or the Service and Assessment Plan, as applicable.

2. **PROJECT DEVELOPMENT.** In accordance with the PSA, the Pod 2B Developer will undertake or cause the undertaking of the design, development, construction, maintenance, management, use and operation of the Builder Projects.

3. **COMPLETION OF AUTHORIZED IMPROVEMENTS.**

(a) The Pod 2B Developer shall complete or cause the completion of the Builder Projects on the following schedule, subject to force majeure (the “Completion Schedule”):

(1) Not less than 50% of the Builder Projects shall be completed by January 31, 2023, which milestone shall be evidenced by the expenditure of not less than \$3,600,000 on the Builder Projects.

(2) The Builder Projects shall be completed not later than November 30, 2023, which completion shall be evidenced by final acceptance of all completed Builder Projects by the applicable entity.

In connection with the Completion Schedule set forth above, not later than fifteen (15) business days after each date specified for completion above, the Pod 2B Developer shall file a certificate with the Trustee indicating its compliance or non-compliance with the Completion Schedule set forth above. Notwithstanding anything in this Agreement to the contrary, the Trustee has no responsibility for and no duty to verify the correctness of the milestones in the Completion Schedule set forth above or ensure the timely completion of same.

(b) The parties hereto acknowledge that at closing of the Bonds, the Improvement Area #1 Bond Improvement Account of the Project Fund (as defined in the Indenture) (referred to herein as the “**Builder Subaccount**”) will not be funded in amounts sufficient to complete the Builder Projects and that a Funding Deficit will exist in the amount of \$[4,546,075], as set forth in Exhibit D hereto. Accordingly, the Pod 2B Developer agrees to provide evidence to the Issuer and the Trustee (“**Evidence of Available Funds**”) that sufficient funds are available to the Pod 2B Developer to fund the Funding Deficit in the form of: (A) a closed loan with a bank or financial institution, acceptable to the City; (B) a letter of credit with a financial institution, rated A+/A1 or higher, acceptable to the City; or (C) other evidence the City finds acceptable, in its sole discretion (the “**Funding Deficit Funding Sources**”). Notwithstanding anything in this Agreement to the contrary, the Trustee has no responsibility for and no duty to make any determination regarding, or timely collect or verify the accuracy or sufficiency of, any Evidence of Available Funds submitted pursuant to this Section 3, or the lack of availability of any such funds at the time that they should be used for the Builder Projects, nor does the Trustee have any obligation to determine if the Pod 2B Developer is required (or when it is required) to submit Evidence of Available Funds.

(c) The Pod 2B Developer agrees to maintain sufficient funds, using one or a combination of the Funding Deficit Funding Sources, to fund the Funding Deficit. On a quarterly basis, the Pod 2B Developer shall file Evidence of Available Funds for the Funding Deficit and the remaining timeline for completion of any Builder Projects not

completed as of the end of each quarter (the “**Uncompleted Builder Projects**”) as of each March 31, June 30, September 30, and December 31 (each a “**Quarterly Ending Date**”) beginning June 30, 2022, not later than five (5) days after each Quarterly Ending Date, to the Master Developer for inclusion in the Quarterly Report to be filed by the Master Developer pursuant to the Continuing Disclosure Agreement of the Master Developer dated as of February 1, 2022 and executed in connection with the Bonds.

4. OTHER CONDITIONS AND ACKNOWLEDGEMENTS.

(a) *Change in Builder Projects.* The Pod 2B Developer acknowledges that the location, size, configuration and composition of the Builder Projects may change from that described in the Service and Assessment Plan, depending upon final design, permitting or other regulatory requirements over time, or other factors. The Pod 2B Developer agrees not to make changes to the Builder Projects which materially impair the marketability of the homes or lots within the Property without first obtaining the written consent of the Trustee at the direction of the Bondholders, which consent shall be at the written direction of the Bondholders of least 50% of the Bonds then outstanding and its receipt of indemnity satisfactory to it; provided, however, the Pod 2B Developer is not required to obtain such consent when the scope, configuration, size and/or composition of the Builder Projects is materially changed in response to a requirement imposed by law or by a regulatory agency (to be understood as including any governmental action or requirement, including but not limited to Issuer action). The consent of the Bondholders, as evidenced by the written consent of the Trustee delivered at the written direction of the Bondholders, is not and will not be a representation or warranty with regard to any Builder Project or the adequacy, marketability or compliance of the same, but is and will be merely the consent of the Bondholders to any such change. The Trustee fees and expenses relating to the obtaining of consent from Bondholders as set forth in this Section 4 shall be paid by the Pod 2B Developer.

(b) *PSA:* The Pod 2B Developer shall notify the Trustee in writing of any default relating to the Pod 2B Developer occurring pursuant to the terms of the within fifteen (15) days of the occurrence of such default.

5. POD 2B DEVELOPER DEFAULT; PROTECTION AGAINST THIRD PARTY INTERFERENCE.

(a) *Pod 2B Developer Default.* In the event the Pod 2B Developer does not comply with the terms of this Agreement, and such failure continues for a period of ten (10) days following written notice thereof to the Pod 2B Developer, the Trustee or its designee shall have the right to seek specific performance from a court of competent jurisdiction in order to ensure the Builder Projects are completed as soon thereafter as possible; provided that the Trustee shall seek such relief solely at the written direction of the Bondholders of least 50% of the Bonds then outstanding and at the sole cost and expense of the Bondholders. The Trustee shall not be required to expend or risk its own funds in carrying out its duties under this Agreement.

(b) *Protection Against Third Party Interference.* Subject to any lienholder’s rights to cure, the Trustee shall be solely responsible for enforcing its rights under this

Agreement against any interfering third party. Nothing contained in this Agreement shall limit or impair the Trustee's right to protect its rights from interference by a third party to this Agreement. Notwithstanding anything contained herein, any action of the Trustee to enforce its rights under this Agreement shall be taken solely for the benefit of the Bondholders at the written direction of the Bondholders of least 50% of the Bonds then outstanding and in accordance with the Indenture at the Bondholders' sole cost and expense.

6. BONDHOLDERS BENEFIT. The Pod 2B Developer acknowledges and agrees that (i) it is entering into this Agreement for the benefit of the Bondholders and the Trustee acting on behalf of such Bondholders, and (ii) such Bondholders have reasonably relied upon this Agreement in purchasing the Bonds. The City has directed the Trustee to enter into this Agreement.

7. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both the Trustee and the Pod 2B Developer, provided that the Trustee shall execute such amendment or waiver solely upon the written consent of the Issuer and the Bondholders of at least 50% of the Bonds then outstanding and its receipt of indemnity satisfactory to it; provided the Trustee's rights, duties and immunities are not adversely affected thereby and the Trustee is fully paid and/or reimbursed for any services and/or expenses incurred in connection with such amendment. Notwithstanding the foregoing, the Pod 2B Developer and the Trustee may amend this Agreement to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the Pod 2B Developer and the Trustee may deem necessary or desirable and not inconsistent with this Agreement, and that shall not adversely affect the rights of the Bondholders. Notwithstanding the foregoing, no amendment or waiver of this Agreement may be made without the prior written consent of the Issuer.

8. AUTHORIZATION; CONSENT. The execution of this Agreement has been duly authorized by the Trustee and the Pod 2B Developer, and both the Trustee and the Pod 2B Developer have full power and authority to comply with the terms and provisions of this instrument. The Pod 2B Developer will obtain a certificate, in the form provided as Exhibit B hereto, from any current or future Lender for construction of the Builder Projects, consenting to and/or acknowledging the Pod 2B Developer's execution of this Agreement.

9. NOTICES. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) hand-delivered by prepaid express overnight courier or messenger service, with read receipt or email acknowledgement, or mailed (airmail if international) by registered or certified (postage prepaid), return receipt requested, to the following addresses:

Trustee:

Wilmington Trust, National Association
15950 N. Dallas Parkway, Suite 550
Dallas, Texas 75248

With copy to:

Naman, Howell, Smith & Lee, PLLC
8310 N. Capital of Texas Highway, Suite 490
Austin, Texas 78731
Attn: Cliff Blount
Telephone: (512) 807-2454
Email: blount@namanhowell.com

Pod 2B Developer:

HMH/Stratford Elevon JV, LLC
1038 Texan Trail
Grapevine, Texas 76051

With a copy to:

Mier Law PLLC
1700 Pacific Avenue, Suite 1840
Dallas, Texas 75201

A copy of all notices, requests, consents and other communications required or permitted under this Agreement shall be provided to the Issuer concurrently with the delivery of any notice, request, consent or other communication to a party at the following address:

City Administrator
City of Lavon
120 School Road
P.O. Box 340
Lavon, Texas 75166

Except as otherwise provided in this Agreement, any mailed notice sent in the manner provided above shall be deemed received three (3) business days after delivery or mailing. Notices delivered after 5:00 PM (at the place of delivery) or on a non-business day shall be deemed received the next business day. If any time for giving notice contained in this Agreement would otherwise expire on a non-business day, the notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government or the Trustee shall not be regarded as business days. Any party or other person to whom notices are to be sent or copied may notify the other parties and addressees of any changes in name or address to which notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

Notwithstanding anything to the contrary contained herein, no notice to the Trustee shall be deemed given to or received by the Trustee unless actually delivered to an officer of the Trustee having responsibility under the Indenture.

10. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the Trustee as agent for the Bondholders, in its capacity as the Trustee for the Bonds, the Pod 2B Developer and the Issuer, and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement (except as noted below with

respect to the Bondholders and the Issuer). Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation, other than the Trustee and the Pod 2B Developer, any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the Trustee and the Pod 2B Developer and their respective representatives, successors, and assigns. Notwithstanding the foregoing or anything in this Agreement to the contrary, (i) the Bondholders shall be direct third party beneficiaries of the terms and conditions of this Agreement and shall, individually or collectively, be entitled to enforce or by written direction, and with receipt by the Trustee of indemnity satisfactory to it, cause the Trustee to enforce the Pod 2B Developer's obligations hereunder, and (ii) the Issuer shall be a direct third party beneficiary of the terms and conditions of this Agreement and shall be entitled to enforce the Pod 2B Developer's obligations hereunder and any right, remedy or claim given or granted to the Issuer under or by reason of this Agreement.

11. SUCCESSORS. The rights and obligations created by this Agreement shall be binding upon and inure to the benefit of Pod 2B Developer, and their receivers, trustees, successors and assigns.

12. ASSIGNMENT. This Agreement, or any monies to become due hereunder, may be assigned, provided that the assigning party first obtains the prior written approval of the other party, which approval shall not unreasonably be withheld, and with respect to any approval required to be given by the Trustee, with the prior written approval and direction of the Bondholders of at least 50% of the Bonds then outstanding, and its receipt of indemnity satisfactory to it. Notwithstanding the foregoing, the Pod 2B Developer may assign this Agreement to an affiliate under common control with the Pod 2B Developer with written notice to, but without the consent of, the Trustee and the Bondholders. The Pod 2B Developer shall deliver such notice within five (5) business days to the Trustee and the Trustee shall provide such notice to Bondholders within three (3) business days of its receipt thereof, but the Trustee shall not incur any liability for failing to provide said notice. Notwithstanding the foregoing, the Pod 2B Developer may not assign this Agreement without the prior written consent of the Issuer.

13. CONSTRUCTION OF TERMS; CONFLICT WITH DEVELOPMENT AGREEMENT AND PSA. Whenever used the singular number shall include the plural, the plural the singular; the use of any gender shall include all genders, as the context requires; and the disjunctive shall be construed as the conjunctive, the conjunctive as the disjunctive, as the context requires. To the extent there is a conflict between the terms of this Agreement and the Development Agreement or the PSA, the Development Agreement or the PSA, as applicable, shall control. To the extent there is a conflict between the terms of the Indenture and the Development Agreement or the PSA, the Indenture shall control. The Trustee shall not be responsible for any consequences of a conflict between provisions of this Agreement and the Development Agreement or the PSA.

14. CONTROLLING LAW. This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Texas.

15. FEE REIMBURSEMENT. The Pod 2B Developer shall pay the annual administration fee for the Trustee's ordinary fees and expenses in rendering its services under this Agreement during each twelve-month period, which fee is equal to \$750.00 which shall be payable annually in advance commencing on the date of delivery of the Bonds and on each annual anniversary date thereafter. In the alternative, the Master Developer may pay the Trustee's fees hereunder on behalf of the Pod 2B Developer. Whenever the Bondholders direct the Trustee to take any action hereunder following a default by Pod 2B Developer which remains uncured following at least ten (10) days written notice to the Pod 2B Developer, it is acknowledged and agreed that the Trustee will be reimbursed for its reasonable fees and out-of-pocket expenses incurred in connection with such action, including reasonable attorneys' fees, within thirty (30) days after the Trustee's delivery of an invoice therefor to the Bondholders. If the Trustee, at the written direction of the Bondholders, employs an attorney to present, enforce or defend any of the rights or remedies of the Trustee under this Agreement, at law or in equity, it is hereby acknowledged and agreed that the Bondholders must pay any reasonable attorneys' fees incurred by the Trustee in connection therewith.

16. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

17. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

18. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

19. COVENANT AND RECORDATION. The Pod 2B Developer agrees that the obligations imposed upon it by this Agreement are valid and enforceable and shall be covenants running with the lands described in Exhibit A hereto, creating an obligation and one which is binding upon successor owners and assigns. The Pod 2B Developer shall record this Agreement in the Public Records of Collin County, Texas, against the lands so described and shall provide a copy thereof to the Trustee. Once the Pod 2B Developer has completed or caused the completion of all the Builder Projects pursuant to the terms of this Agreement and the PSA, the Pod 2B Developer shall notify the Trustee and, upon the written consent of the Trustee, the Pod 2B Developer shall record, in the public records, a release and satisfaction of its obligations under this Agreement (the "**Completion Agreement Release**"). The Trustee shall provide the consent as soon as reasonably practicable after receipt of written verification from the Issuer, which verification may be delivered via electronic communication, that the Builder Projects are complete in accordance with the provisions of this Agreement and the PSA. The form of the Completion Agreement Release is attached hereto as Exhibit C. This Agreement, when recorded, shall be binding upon the Pod 2B Developer and the Trustee and their successors and assigns as permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute

any encumbrance to title as to, any end-user, unaffiliated builder, or unaffiliated homebuilder except for land use and development regulations that apply to such lots.

20. TRUSTEE'S RIGHTS. Notwithstanding anything herein to the contrary, the applicable and necessary provisions of the Indenture are incorporated herein by reference, including the rights, protections and indemnification afforded the Trustee in its capacity as the Trustee under the Indenture. Notwithstanding anything to the contrary contained herein, neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor or oversee the performance or any action of the Pod 2B Developer, or any of its directors, members, officers, agents, affiliates or employees, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may conclusively assume performance by all such persons of their respective obligations unless and until the Trustee is provided written notice to the contrary.

IN WITNESS WHEREOF, the parties hereto execute this Agreement and further agree that it shall take effect as of the date first above written.

[Remainder of page intentionally left blank]

TRUSTEE:

Wilmington Trust, National Association,
solely in its capacity as trustee for the Bonds

By: _____
Name: Dayna L. Smith
Title: Vice President

STATE OF _____ §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____, 2022, by Dayna L. Smith, as Vice President on behalf of the Trustee.

[SEAL]

Notary Public
Commission Expires: _____

POD 2B DEVELOPER:

**HMH/STRATFORD ELEVON JV, LLC, a
Texas limited partnership**

By: _____
Its: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me on _____, 2022 by
_____, _____ of [POD 2B DEVELOPER], a
_____, on behalf of said company.

Notary Public, State of Texas

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE PROPERTY

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541;

THENCE along the west line of said 180.339 acre tract and along the east line of said Lavon Ranchettes Addition as follows:

North 01 degrees 21 minutes 21 seconds East, 157.69 feet to a one-half inch iron rod found for corner;

North 01 degrees 07 minutes 18 seconds East, 1,375.04 feet to a three-eighths inch iron rod found for corner;

North 01 degrees 01 minutes 24 seconds East, 240.18 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the northwest corner of said 180.339 acre tract, said point also being in the south line of said 472.8955 acre tract;

THENCE 01 degrees 07 minutes 21 seconds East, at 1,306.98 feet passing the northeast corner of said Lavon Ranchettes Addition, in all a total distance of 1,444.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 295.43 feet along a curve to the right having a central angle of 50 degrees 31 minutes 40 seconds, a radius of 335.00 feet, a tangent of 158.10 feet and whose chord bears South 40 degrees 17 minutes 38 seconds East, 285.95 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 15 degrees 01 minutes 48 seconds East, 581.11 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 1,028.63 feet along a curve to the left having a central angle of 68 degrees 08 minutes 04 seconds, a radius of 865.00 feet, a tangent of 584.93 feet and whose chord bears South 49 degrees 05 minutes 50 seconds East, 969.09 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 09 minutes 52 seconds East, 339.07 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 17.15 feet along a curve to the right, having a central angle of 15 degrees 07 minutes 06 seconds, a radius of 65.00 feet, a tangent of 8.63 feet and whose chord bears South 00 degrees 47 minutes 23 seconds East, 17.10 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;;

THENCE South 06 degrees 46 minutes 10 seconds West, 12.37 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 381.15 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 83 degrees 13 minutes 50 seconds West, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 06 degrees 46 minutes 10 seconds East, 120.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 83 degrees 13 minutes 50 seconds West, 343.76 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 47 minutes 30 seconds West, 17.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 81 degrees 00 minutes 06 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 78 degrees 17 minutes 56 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 75 degrees 35 minutes 47 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 72 degrees 53 minutes 37 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 70 degrees 11 minutes 28 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 67 degrees 29 minutes 18 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 64 degrees 07 minutes 37 seconds West, 81.37 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 35 degrees 03 minutes 50 seconds West, 120.86 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 120.31 feet along a curve to the right having a central angle of 05 degrees 23 minutes 07 seconds, a radius of 1,280.00 feet, a tangent of 60.20 feet and whose chord bears North 58 degrees 44 minutes 53 seconds West, 120.27 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 35 degrees 03 minutes 50 seconds West, 124.44 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 150.42 feet along a curve to the left having a central angle of 14 degrees 59 minutes 19 seconds, a radius of 575.00 feet, a tangent of 75.64 feet and whose chord bears South 27 degrees 34 minutes 10 seconds West, 149.99 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 20 degrees 04 minutes 31 seconds West, 228.41 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 69 degrees 55 minutes 29 seconds East, 358.57 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 70 degrees 10 minutes 49 seconds East, 15.51 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 71 degrees 18 minutes 32 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 73 degrees 03 minutes 21 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 74 degrees 48 minutes 09 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 76 degrees 32 minutes 58 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 78 degrees 17 minutes 47 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 80 degrees 02 minutes 35 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 81 degrees 47 minutes 24 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 82 degrees 56 minutes 36 seconds East, 17.01 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 83.98 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 120.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 12.29 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 91.38 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 81.33 feet along a curve to the right having a central angle of 08 degrees 52 minutes 34 seconds, a radius of 525.00 feet, a tangent of 40.75 feet and whose chord bears South 11 degrees 12 minutes 27 seconds, 81.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 15 degrees 38 minutes 44 seconds West, 31.59 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 255.87 feet along a curve to the left having a central angle of 27 degrees 55 minutes 28 seconds, a radius of 525.00 feet, a tangent of 130.53 feet and whose chord bears South 01 degrees 41 minutes 00 seconds West, 253.35 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 12 degrees 16 minutes 44 seconds East, 86.64 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 130.54 feet along a curve to the right having a central angle of 13 degrees 00 minutes 28 seconds, a radius of 575.00 feet, a tangent of 65.55 feet and whose chord bears South 05 degrees 46 minutes 31 seconds East, 130.26 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 43 minutes 43 seconds West, 155.23 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 23 minutes 25 seconds, 65.95 feet along the south line of said 180.339 acre tract and along the north right-of-way line of said County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point also being the southeast corner of that

called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600, Official Public Records of Collin County, Texas;

THENCE along the common lines of said 180.339 acre tract and said 1.05 acre tract as follows:

North 00 degrees 45 minutes 47 seconds East, 253.51 feet to a five-eighths inch iron rod found for corner;

North 87 degrees 47 minutes 23 seconds West, 180.66 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found for corner;

South 00 degrees 37 minutes 46 seconds West, 257.91 feet to a one-half inch iron rod found at the southwest corner of said 1.05 acre tract, said point also being in the north right-of-way line of said County Road 541;

THENCE North 89 degrees 10 minutes 57 seconds West, 848.67 feet along the south line of said 180.339 acre tract and along the north right-of-way line of said County Road 541 to the POINT OF BEGINNING and containing 2,154,924 square feet or 49.470 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

EXHIBIT B
[use if lienholder]
LIENHOLDER CERTIFICATE

_____ (“Lienholder”), being a lienholder on the Property, hereby [consents to][acknowledges] the Pod 2B Developer entering into the *COMPLETION AGREEMENT – POD 2B (HMH/STRATFORD ELEVON)* (the “Completion Agreement”) and accepts and agrees to the terms and provisions of the Completion Agreement.

LIENHOLDER:

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2022, by _____, the _____ of _____, on behalf of said bank.

Notary Public, State of _____

EXHIBIT C

COMPLETION AGREEMENT RELEASE

Wilmington Trust, National Association, a national banking association (the “**Trustee**”), solely in its capacity as trustee for the City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “**Bonds**”), hereby acknowledges receipt of notification of the completion of the Builder Projects in accordance with Paragraph 19 of the Completion Agreement (the “**Completion Agreement**”) by and between the Trustee and **HMH/Stratford Elevon JV, LLC**, a Texas limited liability company, together with its affiliates, successors, assigns (the “**Pod 2B Developer**”).

The Completion Agreement was recorded in the Public Records of Collin County, Texas under Instrument No. _____ against the real property within the District more particularly described in Exhibit A attached hereto and incorporated by referenced herein (the “**Property**”).

The Pod 2B Developer and its successors and assigns shall have no further obligations, duties or liabilities under the Completion Agreement, and based solely upon written notice from the Issuer that the Builder Projects have been completed and in accordance with Paragraph 19 of the Completion Agreement, the Trustee hereby releases, waives and forever discharges the Pod 2B Developer from all obligations, duties or liabilities of whatever nature arising under or in connection with the Completion Agreement.

[SIGNATURE PAGE FOLLOWS]

Wilmington Trust, National Association,
solely in its capacity as trustee for the Bonds

By: _____

Name: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me this _____, 20__, by
_____, as _____ on behalf of the Trustee.

[SEAL]

Notary Public

Commission Expires: _____

Exhibit A

[PROPERTY LEGAL DESCRIPTION]

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541;

THENCE along the west line of said 180.339 acre tract and along the east line of said Lavon Ranchettes Addition as follows:

North 01 degrees 21 minutes 21 seconds East, 157.69 feet to a one-half inch iron rod found for corner;

North 01 degrees 07 minutes 18 seconds East, 1,375.04 feet to a three-eighths inch iron rod found for corner;

North 01 degrees 01 minutes 24 seconds East, 240.18 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the northwest corner of said 180.339 acre tract, said point also being in the south line of said 472.8955 acre tract;

THENCE 01 degrees 07 minutes 21 seconds East, at 1,306.98 feet passing the northeast corner of said Lavon Ranchettes Addition, in all a total distance of 1,444.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 295.43 feet along a curve to the right having a central angle of 50 degrees 31 minutes 40 seconds, a radius of 335.00 feet, a tangent of 158.10 feet and whose chord bears South 40 degrees 17 minutes 38 seconds East, 285.95 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 15 degrees 01 minutes 48 seconds East, 581.11 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 1,028.63 feet along a curve to the left having a central angle of 68 degrees 08 minutes 04 seconds, a radius of 865.00 feet, a tangent of 584.93 feet and whose chord bears South 49 degrees 05 minutes 50 seconds East, 969.09 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 09 minutes 52 seconds East, 339.07 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 17.15 feet along a curve to the right, having a central angle of 15 degrees 07 minutes 06 seconds, a radius of 65.00 feet, a tangent of 8.63 feet and whose chord bears South 00 degrees 47 minutes 23 seconds East, 17.10 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;;

THENCE South 06 degrees 46 minutes 10 seconds West, 12.37 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 381.15 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 83 degrees 13 minutes 50 seconds West, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 06 degrees 46 minutes 10 seconds East, 120.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 83 degrees 13 minutes 50 seconds West, 343.76 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 47 minutes 30 seconds West, 17.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 81 degrees 00 minutes 06 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 78 degrees 17 minutes 56 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 75 degrees 35 minutes 47 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 72 degrees 53 minutes 37 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 70 degrees 11 minutes 28 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 67 degrees 29 minutes 18 seconds West, 54.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 64 degrees 07 minutes 37 seconds West, 81.37 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 35 degrees 03 minutes 50 seconds West, 120.86 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 120.31 feet along a curve to the right having a central angle of 05 degrees 23 minutes 07 seconds, a radius of 1,280.00 feet, a tangent of 60.20 feet and whose chord bears North 58 degrees 44 minutes 53 seconds West, 120.27 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 35 degrees 03 minutes 50 seconds West, 124.44 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 150.42 feet along a curve to the left having a central angle of 14 degrees 59 minutes 19 seconds, a radius of 575.00 feet, a tangent of 75.64 feet and whose chord bears South 27 degrees 34 minutes 10 seconds West, 149.99 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 20 degrees 04 minutes 31 seconds West, 228.41 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 69 degrees 55 minutes 29 seconds East, 358.57 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 70 degrees 10 minutes 49 seconds East, 15.51 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 71 degrees 18 minutes 32 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 73 degrees 03 minutes 21 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 74 degrees 48 minutes 09 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 76 degrees 32 minutes 58 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 78 degrees 17 minutes 47 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 80 degrees 02 minutes 35 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 81 degrees 47 minutes 24 seconds East, 53.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 82 degrees 56 minutes 36 seconds East, 17.01 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 83.98 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 120.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 12.29 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 91.38 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 81.33 feet along a curve to the right having a central angle of 08 degrees 52 minutes 34 seconds, a radius of 525.00 feet, a tangent of 40.75 feet and whose chord bears South 11 degrees 12 minutes 27 seconds, 81.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 15 degrees 38 minutes 44 seconds West, 31.59 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 255.87 feet along a curve to the left having a central angle of 27 degrees 55 minutes 28 seconds, a radius of 525.00 feet, a tangent of 130.53 feet and whose chord bears South 01 degrees 41 minutes 00 seconds West, 253.35 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 12 degrees 16 minutes 44 seconds East, 86.64 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 130.54 feet along a curve to the right having a central angle of 13 degrees 00 minutes 28 seconds, a radius of 575.00 feet, a tangent of 65.55 feet and whose chord bears South 05 degrees 46 minutes 31 seconds East, 130.26 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 43 minutes 43 seconds West, 155.23 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 23 minutes 25 seconds, 65.95 feet along the south line of said 180.339 acre tract and along the north right-of-way line of said County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point also being the southeast corner of that

called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600, Official Public Records of Collin County, Texas;

THENCE along the common lines of said 180.339 acre tract and said 1.05 acre tract as follows:

North 00 degrees 45 minutes 47 seconds East, 253.51 feet to a five-eighths inch iron rod found for corner;

North 87 degrees 47 minutes 23 seconds West, 180.66 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found for corner;

South 00 degrees 37 minutes 46 seconds West, 257.91 feet to a one-half inch iron rod found at the southwest corner of said 1.05 acre tract, said point also being in the north right-of-way line of said County Road 541;

THENCE North 89 degrees 10 minutes 57 seconds West, 848.67 feet along the south line of said 180.339 acre tract and along the north right-of-way line of said County Road 541 to the POINT OF BEGINNING and containing 2,154,924 square feet or 49.470 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

EXHIBIT D

[Final Appendix B to be inserted after pricing]

City of Lavon - Eleven PID Appendix B						
	Improvement Area #1 Total	POD 2A	POD 2B-1	POD 2C	POD 2D	
Zone 1 Remainder Area Bond Par	\$ -	\$ -	\$ -	\$ -	\$ -	
Improvement Area #1 Bond Par ¹ (67.84%)	21,184,748	5,087,327	4,172,171	7,216,656	4,708,593	
Improvement Area #1 Reimbursement Obligation ⁴	10,104,000	2,426,385	1,989,904	3,441,962	2,245,749	
Owner or Homebuilder Participation - Offsite Improvements ²	-	-	-	-	-	
Owner or Homebuilder Participation - Private Improvements ²	4,631,803	1,112,286	912,198	1,577,839	1,029,480	
Owner or Homebuilder Participation ³	14,585,919	3,502,678	2,872,583	4,968,743	3,241,915	
Total Sources	\$ 50,506,470	\$ 12,128,675	\$ 9,946,856	\$ 17,205,200	\$ 11,225,738	
Uses of Funds						
Zone 1 Improvements	\$ 7,609,652	\$ 1,827,390	\$ 1,498,662	\$ 2,592,254	\$ 1,691,347	
Improvement Area #1 Improvements	29,254,917	7,025,306	5,761,528	9,965,787	6,502,296	
Offsite Improvements	5,512,724	1,323,831	1,085,688	1,877,928	1,225,277	
Private Improvements	4,631,803	1,112,286	912,198	1,577,839	1,029,480	
	\$ 47,009,097	\$ 11,288,812	\$ 9,258,076	\$ 16,013,808	\$ 10,448,400	
Bond Issuance Costs						
Debt Service Reserve Fund	\$ 1,278,371	\$ 306,989	\$ 251,765	\$ 435,481	\$ 284,135	
Capitalized Interest	525,619	127,183	104,304	180,416	117,715	
Underwriter's Discount	635,542	152,620	125,165	216,500	141,258	
Costs of Issuance	1,008,841	242,264	198,683	343,665	224,228	
	\$ 3,452,373	\$ 829,056	\$ 679,918	\$ 1,176,063	\$ 767,336	
Other Costs						
Deposit to Administrative Fund	\$ 45,000	\$ 10,806	\$ 8,862	\$ 15,329	\$ 10,002	
	\$ 45,000	\$ 10,806	\$ 8,862	\$ 15,329	\$ 10,002	
Total Uses	\$ 50,506,470	\$ 12,128,675	\$ 9,946,856	\$ 17,205,200	\$ 11,225,738	
Bond Proceeds (Bond Par minus bond issuance costs)	\$ 17,687,374	\$ 4,247,464	\$ 3,483,391	\$ 6,025,264	\$ 3,931,255	
Homebuilder's Direct Costs less Bond Proceeds	\$ 25,391,529	\$ 3,323,314	\$ 4,546,075	\$ 5,951,350	\$ 3,512,358	
Developer's Zone Improvements	\$ 19,574,587.00					
Zone 1- 32.16% allocation of IA#1 Bond Proceeds (32.16%)	8,392,917.11					
Zone 1- 100% allocation of Zone 1 Bond Proceeds (100%)	6,221,210.00					
Remainder to be covered by Developer	\$ 4,960,459.89					

Notes:

¹ Improvement Area #1 Bond preliminary sizing based on an estimated appraised value of \$1,400 per front foot per Lot. Any future increase in the Improvement Area #1 Bond par resulting from value adjustments in appraisal will become restricted funds, per the terms of the Development Agreement.

² Not reimbursable to Owner through Assessments.

³ Not reimbursable to Owner through Assessments. To be financed through TIRZ No. 2.

⁴ Generates no construction revenues. To be reimbursed to the Developer when construction is completed and after Assessments have begun to be collected.

COMPLETION AGREEMENT – POD 2C
(GRBK EDGEWOOD, LLC)

Prepared by and return to:
GRBK Edgewood LLC
Attn: Bobby Samuel
2805 N. Dallas Parkway, Suite 400
Plano, Texas 75093

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

COMPLETION AGREEMENT – POD 2C

THIS COMPLETION AGREEMENT – POD 2C (GRBK EDGEWOOD, LLC) (herein, this “**Agreement**”) is made effective February 1, 2022, by and between **GRBK Edgewood, LLC, a Texas limited liability company**, together with its affiliates, successors and assigns (the “**Pod 2C Developer**”), and **Wilmington Trust, National Association, Dallas, Texas**, a national banking association (the “**Trustee**”), solely in its capacity as trustee for the City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “**Bonds**”).

RECITALS

WHEREAS, the Pod 2C Developer and UMH Development, LLC, a Texas limited liability company (“**UMH**”) are the owners and the Pod 2C Developer is the sole developer of the lands more particularly described in Exhibit A attached hereto and incorporated by referenced herein (the “**Property**”) which Property lies within the boundary of the Elevon Public Improvement District (the “**District**”) established by the City of Lavon, Texas (the “**Issuer**”);

WHEREAS, the Issuer, MA Elevon 429, LLC (the “**Master Developer**”), Far East Lavon, LP, 78 Straddle, LP East Lavon Partners, LP, World Land Developer, LP, and Petro-Hunt, L.L.C., have entered into that certain *Elevon Development Agreement* dated as of November 2, 2021, (as further amended from time to time, the “**Development Agreement**”) pursuant to which the Master Developer has agreed to provide evidence that sufficient funds are available to pay any deficit regarding the costs of the Public Improvements not financed with proceeds of the Bonds and the Private Improvements (each as described and defined in the Development Agreement, and, collectively, the “**PID Improvements**”) (such obligation to provide evidence of sufficient funds, the “**Master Developer Obligation**”);

WHEREAS, the Issuer has determined that it is in the best interests of the present and future landowners and is a special benefit to the lands within the District to finance, construct and deliver the PID Improvements as more specifically described in the *Elevon Public Improvement District Service and Assessment Plan*, adopted by the City Council of the Issuer on February 1, 2022 as updated and amended from time to time (the “**Service and Assessment Plan**”);

WHEREAS, the Pod 2C Developer, UMH and the Master Developer have entered into a purchase and sale agreement (as amended from time to time, the “**PSA**”) pursuant to which the Master

Developer sold a portion of the Property to the Pod 2C Developer (the “**Pod 2C Developer Property**”) and a portion of the property to UMH (the “**UMH Property**”);

WHEREAS, pursuant to the PSA, the Pod 2C Developer agreed to finance and construct those PID Improvements relating to the Pod 2C Developer Property set forth in the PSA, including, specifically, the Improvement Area #1 Improvements (as defined in the Service and Assessment Plan) and the Private Improvements within the Pod 2C Developer Property (collectively, the “**Pod 2C Developer Projects**”), in accordance with the budget and concept plan set forth in the Pod 2C Developer PSA;

WHEREAS, pursuant to the PSA, UMH agreed to finance and construct those PID Improvements relating to the UMH Property set forth in the PSA, including, specifically, the Improvement Area #1 Improvements (as defined in the Service and Assessment Plan) and the Private Improvements within the UMH Property (collectively, the “**UMH Projects**” and, together with the Pod 2C Developer Project, the “**Builder Projects**”), in accordance with the budget and concept plan set forth in the PSA;

WHEREAS, pursuant to the Joint Development Agreement between the Pod 2C Developer and UMH (the “**Joint Development Agreement**”), the Pod 2C Developer agreed to construct the UMH Projects on behalf of UMH;

WHEREAS, the Issuer intends to fund a portion of the Builder Projects with the proceeds of the Bonds;

WHEREAS, the Development Agreement permits a “Publicly-Held Builder” or a “Substantial Builder” that is a developer to provide a builder completion agreement or other evidence satisfactory to the Issuer of its ability to fund any Public Improvements not funded from the proceeds of the Bonds and the Private Improvements;

WHEREAS, the Pod 2C Developer and the Trustee are entering into this Agreement to satisfy the Master Development Obligation with respect to the Builder Projects;

WHEREAS, in order to ensure that the Builder Projects are completed and funding is available to provide for their completion, the Pod 2C Developer has agreed to provide evidence of available funds to fund any shortfall between the amount of monies available from the sale of the Bonds to complete the Builder Projects and the total actual cost to complete the Builder Projects, after taking into account any approved application of an available Cost Underrun to a Cost Overrun pursuant to the terms of the Development Agreement (as such terms are defined in the Development Agreement) (the “**Funding Deficit**”);

WHEREAS, the Pod 2C Developer acknowledges and agrees that completion of the Builder Projects is important to ensuring the special assessments levied by the Issuer to fund debt service on the Bonds are allocated as intended and legally required;

WHEREAS, the Pod 2C Developer represents that it is a wholly owned subsidiary of Green Brick Partners, Inc., a “Publicly-Held Builder” as such term is defined in the Development Agreement, the financial statements of which are publicly available;

WHEREAS, the Bonds are issued by the Issuer pursuant to an Indenture of Trust, dated February 1, 2022, executed by and between the Issuer and the Trustee (the “**Indenture**”); and

WHEREAS, the Pod 2C Developer has agreed to provide the representations, warranties and covenants in this Agreement directly to the Trustee (on behalf of the owners of the Bonds (the “**Bondholders**”)) to ensure that the Builder Projects are completed;

NOW, THEREFORE, based upon the above recitals and other good and valuable consideration, the receipt of which and sufficiency of which is hereby acknowledged, the Pod 2C Developer and the Trustee (solely in its capacity as Trustee for the benefit of the Bondholders), agree as follows:

1. INCORPORATION OF RECITALS; CAPITALIZATION. The recitals stated above are true and correct and are incorporated by reference as a material part of this Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Development Agreement or the Service and Assessment Plan, as applicable.

2. PROJECT DEVELOPMENT. In accordance with the PSA and the Joint Development Agreement, the Pod 2C Developer will undertake or cause the undertaking of the design, development, construction, maintenance, management, use and operation of the Builder Projects.

3. COMPLETION OF AUTHORIZED IMPROVEMENTS.

(a) The Pod 2C Developer shall complete the Builder Projects on the following schedule, subject to force majeure (the “Completion Schedule”):

(1) Not less than 50% of the Builder Projects shall be completed by May 31, 2023, which milestone shall be evidenced by the expenditure of not less than \$5,600,000 on the Builder Projects.

(2) The Builder Projects shall be completed not later than December 31, 2023, which completion shall be evidenced by final acceptance of all completed Builder Projects by the applicable entity.

In connection with the Completion Schedule set forth above, not later than fifteen (15) business days after each date specified for completion above, the Pod 2C Developer shall file a certificate with the Trustee indicating its compliance or non-compliance with the Completion Schedule set forth above. Notwithstanding anything in this Agreement to the contrary, the Trustee has no responsibility for and no duty to verify the correctness of the milestones in the Completion Schedule set forth above or ensure the timely completion of same.

(b) The parties hereto acknowledge that at closing of the Bonds, the Improvement Area #1 Bond Improvement Account of the Project Fund (as defined in the Indenture) (referred to herein as the “**Builder Subaccount**”) will not be funded in amounts sufficient to complete the Builder Projects and that a Funding Deficit will exist in the amount of \$[5,951,350], as set forth in Exhibit D hereto. Accordingly, the Pod 2C Developer agrees to provide evidence to the Issuer and the Trustee (“**Evidence of Available Funds**”) that sufficient funds are available to the Pod 2C Developer to fund the Funding Deficit in the form of: (A) a closed loan with a bank or financial institution, acceptable to the City; (B) a letter of credit with a financial institution, rated A+/A1 or higher, acceptable to the City; (C) available cash as demonstrated by the online financials of Green Brick Partners, Inc.; or (D) other evidence the City finds acceptable, in its sole discretion (the

“Funding Deficit Funding Sources”). Notwithstanding anything in this Agreement to the contrary, the Trustee has no responsibility for and no duty to make any determination regarding, or timely collect or verify the accuracy or sufficiency of any Evidence of Available Funds submitted pursuant to this Section 3, or the lack of availability of any such funds at the time that they should be used for the Builder Projects, nor does the Trustee have any obligation to determine if the Pod 2C Developer is required (or when it is required) to submit Evidence of Available Funds.

(c) The Pod 2C Developer agrees to maintain sufficient funds, using one or a combination of the Funding Deficit Funding Sources, to fund the Funding Deficit. On a quarterly basis, the Pod 2C Developer shall file Evidence of Available Funds for the Funding Deficit and the remaining timeline for completion of any Builder Projects not completed as of the end of each quarter (the **“Uncompleted Builder Projects”**) as of each March 31, June 30, September 30, and December 31 (each a **“Quarterly Ending Date”**) beginning June 30, 2022, not later than five (5) days after each Quarterly Ending Date, to the Master Developer for inclusion in the Quarterly Report to be filed by the Master Developer pursuant to the Continuing Disclosure Agreement of the Master Developer dated as of February 1, 2022 and executed in connection with the Bonds.

4. OTHER CONDITIONS AND ACKNOWLEDGEMENTS.

(a) *Change in Builder Projects.* The Pod 2C Developer acknowledges that the location, size, configuration and composition of the Builder Projects may change from that described in the Service and Assessment Plan, depending upon final design, permitting or other regulatory requirements over time, or other factors. The Pod 2C Developer agrees not to make changes to the Builder Projects which materially impair the marketability of the homes or lots within the Property without first obtaining the written consent of the Trustee at the direction of the Bondholders, which consent shall be at the written direction of the Bondholders of least 50% of the Bonds then outstanding and its receipt of indemnity satisfactory to it; provided, however, the Pod 2C Developer is not required to obtain such consent when the scope, configuration, size and/or composition of the Builder Projects is materially changed in response to a requirement imposed by law or by a regulatory agency (to be understood as including any governmental action or requirement, including but not limited to Issuer action). The consent of the Bondholders, as evidenced by the written consent of the Trustee delivered at the written direction of the Bondholders, is not and will not be a representation or warranty with regard to any Builder Projects or the adequacy, marketability or compliance of the same, but is and will be merely the consent of the Bondholders to any such change. The Trustee fees and expenses relating to the obtaining of consent from Bondholders as set forth in this Section 4 shall be paid by the Pod 2C Developer.

(b) *PSA and Joint Memorandum Agreement:* The Pod 2C Developer shall notify the Trustee in writing of any default relating to the Pod 2C Developer or UMH occurring pursuant to the terms of the PSA or the Joint Memorandum Agreement within fifteen (15) days of the occurrence of such default.

5. POD 2C DEVELOPER DEFAULT; PROTECTION AGAINST THIRD PARTY INTERFERENCE.

(a) *Pod 2C Developer Default.* In the event the Pod 2C Developer does not comply with the terms of this Agreement, and such failure continues for a period of thirty (30) days following written notice thereof to the Pod 2C Developer (or such longer period of time to complete any cure commenced within such thirty (30) day period), the Trustee or its designee shall have the right to seek specific performance from a court of competent jurisdiction in order to ensure the Builder Projects are completed as soon thereafter as possible; provided that the Trustee shall seek such relief solely at the written direction of the Bondholders of least 50% of the Bonds then outstanding and at the sole cost and expense of the Bondholders. The Trustee shall not be required to expend or risk its own funds in carrying out its duties under this Agreement.

(b) *Protection Against Third Party Interference.* Subject to any lienholder's rights to cure, the Trustee shall be solely responsible for enforcing its rights under this Agreement against any interfering third party. Nothing contained in this Agreement shall limit or impair the Trustee's right to protect its rights from interference by a third party to this Agreement. Notwithstanding anything contained herein, any action of the Trustee to enforce its rights under this Agreement shall be taken solely for the benefit of the Bondholders at the written direction of the Bondholders of least 50% of the Bonds then outstanding and in accordance with the Indenture at the Bondholders' sole cost and expense.

6. BONDHOLDERS BENEFIT. The Pod 2C Developer acknowledges and agrees that (i) it is entering into this Agreement for the benefit of the Bondholders and the Trustee acting on behalf of such Bondholders, and (ii) such Bondholders have reasonably relied upon this Agreement in purchasing the Bonds. The City has directed the Trustee to enter into this Agreement.

7. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both the Trustee and the Pod 2C Developer, provided that the Trustee shall execute such amendment or waiver solely upon the written consent of the Issuer and the Bondholders of at least 50% of the Bonds then outstanding and its receipt of indemnity satisfactory to it; provided the Trustee's rights, duties and immunities are not adversely affected thereby and the Trustee is fully paid and/or reimbursed for any services and/or expenses incurred in connection with such amendment. Notwithstanding the foregoing, the Pod 2C Developer and the Trustee may amend this Agreement to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the Pod 2C Developer and the Trustee may deem necessary or desirable and not inconsistent with this Agreement, and that shall not adversely affect the rights of the Bondholders. Notwithstanding the foregoing, no amendment or waiver of this Agreement may be made without the prior written consent of the Issuer.

8. AUTHORIZATION; CONSENT. The execution of this Agreement has been duly authorized by the Trustee and the Pod 2C Developer, and both the Trustee and the Pod 2C Developer have full power and authority to comply with the terms and provisions of this

instrument. The Pod 2C Developer will obtain a certificate, in the form provided as Exhibit B hereto, from any future Lender of the Pod 2C Developer for construction of the Builder Projects, consenting to and/or acknowledging the Pod 2C Developer's execution of this Agreement.

9. NOTICES. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) hand-delivered by prepaid express overnight courier or messenger service, telecommunicated (with read receipt or email acknowledgement), or mailed (airmail if international) by registered or certified (postage prepaid), return receipt requested, to the following addresses:

Trustee:

Wilmington Trust, National Association
15950 N. Dallas Parkway, Suite 550
Dallas, Texas 75248

With copy to:

Naman, Howell, Smith & Lee, PLLC
8310 N. Capital of Texas Highway, Suite 490
Austin, Texas 78731
Attn: Cliff Blount
Telephone: (512) 807-2454
Email: blount@namanhowell.com

Pod 2C Developer:

GRBK Edgewood, LLC
Attn: Bobby Samuel
2805 Dallas Parkway, Suite 400
Plano, Texas 75093
Email: bsamuel@greenbrickpartners.com

With a copy to:

Green Brick Partners, Inc.
Attn: Hilary Liston, Esq.
2805 Dallas Parkway, Suite 400
Plano, Texas 75093
Email: hliston@greenbrickpartners.com

A copy of all notices, requests, consents and other communications required or permitted under this Agreement shall be provided to the Issuer concurrently with the delivery of any notice, request, consent or other communication to a party at the following address:

City Administrator
City of Lavon
120 School Road
P.O. Box 340
Lavon, Texas 75166

Except as otherwise provided in this Agreement, any mailed notice sent in the manner provided above shall be deemed received three (3) business days after delivery or mailing. Notices delivered after 5:00 PM (at the place of delivery) or on a non-business day shall be deemed received the next business day. If any time for giving notice contained in this Agreement would otherwise expire on a non-business day, the notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government or the Trustee shall not be regarded as business days. Any party or other person to whom notices are to be sent or copied may notify the other parties and addressees of any changes in name or address to which notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

Notwithstanding anything to the contrary contained herein, no notice to the Trustee shall be deemed given to or received by the Trustee unless actually delivered to an officer of the Trustee having responsibility under the Indenture.

10. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the Trustee as agent for the Bondholders, in its capacity as the Trustee for the Bonds, the Pod 2C Developer and the Issuer, and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement (except as noted below with respect to the Bondholders and the Issuer). Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation, other than the Trustee and the Pod 2C Developer, any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the Trustee and the Pod 2C Developer and their respective representatives, successors, and assigns. Notwithstanding the foregoing or anything in this Agreement to the contrary, (i) the Bondholders shall be direct third party beneficiaries of the terms and conditions of this Agreement and shall, individually or collectively, be entitled to enforce or by written direction, and with receipt by the Trustee of indemnity satisfactory to it, cause the Trustee to enforce the Pod 2C Developer's obligations hereunder, and (ii) the Issuer shall be a direct third party beneficiary of the terms and conditions of this Agreement and shall be entitled to enforce the Pod 2C Developer's obligations hereunder and any right, remedy or claim given or granted to the Issuer under or by reason of this Agreement.

11. SUCCESSORS. The rights and obligations created by this Agreement shall be binding upon and inure to the benefit of Pod 2C Developer, and their receivers, trustees, successors and assigns.

12. ASSIGNMENT. This Agreement, or any monies to become due hereunder, may be assigned, provided that the assigning party first obtains the prior written approval of the other party, which approval shall not unreasonably be withheld, and with respect to any approval required to be given by the Trustee, with the prior written approval and direction of the Bondholders of at least 50% of the Bonds then outstanding, and its receipt of indemnity satisfactory to it. Notwithstanding the foregoing, the Pod 2C Developer may assign this Agreement to an affiliate under common control with the Pod 2C Developer and/or UMH with written notice to, but without the consent of, the Trustee and the Bondholders. The Pod 2C Developer shall deliver

such notice within five (5) business days to the Trustee and the Trustee shall provide such notice to Bondholders within three (3) business days of its receipt thereof, but the Trustee shall not incur any liability for failing to provide said notice. Notwithstanding the foregoing, the Pod 2C Developer may not assign this Agreement without the prior written consent of the Issuer.

13. CONSTRUCTION OF TERMS; CONFLICT WITH DEVELOPMENT AGREEMENT AND PSA. Whenever used the singular number shall include the plural, the plural the singular; the use of any gender shall include all genders, as the context requires; and the disjunctive shall be construed as the conjunctive, the conjunctive as the disjunctive, as the context requires. To the extent there is a conflict between the terms of this Agreement and the Development Agreement or the PSA, the Development Agreement or the PSA, as applicable, shall control. To the extent there is a conflict between the terms of the Indenture and the Development Agreement or the PSA, the Indenture shall control. The Trustee shall not be responsible for any consequences of a conflict between provisions of this Agreement and the Development Agreement or the PSA.

14. CONTROLLING LAW. This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Texas.

15. FEE REIMBURSEMENT. The Pod 2C Developer shall pay the annual administration fee for the Trustee's ordinary fees and expenses in rendering its services under this Agreement during each twelve-month period, which fee is equal to \$750.00 which shall be payable annually in advance commencing on the date of delivery of the Bonds and on each annual anniversary date thereafter. Whenever the Bondholders direct the Trustee to take any action hereunder following a default by Pod 2C Developer which remains uncured following at least ten (10) days written notice to the Pod 2C Developer, it is acknowledged and agreed that the Trustee will be reimbursed for its reasonable fees and out-of-pocket expenses incurred in connection with such action, including reasonable attorneys' fees, within thirty (30) days after the Trustee's delivery of an invoice therefor to the Bondholders. If the Trustee, at the written direction of the Bondholders, employs an attorney to present, enforce or defend any of the rights or remedies of the Trustee under this Agreement, at law or in equity, it is hereby acknowledged and agreed that the Bondholders must pay any reasonable attorneys' fees incurred by the Trustee in connection therewith.

16. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

17. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

18. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

19. COVENANT AND RECORDATION. The Pod 2C Developer agrees that the obligations imposed upon it by this Agreement are valid and enforceable and shall be covenants running with the lands described in Exhibit A hereto, creating an obligation and one which is binding upon successor owners and assigns. The Pod 2C Developer shall record this Agreement in the Public Records of Collin County, Texas, against the lands so described and shall provide a copy thereof to the Trustee. Once the Pod 2C Developer has completed all the Builder Projects pursuant to the terms of this Agreement, the PSA and the Joint Memorandum Agreement, the Pod 2C Developer shall notify the Trustee and, upon the written consent of the Trustee, the Pod 2C Developer shall record, in the public records, a release and satisfaction of its obligations under this Agreement (the “**Completion Agreement Release**”). The Trustee shall provide the consent as soon as reasonably practicable after receipt of written verification from the Issuer, which verification may be delivered via electronic communication, that the Builder Projects are complete in accordance with the provisions of this Agreement and the PSA and the Joint Memorandum Agreement. The form of the Completion Agreement Release is attached hereto as Exhibit C. This Agreement, when recorded, shall be binding upon the Pod 2C Developer and the Trustee and their successors and assigns as permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-user, unaffiliated builder (except for UMH), or unaffiliated homebuilder except for land use and development regulations that apply to such lots.

20. TRUSTEE’S RIGHTS. Notwithstanding anything herein to the contrary, the applicable and necessary provisions of the Indenture are incorporated herein by reference, including the rights, protections and indemnification afforded the Trustee in its capacity as the Trustee under the Indenture. Notwithstanding anything to the contrary contained herein, neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor or oversee the performance or any action of the Pod 2C Developer, or any of its directors, members, officers, agents, affiliates or employees, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may conclusively assume performance by all such persons of their respective obligations unless and until the Trustee is provided written notice to the contrary.

IN WITNESS WHEREOF, the parties hereto execute this Agreement and further agree that it shall take effect as of the date first above written.

[Remainder of page intentionally left blank]

TRUSTEE:

Wilmington Trust, National Association,
solely in its capacity as trustee for the Bonds

By: _____
Name: Dayna L. Smith
Title: Vice President

STATE OF _____ §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____, 2022, by Dayna L. Smith, as Vice President on behalf of the Trustee.

[SEAL]

Notary Public
Commission Expires: _____

POD 2C DEVELOPER:

**GRBK Edgewood, LLC, a Texas limited
liability company**

By: _____
Its: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me on _____, 2022 by
_____, _____ of [POD 2C DEVELOPER], a
_____, on behalf of said company.

Notary Public, State of Texas

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE PROPERTY

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 50 degrees 19 minutes 12 seconds East, 2,785.72 feet to the POINT OF BEGINNING;

THENCE North 07 degrees 51 minutes 55 seconds East, 1,088.26 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 01 degrees 04 minutes 05 seconds West, 924.12 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 88 degrees 55 minutes 55 seconds East. 304.18 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 85 degrees 19 minutes 02 seconds East, 780.24 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 88 degrees 10 minutes 40 seconds East, 229.33 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 01 degrees 49 minutes 20 seconds East, 826.53 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 25 degrees 12 minutes 04 seconds East, 127.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 150.35 feet along a curve to the left having a central angle of 12 degrees 45 minutes 43 seconds, a radius of 675.00 feet, a tangent of 75.49 feet and whose chord bears

South 58 degrees 25 minutes 05 seconds West, 150.04 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 55.25 feet along a curve to the right having a central angle of 03 degrees 50 minutes 13 seconds, a radius of 825.00 feet, a tangent of 27.63 feet and whose chord bears South 37 degrees 02 minutes 08 seconds East, 55.24 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 35 degrees 07 minutes 02 seconds East, 200.65 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 529.97 feet along a curve to the right having a central angle of 29 degrees 37 minutes 27 seconds, a radius of 1,025.00 feet, a tangent of 271.05 feet and whose chord bears South 20 degrees 18 minutes 18 seconds East, 524.08 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 05 degrees 29 minutes 35 seconds East, 87.20 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 206.77 feet along the curve to the left having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears South 21 degrees 17 minutes 21 seconds East, 204.16 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 346.08 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 82 degrees 05 minutes 08 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 42 degrees 47 minutes 46 seconds East, 50.25 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 07 degrees 54 minutes 52 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 110.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 52 degrees 54 minutes 52 seconds West, 151.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southwesterly, 749.00 feet along a curve to the right having a central angle of 33 degrees 00 minutes 41 seconds, a radius of 1,300.00 feet, a tangent of 385.22 feet and whose chord bears South 69 degrees 25 minutes 12 seconds West, 738.68 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 05 degrees 37 minutes 01 seconds West, 693.64 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 43.54 feet along a curve to the right having a central angle of 49 degrees 53 minutes 28 seconds, a radius of 50.00, a tangent of 23.26 feet and whose chord bears North 05 degrees 36 minutes 31 seconds West, 42.18 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 56 degrees 34 minutes 01 seconds West, 100.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 23 degrees 18 minutes 10 seconds West, 81.19 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 08 minutes 05 seconds West, 532.52 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 51 minutes 55 seconds West, 139.75 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 36 degrees 33 minutes 37 seconds West, 279.48 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 491.31 feet along a curve to the left having a central angle of 40 degrees 12 minutes 50 seconds, a radius of 700.00 feet, a tangent of 256.26 feet and whose chord bears North 59 degrees 59 minutes 54 seconds West, 481.29 feet to the POINT OF BEGINNING and containing 3,371,475 square feet or 77.398 acres of land.

EXHIBIT B
[use if lienholder]
LIENHOLDER CERTIFICATE

_____ (“Lienholder”), being a lienholder on the Property, hereby [consents to][acknowledges] the Pod 2C Developer entering into the *COMPLETION AGREEMENT POD 2C (GRBK EDGEWOOD, LLC)* (the “Completion Agreement”) and accepts and agrees to the terms and provisions of the Completion Agreement.

LIENHOLDER:

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2022, by _____, the _____ of _____, on behalf of said bank.

Notary Public, State of _____]

EXHIBIT C

COMPLETION AGREEMENT RELEASE

Wilmington Trust, National Association, a national banking association (the “**Trustee**”), solely in its capacity as trustee for the City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Eleven Public Improvement District Improvement Area #1 Project) (the “**Bonds**”), hereby acknowledges receipt of notification of the completion of the Builder Projects in accordance with Paragraph 19 of the Completion Agreement (the “**Completion Agreement**”) by and between the Trustee and GRBK Edgewood, LLC, a Texas limited liability company, together with its affiliates, successors, assigns (the “**Pod 2C Developer**”).

The Completion Agreement was recorded in the Public Records of Collin County, Texas under Instrument No. _____ against the real property within the District more particularly described in Exhibit A attached hereto and incorporated by referenced herein (the “**Property**”).

The Pod 2C Developer and its successors and assigns shall have no further obligations, duties or liabilities under the Completion Agreement, and based solely upon written notice from the Issuer that the Builder Projects have been completed and in accordance with Paragraph 19 of the Completion Agreement, the Trustee hereby releases, waives and forever discharges the Pod 2C Developer from all obligations, duties or liabilities of whatever nature arising under or in connection with the Completion Agreement.

[SIGNATURE PAGE FOLLOWS]

Wilmington Trust, National Association,
solely in its capacity as trustee for the Bonds

By: _____

Name: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me this _____, 20__, by _____, as _____ on behalf of the Trustee.

[SEAL]

Notary Public

Commission Expires: _____

Exhibit A

[PROPERTY LEGAL DESCRIPTION]

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

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EXHIBIT D

[Final Appendix B to be inserted after pricing]

City of Lavon - Eleven PID Appendix B					
	Improvement Area #1 Total	POD 2A	POD 2B-1	POD 2C	POD 2D
Zone 1 Remainder Area Bond Par	\$ -	\$ -	\$ -	\$ -	\$ -
Improvement Area #1 Bond Par ¹ (67.84%)	21,184,748	5,087,327	4,172,171	7,216,656	4,708,593
Improvement Area #1 Reimbursement Obligation ⁴	10,104,000	2,426,385	1,989,904	3,441,962	2,245,749
Owner or Homebuilder Participation - Offsite Improvements ²	-	-	-	-	-
Owner or Homebuilder Participation - Private Improvements ²	4,631,803	1,112,286	912,198	1,577,839	1,029,480
Owner or Homebuilder Participation ³	14,585,919	3,502,678	2,872,583	4,968,743	3,241,915
Total Sources	\$ 50,506,470	\$ 12,128,675	\$ 9,946,856	\$ 17,205,200	\$ 11,225,738
	Uses of Funds				
Zone 1 Improvements	\$ 7,609,652	\$ 1,827,390	\$ 1,498,662	\$ 2,592,254	\$ 1,691,347
Improvement Area #1 Improvements	29,254,917	7,025,306	5,761,528	9,965,787	6,502,296
Offsite Improvements	5,512,724	1,323,831	1,085,688	1,877,928	1,225,277
Private Improvements	4,631,803	1,112,286	912,198	1,577,839	1,029,480
	\$ 47,009,097	\$ 11,288,812	\$ 9,258,076	\$ 16,013,808	\$ 10,448,400
Bond Issuance Costs					
Debt Service Reserve Fund	\$ 1,278,371	\$ 306,989	\$ 251,765	\$ 435,481	\$ 284,135
Capitalized Interest	525,619	127,183	104,304	180,416	117,715
Underwriter's Discount	635,542	152,620	125,165	216,500	141,258
Costs of Issuance	1,008,841	242,264	198,683	343,665	224,228
	\$ 3,452,373	\$ 829,056	\$ 679,918	\$ 1,176,063	\$ 767,336
Other Costs					
Deposit to Administrative Fund	\$ 45,000	\$ 10,806	\$ 8,862	\$ 15,329	\$ 10,002
	\$ 45,000	\$ 10,806	\$ 8,862	\$ 15,329	\$ 10,002
Total Uses	\$ 50,506,470	\$ 12,128,675	\$ 9,946,856	\$ 17,205,200	\$ 11,225,738
Bond Proceeds (Bond Par minus bond issuance costs)	\$ 17,687,374	\$ 4,247,464	\$ 3,483,391	\$ 6,025,264	\$ 3,931,255
Homebuilder's Direct Costs less Bond Proceeds	\$ 25,391,529	\$ 3,323,314	\$ 4,546,075	\$ 5,951,350	\$ 3,512,358
Developer's Zone Improvements	\$ 19,574,587.00				
Zone 1- 32.16% allocation of IA#1 Bond Proceeds (32.16%)	8,392,917.11				
Zone 1- 100% allocation of Zone 1 Bond Proceeds (100%)	6,221,210.00				
Remainder to be covered by Developer	\$ 4,960,459.89				

Notes:

¹ Improvement Area #1 Bond preliminary sizing based on an estimated appraised value of \$1,400 per front foot per Lot. Any future increase in the Improvement Area #1 Bond par resulting from value adjustments in appraisal will become restricted funds, per the terms of the Development Agreement.

² Not reimburseable to Owner through Assessments.

³ Not reimburseable to Owner through Assessments. To be financed through TIRZ No. 2.

⁴ Generates no construction revenues. To be reimbursed to the Developer when construction is completed and after Assessments have begun to be collected.

COMPLETION AGREEMENT – POD 2D
(QUALICO DEVELOPMENTS (U.S.), INC.)

Prepared by and return to:
Toates Law Firm, PLLC
Attn: W. Russell Toates
5501 LBJ Frwy, Suite 220
Dallas, Texas 75240

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

COMPLETION AGREEMENT – POD 2D

THIS COMPLETION AGREEMENT – POD 2D (QUALICO DEVELOPMENTS (U.S.), INC.) (herein, this “**Agreement**”) is made effective February 1, 2022, by and between **Qualico Developments (U.S.), Inc., a Delaware corporation** (the “**Pod 2D Developer**”), and **Wilmington Trust, National Association, Dallas, Texas**, a national banking association (the “**Trustee**”), solely in its capacity as trustee for the City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “**Bonds**”).

RECITALS

WHEREAS, the Pod 2D Developer is the sole owner and developer of the lands more particularly described in Exhibit A attached hereto and incorporated by referenced herein (the “**Property**”) which Property lies within the boundary of the Elevon Public Improvement District (the “**District**”) established by the City of Lavon, Texas (the “**Issuer**”);

WHEREAS, the Issuer, MA Elevon 429, LLC (the “**Master Developer**”), Far East Lavon, LP, 78 Straddle, LP East Lavon Partners, LP, World Land Developer, LP, and Petro-Hunt, L.L.C., have entered into that certain *Elevon Development Agreement* dated as of November 2, 2021, (as further amended from time to time, the “**Development Agreement**”) pursuant to which the Master Developer has agreed to provide evidence that sufficient funds are available to pay any deficit regarding the costs of the Public Improvements not financed with proceeds of the Bonds and the Private Improvements (each as described and defined in the Development Agreement, and, collectively, the “**PID Improvements**”) (such obligation to provide evidence of sufficient funds, the “**Master Developer Obligation**”);

WHEREAS, the Issuer has determined that it is in the best interests of the present and future landowners and is a special benefit to the lands within the District to finance, construct and deliver the PID Improvements as more specifically described in the *Elevon Public Improvement District Service and Assessment Plan*, adopted by the City Council of the Issuer on February 1, 2022 as updated and amended from time to time (the “**Service and Assessment Plan**”);

WHEREAS, the Pod 2D Developer and the Master Developer have entered into a purchase and sale agreement (as amended from time to time, the “**PSA**”) pursuant to which the Master Developer sold the Property to the Pod 2D Developer and the Pod 2D Developer agreed to finance and construct those PID Improvements set forth in the PSA, including, specifically, the Improvement Area #1 Improvements (as defined in the Service and Assessment Plan) and the Private

Improvements within the Property (collectively, the “**Builder Projects**”), in accordance with the budget and concept plan set forth in the PSA;

WHEREAS, the Pod 2D Developer entered into a lot development agreement (the “**Lot Development Agreement**”) with the Master Developer to act as fee developer in connection with the Builder Projects and for Master Developer to complete the Builder Projects as set forth in such Lot Development Agreement;

WHEREAS, the Issuer intends to fund a portion of the Builder Projects with the proceeds of the Bonds;

WHEREAS, the Development Agreement permits a “Publicly-Held Builder” or a “Substantial Builder” that is a developer to provide a builder completion agreement or other evidence satisfactory to the Issuer of its ability to fund any Public Improvements not funded from the proceeds of the Bonds and the Private Improvements;

WHEREAS, the Pod 2D Developer and the Trustee are entering into this Agreement with respect to the Builder Projects at the request of the Master Developer to assist in satisfying, in part, the Master Development Obligation under the Development Agreement;

WHEREAS, in order to ensure that the Builder Projects are completed and funding is available to provide for their completion, the Pod 2D Developer has agreed to provide evidence of available funds to fund any shortfall between the amount of monies available from the sale of the Bonds to complete the Builder Projects and the total actual cost to complete the Builder Projects, after taking into account any approved application of an available Cost Underrun to a Cost Overrun pursuant to the terms of the Development Agreement (as such terms are defined in the Development Agreement) (the “**Funding Deficit**”);

WHEREAS, the Pod 2D Developer acknowledges and agrees that completion of the Builder Projects is important to ensuring the special assessments levied by the Issuer to fund debt service on the Bonds are allocated as intended and legally required;

WHEREAS, the Pod 2D Developer represents that it, or affiliate(s) of the Pod 2D Developer, is/are a “Substantial Builder” as such term is defined in the Development Agreement;

WHEREAS, the Bonds are issued by the Issuer pursuant to an Indenture of Trust, dated February 1, 2022, executed by and between the Issuer and the Trustee (the “**Indenture**”); and

WHEREAS, the Pod 2D Developer has agreed to confirm directly to the Trustee (on behalf of the owners of the Bonds (the “**Bondholders**”)) that the Pod 2D Developer intends to complete or cause to be completed the Builder Projects as set forth in this Agreement;

NOW, THEREFORE, based upon the above recitals and other good and valuable consideration, the receipt of which and sufficiency of which is hereby acknowledged, the Pod 2D Developer and the Trustee (solely in its capacity as Trustee for the benefit of the Bondholders), agree as follows:

1. INCORPORATION OF RECITALS; CAPITALIZATION. The recitals stated above are true and correct and are incorporated by reference as a material part of this Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Development Agreement or the Service and Assessment Plan, as applicable.

2. **PROJECT DEVELOPMENT.** In accordance with the PSA and the Lot Development Agreement, the Pod 2D Developer will undertake or cause the undertaking of the design, development, construction, maintenance, management, use and operation of the Builder Projects.

3. **COMPLETION OF AUTHORIZED IMPROVEMENTS.**

(a) The Pod 2D Developer shall complete the Builder Projects on the following schedule, subject to force majeure (the “Completion Schedule”):

(1) Not less than 50% of the Builder Projects shall be completed by May 31, 2023, which milestone shall be evidenced by the expenditure of not less than \$3,400,000 on the Builder Projects.

(2) The Builder Projects shall be completed not later than December 31, 2023, which completion shall be evidenced by final acceptance of all completed Builder Projects by the applicable entity.

In connection with the Completion Schedule set forth above, not later than fifteen (15) business days after each date specified for completion above, the Pod 2D Developer shall file a certificate with the Trustee indicating its compliance or non-compliance with the Completion Schedule set forth above. Notwithstanding anything in this Agreement to the contrary, the Trustee has no responsibility for and no duty to verify the correctness of the milestones in the Completion Schedule set forth above or ensure the timely completion of same.

(b) The parties hereto acknowledge that at closing of the Bonds, the Improvement Area #1 Bond Improvement Account of the Project Fund (as defined in the Indenture) (referred to herein as the “**Builder Subaccount**”) will not be funded in amounts sufficient to complete the Builder Projects and that a Funding Deficit will exist in the amount of \$[3,512,358], as set forth in Exhibit D hereto. Accordingly, the Pod 2D Developer agrees to provide evidence to the Issuer and the Trustee (“**Evidence of Available Funds**”) that sufficient funds are available to the Pod 2D Developer to fund the Funding Deficit in the form of: (A) a closed loan with Frost Bank, or another bank or financial institution, acceptable to the City; (B) a letter of credit with a financial institution, rated A+/A1 or higher, acceptable to the City; (C) available cash as demonstrated by the audited financial statements of the Pod 2D Developer; or (D) other evidence the City finds acceptable, in its sole discretion (the “**Funding Deficit Funding Sources**”). Notwithstanding anything in this Agreement to the contrary, the Trustee has no responsibility for and no duty to make any determination regarding, or timely collect or verify the accuracy or sufficiency of, any Evidence of Available Funds submitted pursuant to this Section 3, or the lack of availability of any such funds at the time that they should be used for the Builder Projects, nor does the Trustee have any obligation to determine if the Pod 2D Developer is required (or when it is required) to submit Evidence of Available Funds.

(c) The Pod 2D Developer agrees to maintain sufficient funds, using one or a combination of the Funding Deficit Funding Sources, to fund the Funding Deficit. On a quarterly basis, the Pod 2D Developer shall file Evidence of Available Funds for the

Funding Deficit and the remaining timeline for completion of any Builder Projects not completed as of the end of each quarter (the “**Uncompleted Builder Projects**”) as of each March 31, June 30, September 30, and December 31 (each a “**Quarterly Ending Date**”) beginning June 30, 2022, not later than five (5) days after each Quarterly Ending Date, to the Master Developer for inclusion in the Quarterly Report to be filed by the Master Developer pursuant to the Continuing Disclosure Agreement of the Master Developer dated as of February 1, 2022 and executed in connection with the Bonds.

4. OTHER CONDITIONS AND ACKNOWLEDGEMENTS.

(a) *Change in Builder Projects.* The Pod 2D Developer acknowledges that the location, size, configuration and composition of the Builder Projects may change from that described in the Service and Assessment Plan, depending upon final design, permitting or other regulatory requirements over time, or other factors. The Pod 2D Developer agrees not to make changes to the Builder Projects which, in the reasonable judgement of the Pod 2D Developer, materially impair the marketability of the homes or lots within the Property without first obtaining the written consent of the Trustee at the direction of the Bondholders, which consent shall be at the written direction of the Bondholders of least 50% of the Bonds then outstanding and its receipt of indemnity satisfactory to it; provided, however, the Pod 2D Developer is not required to obtain such consent when the scope, configuration, size and/or composition of the Builder Projects is materially changed in response to a requirement imposed by law or by a regulatory agency (to be understood as including any governmental action or requirement, including but not limited to Issuer action), but in such case the Completion Schedule shall be adjusted by the Pod 2D Developer as the Pod 2D Developer deems reasonably necessary as a result of any such change in scope, configuration, size and/or composition of the Builder Projects; provided further, however, that such Builder Projects must be complete no later than January 31, 2025. The consent of the Bondholders, as evidenced by the written consent of the Trustee delivered at the written direction of the Bondholders, is not and will not be a representation or warranty with regard to any Builder Project or the adequacy, marketability or compliance of the same, but is and will be merely the consent of the Bondholders to any such change. The Trustee fees and expenses relating to the obtaining of consent from Bondholders as set forth in this Section 4 shall be paid by the Pod 2D Developer.

(b) *PSA; Lot Development Agreement:* The Pod 2D Developer shall notify the Trustee in writing of any default relating to the Pod 2D Developer occurring pursuant to the terms of the PSA within fifteen (15) days of the occurrence of such default. Additionally, the Pod 2D Developer shall notify the Trustee in writing of any default by either the Master Developer or the Pod 2D Developer occurring pursuant to the terms of the Lot Development Agreement within fifteen (15) days of the occurrence of such default.

5. POD 2D DEVELOPER DEFAULT; PROTECTION AGAINST THIRD PARTY INTERFERENCE.

(a) *Pod 2D Developer Default.* In the event the Pod 2D Developer does not comply with the terms of this Agreement, and such failure continues for a period of thirty (30) days following written notice thereof to the Pod 2D Developer, or such longer period as may be reasonably necessary provided the POD 2D Developer commences to cure such

default within thirty (30) days following such notice and continues with reasonable diligence to completion of such cure, the Trustee or its designee shall have the right, as its sole and exclusive remedy, to seek specific performance from a court of competent jurisdiction in order to ensure the Builder Projects are completed in accordance with the Completion Schedule; provided that the Trustee shall seek such relief solely at the written direction of the Bondholders of least 50% of the Bonds then outstanding and at the sole cost and expense of the Bondholders. The Trustee shall not be required to expend or risk its own funds in carrying out its duties under this Agreement.

(b) *Protection Against Third Party Interference.* Subject to any lienholder's rights to cure, the Trustee shall be solely responsible for enforcing its rights under this Agreement against any interfering third party. Nothing contained in this Agreement shall limit or impair the Trustee's right to protect its rights from interference by a third party to this Agreement. Notwithstanding anything contained herein, any action of the Trustee to enforce its rights under this Agreement shall be taken solely for the benefit of the Bondholders at the written direction of the Bondholders of least 50% of the Bonds then outstanding and in accordance with the Indenture at the Bondholders' sole cost and expense.

6. BONDHOLDERS BENEFIT. The Pod 2D Developer acknowledges and agrees that (i) it is entering into this Agreement for the benefit of the Bondholders and the Trustee acting on behalf of such Bondholders, and (ii) such Bondholders have reasonably relied upon this Agreement in purchasing the Bonds. The City has directed the Trustee to enter into this Agreement.

7. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both the Trustee and the Pod 2D Developer, provided that the Trustee shall execute such amendment or waiver solely upon the written consent of the Issuer and the Bondholders of at least 50% of the Bonds then outstanding and its receipt of indemnity satisfactory to it; provided the Trustee's rights, duties and immunities are not adversely affected thereby and the Trustee is fully paid and/or reimbursed for any services and/or expenses incurred in connection with such amendment. Notwithstanding the foregoing, the Pod 2D Developer and the Trustee may amend this Agreement to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the Pod 2D Developer and the Trustee may deem necessary or desirable and not inconsistent with this Agreement, and that shall not adversely affect the rights of the Bondholders. Notwithstanding the foregoing, no amendment or waiver of this Agreement may be made without the prior written consent of the Issuer.

8. AUTHORIZATION; CONSENT. The execution of this Agreement has been duly authorized by the Trustee and the Pod 2D Developer, and both the Trustee and the Pod 2D Developer have full power and authority to comply with the terms and provisions of this instrument. The Pod 2D Developer will obtain acknowledgement from any current lender who is a lienholder on the Property ("Lienholder") and request acknowledgement from any future Lienholder, in the form provided as Exhibit B hereto, for construction of the Builder Projects, consenting to and/or acknowledging the Pod 2D Developer's execution of this Agreement.

9. NOTICES. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) hand-delivered by prepaid express overnight courier or messenger service, with read receipt or email acknowledgement, or mailed (airmail if international) by registered or certified (postage prepaid), return receipt requested, to the following addresses:

Trustee:

Wilmington Trust, National Association
15950 N. Dallas Parkway, Suite 550
Dallas, Texas 75248

With copy to:

Naman, Howell, Smith & Lee, PLLC
8310 N. Capital of Texas Highway, Suite 490
Austin, Texas 78731
Attn: Cliff Blount
Telephone: (512) 807-2454
Email: blount@namanhowell.com

Pod 2D Developer:

Qualico Developments (U.S.), Inc.
14400 The Lakes Blvd.
Building C, Suite 200
Pflugerville, Texas 78660
Attn: LaNelle Deardorf, Regional Vice President
Telephone: (512) 703-9414
Email: ldeardorf@qualico.com

With a copy to:

Qualico Developments (U.S.), Inc.
6950 TPC Drive, Suite 350
McKinney, Texas 75070
Attn: John Vick
Telephone: (469) 659-6150
Email: John.Vick@qualico.com

With a copy to:

Toates Law Firm, PLLC
5501 LBJ Frwy, Suite 220
Dallas, Texas 75240
Attn: W. Russell Toates
Telephone: 214-827-5900
Fax: 214-602-6491
E-mail: russ@toateslaw.com

A copy of all notices, requests, consents and other communications required or permitted under this Agreement shall be provided to the Issuer concurrently with the delivery of any notice, request, consent or other communication to a party at the following address:

City Administrator
City of Lavon
120 School Road
P.O. Box 340
Lavon, Texas 75166

Except as otherwise provided in this Agreement, any mailed notice sent in the manner provided above shall be deemed received three (3) business days after delivery or mailing. Notices delivered after 5:00 PM (at the place of delivery) or on a non-business day shall be deemed received the next business day. If any time for giving notice contained in this Agreement would otherwise expire on a non-business day, the notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government or the Trustee shall not be regarded as business days. Any party or other person to whom notices are to be sent or copied may notify the other parties and addressees of any changes in name or address to which notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

Notwithstanding anything to the contrary contained herein, no notice to the Trustee shall be deemed given to or received by the Trustee unless actually delivered to an officer of the Trustee having responsibility under the Indenture.

10. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the Trustee as agent for the Bondholders, in its capacity as the Trustee for the Bonds, the Pod 2D Developer and the Issuer, and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement (except as noted below with respect to the Bondholders and the Issuer). Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation, other than the Trustee and the Pod 2D Developer, any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the Trustee and the Pod 2D Developer and their respective representatives, successors, and assigns. Notwithstanding the foregoing or anything in this Agreement to the contrary, (i) the Bondholders shall be direct third party beneficiaries of the terms and conditions of this Agreement and shall, individually or collectively, be entitled to enforce or by written direction, and with receipt by the Trustee of indemnity satisfactory to it, cause the Trustee to enforce the Pod 2D Developer's obligations hereunder, and (ii) the Issuer shall be a direct third party beneficiary of the terms and conditions of this Agreement and shall be entitled to enforce the Pod 2D Developer's obligations hereunder and any right, remedy or claim given or granted to the Issuer under or by reason of this Agreement.

11. SUCCESSORS. The rights and obligations created by this Agreement shall be binding upon and inure to the benefit of Pod 2D Developer, and, except as provided in Section 19 below, their receivers, trustees, successors and assigns.

12. ASSIGNMENT. This Agreement, or any monies to become due hereunder, may be assigned, provided that the assigning party first obtains the prior written approval of the other

party, which approval shall not unreasonably be withheld, and with respect to any approval required to be given by the Trustee, with the prior written approval and direction of the Bondholders of at least 50% of the Bonds then outstanding, and its receipt of indemnity satisfactory to it. Notwithstanding the foregoing, the Pod 2D Developer may assign this Agreement to (a) an affiliate under common control with the Pod 2D Developer or (b) to a third party who purchases all or substantially all of the Property, with written notice to, but without the consent of, the Trustee and the Bondholders, and upon such assignment Pod 2D Developer shall be released from any liability or obligation arising under this Agreement after the date of such assignment. The Pod 2D Developer shall deliver such notice within five (5) business days to the Trustee and the Trustee shall provide such notice to Bondholders within three (3) business days of its receipt thereof, but the Trustee shall not incur any liability for failing to provide said notice. Except as permitted under subparagraph (a) above, the Pod 2D Developer may not assign this Agreement without the prior written consent of the Issuer.

13. CONSTRUCTION OF TERMS; CONFLICT WITH DEVELOPMENT AGREEMENT AND PSA. Whenever used the singular number shall include the plural, the plural the singular; the use of any gender shall include all genders, as the context requires; and the disjunctive shall be construed as the conjunctive, the conjunctive as the disjunctive, as the context requires. To the extent there is a conflict between the terms of this Agreement and the PSA, the PSA shall control. To the extent there is a conflict between the terms of the Indenture and the Development Agreement, the Indenture shall control. The Trustee shall not be responsible for any consequences of a conflict between provisions of this Agreement and the PSA. Notwithstanding anything to the contrary set forth in this Agreement, the Pod 2D Developer is not a party to, and has no duty, liability or obligation under the Indenture or the Development Agreement.

14. CONTROLLING LAW. This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Texas.

15. FEE REIMBURSEMENT. The Pod 2D Developer shall pay the annual administration fee for the Trustee's ordinary fees and expenses in rendering its services under this Agreement during each twelve-month period, which fee is equal to \$750.00 which shall be payable annually in advance commencing on the date of delivery of the Bonds and on each annual anniversary date thereafter. In the alternative, the Master Developer may pay the Trustee's fees hereunder on behalf of the Pod 2D Developer. Whenever the Bondholders direct the Trustee to take any action hereunder following a default by Pod 2D Developer which remains uncured following at least ten (10) days written notice to the Pod 2D Developer, it is acknowledged and agreed that the Trustee will be reimbursed for its reasonable fees and out-of-pocket expenses incurred in connection with such action, including reasonable attorneys' fees, within thirty (30) days after the Trustee's delivery of an invoice therefor to the Bondholders. If the Trustee, at the written direction of the Bondholders, employs an attorney to present, enforce or defend any of the rights or remedies of the Trustee under this Agreement, at law or in equity, it is hereby acknowledged and agreed that the Bondholders must pay any reasonable attorneys' fees incurred by the Trustee in connection therewith.

16. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

17. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

18. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

19. COVENANT AND RECORDATION. The Pod 2D Developer agrees that the obligations imposed upon it by this Agreement are valid and enforceable and shall be covenants running with the lands described in Exhibit A hereto, creating an obligation and one which is binding upon successor owners and assigns. The Pod 2D Developer shall record this Agreement in the Public Records of Collin County, Texas, against the lands so described and shall provide a copy thereof to the Trustee. Once the Pod 2D Developer has completed all the Builder Projects pursuant to the terms of this Agreement and the PSA, the Pod 2D Developer shall notify the Trustee and, upon the written consent of the Trustee, the Pod 2D Developer shall record, in the public records, a release and satisfaction of its obligations under this Agreement (the “**Completion Agreement Release**”). The Trustee shall provide the consent as soon as reasonably practicable after receipt of written verification from the Issuer, which verification may be delivered via electronic communication, that the Builder Projects are complete in accordance with the provisions of this Agreement and the PSA. The form of the Completion Agreement Release is attached hereto as Exhibit C. This Agreement, when recorded, shall be binding upon the Pod 2D Developer and the Trustee and their successors and assigns as permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-user, purchaser of a completed residence, unaffiliated builder, or unaffiliated homebuilder except for land use and development regulations that apply to such lots.

20. TRUSTEE’S RIGHTS. Notwithstanding anything herein to the contrary, the applicable and necessary provisions of the Indenture are incorporated herein by reference, including the rights, protections and indemnification afforded the Trustee in its capacity as the Trustee under the Indenture. Notwithstanding anything to the contrary contained herein, neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor or oversee the performance or any action of the Pod 2D Developer, or any of its directors, members, officers, agents, affiliates or employees, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may conclusively assume performance by all such persons of their respective obligations unless and until the Trustee is provided written notice to the contrary.

IN WITNESS WHEREOF, the parties hereto execute this Agreement and further agree that it shall take effect as of the date first above written.

TRUSTEE:

Wilmington Trust, National Association,
solely in its capacity as trustee for the Bonds

By: _____
Name: Dayna L. Smith
Title: Vice President

STATE OF _____ §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____, 2022, by Dayna L. Smith, as Vice President on behalf of the Trustee.

[SEAL]

Notary Public
Commission Expires: _____

POD 2D DEVELOPER:

**QUALICO DEVELOPMENTS (U.S.), INC.,
a Delaware corporation**

By: _____
Its: _____

By: _____
Its: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me on _____, 2022 by
_____, _____ of [POD 2D DEVELOPER], a
_____, on behalf of said company.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me on _____, 2022 by
_____, _____ of [POD 2D DEVELOPER], a
_____, on behalf of said company.

Notary Public, State of Texas

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE PROPERTY

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 52 degrees 14 minutes 09 seconds East, 2,694.47 feet to the POINT OF BEGINNING;

THENCE South 81 degrees 57 minutes 00 seconds East, 95.02 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 59 degrees 59 minutes 35 seconds East, 227.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 40 degrees 56 minutes 52 seconds East, 201.52 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 25.59 feet along a curve to the right having a central angle of 02 degrees 26 minutes 39 seconds, a radius of 600.00 feet, a tangent of 12.80 feet and whose chord bears South 26 degrees 46 minutes 09 seconds East, 25.59 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 25 degrees 32 minutes 49 seconds East, 113.69 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 747.47 feet along a curve to the left having a central angle of 63 degrees 55 minutes 13 seconds, a radius of 670.00 feet, a tangent of 418.02 feet and whose chord bears South 57 degrees 30 minutes 26 seconds East, 709.30 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 89 degrees 28 minutes 03 seconds East, 143.77 feet to a one-half inch iron rod with yellow caps stamped "JBI" set for corner;

THENCE Northeasterly, 115.26 feet along a curve to the left having a central angle of 04 degrees 43 minutes 01 seconds, a radius of 1,400.00 feet, a tangent of 57.66 feet and whose chord bears North 88 degrees 10 minutes 26 seconds East, 115.23 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 05 degrees 37 minutes 01 seconds East, 723.91 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 04 degrees 52 minutes 41 seconds East, 50.22 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 68.22 feet along a curve to the right having a central angle of 04 degrees 03 minutes 01 seconds, a radius of 965.00 feet, a tangent of 34.12 feet and whose chord bears South 01 degrees 29 minutes 33 seconds East, 68.20 feet to a one-half inch iron with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 31 minutes 57 seconds West, 66.61 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 399.74 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 00 degrees 31 minutes 17 seconds East, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 89 degrees 28 minutes 43 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 31 minutes 17 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 1,075.43 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 07 degrees 09 minutes 11 seconds East, 1,514.49 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 33 minutes 02 seconds East, 172.15 feet to the POINT OF BEGINNING and containing 1,771,212 square feet or 40.661 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

EXHIBIT B
[use if Lienholder]
LIENHOLDER CERTIFICATE

_____ (“Lienholder”), being a lienholder on the Property, hereby acknowledges the Pod 2D Developer entering into the *COMPLETION AGREEMENT – POD 2D (QUALICO DEVELOPMENTS (U.S.), INC.)* (the “Completion Agreement”).

LIENHOLDER:

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2022, by _____, the _____ of _____, on behalf of said lienholder.

Notary Public, State of _____

EXHIBIT C

COMPLETION AGREEMENT RELEASE

Wilmington Trust, National Association, a national banking association (the “**Trustee**”), solely in its capacity as trustee for the City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Improvement Area #1 Project) (the “**Bonds**”), hereby acknowledges receipt of notification of the completion of the Builder Projects in accordance with Paragraph 19 of the Completion Agreement (the “**Completion Agreement**”) by and between the Trustee and Qualico Developments (U.S.), Inc., a Delaware corporation, together with its affiliates, successors, assigns (the “**Pod 2D Developer**”).

The Completion Agreement was recorded in the Public Records of Collin County, Texas under Instrument No. _____ against the real property within the District more particularly described in Exhibit A attached hereto and incorporated by referenced herein (the “**Property**”).

The Pod 2D Developer and its successors and assigns shall have no further obligations, duties or liabilities under the Completion Agreement, and based solely upon written notice from the Issuer that the Builder Projects have been completed and in accordance with Paragraph 19 of the Completion Agreement, the Trustee hereby releases, waives and forever discharges the Pod 2D Developer from all obligations, duties or liabilities of whatever nature arising under or in connection with the Completion Agreement.

[SIGNATURE PAGE FOLLOWS]

Wilmington Trust, National Association,
solely in its capacity as trustee for the Bonds

By: _____

Name: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me this _____, 20__, by
_____, as _____ on behalf of the Trustee.

[SEAL]

Notary Public

Commission Expires: _____

Exhibit A

[PROPERTY LEGAL DESCRIPTION]

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 52 degrees 14 minutes 09 seconds East, 2,694.47 feet to the POINT OF BEGINNING;

THENCE South 81 degrees 57 minutes 00 seconds East, 95.02 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 59 degrees 59 minutes 35 seconds East, 227.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 40 degrees 56 minutes 52 seconds East, 201.52 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 25.59 feet along a curve to the right having a central angle of 02 degrees 26 minutes 39 seconds, a radius of 600.00 feet, a tangent of 12.80 feet and whose chord bears South 26 degrees 46 minutes 09 seconds East, 25.59 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 25 degrees 32 minutes 49 seconds East, 113.69 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 747.47 feet along a curve to the left having a central angle of 63 degrees 55 minutes 13 seconds, a radius of 670.00 feet, a tangent of 418.02 feet and whose chord bears South 57 degrees 30 minutes 26 seconds East, 709.30 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 89 degrees 28 minutes 03 seconds East, 143.77 feet to a one-half inch iron rod with yellow caps stamped "JBI" set for corner;

THENCE Northeasterly, 115.26 feet along a curve to the left having a central angle of 04 degrees 43 minutes 01 seconds, a radius of 1,400.00 feet, a tangent of 57.66 feet and whose chord bears North 88 degrees 10 minutes 26 seconds East, 115.23 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 05 degrees 37 minutes 01 seconds East, 723.91 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 04 degrees 52 minutes 41 seconds East, 50.22 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 68.22 feet along a curve to the right having a central angle of 04 degrees 03 minutes 01 seconds, a radius of 965.00 feet, a tangent of 34.12 feet and whose chord bears South 01 degrees 29 minutes 33 seconds East, 68.20 feet to a one-half inch iron with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 31 minutes 57 seconds West, 66.61 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 399.74 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 00 degrees 31 minutes 17 seconds East, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 89 degrees 28 minutes 43 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 31 minutes 17 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 1,075.43 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 07 degrees 09 minutes 11 seconds East, 1,514.49 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 33 minutes 02 seconds East, 172.15 feet to the POINT OF BEGINNING and containing 1,771,212 square feet or 40.661 acres of land.

BASIS OF BEARING:

The basis of bearing is based on the coordinate system (North Central Zone 4202 State Plane Coordinates, NAD83), distances shown hereon are grid distance values.

EXHIBIT D

[Final Appendix B to be inserted after pricing]

City of Lavon - Eleven PID Appendix B					
	Improvement Area #1 Total	POD 2A	POD 2B-1	POD 2C	POD 2D
Zone 1 Remainder Area Bond Par	\$ -	\$ -	\$ -	\$ -	\$ -
Improvement Area #1 Bond Par ¹ (67.84%)	21,184,748	5,087,327	4,172,171	7,216,656	4,708,593
Improvement Area #1 Reimbursement Obligation ⁴	10,104,000	2,426,385	1,989,904	3,441,962	2,245,749
Owner or Homebuilder Participation - Offsite Improvements ²	-	-	-	-	-
Owner or Homebuilder Participation - Private Improvements ²	4,631,803	1,112,286	912,198	1,577,839	1,029,480
Owner or Homebuilder Participation ³	14,585,919	3,502,678	2,872,583	4,968,743	3,241,915
Total Sources	\$ 50,506,470	\$ 12,128,675	\$ 9,946,856	\$ 17,205,200	\$ 11,225,738
Uses of Funds					
Zone 1 Improvements	\$ 7,609,652	\$ 1,827,390	\$ 1,498,662	\$ 2,592,254	\$ 1,691,347
Improvement Area #1 Improvements	29,254,917	7,025,306	5,761,528	9,965,787	6,502,296
Offsite Improvements	5,512,724	1,323,831	1,085,688	1,877,928	1,225,277
Private Improvements	4,631,803	1,112,286	912,198	1,577,839	1,029,480
	\$ 47,009,097	\$ 11,288,812	\$ 9,258,076	\$ 16,013,808	\$ 10,448,400
Bond Issuance Costs					
Debt Service Reserve Fund	\$ 1,278,371	\$ 306,989	\$ 251,765	\$ 435,481	\$ 284,135
Capitalized Interest	525,619	127,183	104,304	180,416	117,715
Underwriter's Discount	635,542	152,620	125,165	216,500	141,258
Costs of Issuance	1,008,841	242,264	198,683	343,665	224,228
	\$ 3,452,373	\$ 829,056	\$ 679,918	\$ 1,176,063	\$ 767,336
Other Costs					
Deposit to Administrative Fund	\$ 45,000	\$ 10,806	\$ 8,862	\$ 15,329	\$ 10,002
	\$ 45,000	\$ 10,806	\$ 8,862	\$ 15,329	\$ 10,002
Total Uses	\$ 50,506,470	\$ 12,128,675	\$ 9,946,856	\$ 17,205,200	\$ 11,225,738
Bond Proceeds (Bond Par minus bond issuance costs)	\$ 17,687,374	\$ 4,247,464	\$ 3,483,391	\$ 6,025,264	\$ 3,931,255
Homebuilder's Direct Costs less Bond Proceeds	\$ 25,391,529	\$ 3,323,314	\$ 4,546,075	\$ 5,951,350	\$ 3,512,358
Developer's Zone Improvements	\$ 19,574,587.00				
Zone 1- 32.16% allocation of IA#1 Bond Proceeds (32.16%)	8,392,917.11				
Zone 1- 100% allocation of Zone 1 Bond Proceeds (100%)	6,221,210.00				
Remainder to be covered by Developer	\$ 4,960,459.89				

Notes:

¹ Improvement Area #1 Bond preliminary sizing based on an estimated appraised value of \$1,400 per front foot per Lot. Any future increase in the Improvement Area #1 Bond par resulting from value adjustments in appraisal will become restricted funds, per the terms of the Development Agreement.

² Not reimburseable to Owner through Assessments.

³ Not reimburseable to Owner through Assessments. To be financed through TIRZ No. 2.

⁴ Generates no construction revenues. To be reimbursed to the Developer when construction is completed and after Assessments have begun to be collected.

CITY OF LAVON, TEXAS

ORDINANCE NO. 2022-02-03

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE “CITY OF LAVON, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (ELEVON PUBLIC IMPROVEMENT DISTRICT ZONE 1 REMAINDER AREA PROJECT)”; **APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A LIMITED OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT, A CONSTRUCTION, FUNDING AND ACQUISITION AGREEMENT, AGRICULTURE VALUATION WAIVER AND REDEMPTION AGREEMENTS, AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City of Lavon, Texas (the “City”), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, (the “PID Act”) has previously established the “Elevon Public Improvement District” (the “District”); and

WHEREAS, the City Council of the City (the “Council”) has found and determined that it is in the best interests of the City to issue its bonds to be designated “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project)” (the “Bonds”), such Bonds to be payable from and secured by the Pledged Revenues (as defined in the Indenture); and

WHEREAS, the City is authorized by the PID Act to issue the Bonds for the purpose of (i) paying the Zone 1 Remainder Area Project Costs (as defined in the Indenture), (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Zone 1 Remainder Area Projects (as defined in the Indenture), (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuance of the Bonds; and

WHEREAS, the Council has found and determined to approve (i) the issuance of the Bonds to finance the Zone 1 Remainder Area Projects, (ii) the form, terms and provisions of the Indenture securing the Bonds authorized hereby, (iii) the form, terms and provisions of a Bond Purchase Agreement (defined below) between the City and the Underwriter (defined below), (iv) a Limited Offering Memorandum (defined below), (v) a Continuing Disclosure Agreement (defined below), (vi) a Construction, Funding and Acquisition Agreement (defined below) and (vii) Agriculture Valuation Waiver and Redemption Agreements (defined below); and

WHEREAS, pursuant to the PID Act, the Council published notice of the assessment hearing in a newspaper of general circulation in the City and in the part of the extraterritorial jurisdiction of the City in which the District is located, and opened, conducted and continued a public hearing on January 4, 2022, regarding the levy of special assessments within the District, reopened, conducted and continued the public hearing on January 18, 2022, and intends to

reopen and conduct the public hearing on February 1, 2022, and on such date the Council intends to adopt an ordinance levying such special assessments (the “Assessment Ordinance”); and

WHEREAS, in the Assessment Ordinance, the Council will approve and accept a Service and Assessment Plan (as defined in the Indenture) relating to the District and levy the Assessments (as defined in the Indenture) against the Assessed Property (as defined in the Indenture) for payment of the Bonds; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS, THAT:

Section 1. Findings. The findings and determinations set forth in the preamble hereof are hereby incorporated by reference for all purposes as if set forth in full herein.

Section 2. Approval of Issuance of Bonds and Indenture of Trust.

(a) The issuance of the Bonds in the principal amount of \$[8,148,000] for the purpose of (i) paying a portion of the Zone 1 Remainder Area Project Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Zone 1 Remainder Area Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the “Indenture”), dated as of February 1, 2022, between the City and Wilmington Trust, National Association, Dallas, Texas, as trustee (the “Trustee”), with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Mayor or Mayor Pro Tem of the City, such approval to be evidenced by the execution and delivery of the Indenture, which Indenture is hereby approved in substantially final form attached hereto as **Exhibit A** and incorporated herein as a part hereof for all purposes. The Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute the Indenture.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amount or amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture, with such insertions, omissions and modifications as may be required to conform the form of Bond to the actual terms of the Bonds. The Bonds shall be payable from and secured by the Pledged Revenues (as defined in the Indenture) and other assets of the Trust Estate (as defined in the Indenture) pledged to the Bonds, and shall never be payable from ad valorem taxes or any other funds or revenues of the City.

Section 3. Sale of Bonds; Approval of Bond Purchase Agreement. The Bonds shall be sold to FMSbonds, Inc. (the “Underwriter”) at the price and on the terms and provisions set forth in that certain Bond Purchase Agreement (the “Bond Purchase Agreement”), dated the date hereof, between the City and the Underwriter, attached hereto as **Exhibit B** and incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interest of the City. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver the Bond Purchase Agreement.

Section 4. Limited Offering Memorandum. The use and distribution of the Preliminary Limited Offering Memorandum dated January 14, 2022 in the offering of the Bonds is hereby ratified, approved and confirmed. The final Limited Offering Memorandum, with such appropriate variations from the Preliminary Limited Offering Memorandum as shall be approved by the Mayor or Mayor Pro Tem of the City and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The form and substance of the final Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto is hereby approved and adopted in all respects. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The City deemed the Preliminary Limited Offering Memorandum final, within the meaning of Rule 15c2-12 issued by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”), as of its date, except for the omission of information specified in Section (b)(1) of the Rule, as permitted by Section (b)(1) of the Rule. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Council, the Council is not responsible for and proclaims no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum pertaining to the Zone 1 Remainder Area Projects, MA Elevon 429, LLC, a Texas limited liability company (the “Developer”) or the Builders, or their financial ability, any other builders, any landowners or the appraisal of the property in the District.

Section 5. Continuing Disclosure Agreement. The Continuing Disclosure Agreement of the Issuer (the “Continuing Disclosure Agreement”) between the City, P3Works, LLC and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., is hereby authorized and approved in substantially final form attached hereto as **Exhibit C** and incorporated herein as a part hereof for all purposes, and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

Section 6. Construction, Funding and Acquisition Agreement. The Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding and Acquisition Agreement (the “Construction, Funding and Acquisition Agreement”) between the City and the Developer is hereby authorized and approved in substantially final form attached hereto as **Exhibit D** and incorporated herein as a part hereof for all purposes, and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver such Construction, Funding and Acquisition Agreement with such changes as may be required to carry out the

purpose of this Ordinance and approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

Section 7. Agriculture Valuation Waiver and Redemption Agreements. The Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation—Elevon PID (the “Agriculture Valuation Waiver and Redemption Agreements”) between the City and each of HMH/Stratford Elevon JV, LLC, GRBK Edgewood LLC and UMH Development, LLC are hereby authorized and approved in substantially final form attached hereto as **Exhibit E** and incorporated herein as a part hereof for all purposes, and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver such Agriculture Valuation Waiver and Redemption Agreements with such changes as may be required to carry out the purpose of this Ordinance and approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

Section 8. Additional Actions. The Mayor, the Mayor Pro Tem, the City Administrator and the City Secretary are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance. The Mayor, the Mayor Pro Tem, the City Administrator and the City Secretary are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance.

Section 9. Severability. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 10. Effective Date. This Ordinance is passed on one reading as authorized by Texas Government Code, Section 1201.028, and shall be effective immediately upon its passage and adoption.

PASSED AND APPROVED on this the 1st day of February, 2022.

CITY OF LAVON, TEXAS

Vicki Sanson, Mayor

ATTEST:

Rae Norton, City Secretary

[SEAL]

EXHIBIT A

INDENTURE OF TRUST

INDENTURE OF TRUST

By and Between

CITY OF LAVON, TEXAS

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee**

DATED AS OF FEBRUARY 1, 2022

SECURING

[\$[PAR]

**CITY OF LAVON, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
ZONE 1 REMAINDER AREA PROJECT)**

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION	4
Section 1.1. Definitions.	4
Section 1.2. Findings.	15
Section 1.3. Table of Contents, Titles and Headings.	15
Section 1.4. Interpretation.	15
ARTICLE II THE BONDS.....	15
Section 2.1. Security for the Bonds.	16
Section 2.2. Limited Obligations.	16
Section 2.3. Authorization for Indenture.	16
Section 2.4. Contract with Owners and Trustee.	16
ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS	17
Section 3.1. Authorization.	17
Section 3.2. Date, Denomination, Maturities, Numbers and Interest.	17
Section 3.3. Conditions Precedent to Delivery of Bonds.	17
Section 3.4. Medium, Method and Place of Payment.	18
Section 3.5. Execution and Registration of Bonds.	19
Section 3.6. Ownership.	20
Section 3.7. Registration, Transfer and Exchange.	20
Section 3.8. Cancellation.	21
Section 3.9. Temporary Bonds.	21
Section 3.10. Replacement Bonds.	22
Section 3.11. Book-Entry-Only System.	23
Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.	23
Section 3.13. Payments to Cede & Co.	24
ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY.....	24
Section 4.1. Limitation on Redemption.	24
Section 4.2. Mandatory Sinking Fund Redemption.	24
Section 4.3. Optional Redemption.	25
Section 4.5. Partial Redemption.	26
Section 4.6. Notice of Redemption to Owners.	26
Section 4.7. Payment Upon Redemption.	27
Section 4.8. Effect of Redemption.	27
ARTICLE V FORM OF THE BONDS	27
Section 5.1. Form Generally.	27
Section 5.2. Form of the Bonds.	28
Section 5.3. CUSIP Registration.	35
Section 5.4. Legal Opinion.	35
ARTICLE VI FUNDS AND ACCOUNTS	35
Section 6.1. Establishment of Funds and Accounts.	35
Section 6.2. Initial Deposits to Funds and Accounts.	37
Section 6.3. Pledged Revenue Fund.	37
Section 6.4. Bond Fund.	39
Section 6.5. Project Fund.	39
Section 6.6. Redemption Fund.	40
Section 6.7. Reserve Fund.	41
Section 6.8. Rebate Fund: Rebatable Arbitrage.	43

Section 6.9.	Administrative Fund	43
Section 6.10.	Property Tax Fund	43
Section 6.11.	Investment of Funds	44
ARTICLE VII	COVENANTS	46
Section 7.1.	Confirmation of Assessments	46
Section 7.2.	Collection and Enforcement of Assessments	46
Section 7.3.	Against Encumbrances	47
Section 7.4.	Records, Accounts, Accounting Reports	47
Section 7.5.	Covenants Regarding Tax Exemption of Interest on Bonds	47
ARTICLE VIII	LIABILITY OF CITY	50
Section 8.1.	Liability of City	50
ARTICLE IX	THE TRUSTEE	51
Section 9.1.	Acceptance of Trust; Trustee as Registrar and Paying Agent	51
Section 9.2.	Trustee Entitled to Indemnity	51
Section 9.3.	Responsibilities of the Trustee	52
Section 9.4.	Property Held in Trust	54
Section 9.5.	Trustee Protected in Relying on Certain Documents	54
Section 9.6.	Compensation	55
Section 9.7.	Permitted Acts	56
Section 9.8.	Resignation of Trustee	56
Section 9.9.	Removal of Trustee	56
Section 9.10.	Successor Trustee	56
Section 9.11.	Transfer of Rights and Property to Successor Trustee	57
Section 9.12.	Merger, Conversion or Consolidation of Trustee	58
Section 9.13.	Trustee To File Continuation Statements	58
Section 9.14.	Accounts, Periodic Reports and Certificates	58
Section 9.15.	Construction of Indenture	58
ARTICLE X	MODIFICATION OR AMENDMENT OF THIS INDENTURE	58
Section 10.1.	Amendments Permitted	59
Section 10.2.	Owners' Meetings	59
Section 10.3.	Procedure for Amendment with Written Consent of Owners	60
Section 10.4.	Procedure for Amendment Not Requiring Owner Consent	60
Section 10.5.	Effect of Supplemental Indenture	61
Section 10.6.	Endorsement or Replacement of Bonds Issued After Amendments	61
Section 10.7.	Amendatory Endorsement of Bonds	61
Section 10.8.	Waiver of Default	61
Section 10.9.	Execution of Supplemental Indenture	61
ARTICLE XI	DEFAULT AND REMEDIES	62
Section 11.1.	Events of Default	62
Section 11.2.	Immediate Remedies for Default	62
Section 11.3.	Restriction on Owner's Action	63
Section 11.4.	Application of Revenues and Other Moneys After Default	64
Section 11.5.	Effect of Waiver	65
Section 11.6.	Evidence of Ownership of Bonds	65
Section 11.7.	No Acceleration	66
Section 11.8.	Mailing of Notice	66
Section 11.9.	Exclusion of Bonds	66
ARTICLE XII	GENERAL COVENANTS AND REPRESENTATIONS	66
Section 12.1.	Representations as to Pledged Revenues	66
Section 12.2.	General	66

ARTICLE XIII SPECIAL COVENANTS	67
Section 13.1. Further Assurances; Due Performance.....	67
Section 13.2. Other Obligations or Other Liens; Refunding Bonds; Future Zone 1 Improvement Area Bonds.....	67
Section 13.3. Books of Record.	69
ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE	69
Section 14.1. Trust Irrevocable.	69
Section 14.2. Satisfaction of Indenture.	69
Section 14.3. Bonds Deemed Paid.	69
ARTICLE XV MISCELLANEOUS	70
Section 15.1. Benefits of Indenture Limited to Parties.....	70
Section 15.2. Successor is Deemed Included in All References to Predecessor.	71
Section 15.3. Execution of Documents and Proof of Ownership by Owners.....	71
Section 15.4. No Waiver of Personal Liability.	71
Section 15.5. Notices to and Demands on City and Trustee.....	71
Section 15.6. Partial Invalidity.	72
Section 15.7. Applicable Laws.	72
Section 15.8. Payment on Business Day.....	72
Section 15.9. Construction, Funding and Acquisition Agreement Amendments and Supplements.	73
Section 15.10. Counterparts.	73
Section 15.11. No Boycott of Israel; No Discrimination Against Fossil-Fuel Companies, Firearm Entities and Firearm Trade Associations.	73
Section 15.12. No Terrorist Organization.	73
EXHIBIT A DESCRIPTION OF THE PROPERTY WITHIN THE ZONE 1 REMAINDER AREA OF ELEVON PUBLIC IMPROVEMENT DISTRICT	A-1

INDENTURE OF TRUST

THIS INDENTURE, dated as of February 1, 2022, is by and between the CITY OF LAVON, TEXAS (the “City”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, Dallas, Texas, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, on or before September 20, 2021, a petition (the “*Petition*”) was submitted and filed with the City Secretary of the City (the “*City Secretary*”) pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “*Act*” or “*PID Act*”), requesting the creation of a public improvement district located within the extraterritorial jurisdiction of the City to be known as “Elevon Public Improvement District” (the “*District*”); and

WHEREAS, the Petition contained the signatures of the (i) owners of taxable real property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Collin Central Appraisal District, and (ii) record owners of real property liable for assessment by the District who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment by the District; or (B) own taxable real property that constitutes more than fifty percent of the area of all taxable real property that is liable for assessment by the District; and

WHEREAS, on September 21, 2021, the City Council of the City (the “*City Council*”) adopted Resolution No. 2021-09-08 accepting the Petition and calling a public hearing on the creation of the District on October 19, 2021; and

WHEREAS, after due notice, on October 19, 2021 the City Council opened, conducted and continued the public hearing, and on November 2, 2021 the City Council reopened, conducted and closed the public hearing in the manner required by law on the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the PID Act and, on November 2, 2021, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2021-11-07 adopted by the City Council (the “*Creation Resolution*”), authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

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

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City to consider the proposed “*Assessment Roll*” and the “*Service and Assessment Plan*” and the levy of the “*Assessments*” on property in the District; and

WHEREAS, the City, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Assessment Roll and the Service and Assessment Plan

and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council opened, conducted and continued a public hearing on January 4, 2022, reopened, conducted and continued the public hearing on January 18, 2022, and reopened, conducted and closed the public hearing on February 1, 2022, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Zone 1 Remainder Area Project Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, at the January 4, 2022, January 18, 2022, and February 1, 2022, public hearing referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Zone 1 Remainder Area Project Costs, the Assessment Roll, or the levy of the Assessments; and

WHEREAS, the City Council closed the public hearing and, after considering all written and documentary evidence presented at the public hearing, including all written comments and statements filed with the City, at a meeting held on February 1, 2022, 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 the Zone 1 Remainder Area Project Costs, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Zone 1 Remainder Area Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization 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 Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Eleven Public Improvement District Zone 1 Remainder Area Project)” (the “*Bonds*”), such Bonds being payable solely from the Assessments and other funds pledged under this Indenture to the payment of the Bonds 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 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, as herein defined, including all moneys and investments held in the Pledged Funds, including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

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

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

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

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

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

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

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

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

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

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

“*Administrative Fund*” means that Fund established by Section 6.1 and administered pursuant to Section 6.9.

“*Administrative Expenses*” means the “Annual Collection Costs”, as defined in the Service and Assessment Plan, related specifically to the Zone 1 Remainder Area, including costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (i) the Administrator; (ii) City staff; (iii) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (iv) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (v) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (vi) paying and redeeming Bonds; (vii) investing or depositing Assessments and Annual Installments; (viii) complying with the Service and Assessment Plan, this Indenture and the PID Act with respect to the Bonds, including continuing disclosure requirements; and (ix) the paying agent/registrar and Trustee in connection with Bonds, including their respective legal counsel. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of Administrative Expenses.

“*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 (excluding interest paid from funds on deposit in the Capitalized Interest Account of the Bond Fund), assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of

the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

“Annual Installment” means, with respect to each Assessed Property, each annual payment of: (i) the principal of and interest on the Assessments as shown on the Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit E-2 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.

“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, including, without limitation, updates in connection with the incurrence or issuance of Future Zone 1 Improvement Area Bonds.

“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.

“Appraisal” means an independent appraisal of the Future Zone 1 Improvement Area Assessed Property in the applicable Future Zone 1 Improvement Area provided by an MAI Appraiser acceptable to the City, such Appraisal to include (i) the projected value of land assuming the construction and installation of the Future Zone 1 Improvement Area Improvements in the applicable Future Zone 1 Improvement Area to be financed in whole or in part with Future Zone 1 Improvement Area Bonds (i.e., “as-complete”), and the construction and installation of the Private Improvements in the applicable Future Zone 1 Improvement Area to be financed by the Developer (i.e., “as-complete”), necessary to get to a Final Lot Value.

“Assessed Property” means the property located in the Zone 1 Remainder Area that benefit from the Zone 1 Remainder Area Projects, and is defined as the “Zone 1 Remainder Area Assessed Property” in the Service and Assessment Plan.

“Assessment Ordinance” means the ordinance adopted by the City Council on February 1, 2022, as may be amended or supplemented, that levied the Assessments on the Assessed Property.

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

“Assessment Roll” means the “Zone 1 Remainder Area Assessment Roll”, which document is attached to the Service and Assessment Plan as Exhibit E-1, as updated, modified or amended from time to time.

“Assessments” means an assessment levied against Assessed Property based on the special benefit conferred on such Parcels by the Zone 1 Remainder Area Projects. “Assessments” do not include any Future Zone 1 Improvement Area Assessments.

“Attorney General” means the Attorney General of the State.

“Authorized Denomination” means \$100,000 and any integral multiple of \$1,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect.

“Authorized Improvements” mean those improvements authorized by Section 372.003 of the PID Act 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 February 1, 2022 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 Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project)” and, in the event the City issues Refunding Bonds pursuant to Section 13.2 hereof, the term “Bonds” shall include such Refunding Bonds.

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

“Capitalized Interest Account” means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

“Certificate for Payment” means with respect to payment or reimbursement of Zone 1 Remainder Area Project Costs, a certificate substantially in the form of Exhibit B attached to the Construction, Funding and Acquisition Agreement 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 Zone 1 Remainder Area Project Costs thereof, and requesting payment for such Zone 1 Remainder Area Project Costs from money on deposit in the Project

Fund as further described in the Construction, Funding and Acquisition Agreement and 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.

“*Construction, Funding and Acquisition Agreement*” means the Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding and Acquisition Agreement by and between the City and the Developer, dated February 1, 2022, as may be amended and/or supplemented from time to time, which provides, in part, for the construction and maintenance of the Zone 1 Remainder Area Projects, the issuance of bonds, the payment or reimbursement of costs of Zone 1 Remainder Area Projects from Zone 1 Remainder Area Bond Improvement Account of the Project Fund, and other matters related thereto.

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

“*Defeasance Securities*” means Investment Securities now or hereafter authorized by applicable 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 the reserve account administered by the City and segregated from other funds of the City and 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 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.

“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.

“Delivery Date” means February 15, 2022, which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

“Developer” means MA Elevon 429, LLC, a Texas limited liability company, and any successor thereto.

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

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

“Final Lot Value” means the developed lots value established by an Appraisal.

“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.

“Future Zone 1 Improvement Area” means a distinct portion of the Zone 1 Remainder Area that may be developed in a PID Phase in the Zone 1 Remainder Area, as a separate and distinct Improvement Area, after Improvement Area #1.

“Future Zone 1 Improvement Area Assessed Property” means any and all Parcels within a Future Zone 1 Improvement Area other than Non-Benefited Property and as shown on an assessment roll against which a Future Zone 1 Improvement Area Assessment relating to the Future Zone 1 Improvement Area Improvements is levied.

“Future Zone 1 Improvement Area Assessment” means the assessments levied on Future Zone 1 Improvement Area Assessed Property within a Future Zone 1 Improvement Area to fund Future Zone 1 Improvement Area Improvements. The Future Zone 1 Improvement Area Assessments are not a part of the Trust Estate, are not security for the Bonds and will not be used to finance construction of the Zone 1 Remainder Area Projects.

“Future Zone 1 Improvement Area Authorized Improvements” mean those improvements authorized by Section 372.003 of the PID Act for which Future Zone 1 Improvement Area Assessments are levied, including those described in the Service and Assessment Plan.

“Future Zone 1 Improvement Bonded Area” shall have the meaning assigned to such term in Section 13.2(e)(4)(i).

“Future Zone 1 Improvement Area Bonds” means bonds, notes or other obligations issued or incurred to fund Future Zone 1 Improvement Area Improvements (or a portion thereof) in a Future Zone 1 Improvement Area secured by Future Zone 1 Improvement Area Assessments levied against the Future Zone 1 Improvement Area Assessed Property located within the Future Zone 1 Improvement Area benefitting from the Future Zone 1 Improvement Area Improvements being financed.

“Future Zone 1 Improvement Area Improvements” means the Future Zone 1 Improvement Area Authorized Improvements which only benefit the particular Future Zone 1 Improvement Areas and will be described in the Service and Assessment Plan.

“Improvement Area” means specifically defined and designated portions of the District that are developed in phases.

“Improvement Area #1” means that portion of the District generally described in Section II of the Service and Assessment Plan and generally shown in Exhibit A-2 to the Service and Assessment Plan and as specifically described in Exhibit K-3 to 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 indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

“Independent Financial Consultant” means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, 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 is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 15 and September 15 of each year, commencing September 15, 2022.

“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.

“*Landowner (GRBK)*” means GRBK Edgewood LLC, a Texas limited liability company, and any successor thereto.

“*Landowner (HMH/Stratford)*” means HMH/Stratford Elevon JV, LLC, a Texas limited liability company, and any successor thereto.

“*Landowner (UHM)*” means UHM Development, LLC, a Texas limited liability company, and any successor thereto.

“*Landowner (GRBK) Property Tax Account*” means the Account created in the Property Tax Fund established pursuant to Section 6.1.

“*Landowner (HMH/Stratford) Property Tax Account*” means the Account created in the Property Tax Fund established pursuant to Section 6.1.

“*Landowner (UHM) Property Tax Account*” means the Account created in the Property Tax Fund established pursuant to Section 6.1.

“*Landowner (GRBK) Ag Redemption Waiver Agreement*” means that certain “Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation – Elevon PID”, dated February 24, 2022, by and among the *Landowner (GRBK)*, the City, and the Trustee, as may be amended and supplemented from time to time.

“*Landowner (HMH/Stratford) Ag Redemption Waiver Agreement*” means that certain “Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation – Elevon PID”, dated February 24, 2022, by and among the *Landowner (HMH/Stratford)*, the City, and the Trustee, as may be amended and supplemented from time to time.

“*Landowner (UHM) Ag Redemption Waiver Agreement*” means that certain “Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation – Elevon PID”, dated February 24, 2022, by and among the *Landowner (UHM)*, the City, and the Trustee, as may be amended and supplemented from time to time.

“*MAI Appraiser*” means a licensed appraiser with a Member, Appraisal Institute designation by the Appraisal Institute, an international membership association of professional real estate appraisers, or its successor.

“*Major Improvements*” means improvements authorized by Section 372.003 of the PID Act that confer special benefit to all property in the District, other than Non-Benefited Property, as described in 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.

“*Non-Benefited Property*” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements, the Future Zone 1 Improvement Area

Authorized Improvements, as applicable, or any Major Improvements, as determined by the City Council.

“Offsite Improvements” means those improvements authorized by Section 372.003 of the PID Act that confer a special benefit to all property within the District, other than Non-Benefited Property, as further described in Section III.C. and depicted on Exhibit G-1 to the Service and Assessment Plan.

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

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

“Parcel” or *“Parcels”* means a parcel or parcels within the District identified by either a tax map identification number assigned by the Collin 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 Collin 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.

“PID Phase” means a distinct portion of the District described by metes and bounds that will be developed as a construction phase of the District.

“Plans and Specifications” means the engineering and architectural drawings and schematic designs of the Private Improvements and Public Improvements approved by the City.

“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.

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

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

“Private Improvements” means those private horizontal improvements necessary to get to a Final Lot Value, excluding Public Improvements, described in the Plans and Specifications, submitted to the City pursuant to City regulations or development process, as applicable, being constructed in the applicable Future Zone 1 Improvement Area.

“Project Fund” means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5.

“Property Tax Fund” means that Fund established pursuant to Section 6.1 and administered pursuant to Section 6.10.

“Public Improvements” means Future Zone 1 Improvement Area Improvements to be developed and constructed or caused to be developed or constructed inside and outside of the District by the Developer to serve the Future Zone 1 Improvement Area Assessed Property within the applicable Future Zone 1 Improvement Area.

“Publicly-Held Builder” means a homebuilder that is a public company, a publicly traded company, a publicly held company, a publicly listed company, or a public limited company with shares of stock which are intended to be freely traded on a stock exchange or in over-the-counter markets.

“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.

“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.

“Redemption Price” means, 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.

“Refunding Bonds” means bonds issued to refund all or any portion of the Outstanding Bonds and secured by a parity lien with the Outstanding Bonds on the Pledged Revenues, 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 Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

“Reserve Fund” means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.7.

“Reserve Fund Obligations” means cash or Investment Securities.

“Reserve Account Requirement” means the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of the date of issuance, and (iii) 10% of the proceeds of the Bonds; 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 redeemed by such redemption divided by the total principal amount of the Outstanding Bonds 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.

“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, including, without limitation, in connection with the incurrence or issuance of Future Zone 1 Improvement Area Bonds.

“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.

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

“State” means the State of Texas.

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

“Substantial Builder” means a homebuilder that has constructed a minimum of 300 of single-family residential homes in the calendar year prior to the date of issuance of a particular series of Future Zone 1 Improvement Bonds.

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

“Treasury Regulations” shall have the meaning assigned to such term in Section 7.5(c).

“Trust Estate” means the Trust Estate described in the granting clauses of this Indenture, and the Trust Estate shall only include Pledged Revenues related to the Assessments levied on the Assessed Property within the Zone 1 Remainder Area for the Zone 1 Remainder Area Projects, unless the City pledges additional revenues to the payment of the Bonds, which additional pledge may only be created in a Supplemental Indenture.

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

“Value of Investment Securities” means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which 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 approximately 376.758 acres located within the District and more specifically described in Exhibit K-3 and depicted on Exhibit A-2 to the Service and Assessment Plan.

“Zone 1 Improvements” means those improvements authorized by Section 372.003 of the PID Act that confer a special benefit to all property within Zone 1, other than Non-Benefited Property, as further described in Section III.A. and depicted on Exhibit G-1 to the Service and Assessment Plan.

“*Zone 1 Remainder Area*” means that portion of the District generally described in Section II of the Service and Assessment Plan and generally shown in Exhibit A-2 to the Service and Assessment Plan and as specifically described in Exhibit K-2 to the Service and Assessment Plan and in Exhibit A to this Indenture.

“*Zone 1 Remainder Area Bond Improvement Account*” means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

“*Zone 1 Remainder Area Project Costs*” means the Actual Costs, as defined in the Service and Assessment Plan (excluding Administrative Expenses), solely for the Zone 1 Remainder Area Projects, as such amounts are set forth in the Service and Assessment Plan.

“*Zone 1 Remainder Area Projects*” means, collectively, (1) the pro rata portion of the Zone 1 Improvements allocable to the Zone 1 Remainder Area; and (2) the pro rata portion of the Offsite Improvements allocable to the Zone 1 Remainder Area.

Section 1.2. **Findings.**

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

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

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

Section 1.4. **Interpretation.**

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

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

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

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

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds.

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

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

Section 2.2. Limited Obligations.

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

Section 2.3. Authorization for Indenture.

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

Section 2.4. Contract with Owners and Trustee.

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

(b) In consideration of the purchase and acceptance of any or all of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Indenture

shall be a part of the contract of the City with the Owner, 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 \$[PAR] for the purpose of (i) paying a portion of the Zone 1 Remainder Area Project Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Zone 1 Remainder Area Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization 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 March 15 and September 15 of each year, commencing September 15, 2022, computed on the basis of a 360-day year of twelve 30-day months.

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

	Principal	Interest
<u>Year</u>	<u>Amount</u>	<u>Rate</u>
	\$	%

(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 to the Trustee of:

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Construction, Funding and Acquisition Agreement with all executed amendments thereto;
- (d) a copy of this Indenture executed by the Trustee and the City;
- (e) an executed City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee;
- (f) an executed Signature and No-Litigation Certificate;
- (g) an executed opinion of Bond Counsel; and
- (h) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

Section 3.4. Medium, Method and Place of Payment.

- (a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.
- (b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date or Special Record Date, as applicable.
- (c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.
- (d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.
- (e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes

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

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

Section 3.5. Execution and Registration of Bonds.

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

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

Section 3.7. Registration, Transfer and Exchange.

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

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

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

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

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

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

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity within forty-five (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.

Section 3.8. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall dispose of cancelled Bonds in accordance with 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 request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

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

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

Section 3.10. **Replacement Bonds.**

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

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

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

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

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

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

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

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

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

Section 3.11. Book-Entry-Only System.

(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 and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on 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 and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to

their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13. Payments to Cede & Co.

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds maturing on September 15 in each of the years [____] and [____] (collectively, the “*Term Bonds*”), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective sinking fund installments as set forth in the following schedule:

Term Bonds maturing September 15, [____]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, [____]	\$
September 15, [____]	
September 15, [____]	
September 15, [____]	
September 15, [____]	
September 15, [____]	
September 15, [____]*	

Term Bonds maturing September 15, [____]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, [____]	\$
September 15, [____]	

September 15, [____]
September 15, [____]
September 15, [____]
September 15, [____]
September 15, [____]*

* Stated Maturity.

(b) At least thirty (30) days prior to each mandatory sinking fund redemption date, the Trustee shall select 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 unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 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 September 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.

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, on the fifteenth day of any month, 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, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 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 by any method selected by the Trustee that results in a random selection, 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 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 the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

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

Section 4.7. Payment Upon Redemption.

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

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

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

(a) Form of Bond.

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

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$_____

CITY OF LAVON, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT ZONE 1
REMAINDER AREA PROJECT)

INTEREST RATE	MATURITY DATE	DELIVERY DATE	CUSIP NUMBER
_____%	September 15, 20__	_____, 2022	_____

The City of Lavon, Texas (the “City”), for value received, hereby promises to pay, solely from the Trust Estate, to

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

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Delivery Date, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 15 and September 15 of each year, commencing September 15, 2022.

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 Wilmington Trust, National Association, as trustee and paying agent/registrar (the “*Trustee*”), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the “Record Date,” which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 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 \$[PAR] and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of February 1, 2022 (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 Zone 1 Remainder Area Project Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Zone 1 Remainder Area Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

The Bonds are limited obligations of the City payable solely from 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 September 15 in the years [____] and [____] (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 September 15, [____]

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, [____]	\$
September 15, [____]	
September 15, [____]	
September 15, [____]	
September 15, [____]	
September 15, [____]	
September 15, [____]*	

Term Bonds maturing September 15, [____]

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, [____]	\$
September 15, [____]	
September 15, [____]	
September 15, [____]	
September 15, [____]	

September 15, [____]
September 15, [____]*

* Stated Maturity.

At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select for redemption 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 September 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 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 GENERAL TAXING POWER OF THE CITY, COLLIN COUNTY, TEXAS, OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

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

IN WITNESS WHEREOF, the City 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 a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

DATED: _____

By: _____

Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

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

Dated: _____

Signature Guaranteed by:

Authorized Signatory

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

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

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

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

_____ Years	_____ Principal Installments	_____ Interest Rates"

(Information to be inserted from Section 3.2(b)); 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 S&P Global Markets Intelligence on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. Except as authorized under Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

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;
- (vii) Administrative Fund; and

(viii) Property Tax Fund.

(b) Creation of Accounts.

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

(A) Capitalized Interest Account; and

(B) 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) Zone 1 Remainder Area Bond Improvement Account; and

(B) Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

(v) The following Accounts are hereby created and established under the Property Tax Fund:

(A) Landowner (GRBK) Property Tax Account;

(B) Landowner (HMH/Stratford) Property Tax Account; and

(B) Landowner (UHM) Property Tax Account.

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

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

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

- (i) to the Capitalized Interest Account of the Bond Fund: \$[_____];
- (ii) to the Reserve Account of the Reserve Fund: \$[_____], which is equal to the initial Reserve Account Requirement;
- (iii) to the Costs of Issuance Account of the Project Fund: \$[_____];
- (iv) to the Zone 1 Remainder Area Bond Improvement Account of the Project Fund: \$[_____]; and
- (v) to the Administrative Fund: \$[_____].

(b) Funds received from the Developer on the Closing Date in the amount of \$[_____] shall be deposited to the Developer Property Tax Account.

(c) Funds received from the Landowner (GRBK) on the Closing Date in the amount of \$[_____] shall be deposited to the Landowner (GRBK) Property Tax Account.

(d) Funds received from the Landowner (HMH/Stratford) on the Closing Date in the amount of \$[_____] shall be deposited to the Landowner (HMH/Stratford) Property Tax Account.

(e) Funds received from the Landowner (UHM) on the Closing Date in the amount of \$[_____] shall be deposited to the Landowner (UHM) Property Tax Account.

Section 6.3. Pledged Revenue Fund.

(a) Periodically upon receipt thereof, the City shall transfer 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 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 next coming due, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, 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), 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 Rebatale 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 Rebatale Arbitrage owed by the City, as further described in Section 6.11(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 Zone 1 Remainder Area Projects, (ii) pay other costs permitted by the PID Act, or (iii) deposit such excess into the Redemption Fund to redeem Bonds as provided in Article IV. Along with each transfer to the Trustee, the City shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

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

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, 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.

(d) The Trustee shall transfer Prepayments to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) 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 to be used to redeem Bonds pursuant to Section 4.4.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in Section 6.3(a) hereof, as directed by the City in a City Certificate.

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, less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account as provided below.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency 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) Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on September 15, 2022, March 15, 2023 and September 15, 2023. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Zone 1 Remainder Area Bond Improvement Account of the Project Fund, or if the Zone 1 Remainder Area Bond Improvement Account of the Project Fund has been closed as provided in Section 6.5(d) or (f), such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 and the Capitalized Interest Account shall be closed.

(d) 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.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from the Zone 1 Remainder Area Bond Improvement Account of the Project Fund to pay Zone 1 Remainder Area Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The funds from the Zone 1 Remainder Area Bond Improvement Account of the Project Fund shall be disbursed in accordance with a Certificate for Payment for Zone 1 Remainder Area Project Costs as described in the Construction, Funding and Acquisition Agreement. 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.

(c) Except as provided in Section 6.5(d), (f) and (h), money on deposit in the Zone 1 Remainder Area Bond Improvement Account of the Project Fund shall be used solely to pay Zone 1 Remainder Area Project Costs.

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

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

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

(g) 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 to the Zone 1 Remainder Area Bond Improvement Account of the Project Fund and used to pay Zone 1 Remainder Area Project Costs or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee.

(h) In the event the Developer has not completed the Zone 1 Remainder Area Projects by February 24, 2025, then the City shall provide written direction to the Trustee to transfer all funds on deposit in the Zone 1 Remainder Area Bond Improvement Account to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof. Upon such transfers, the Zone 1 Remainder Area Bond Improvement Account of the Project Fund shall be closed.

Section 6.6. Redemption Fund.

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

Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.

(a) The City agrees with the Owners of the Bonds to accumulate 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 Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 15 of each year, commencing March 15, 2023, an amount 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 calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan 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 this Section 6.7 until the Bonds 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, 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 directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(d) Whenever, on any Interest Payment Date, or on any other date at the 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. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4, unless within thirty 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 or (iii) to the Zone 1 Remainder Area Bond Improvement Account of the Project Fund to pay Zone 1 Remainder Area Project Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(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, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4. 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 and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with this Section.

(f) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Delinquency and Prepayment Reserve Account 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, the amount on deposit in the Reserve Account and the Delinquency and Prepayment Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds.

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

(i) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds on the next date the Bonds may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the City's federal tax certificate for the 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 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 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.

Section 6.10. Property Tax Fund.

(a) Moneys in the Landowner (GRBK) Property Tax Account, Landowner (HMH/Stratford) Property Tax Account and the Landowner (UHM) Property Tax Account in the Property Tax Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered hereunder and used as directed by the City solely for the purposes set forth in the respective Landowner (GRBK) Property Tax Account, Landowner (HMH/Stratford) Property Tax Account and Landowner (UHM) Ag Redemption Waiver Agreement. The Property Tax Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

(b) Moneys in the Landowner (GRBK) Property Tax Account shall be released to the Landowner (GRBK) , or to the Landowner (GRBK)'s successors and assigns or designees, as directed by a City Order; provided, however, that the Trustee shall transfer to the Landowner (GRBK), or to the Landowner (GRBK)'s successors and assigns or designees, any amounts remaining in the Landowner (GRBK) Property Tax Account in the event no Bonds are Outstanding regardless of whether a City Order directing such action is received by the Trustee.

(c) Moneys in the Landowner (HMH/Stratford) Property Tax Account shall be released to the Landowner (HMH/Stratford) , or to the Landowner (HMH/Stratford)'s successors and assigns or designees, as directed by a City Order; provided, however, that the Trustee shall transfer to the Landowner (HMH/Stratford), or to the Landowner (HMH/Stratford)'s successors and assigns or designees, any amounts remaining in the Landowner (HMH/Stratford) Property Tax Account in the event no Bonds are Outstanding regardless of whether a City Order directing such action is received by the Trustee.

(d) Moneys in the Landowner (UHM) Property Tax Account shall be released to the Landowner (UHM) , or to the Landowner (UHM)'s successors and assigns or designees, as directed by a City Order; provided, however, that the Trustee shall transfer to the Landowner (UHM), or to the Landowner (UHM)'s successors and assigns or designees, any amounts remaining in the Landowner (UHM) Property Tax Account in the event no Bonds are Outstanding regardless of whether a City Order directing such action is received by the Trustee.

Section 6.11. 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 which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee is hereby directed to invest and re-invest cash

balances in the Wilmington U.S. Government Money Market Fund – Institutional Share Class, CUSIP No. 97181C605, but only so long as such fund is an authorized investment and permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, and only so long as such investment constitutes Investment Securities and the money required to be expended from any Fund will be available at the proper time or times.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses (including depreciation) arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality or suitability of any investments. The Parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

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

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatale 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 Rebatale 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 6.12. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the Assessed Property from which the Assessment Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments.

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

(c) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding particular Assessed Property.

(d) The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs or 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 issued to refund all or a portion of the 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 Pledged Revenues or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and any Refunding Bonds issued to refund all or a portion of the Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Section 7.4. **Records, Accounts, Accounting Reports.**

The City hereby covenants and agrees that so long as any Bonds are Outstanding, 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 or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than twenty 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 is 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)(8), 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 Zone 1 Remainder Area 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 Zone 1 Remainder Area Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of

cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. Liability of City.

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds, and no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds or other obligations relating to the District, other than as specifically provided for in this Indenture.

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

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

(d) No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (collectively, the “*Bond Documents*”), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Pledged Revenues. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding

in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds agree.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and with respect to the Bonds.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and

other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers (provided such payment or transfer is prior to an Event of Default) when required hereunder, or to deliver any notice when required hereunder. During the occurrence of an Event of Default, the Trustee shall be entitled to indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers as Trustee, and in such case the Trustee may make transfers from the Pledged Revenue Fund and Administrative Fund to pay all 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 Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) any loss suffered in connection with any investment of funds (including depreciation) in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs. No implied covenants or obligations shall be read into this Indenture against the Trustee. The Trustee is not responsible for the terms or 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 have 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 expense which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential loss or damages in connection with or arising from

this Indenture for the existence, furnishing or use of the Zone 1 Remainder Area Project. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(d) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, and the discharge of this Indenture.

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through receivers, agents or attorneys and the Trustee shall not be responsible for any 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. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

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

(i) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least 50% in aggregate principal amount of Bonds then Outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default.

(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 fault or negligence 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; 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 which 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 immediate 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.

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 rely 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 any statements contained or matters referred to in any such instrument. Subject to Section 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, reasonably and in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, 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, all pursuant to a City Order and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Order, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the Trustee has reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee shall make such payment from lawfully available funds (other than funds designated by the City for arbitrage rebate purposes) in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder. The right of the Trustee to fees, expense, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7. **Permitted Acts.**

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority of the Bonds. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be liable for any permissive actions taken except as a consequence of its own negligence or misconduct.

Section 9.8. **Resignation of Trustee.**

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 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. Notwithstanding the foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.9. **Removal of Trustee.**

The Trustee may be removed at any time on 30 days' advance written notice to the Trustee by (i) the Owners of at least a majority in aggregate Outstanding principal amount of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% in aggregate Outstanding principal amount of the Bonds.

Section 9.10. **Successor Trustee.**

(a) If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 50% of the aggregate Outstanding

principal amount of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

(e) Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

(g) Trustee shall not be responsible or liable for the acts or omissions of any successor Trustee, nor shall it be responsible or liable for any costs of appointment or transition of such successor Trustee.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, 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 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, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC; provided unless the Trustee is otherwise notified 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 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 which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

Section 9.15. 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.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of the Bonds of at least a majority of the aggregate principal amount of the Bonds then Outstanding and City approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Pledged Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws or this Indenture), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law, and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to set forth additional provisions, if deemed necessary or advisable, in connection with the issuance of Refunding Bonds permitted under the terms of this Indenture; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds. In such event the City is authorized to fix the time and place of said meeting 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 or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture 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 for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. Procedure for Amendment Not Requiring Owner Consent.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. The City shall direct the Trustee to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, mailed by first class mail to each Owner of Bonds, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its

mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds as of the date of such execution and delivery.

Section 10.5. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.6. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.7. Amendatory Endorsement of Bonds.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.8. Waiver of Default.

With the written consent of at least a majority in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such

Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

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;

(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; and

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and which shall give such notice at the written request of the Owners of not less than 50% in aggregate Outstanding principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice.

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

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than 50% in aggregate Outstanding principal amount of the Bonds then Outstanding hereunder 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.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

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

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

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing 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 50% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given in writing to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall

be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

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

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel 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, as follows:

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

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due 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 thirty (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 any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Pledged Revenues.

(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 Pledged Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Other Obligations or Other Liens; Refunding Bonds; Future Zone 1 Improvement Area Bonds.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue or incur bonds, notes or other obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

(b) Other than Refunding Bonds issued to refund all or a portion of the 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. Nothing herein shall prevent the City from levying Future Zone 1 Improvement Area Assessments on Parcels within the Zone 1 Remainder Area, subject to the provisions contained in Sections 13.2(d) and 13.2(e).

(c) Notwithstanding any contrary provision of this Indenture but subject to Section 7.3, the City shall not issue additional bonds, notes or other obligations under this Indenture, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than Refunding Bonds. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State; provided that, notwithstanding anything to the contrary in this Indenture, no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds are scheduled to mature or be subject to mandatory sinking fund redemption on September 15 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid. In addition, the City reserves the right to issue or incur Future Zone 1 Improvement Area Bonds as described below, which Future Zone 1 Improvement Area Bonds will not be secured by the Trust Estate.

(d) The City reserves the right to issue or incur Future Zone 1 Improvement Area Bonds, to finance the cost of Future Zone 1 Improvement Area Improvements within each of the Future Zone 1 Improvement Areas as the development proceeds. Such Future Zone 1 Improvement Area Bonds are secured by separate assessments levied on the Future Zone 1 Improvement Area Assessed Property. The City may, but is under no obligation to, issue or incur Future Zone 1 Improvement Area Bonds, for any purpose permitted by the PID Act and in accordance with the conditions set forth in this Section.

(e) The City reserves the right to issue or incur Future Zone 1 Improvement Area Bonds, but shall be under no obligation to issue or incur Future Zone 1 Improvement Area Bonds, subject to the following conditions:

(1) The Trustee and City shall receive an Independent Appraisal evidencing that the aggregate value of the Future Zone 1 Improvement Area Assessed Property in the Future Zone 1 Improvement Area for which Future Zone 1 Improvement Area Assessments have been or will be levied to the sum of (x) the principal amount of the Future Zone 1 Improvement Area Bonds being issued or incurred to finance the Future Zone 1 Improvement Area Improvements for that particular Future Zone 1 Improvement Area and (y) the portion of the outstanding principal amount of any outstanding prior bonds or obligations issued or incurred to finance the portion of the Major Improvements, Offsite Improvements and Zone 1 Improvements allocable to such Future Zone 1 Improvement Area, is at least 2:1. In establishing such appraised value, an “*Independent Appraisal*” means (i) the appraised value of all property in the particular Future Zone 1 Improvement Area as established by publicly available data from the county appraisal district or (ii) an Appraisal from an MAI Appraiser;

(2) The Trustee and the City shall receive a certificate from the Developer certifying that the Zone 1 Improvements and Offsite Improvements and Major Improvements necessary to deliver finished lots in the Future Zone 1 Improvement Area are complete;

(3) The Future Zone 1 Improvement Bonds may be issued or incurred only for the purposes of financing Future Zone 1 Improvement Area Improvements; and

(4) The Trustee and the City shall receive a certificate from the Developer (including any homebuilder developer) certifying that:

(i) property representing at least seventy-five percent (75%) of the Future Zone 1 Improvement Area Assessments within the particular Future Zone 1 Improvement Area for which Future Zone 1 Improvement Area Bonds will be issued or incurred (the “*Future Zone 1 Improvement Bonded Area*”) is sold to a Publicly-Held Builder or a Substantial Builder; or

(ii) if property representing less than seventy-five percent (75%) of the Future Zone 1 Improvement Area Assessments within the particular Future Zone 1 Improvement Bonded Area are to be developed by the Developer, an

application for building permits for at least twenty-five percent (25%) of the lots or parcels within the prior PID Phases in Zone 1 has been approved by the City.

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.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. Bonds Deemed Paid.

(a) Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a "*Defeased 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 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 shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond 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 by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased 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.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. No Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided 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 Lavon, Texas
120 School Road
Lavon, Texas 75166
Attn: City Manager
Telephone: (972) 843-4220

If to the Trustee, initially also acting in
the capacity of Paying Agent/Registrar

Wilmington Trust, National Association
15950 N. Dallas Parkway, Suite 550
Dallas, Texas 75248
Attn: Corporate Trust Administration
Telephone: (972) 383-3154

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Owner of a Bond notice of the redemption or defeasance of all Bonds Outstanding.

Section 15.6. **Partial Invalidity.**

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. **Applicable Laws.**

This Indenture shall be governed by and enforced in accordance with the laws of the State applicable to contracts made and performed in the State. Venue and exclusive jurisdiction for any action to enforce or construe this Indenture shall be a state court of competent jurisdiction in Collin 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 or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal

(and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Construction, Funding and Acquisition Agreement Amendments and Supplements.

The City and the Developer may amend and supplement the Construction, Funding and Acquisition Agreement from time to time without the consent or approval of the Owners or the Trustee.

Section 15.10. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.11. No Boycott of Israel; No Discrimination Against Fossil-Fuel Companies, Firearm Entities and Firearm Trade Associations.

This Indenture has a value of less than \$100,000 for purposes of Sections 2271.002 and 2274.002. Texas Government Code.

Section 15.12. No Terrorist Organization.

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, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal or Texas law and excludes the Trustee and each of its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

[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 LAVON, TEXAS

By: _____
Mayor

Attest:

City Secretary

(CITY SEAL)

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

**DESCRIPTION OF THE PROPERTY WITHIN
THE ZONE 1 REMAINDER AREA OF ELEVON PUBLIC IMPROVEMENT DISTRICT**

ZONE 1 REMAINDER AREA
LEGAL DESCRIPTION

EXHIBIT B

BOND PURCHASE AGREEMENT

\$8,148,000
CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
ZONE 1 REMAINDER AREA PROJECT)

BOND PURCHASE AGREEMENT

February 1, 2022

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Agreement”) with the City of Lavon, Texas (the “City”), which will be binding upon the City and the Underwriter upon the acceptance of this Agreement by the City. This offer is made subject to its acceptance by the City by execution of this Agreement and its delivery to the Underwriter on or before 10:00 p.m., Central Time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the City at any time prior to the acceptance hereof by the City. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture (defined herein) between the City and Wilmington Trust, National Association, as trustee (the “Trustee”), authorizing the issuance of the Bonds (defined herein), and in the Limited Offering Memorandum (defined herein).

Section 1 Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the \$8,148,000 aggregate principal amount of the “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project)” (the “Bonds”), at a purchase price of \$[] (representing the aggregate principal amount of the Bonds, less an Underwriter’s discount of \$[]).

Inasmuch as this purchase and sale represents a negotiated transaction, the City understands, and hereby confirms, that the Underwriter is not acting as a municipal advisor or fiduciary of the City (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act)), but rather is acting solely in its capacity as Underwriter for its own account. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm’s length commercial transaction between the City and the Underwriter, (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor, or fiduciary of the City, (iii) the Underwriter has not

assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering described herein or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering described herein except the obligations expressly set forth in this Agreement, (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, (v) the Underwriter has financial and other interests that differ from those of the City, and (vi) the Underwriter has provided to the City prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (“MSRB”), which have been received by the City. The City further acknowledges and agrees that following the issuance and delivery of the Bonds, the Underwriter has indicated that it may have periodic discussions with the City regarding the expenditure of Bond proceeds and the construction of the Zone 1 Remainder Area Projects financed with the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the City.

The Bonds shall be dated the date of issuance and shall have the maturities and redemption features, if any, and bear interest at the rates per annum shown on Schedule I hereto. Payment for and delivery of the Bonds, and the other actions described herein, shall take place on February 15, 2022 (or such other date as may be agreed to by the City and the Underwriter) (the “Closing Date”).

Section 2 Authorization Instruments and Law. The Bonds were authorized by an Ordinance enacted by the City Council of the City (the “City Council”) on February 1, 2022 (the “Bond Ordinance”) and shall be issued pursuant to the provisions of Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “Act”), and the Indenture of Trust, dated as of February 1, 2022, between the City and the Trustee, authorizing the issuance of the Bonds (the “Indenture”). The Bonds shall be substantially in the form described in, and shall be secured under the provisions of, the Indenture.

The Bonds and interest thereon shall be secured by the “Trust Estate” consisting primarily of revenue from proceeds of special assessments (the “Assessments”) levied on the assessable parcels within Zone 1 Remainder Area of the Elewon Public Improvement District (the “District”). The District was established by a resolution enacted by the City Council on November 2, 2021 (the “Creation Resolution”) in accordance with the Act. The Assessments were levied in accordance with a Service and Assessment Plan (the “Service and Assessment Plan”), which sets forth the costs of the Zone 1 Remainder Area Projects and the method of payment of the Assessments, pursuant to an ordinance adopted by the City Council on February 1, 2022 (the “Assessment Ordinance” and, together with the Creation Resolution, the Indenture and the Bond Ordinance, the “Authorizing Documents”).

The Bonds shall be as described in Schedule I attached hereto, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for the purposes described within “PLAN OF FINANCE – The Bonds” of the final Limited Offering Memorandum (defined below).

Section 3 Limited Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds in accordance with Section 11 hereof. On or before the third (3rd) business day prior to the Closing Date, the Underwriter shall execute and deliver to Bond Counsel the Issue Price Certificate (as defined herein) in substantially the form attached hereto as Appendix B.

Section 4 Limited Offering Memorandum.

a. Delivery of Limited Offering Memorandum. The City previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Limited Offering Memorandum for the Bonds dated January 14, 2022 (the “Preliminary Limited Offering Memorandum”), in a “designated electronic format,” as defined in MSRB Rule G-32 (“Rule G-32”). The City will prepare, or cause to be prepared, a final Limited Offering Memorandum relating to the Bonds (the “Limited Offering Memorandum”) which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission’s Rule 15c2-12, as amended (“Rule 15c2-12”), (iii) in a “designated electronic format,” and (iv) substantially in the form of the most recent version of the Preliminary Limited Offering Memorandum provided to the Underwriter before the execution hereof. The Limited Offering Memorandum, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds are collectively referred to herein as the “Limited Offering Memorandum.” Until the Limited Offering Memorandum has been prepared and is available for distribution, the City shall provide to the Underwriter, upon request, sufficient quantities (which may be in electronic format) of the Preliminary Limited Offering Memorandum as the Underwriter reasonably deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer.

b. Preliminary Limited Offering Memorandum Deemed Final. The Preliminary Limited Offering Memorandum has been prepared for use by the Underwriter in connection with the offering, sale, and distribution of the Bonds. The City hereby represents and warrants that the Preliminary Limited Offering Memorandum has been deemed final by the City as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12.

c. Use of Limited Offering Memorandum in Offering and Sale. The City hereby authorizes the Limited Offering Memorandum and the information therein contained to be used by the Underwriter in connection with the offering and the sale of the Bonds. The City consents to the use by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with the offering of the Bonds. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City’s acceptance of this Agreement (but, in any event, not later than the earlier of the Closing Date or seven (7) business days after the City’s acceptance of this Agreement) copies of the Limited Offering Memorandum which is complete as of the date of its delivery to the Underwriter. The City shall provide the Limited Offering Memorandum, or cause the Limited Offering Memorandum to be provided, (i) in a “designated electronic format” consistent with the

requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

d. Updating of Limited Offering Memorandum. If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than the 25th day after the “end of the underwriting period” for the Bonds), the City becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the City will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the City will forthwith prepare and furnish, at no expense to the Underwriter (in a form and manner approved by the Underwriter), either an amendment or a supplement to the Limited Offering Memorandum so that the statements therein as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or so that the Limited Offering Memorandum will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the City in accordance herewith, (i) the City makes no representations with respect to the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York (“DTC”), or its book-entry-only system, and (ii) the City makes no representation with respect to the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum under the captions and subcaptions “PLAN OF FINANCE — Development Plan,” “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BOOK-ENTRY-ONLY SYSTEM,” “THE ZONE 1 REMAINDER AREA AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE MASTER DEVELOPER AND BUILDERS,” “PID ADMINISTRATOR,” “APPRAISAL OF PROPERTY WITHIN THE DISTRICT,” “BONDHOLDERS’ RISKS” (only as it pertains to the Master Developer, the Builders (as defined herein), Zone 1 Remainder Area Projects, the Private Improvements, and the Eleven Development, each as defined in the Limited Offering Memorandum), “LEGAL MATTERS — Litigation — The Master Developer,” “CONTINUING DISCLOSURE – The Master Developer,” and “– The Master Developer’s Compliance with Prior Undertakings” and “INFORMATION RELATING TO THE TRUSTEE,” “APPENDIX E-2,” and “APPENDIX H.” The items contained in (i) and (ii) of the immediately preceding sentence are collectively referred to herein as the “Non-City Disclosures.” If such notification shall be subsequent to the Closing Date, the City, at no expense to the Underwriter, shall furnish such legal opinions, certificates, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering

Memorandum. The City shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

e. Filing with MSRB. The Underwriter hereby agrees to timely file the Limited Offering Memorandum with the MSRB through its Electronic Municipal Market Access (“EMMA”) system within one business day after receipt but no later than the Closing Date. Unless otherwise notified in writing by the Underwriter, the City can assume that the “end of the underwriting period” for purposes of Rule 15c2-12 is the Closing Date.

f. Limited Offering. The Underwriter hereby represents, warrants and covenants that the Bonds were initially sold pursuant to a limited offering. The Bonds were sold to not more than thirty-five persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act (as defined herein)) or “Qualified Institutional Buyers” (within the meaning of Rule 144A under the Securities Act).

Section 5 City Representations, Warranties and Covenants. The City represents, warrants and covenants that:

a. Due Organization, Existence and Authority. The City is a political subdivision of the State of Texas (the “State”), and has, and at the Closing Date will have, full legal right, power and authority:

i. to enter into:

1. this Agreement;
2. the Indenture;
3. the Elevon Development Agreement, dated as of November 2, 2021, by and among the City; MA Elevon 429, LLC, a Texas limited liability company (the “Master Developer”); Petro-Hunt, L.L.C., a Texas limited liability company; Far East Lavon, LP, a Texas limited partnership; 78 Straddle, LP, a Texas limited partnership; East Lavon Partners, LP, a Texas limited partnership; and World Land Developers, LP, a Texas limited partnership (the “Development Agreement”);
4. the Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding, and Acquisition Agreement by and between the City and the Master Developer dated February 1, 2022 (the “CFA Agreement”);
5. the Zone 1 Remainder Area Landowner Agreement (the “History Maker Landowner Agreement”), dated February 1, 2022, by and between the City and HMH/Stratford Elevon JV, LLC, a Texas limited liability company (“History Maker”);

6. the Zone 1 Remainder Area Landowner Agreement, dated February 1, 2022 (the “Greenbrick Landowner Agreement”), by and between the City and GRBK Edgewood, LLC, a Texas limited liability company (“Greenbrick”);

7. the Zone 1 Remainder Area Landowner Agreement (the “UMH Landowner Agreement” and together with the History Maker Landowner Agreement, and the Greenbrick Landowner Agreement, the “Landowner Agreements”), dated February 1, 2022, by and between the City and UMH Development, LLC, a Texas limited liability company (“UMH” and together with History Maker and Greenbrick, the “Builders”);

8. the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation—Elevon PID, dated February 1, 2022, by and between the City and History Maker (the “History Maker Ag Waiver/Redemption Agreement”);

9. the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation—Elevon PID, dated February 1, 2022, by and between the City and Greenbrick (the “Greenbrick Ag Waiver/Redemption Agreement”);

10. the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation—Elevon PID, dated February 1, 2022, by and between the City and UMH (the “UMH Ag Waiver/Redemption Agreement” and together with the History Maker Ag Waiver/Redemption Agreement, the Greenbrick Ag Waiver/Redemption Agreement, and the UMH Ag Waiver/Redemption Agreement, the “Ag Waiver/Redemption Agreements”); and

11. the Continuing Disclosure Agreement of the Issuer with respect to the Bonds, dated as of February 1, 2022 (the “City Continuing Disclosure Agreement”), executed and delivered by the City, P3Works, LLC, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent.

ii. to issue, sell, and deliver the Bonds to the Underwriter as provided herein; and

iii. to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the Development Agreement, (4) the CFA Agreement, (5) the Landowner Agreements, (6) the Ag Waiver/Redemption Agreements, (7) the City Continuing Disclosure Agreement, (8) the Limited Offering Memorandum, and (9) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (9) being referred to collectively herein as the “City Documents”).

b. Due Authorization and Approval of City. By all necessary official action of the City, the City has duly authorized and approved the adoption or execution and delivery by the City of, and the performance by the City of the obligations on its part contained in, the City Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded, except as may have been approved by the Underwriter. When validly executed and delivered by the other parties thereto, the City Documents will constitute the legally valid and binding obligations of the City enforceable upon the City in accordance with their respective terms, except insofar as enforcement may be limited

by principles of governmental immunity, bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors' rights generally. The City has complied, and will at the Closing (as defined herein) be in compliance, in all material respects, with the obligations on its part to be performed on or prior to the Closing Date under the City Documents.

c. Due Authorization for Issuance of the Bonds. The City has duly authorized the issuance and sale of the Bonds pursuant to the Bond Ordinance, the Indenture, and the Act. The City has, and at the Closing Date will have, full legal right, power and authority (i) to enter into, execute, deliver, and perform its obligations under this Agreement and the other City Documents, (ii) to issue, sell and, deliver the Bonds to the Underwriter pursuant to the Indenture, the Bond Ordinance, the Act, and as provided herein, and (iii) to carry out, give effect to and consummate the transactions on the part of the City described by the City Documents and the Bond Ordinance.

d. No Breach or Default. As of the time of acceptance hereof, and to the best of its knowledge, the City is not, and as of the Closing Date the City will not be, in material breach of or in default in any material respect under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument related to the Bonds and to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have a material adverse effect on the City's ability to perform its obligations under the Bonds or the City Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the City Documents and compliance by the City with the obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a material breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties securing the Bonds or under the terms of any such law, regulation or instrument, except as may be permitted by the City Documents.

e. No Litigation. At the time of acceptance hereof there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending against the City with respect to which the City has been served with process, nor to the knowledge of the City is any Action threatened against the City, in which any such Action (i) in any way questions the existence of the City or the rights of the members of the City Council to hold their respective positions, (ii) in any way questions the formation or existence of the District, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the City Documents or the

consummation of the transactions on the part of the City described therein, or contests the exclusion of the interest on the Bonds from federal income taxation, or (iv) which may result in any material adverse change in the financial condition of the City; and, as of the time of acceptance hereof, to the City's knowledge, there is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of this sentence.

f. Bonds Issued Pursuant to Indenture. The City represents that the Bonds, when issued, executed, and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the City subject to the terms of the Indenture, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the Assessments received by the City, all to the extent provided for in the Indenture. The Indenture creates a valid pledge of the monies in certain funds and accounts established pursuant to the Indenture to the extent provided for in the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

g. Assessments. The Assessments constituting the security for the Bonds have been levied by the City in accordance with the Act on those parcels of land identified in the Zone 1 Remainder Area Assessment Roll (as defined in the Service and Assessment Plan). According to the Act, such Assessments constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipality ad valorem taxes.

h. Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the City of, its obligations in connection with the City Documents have been duly obtained or made and are in full force and effect, except the approval of the Bonds by the Attorney General of the State, registration of the Bonds by the Comptroller of Public Accounts of the State, and the approvals, consents and orders as may be required under Blue Sky or securities laws of any jurisdiction.

i. Public Debt. Prior to the Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Assessments which secure the Bonds without the prior approval of the Underwriter.

j. Preliminary Limited Offering Memorandum. The information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures.

k. Limited Offering Memorandum. At the time of the City's acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the 25th day subsequent to the "end of the underwriting period," the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures and further provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 4(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

l. Supplements or Amendments to Limited Offering Memorandum. If the Limited Offering Memorandum is supplemented or amended pursuant to paragraph (d) of Section 4 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the 25th day subsequent to the "end of the underwriting period," the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 4(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

m. Compliance with Rule 15c2-12. During the past five years, the City has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with Rule 15c2-12, except as described in the Limited Offering Memorandum.

n. Use of Bond Proceeds. The City will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Indenture and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

o. Blue Sky and Securities Laws and Regulations. The City will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request, at no expense to the City, (i) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the initial

distribution of the Bonds by the Underwriter (provided, however, that the City will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

p. Certificates of the City. Any certificate signed by any official of the City authorized to do so in connection with the transactions described in this Agreement shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein and can be relied upon by the Underwriter as to the statements made therein.

q. Intentional Actions Regarding Representations and Warranties. The City covenants that between the date hereof and the Closing it will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

r. Financial Advisor. The City has engaged Hilltop Securities Inc. as its financial advisor in connection with its offering and issuance of the Bonds.

By delivering the Limited Offering Memorandum to the Underwriter, the City shall be deemed to have reaffirmed, with respect to the Limited Offering Memorandum, the representations, warranties and covenants set forth above.

Section 6 Master Developer Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from the Master Developer, an executed Master Developer Letter of Representations (the “Master Developer Letter of Representations”) in the form of Appendix A hereto.

Section 7 The Closing. At 10:00 a.m., Central time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City and the Underwriter, (i) the City will deliver or cause to be delivered to DTC through its “FAST” System, the Bonds in the form of one fully registered Bond for each maturity, registered in the name of Cede & Co., as nominee for DTC, duly executed by the City and authenticated by the Trustee as provided in the Indenture, and (ii) the City will deliver the closing documents hereinafter mentioned to McCall, Parkhurst & Horton L.L.P., Dallas, Texas (“Bond Counsel”), or a place to be mutually agreed upon by the City and the Underwriter. Settlement will be through the facilities of DTC. The Underwriter will accept delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in federal funds payable to the order of the City or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the “Closing.” The Bonds will be made available to the Underwriter or counsel to the Underwriter for inspection not less than twenty-four (24) hours prior to the Closing.

Section 8 Underwriter’s Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations and covenants herein and in the Master Developer Letters of Representation and the performance by the City of its obligations under this Agreement, both as of the date hereof and as of the date of the Closing. Accordingly, the

Underwriter's obligations under this Agreement to purchase, accept delivery of, and pay for the Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder at or prior to Closing and shall also be subject to the following additional conditions:

a. Bring-Down Representations of the City. The representations and covenants of the City contained in this Agreement shall be true and correct in all material respects as of the date hereof and at the time of the Closing, as if made on the Closing Date.

b. Executed Agreements and Performance Thereunder. At the time of the Closing (i) the City Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented except with the written consent of the Underwriter; (ii) the Authorizing Documents shall be in full force and effect; (iii) there shall be in full force and effect such other resolutions or actions of the City as, in the opinion of Bond Counsel and Counsel to the Underwriter, shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the City described in this Agreement and the City Documents; (iv) there shall be in full force and effect such other resolutions or actions of the Master Developer as, in the opinion of Miklos Cinclair, PLLC ("Master Developer's Counsel"), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Master Developer described in the Master Developer Documents (defined below); and (v) the City shall perform or have performed its obligations required or specified in the City Documents to be performed at or prior to Closing. As used herein, the "Master Developer Documents" collectively include the following:

- i. the Master Developer Letter of Representations;
- ii. the Development Agreement;
- iii. the CFA Agreement; and
- iv. the Continuing Disclosure Agreement of the Master Developer with respect to the Bonds, dated as of February 1, 2022 executed and delivered by the Master Developer, P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent (the "Master Developer Continuing Disclosure Agreement").

c. No Default. At the time of the Closing, no default shall have occurred or be existing and no circumstances or occurrences that, with the passage of time or giving of notice, shall constitute an event of default under this Agreement, the Indenture, the City Documents, the Master Developer Documents, the Builder Documents (as defined in and described within Appendices E-2 through E-4 hereto) or other documents relating to the financing and construction of the Zone 1 Remainder Area Projects or the Private Improvements and the Elevon Development (as defined in the Limited Offering Memorandum), and the Master Developer and the Builders shall not be in default in the payment of principal or interest on any of their respective indebtedness which default shall materially adversely impact the ability of the Master Developer or the Builders to pay the Assessments when due or complete the Zone 1 Remainder Area Projects or the Private Improvements.

d. Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 9 below.

e. Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Agreement without liability therefor by written notification to the City if, between the date of this Agreement and the Closing, in the Underwriter's sole and reasonable judgment, any of the following shall have occurred:

i. the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by the occurrence of any of the following:

1. legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either House thereof, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice, or otherwise) by the President of the United States, the Treasury Department of the United States, or the Internal Revenue Service or legislation shall have been proposed for consideration by either the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation, or official statement (final, temporary, or proposed) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service, or other federal agency shall be made, which would result in federal taxation of revenues or other income of the general character expected to be derived by the City or upon interest on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the holders thereof, and which in either case, makes it, in the reasonable judgment of the Underwriter, impracticable or inadvisable to proceed with the offer, sale, or delivery of the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

2. legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission ("SEC") or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as described herein or by the Limited Offering Memorandum, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act"); or

3. a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so; or

4. there shall have occurred any outbreak of hostilities (including, without limitation, an act of terrorism) or other national or international calamity or crisis, including, but not limited to, an escalation of hostilities that existed prior to the date hereof, and the effect of any such event on the financial markets of the United States shall be such as would make it impracticable, in the reasonable judgment of the Underwriter, for it to sell the Bonds on the terms and in the manner contemplated by the Limited Offering Memorandum; or

5. there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the City, except as disclosed in or contemplated by the Limited Offering Memorandum; or

6. any state blue sky or securities commission or other governmental agency or body in any state in which more than 10% of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

7. any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), or the validity or enforceability of the Assessments pledged to pay principal of and interest on the Bonds; or

ii. the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

iii. any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which change shall occur subsequent to the date of this Agreement and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter; or

iv. any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to the Limited Offering Memorandum; or

v. a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and shall be in force; or

vi. a material disruption in securities settlement, payment or clearance services shall have occurred; or

vii. a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Agreement or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws on the date of Closing, including the Securities Act, the Securities Exchange Act of 1934 (the “Securities Exchange Act”) and the Trust Indenture Act; or

viii. the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, which prohibition shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance, or nonfeasance of the Underwriter.

With respect to the conditions described in subparagraphs (ii), (vii) and (viii) above, the Underwriter is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights hereunder.

Section 9 Closing Documents. At or prior to the Closing, the Underwriter (or counsel to the Underwriter on behalf of the Underwriter) shall receive the following documents:

a. Bond Opinion. The approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix D to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the date of the Closing and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 9(b), to the effect that the foregoing opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

b. Supplemental Opinion. A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the City and the Underwriter, in form and substance acceptable to counsel for the Underwriter, to the following effect:

i. Except to the extent noted therein, Bond Counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements and information contained in the Limited Offering Memorandum but that such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions “PLAN OF FINANCE — The Bonds” (except for the final paragraph thereof), “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology” and “Assessment Amounts”), “THE DISTRICT,” “TAX MATTERS,” “LEGAL

MATTERS — Legal Proceedings” (first paragraph only), “LEGAL MATTERS — Legal Opinions”, “CONTINUING DISCLOSURE – The City,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS” and “APPENDIX B – Form of Indenture” and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained under such captions and subcaptions 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;

ii. The Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

iii. The City has or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance, and the Bond Ordinance (collectively, the foregoing documents are referred to herein as the “City Actions”) and perform its obligations thereunder and the City Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and

iv. The Indenture, the Landowner Agreements, the CFA Agreement, the City Continuing Disclosure Agreement and this Agreement have been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of such instruments, documents, and agreements by the other parties thereto, constitute the legal, valid, and binding agreements of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors’ rights, or by the application of equitable principles if equitable remedies are sought and to the application of Texas law relating to governmental immunity applicable to local governmental entities.

c. City Legal Opinion. An opinion of an attorney for the City, dated the Closing Date and addressed to the Underwriter, the City and the Trustee, with respect to matters relating to the City, substantially in the form of Appendix C hereto or in form otherwise agreed upon by the Underwriter.

d. Opinion of Master Developer’s Counsel. An opinion of Master Developer’s Counsel, substantially in the form of Appendix D hereto, dated the Closing Date and addressed to the City, Bond Counsel, the Attorney for the City, the Underwriter, counsel to the Underwriter and the Trustee.

e. Closing Certificates of the Master Developer and Builders. The certificate, dated as of the Closing Date and signed by an authorized officer, of each of the following: (i) the Master Developer in substantially the form of Appendix E-1 hereto, (ii) History Maker in substantially the form of Appendix E-2 hereto, (iii) Greenbrick in substantially the form of Appendix E-3 hereto, and (iv) UMH in substantially the form of Appendix E-4 hereto.

f. City Certificate. A certificate of the City, dated the Closing Date, to the effect that, to an authorized City official's knowledge:

i. the representations and warranties of the City contained herein and in the City Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

ii. the Authorizing Documents and City Documents are in full force and effect and have not been amended, modified, or supplemented;

iii. except as disclosed in the Limited Offering Memorandum, no litigation or proceeding against the City is pending or, to the knowledge of such person, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City or the establishment of the District, (c) contest the validity, due authorization and execution of the Bonds or the City Documents, or (d) attempt to limit, enjoin or otherwise restrict or prevent the City from levying and collecting the Assessments pledged to pay the principal of and interest on the Bonds, or the pledge thereof; and

iv. the City has, to such person's knowledge, complied with all agreements and covenants and satisfied all conditions set forth in the City Documents, on its part to be complied with or satisfied hereunder at or prior to the Closing.

g. Trustee's Certificate. A certificate of the Trustee, dated the date of Closing, in form and substance acceptable to counsel for the Underwriter to the following effect:

i. The Trustee is duly organized and validly existing as a national banking association organized under the laws of the United States of America, having the full power and authority, including trust powers, to accept and perform its duties under the Indenture;

ii. The Indenture has been duly authorized, executed and delivered by the Trustee and is valid and enforceable against the Trustee in accordance with its terms; and

iii. No consent, approval, authorization or other action by any governmental authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture.

h. Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Orrick, Herrington & Sutcliffe LLP, counsel to the Underwriter, to the effect that:

i. based on (A) such counsel's review of the Bond Ordinance, the Indenture, and the Limited Offering Memorandum; (B) its discussions with bond counsel and with the Underwriter; (C) its review of the documents, certificates, opinions and other instruments delivered at the closing of the sale of the Bonds on the date hereof; and (D) such

other matters as it deems relevant, such counsel is of the opinion that the Bonds are exempt securities under the Securities Act, and the Trust Indenture Act, and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the Securities Act and the Indenture is not required to be qualified under the Trust Indenture Act;

ii. based upon (A) such counsel's review of Rule 15c2-12 and interpretive guidance published by the SEC relating thereto; (B) its review of the continuing disclosure undertaking of the City contained in the City Continuing Disclosure Agreement; and (C) the inclusion in the Limited Offering Memorandum of a description of the specifics of such undertaking, and assuming that the Bond Ordinance, the Indenture, and the City Continuing Disclosure Agreement have been duly adopted by the City and are in full force and effect, such undertaking provides a suitable basis for the Underwriter, to make a reasonable determination that the City has met the qualifications of paragraph (b)(5)(i) of Rule 15c2-12; and

iii. although such counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the information contained in the Limited Offering Memorandum, it has participated in the preparation of the Limited Offering Memorandum and without independent verification, no facts came to its attention that caused it to believe that the Limited Offering Memorandum (except for the Appendices as well as any other financial, engineering and statistical data contained therein or included therein by reference or any litigation disclosed therein, as to which it expresses no view) as of its date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

i. Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

j. Delivery of City Documents, Master Developer Documents and Builder Documents. The City Documents, the Master Developer Documents, and the Builder Documents (as defined in and described within Appendices E-2 through E-4 hereto) shall have been executed and delivered in form and content satisfactory to the Underwriter.

k. Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

l. Federal Tax Certificate. A certificate of the City in form and substance satisfactory to Bond Counsel and counsel to the Underwriter setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code.

m. Attorney General Opinion and Comptroller Registration. The approving opinion of the Attorney General of the State regarding the Bonds and the Comptroller of the State's Certificate of Registration for the Initial Bond.

n. Continuing Disclosure Agreements. The (i) City Continuing Disclosure Agreement shall have been executed by the parties thereto in substantially the form attached to the Limited Offering Memorandum as Appendix E-1; and (ii) the Master Developer Continuing Disclosure Agreement shall have been executed by the parties thereto in substantially the form attached to the Limited Offering Memorandum as Appendix E-2.

o. Letter of Representation of the Appraiser. (i) Letter of Representation of Peyco Southwest Realty Inc. (the “Appraiser”), substantially in the form of Appendix F hereto, addressed to the City, Bond Counsel, the Underwriter, counsel to the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter, and (ii) a copy of the real estate appraisal of the property within the District as attached to the Limited Offering Memorandum as Appendix H.

p. Letter of Representation of Administrator. Letter of Representation of the Administrator, substantially in the form of Appendix G hereto, addressed to the City, Bond Counsel, the Underwriter, counsel to the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter.

q. Evidence of Filing of Creation Resolution, Assessment Ordinance, and Landowner Agreements. Evidence that (i) the Creation Resolution, including legal description of the District by metes and bounds, (ii) the Assessment Ordinance, including the Assessment Roll for the Zone 1 Remainder Area of the District and a statement indicating the contact for and address of where a copy of the Service and Assessment Plan, and any updates thereto may be obtained or viewed, and (iii) the Landowner Agreements have been filed of record in the real property records of Collin County, Texas.

r. Lender Consent Certificate. A Lender Consent Certificate of each holder of a lien, if any, on land in the Zone 1 Remainder Area of the District on the Closing Date, consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Assessments, and the subordination of their respective liens to the lien created by the Assessments in a form acceptable to the Underwriter. In the event that there are no such lienholders, the Master Developer shall provide such certifications as may be reasonably requested by the Underwriter to confirm that no such liens exist as of the Closing Date.

s. Rule 15c2-12 Certification. A resolution or certificate of the City (which may be included in the Bond Ordinance) whereby the City has deemed the Preliminary Limited Offering Memorandum final as of its date, except for permitted omissions, as contemplated by Rule 15c2-12 in connection with the offering of the Bonds.

t. Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the City has engaged a dissemination agent acceptable to the Underwriter, with the execution of the City Continuing Disclosure Agreement and the Master Developer Continuing Disclosure Agreement by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

u. BLOR. A copy of the Blanket Issuer Letter of Representation to DTC signed by the City.

v. Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or their counsel may reasonably deem necessary.

Section 10 City's Closing Conditions. The obligation of the City hereunder to deliver the Bonds shall be subject to receipt on or before the date of the Closing of the purchase price set forth in Section 1 hereof, the Attorney General Opinion, the opinion of Bond Counsel described in Section 9(a) hereof, and all documents required to be delivered by the Master Developer and the Builders.

Section 11 Establishment of Issue Price. Notwithstanding any provision of this Agreement to the contrary, the following provisions related to the establishment of the issue price of the Bonds apply:

(a) Definitions. For purposes of this Section, the following definitions apply:

(i) *"Public"* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than a Participating Underwriter or a Related Party to a Participating Underwriter.

(ii) *"Participating Underwriter"* means (A) any person that agrees pursuant to a written contract with the City (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

(iii) *"Related Party"* means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another) or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iv) *"Sale Date"* means the date of execution of this Agreement by all parties.

(b) *Issue Price Certificate.* The Underwriter agrees to assist the City in establishing the issue price of the Bonds and to execute and deliver to the City at Closing an Issue Price Certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel (as defined herein), to accurately reflect, as applicable, the initial offering price (the "Initial Offering Price") or prices or the sales price or prices to the Public of the Bonds. As

applicable, all actions to be taken by the City under this section to establish the issue price of the Bonds may be taken on behalf of the City by the City's financial advisor and any notice or report to be provided to the City may be provided to the City's financial advisor.

(c) *Substantial Amount Test.* The City will treat the Initial Offering Price at which at least ten percent (a "Substantial Amount") in principal amount of each maturity of the Bonds is sold to the Public as of the Sale Date (the "Substantial Amount Test") as the issue price of that maturity (or each separate CUSIP number within that maturity). Those maturities of the Bonds which do not satisfy the Substantial Amount Test (the "Hold-the-Price Maturities") will be identified in the Issue Price Certificate and will be subject to the Hold-the-Price Restriction (as hereinafter defined). At or promptly after the execution of this Agreement, the Underwriter will report to the City the price or prices at which the Participating Underwriters have offered and sold to the Public each maturity of the Bonds.

(d) *Hold-The-Price Restriction.* The Underwriter agrees that it will neither offer nor sell any of the Hold-the-Price Maturities to any person at a price that is higher than the applicable Initial Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriter has sold a Substantial Amount of such Hold-the-Price Maturity to the Public at a price that is no higher than the Initial Offering Price of such Hold-the-Price Maturity (the "Hold-the-Price Restriction"). The Initial Offering Price of the Hold-the-Price Maturities shall be the issue price for such maturities.

The Underwriter shall promptly advise the City when the Participating Underwriters have sold a Substantial Amount of each such Hold-The-Price Maturity to the Public at a price that is no higher than the applicable Initial Offering Price of such Hold-The-Price Maturity, if that occurs prior to the close of the fifth business day after the Sale Date.

The City acknowledges that, in making the representation set forth in this subparagraph (4), the Underwriter will rely on (A) the agreement of each Participating Underwriter to comply with the Hold-the-Price Restriction, as set forth in an agreement among underwriters and the related pricing wires, (B) in the event a selling group has been created in connection with the sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Price Restriction, as set forth in a selling group agreement and the related pricing wires, and (C) in the event that a Participating Underwriter is a party to a third-party distribution agreement that was employed in connection with the sale of the Bonds, the agreement of each such underwriter, dealer or broker-dealer that is a party to such agreement to comply with the Hold-the-Price Restriction, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each Participating Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Price Restriction and that no Participating Underwriter will be liable for the failure of any other Participating Underwriter to comply with its corresponding agreement regarding the Hold-the-Price Restrictions as applicable to the Bonds.

(e) *Agreements Among Participating Underwriters.* The Underwriter confirms that (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement to which the Underwriter is a party relating to the initial sale of the

Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Participating Underwriter, each dealer who is a member of any selling group, and each broker-dealer that is a party to any such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until it is notified by the Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the relating pricing wires, and (C) acknowledge that, unless otherwise advised by the Participating Underwriter, the Underwriter will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Participating Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each underwriter or broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter or the applicable Participating Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter or the applicable Participating Underwriter and as set forth in the relating pricing wires.

(f) *Sale to Related Party not a Sale to the Public.* The Participating Underwriters acknowledge that sales of any Bonds to any person that is a Related Party to a Participating Underwriter do not constitute sales to the Public for purposes of this Section. If a Related Party to a Participating Underwriter purchases during the initial offering period all of a Hold-The-Price Maturity, the related Participating Underwriter will notify the Underwriter and will take steps to confirm in writing that such Related Party will either (i) hold such Bonds for its own account, without present intention to sell, reoffer or otherwise dispose of such Bonds for at least five business days from the Sale Date, or (ii) comply with the Hold-The-Price Restriction.

Section 12 Consequences of Termination. If the City shall be unable to satisfy the conditions contained in this Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and the Underwriter and the City shall have no further obligation hereunder, except as further set forth in Sections 13, 15 and 16 hereof.

Section 13 Costs and Expenses.

a. The Underwriter shall be under no obligation to pay, and the City shall cause to be paid from proceeds of the Bonds the following expenses incident to the issuance of the Bonds and performance of the City's obligations hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the cost of preparation, printing, and mailing of the Preliminary Limited Offering Memorandum, the final Limited Offering Memorandum and any supplements and amendments thereto; (iii) the fees and disbursements of the City's financial advisor and legal counsel, the Trustee's counsel, Bond Counsel, Master Developer's Counsel, and the Trustee relating to the issuance of the Bonds, (iv) the Attorney General's review fees, (v) the fees and

disbursements of accountants, advisers and any other experts or consultants retained by the City or the Master Developer, including but not limited to the fees and expenses of the Appraiser and the Administrator, and (vi) the expenses incurred by or on behalf of City employees and representatives that are incidental to the issuance of the Bonds and the performance by the City of its obligations under this Agreement.

b. The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the offering of the Bonds; (ii) fees of counsel to the Underwriter; and (iii) all other expenses, including CUSIP fees (including out-of-pocket expenses and related regulatory expenses), incurred by it in connection with its offering and distribution of the Bonds, except as noted in Subsection 13(a) above.

c. The City acknowledges that the Underwriter will pay from the Underwriter's expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a nonprofit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

Section 14 Notice. Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to: City of Lavon, Texas, 120 School Road, Lavon, Texas 75166, Attention: City Administrator. Any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to: FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Attention: Tripp Davenport, Director.

Section 15 Entire Agreement. This Agreement is made solely for the benefit of the City and the Underwriter (including their respective successors and permitted assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties, and agreements contained in this Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Underwriter, provided the City shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase of the Bonds; or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in the last sentence of the penultimate paragraph of Section 1, this Section and in Sections 16 and 18 shall survive any termination of this Agreement.

Section 16 Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or in connection with the transactions described in or by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

Section 17 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 18 Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

Section 19 State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Texas.

Section 20 No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by the Underwriter or the City without the prior written consent of the other party hereto.

Section 21 No Personal Liability. None of the members of the City Council, nor any officer, representative, agent, or employee of the City, shall be charged personally by the Underwriter with any liability, or be held liable to the Underwriter under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Agreement.

Section 22 Form 1295. Submitted herewith or on a date prior hereto is a completed Form 1295 in connection with the Underwriter's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Underwriter, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Underwriter and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Underwriter; and, neither the City nor its consultants have verified such information.

Section 23 Anti-Boycott Verification. The Underwriter hereby verifies that the Underwriter and its parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal Law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Underwriter understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

Section 24 Iran, Sudan and Foreign Terrorist Organizations. The Underwriter hereby represents that neither the Underwriter nor any of its parent companies, 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, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal law and excludes the Underwriter and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Underwriter understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

Section 25 Verification Regarding Energy Company Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Underwriter hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Underwriter understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

Section 26 Verification Regarding Discrimination Against Firearm Entity or Trade Association. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, "SB 19"), Texas Government Code, as amended, the Underwriter hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any:

(a) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association; and

(b) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association.

The foregoing verification is made solely to enable the City to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification:

(1) “discriminate against a firearm entity or firearm trade association,” a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association,

(2) “firearm entity,” a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and

(3) “firearm trade association,” a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

The Underwriter understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

Section 27 Index of Appendices.

Appendix A	Form of Master Developer Letter of Representations
Appendix B	Form of Issue Price Certificate
Appendix C	Form of Opinion of City Attorney
Appendix D	Form of Opinion of Master Developer’s Counsel
Appendix E-1	Form of Closing Certificate of Master Developer
Appendix E-2	Form of Closing Certificate of History Maker
Appendix E-3	Form of Closing Certificate of Greenbrick
Appendix E-4	Form of Closing Certificate of UMH
Appendix F	Form of Letter of Representations of Appraiser
Appendix G	Form of Letter of Representations of PID Administrator

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

FMSbonds, Inc.,
as Underwriter

By: _____
Name: Theodore A. Swinarski
Title: Senior Vice President - Trading

Accepted at _____ a.m./p.m. central time on the
date first stated above.

CITY OF LAVON, TEXAS

By: _____
Mayor

SCHEDULE I

\$8,148,000
CITY OF LAVON, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
ZONE 1 REMAINDER AREA PROJECT)

Interest Accrues From: Closing Date

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

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

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

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

- (a) The initial prices or yields of the Bonds are furnished by the Underwriter, have been determined in accordance with the “10% test”, and represent the initial offering prices or yields to the public, which may be changed by the Underwriter at any time.
- (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 1, 20__, at the price of par plus accrued interest to the date of redemption, as set forth in the Limited Offering Memorandum under “DESCRIPTION OF THE BONDS — Redemption Provisions.”
- (c) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under “DESCRIPTION OF THE BONDS — Redemption Provisions.”

The Bonds are subject to mandatory sinking fund redemption on the dates and in the principal amounts as set forth in the following schedule.

\$_____ Term Bonds Maturing September 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

\$_____ Term Bonds Maturing September 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

† Final Maturity

APPENDIX A

FORM OF MASTER DEVELOPER LETTER OF REPRESENTATIONS

\$8,148,000
CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
ZONE 1 REMAINDER AREA PROJECT)

MASTER DEVELOPER LETTER OF REPRESENTATIONS

February 1, 2022

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Ladies and Gentlemen:

This letter is being delivered to the City of Lavon, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”), in consideration for your entering into the Bond Purchase Agreement dated the date hereof (the “Bond Purchase Agreement”) for the sale and purchase of the \$8,148,000 “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project)” (the “Bonds”). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the City, and the City has agreed to sell to the Underwriter, the Bonds. In order to induce the City to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the City and the purchase of them by the Underwriter, the undersigned, MA Elevon 429, LLC (the “Master Developer”), makes the representations, warranties, and covenants contained in this Master Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used and not otherwise defined in this Master Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Master Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Master Developer, but rather is acting solely in its capacity as Underwriter of the Bonds for its own account.

2. Updating of the Limited Offering Memorandum. If, after the date of this Master Developer Letter of Representations, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the “end of the underwriting period” for the Bonds), the Master Developer becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the Master Developer will notify the City and the Underwriter (and for the purposes of this clause provide the City and the Underwriter with such information as they may from time to time request); however, that for the purposes of this Master Developer Letter of Representations and any certificate delivered by the Master Developer in accordance with the Bond Purchase Agreement, the Master Developer makes no representations with respect to (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York, or its book-entry-only system and (ii) the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions “THE CITY,” “THE DISTRICT,” “BONDHOLDERS’ RISKS” (except as it pertains to the Master Developer, the Zone 1 Remainder Area Projects, the Private Improvements, and the Elevon Development, as defined in the Limited Offering Memorandum), “TAX MATTERS,” “LEGAL MATTERS — Litigation — The City,” “CONTINUING DISCLOSURE — The City” and “ — The City’s Compliance with Prior Undertakings” and “INFORMATION RELATING TO THE TRUSTEE.”

3. Master Developer Documents. The Master Developer has executed or caused the execution of and delivered each of the below listed documents (individually, a “Master Developer Document” and collectively, the “Master Developer Documents”) in the capacity provided for in each such Master Developer Document, and each such Master Developer Document constitutes a valid and binding obligation of the Master Developer, enforceable against the Master Developer in accordance with its terms:

- (a) this Master Developer Letter of Representations;
- (b) the Elevon Development Agreement, dated as of November 2, 2021, by and among the City; the Master Developer; Petro-Hunt, L.L.C., a Texas limited liability company; Far East Lavon, LP, a Texas limited partnership; 78 Straddle, LP, a Texas limited partnership; East Lavon Partners, LP, a Texas limited partnership; and World Land Developers, LP, a Texas limited partnership;
- (c) the Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding, and Acquisition Agreement by and between the City and the Master Developer dated February 1, 2022; and

- (d) the Continuing Disclosure Agreement of the Master Developer with respect to the Bonds, dated as of February 1, 2022 executed and delivered by the Master Developer, P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent.

The Master Developer has complied in all material respects with all of the Master Developer's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Master Developer under the Master Developer Documents on or prior to the date hereof.

The representations and warranties of the Master Developer contained in the Master Developer Documents are true and correct in all material respects on and as of the date hereof.

4. Master Developer Representations, Warranties and Covenants. The Master Developer represents, warrants, and covenants to the City and the Underwriter that:

(a) Due Organization and Existence. The Master Developer is duly formed and validly existing as a limited liability company under the laws of the State of Texas.

(b) Organizational Documents. The copies of the organizational documents of the Master Developer provided by the Master Developer (the "Master Developer Organizational Documents") to the City and the Underwriter are fully executed, true, correct, and complete copies of such documents and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

(c) Due Authorization and Approval. By all necessary action, the Master Developer has duly authorized and approved its execution and delivery of the Master Developer Documents and the performance by the Master Developer of its obligations contained in the Master Developer Documents as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(d) No Breach. The execution and delivery of the Master Developer Documents by Master Developer does not violate any judgment, order, writ, injunction or decree binding on Master Developer or any indenture, agreement, or other instrument to which Master Developer is a party.

(e) No Litigation. Other than as described in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Master Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Master Developer to perform its obligations under the Master Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Elevon Development in accordance with the description thereof in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(f) Information. The information prepared and submitted by the Master Developer to the City or the Underwriter in connection with the preparation of the Preliminary

Limited Offering Memorandum and the Limited Offering Memorandum was, and is, as of this date, true and correct in all material respects.

(g) Consent to Bond Issuance. The Master Developer hereby consents to the issuance of the Bonds.

(h) Agreement. The Master Developer covenants that, while the Bonds are outstanding, the Master Developer will not bring any action, suit proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body which in any way seeks to challenge or overturn the District, the validity of the Master Developer Documents, the levy or collection of the Assessments or the validity of the Bonds or the proceedings relating to their issuance.

(i) Permits, Licenses, Etc. The Master Developer has obtained and there are currently in force and effect, or the Master Developer is not aware of any fact that will prevent the Master Developer from receiving at or prior to the Closing Date or by the date required or necessary therefor, all consents, permits, licenses, certificates and other approvals (governmental or otherwise) required of it that

i. are necessary to conduct the Master Developer's business as it is currently being conducted;

ii. would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance of its obligations under this Letter of Representations, the Master Developer Documents and any other material agreement or instrument to which they are a party and which is to be used or contemplated for use in the consummation of the transactions described herein or by the Limited Offering Memorandum relating to the financing and construction of the Zone 1 Remainder Area Projects and the Private Improvements which are to be constructed by the Master Developer; or

iii. are necessary for the acquisition, construction and operation of the Zone 1 Remainder Area Projects and the Private Improvements which are to be constructed by the Master Developer.

(j) Events of Default. No "Event of Default" or "event of default" by the Master Developer under any of the Master Developer Documents, any documents to which the Master Developer is a party described in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum, or under any material documents relating to the financing and construction of Zone 1 Remainder Area Projects and the Private Improvements which are to be constructed by the Master Developer to which the Master Developer is a party, or event that, with the passage of time or the giving of notice or both, would constitute such "Event of Default" or "event of default," by the Master Developer has occurred and is continuing.

(k) Financing. Other than the Assessments, no debt will be issued nor will any additional liens be placed on the property within the District in order to complete the construction of the Zone 1 Remainder Area Projects and the Private Improvements which are to be constructed by the Master Developer unless such debt or additional liens are subordinate to

the liens created by the levy of the Assessments, and the Master Developer provides written notice of such subordination to the lender of such subordinate debt and the City.

(l) Taxes and Assessments. All ad valorem taxes and Assessments are current on the property which the Master Developer owns within the District.

(m) Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Master Developer represents and warrants that the information set forth in the Preliminary Limited Offering Memorandum under the following captions (collectively, the “Master Developer Disclosures”): “PLAN OF FINANCE” (excluding the subcaptions “—The District,” “—The Bonds” and “—Future Indebtedness”), “THE ZONE 1 REMAINDER AREA AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE MASTER DEVELOPER AND BUILDERS,” “CONTINUING DISCLOSURE – The Master Developer” and “– The Master Developer’s Compliance with Prior Undertakings,” and, to the best of the Master Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Master Developer, Zone 1 Remainder Area Projects, the Private Improvements, and the Elevon Development, each as defined in the Limited Offering Memorandum) and “LEGAL MATTERS — Litigation — The Master Developer,” “APPENDIX E-2,” “APPENDIX F” and “APPENDIX G” is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Master Developer agrees to provide a certificate dated the Closing Date and in substantially the form required by the Bond Purchase Agreement affirming, as of such date, the representations contained in this subsection (m) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(n) Intentional Actions Regarding Representations and Warranties. The Master Developer covenants that between the date hereof and the Closing they will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

5. Indemnification.

a. The Master Developer will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum within the Master Developer Disclosures or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the Master Developer Disclosures, or arise out of or are based upon the omission or untrue statement or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions not misleading under the circumstances under which they were made and will reimburse any indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred.

b. Promptly after receipt by an indemnified party under subsection (a) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party otherwise than under such subsection, unless such indemnifying party was prejudiced by such delay or lack of notice. In case any such action shall be brought against an indemnified party, it shall promptly notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. The indemnity herein shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the City, the Master Developer or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Master Developer Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Master Developer Letter of Representations will be binding upon the Master Developer and its successors and assigns and inure solely to the benefit of the Underwriter and the City, and no other person or firm or entity will acquire or have any right under or by virtue of this Master Developer Letter of Representations.

MASTER DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

APPENDIX B

\$8,148,000

**CITY OF LAVON, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
ZONE 1 REMAINDER AREA PROJECT)**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of FMSbonds, Inc. (the “Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the Special Assessment Revenue Bonds, Series 2022 (Eleven Public Improvement District Zone 1 Remainder Area Project) (the “Bonds”) by the City of Lavon, Texas (the “City”).

The first price at which at least ten percent (“Substantial Amount”) of the principal amount of each maturity of the Bonds having the same credit and payment terms (a “Maturity”) was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (the “Public”) is set forth in the final Limited Offering Memorandum relating to the Bonds.

A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule A.

For purposes of this Issue Price Certificate, the term “Underwriter” means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

[Signature page follows]

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____, 2022.

FMSbonds, Inc.,
as Underwriter

By: _____
Name: Theodore A. Swinarski
Title: Senior Vice President - Trading

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

APPENDIX C

[LETTERHEAD OF CITY ATTORNEY]

February 15, 2022

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

\$8,148,000
CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
ZONE 1 REMAINDER AREA PROJECT)

Ladies and Gentlemen:

This firm has acted as City Attorney of the City of Lavon, Texas (the “City”) and renders this opinion for limited purposes in connection with the issuance and sale of \$8,148,000 “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project)” (the “Bonds”), by the City, a political subdivision of the State of Texas (the “State”).

The Bonds are authorized pursuant to Ordinance No. [_____] and enacted by the City Council of the City (the “City Council”) on February 1, 2022 (the “Bond Ordinance”) and shall be issued pursuant to the provisions of Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “Act”) and the Indenture of Trust dated as of February 1, 2022 (the “Indenture”) by and between the City and Wilmington Trust, National Association, a national banking association, as trustee (the “Trustee”). The Bonds are being sold to FMSbonds, Inc. pursuant to the Bond Purchase Agreement dated February 1, 2022 between the City and FMSbonds, Inc. (the “Bond Purchase Agreement”). This opinion is being delivered pursuant to Section 9(c) of the Bond Purchase Agreement. Capitalized terms not defined herein shall have the same meanings as in the Bond Purchase Agreement, unless otherwise stated herein.

For the purposes of rendering this opinion, we have reviewed the following (the “Reviewed Documents”):

(a) Resolution No. 2021-11-07 (the “Creation Resolution”), enacted by the City Council on November 2, 2021;

(b) Ordinance No. [_____] approved by the City Council on February 1, 2022 (the “Assessment Ordinance”), and the Service and Assessment Plan (the “Service and Assessment Plan”) attached as an exhibit thereto (the “Service and Assessment Plan”);

(c) The Bond Ordinance;

(d) The Indenture;

(e) The Bond Purchase Agreement;

(f) That certain Elevon Development Agreement, dated as of November 2, 2021, by and among the City; MA Elevon 429, LLC, a Texas limited liability company (the “Master Developer”); Petro-Hunt, L.L.C., a Texas limited liability company; Far East Lavon, LP, a Texas limited partnership; 78 Straddle, LP, a Texas limited partnership; East Lavon Partners, LP, a Texas limited partnership; and World Land Developers, LP, a Texas limited partnership (the “Development Agreement”);

(g) The Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding, and Acquisition Agreement by and between the City and the Master Developer dated as of February 1, 2022 (the “CFA Agreement”);

(h) The Zone 1 Remainder Area Landowner Agreement, dated February 1, 2022, by and between the City and HMH/Stratford Elevon JV, LLC, a Texas limited liability company;

(i) The Zone 1 Remainder Area Landowner Agreement, dated February 1, 2022, by and between the City and GRBK Edgewood, LLC, a Texas limited liability company;

(j) The Zone 1 Remainder Area Landowner Agreement, dated February 1, 2022, by and between the City and UMH Development, LLC, a Texas limited liability company;

(k) The Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation—Elevon PID, dated February 1, 2022, by and between the City and History Maker;

(l) The Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation—Elevon PID, dated February 1, 2022, by and between the City and GRBK Edgewood, LLC, a Texas limited liability company;

(m) the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation—Elevon PID, dated February 1, 2022, by and between the City and UMH Development, LLC, a Texas limited liability company; and

(n) The Continuing Disclosure Agreement of the Issuer with respect to the Bonds, dated as of February 1, 2022, executed and delivered by the City, P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent.

In rendering the opinions expressed below, we have, with your concurrence and without any inquiry or other investigation, made and relied upon the following assumptions: (a) the due authorization, execution and delivery of each of the Reviewed Documents by all parties thereto other than the City; (b) the genuineness of all signatures to the Reviewed Documents; (c) the correctness and truthfulness of all the statements of fact contained in the Reviewed Documents; (d) the authenticity of the Reviewed Documents; (e) the conformity to original documents of the Reviewed Documents submitted to us as copies; and (f) the additional assumptions set forth on **Exhibit A** attached to this letter and the exclusions set forth on **Exhibit B** attached to this letter. Our opinions are limited to matters expressly stated herein and no opinion is to be inferred or may be implied beyond the matters expressly stated.

In rendering the opinions set forth below, we have also relied upon: (a) the representations and warranties contained in the Reviewed Documents; (b) the resolutions and other documents of the parties to the Reviewed Documents authorizing or approving the Reviewed Documents; (c) the Closing Certificates of the Master Developer, History Maker, Greenbrick and UMH delivered pursuant to the Bond Purchase Agreement; (d) the Master Developer Letter of Representations delivered pursuant to the Bond Purchase Agreement; and (e) the legal opinion delivered pursuant to the Bond Purchase Agreement by Miklos Cinclair, PLLC counsel to the Master Developer (collectively, the “Reliance Materials”). We have not made any independent or other investigation, review, analysis, or inquiry as to any of the facts, matters, circumstances or legal opinions or conclusions contained in the Reviewed Documents or Reliance Materials or the accuracy or completeness thereof. Additionally, we have assumed that none of the Reviewed Documents or Reliance Materials contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in light of the circumstances in which they are made, not misleading. We have not made any examination of any accounting or financial matters, and we express no opinion with respect thereto.

The opinions expressed herein are subject to the correctness in understanding that no beneficiary to this opinion letter may rely on this opinion letter to the extent that such beneficiary or its counsel has actual knowledge of any applicable laws, facts, or circumstances which would make any opinion expressed herein incorrect, subject to question, or require further investigation of any laws, facts or circumstances.

Whenever our opinion or advice with respect to the existence or absence of facts is indicated to be based on our knowledge, we are referring to the actual knowledge of the Messer, Fort & McDonald, PLLC attorneys who have given attention to matters concerning the City during the course of our representation of the City in connection with the Reviewed Documents, which knowledge has been obtained by such attorneys in their capacity as such. In particular, our response does not include matters known to any attorney of our firm in a capacity other than as attorney to the City. Further, the words “our knowledge,” “our actual knowledge” and similar expressions used in this opinion letter are intended to be limited to the actual knowledge of Julie Fort of our firm who have been directly involved in representing the City. We have not undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to our knowledge concerning such facts should be drawn from the fact that such limited representation has been undertaken by us.

Based upon and subject to the foregoing and the additional qualifications and assumptions set forth herein, we are of the opinion that:

1. The City is a Texas political subdivision and has all necessary power and authority to enter into and perform its obligations under the Reviewed Documents. The City has taken or obtained all actions, approvals, consents and authorizations required of it by applicable laws in connection with the execution of the Reviewed Documents and the performance of its obligations thereunder.

2. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or threatened against the City: (a) affecting the existence of the City or the titles of its officers to their respective offices, (b) in any way questioning the formation or existence of the District, (c) affecting, contesting or seeking to prohibit, restrain or enjoin the delivery of any of the Bonds, or the payment, collection or application of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, including the Assessments in the Zone 1 Remainder Area of the District pursuant to the provisions of the Assessment Ordinance and the Service and Assessment Plan referenced therein, (d) contesting or affecting the validity or enforceability or the City's performance of the Reviewed Documents, (e) contesting the exclusion of the interest on the Bonds from federal income taxation, or (f) which may result in any material adverse change relating to the financial condition of the City.

3. The Reviewed Documents have been duly authorized, executed and delivered by the City and remain legal, valid and binding obligations of the City enforceable against the City in accordance with their terms. However, the enforceability of the obligations of the City under such Reviewed Documents may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (b) principles of equity, whether considered at law or in equity, or (c) the application of Texas law relating to action by future councils and relating to governmental immunity applicable to governmental entities.

4. The performance by the City of the obligations under the Reviewed Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

5. No further consent, approval, authorization, or order of any court or governmental agency or body or official is required to be obtained by the City as a condition precedent to the performance by the City of its obligations under the Reviewed Documents.

6. Based upon our limited participation in the preparation of the Limited Offering Memorandum, the statements and information contained in the Limited Offering Memorandum with respect to the City under the captions and subcaptions "ASSESSMENT PROCEDURES – first paragraph of "Assessment Methodology" and second paragraph of " – Assessment Amounts," "THE CITY," "THE DISTRICT," "LEGAL MATTERS – Litigation – The City," "CONTINUING DISCLOSURE – second and third paragraphs "The City" and "APPENDIX A – Location and Population" are a fair and accurate summary of the laws and the documents and facts summarized therein.

7. The execution and delivery of the Reviewed Documents and the compliance with the provisions of the Reviewed Documents under the circumstances contemplated thereby, to the best of our knowledge: (a) do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement to which the City is a party or by which it is bound, and (b) do not and will not in any material respect conflict with or constitute on the part of the City a violation, breach of or default under any existing law, regulation, court order or consent decree to which the City is subject.

The foregoing opinions are, with your concurrence, predicated on, limited by and qualified in their entirety by the following:

(a) The foregoing opinions are based on and limited to the laws of the State of Texas, and we render no opinion with respect to the federal laws of the United States or to the laws of any other jurisdiction.

(b) We express no opinion with respect to the enforceability of provisions of the Reviewed Documents that relate to (i) mediation or arbitration; (ii) limitations or restrictions on, or waiver of, legal or equitable remedies; (iii) indemnity or release; (iv) limitations or restrictions on assignment or transfer of rights, interests or property; (v) the rights or obligations of third parties; (vi) evidentiary standards; (vii) waiver of rights to notice or the obligations of good faith, fair, dealing, diligence or reasonableness; (viii) self-help, subrogation, delay or omission to enforce rights or remedies, contribution or severability; (ix) the availability of specific performance, injunctive relief or any other equitable remedy (regardless of whether such question is considered in a proceeding in equity or at law); (x) fixed, stipulated or liquidated damages; (xi) the making of determinations in the sole and absolute (or similarly described) discretion of a party to the Reviewed Documents; (xii) authorizing any party to exercise any rights other than in accordance with applicable law; (xiii) liability of any party for payment of any amount payable under the Reviewed Documents to the extent such amounts (A) accrue, or are attributable to any period of time, after the termination of any of the Reviewed Documents, (B) allow any other party to recover more than the “benefit of its bargain” or (C) exceed the amount of any party’s actual damages; (xiv) rendering inapplicable any otherwise applicable law (other than those laws which by their terms may be rendered inapplicable); (xv) requiring all amendments, waivers and terminations be in writing or requiring disregard of any course of dealing between the parties; (xvi) establishing any obligation of the parties as absolute or unconditional regardless of the occurrence or non-occurrence or existence or non-existence of any event or other state of facts; (xvii) obligations of the parties by reference to and/or incorporation of any provision of any agreement other than the Reviewed Documents, or that consist of or employ provisions (whether operative or definitional) contained in any such other agreement; (xviii) obligating any party to take action it has no legal right to take, or to take or not take an action if taking or failing to take the same would constitute, or aid or abet, a violation of applicable law; (xix) certain agreements of non-signatories, or obligations of signatories with respect to non-signatories or other persons or entities, whether or not signatories, not under the control of such signatories; (xx) selection of venue; (xxi) modifying the time at which any applicable statute of limitation begins to run or at which any cause of action begins to accrue; (xxii) an exemption from any sales or other taxes; (xxiii) disclaiming or limiting warranties implied by or required pursuant to law; (xxiv) waiving the defense that an adequate remedy at law exists; and (xxv) waiving any suretyship defenses.

(c) The validity, binding effect, and enforceability of the Reviewed Documents may be limited by (i) applicable bankruptcy, insolvency, reorganization, receivership, moratorium, liquidation, redemption, conservatorship, rearrangement, fraudulent conveyance, or other similar statutes, regulations or laws affecting creditor's rights and remedies generally; (ii) general principles of equity; (iii) judicial discretion; (iv) the exercise by political subdivisions or governmental authorities or corporations acting on their behalf of sovereign or governmental immunity, legislative or governmental powers, police powers, taxing powers, or rights of appropriation; and (v) applicable court decisions relating to a duty or obligation to mitigate damages.

(d) We express no opinion regarding the effect of the laws of usury or similar laws regarding interest rate limitations on the provisions of the Reviewed Documents.

(e) We express no opinion with respect to the matters described on **Exhibit B** attached to this letter.

(f) The opinions set forth herein are also subject to the qualification that enforceability of the Reviewed Documents may be limited by (i) the provisions of Section 130.002 of the Texas Civil Practice and Remedies Code regarding limitations on indemnifications; (ii) Section 28 of the Texas Property Code regarding prompt payment to contractors and subcontractors; (iii) Section 16.071 of the Texas Civil Practice and Remedies Code regarding the time period for a claimant to give notice of a claim for damages as a condition precedent to the right to sue on a contract; (iv) Section 16.070 of the Texas Civil Practice and Remedies Code regarding permitted contractual limitations on when a claimant may bring suit on a contract; (v) Section 38.02 of the Texas Civil Practice and Remedies Code providing for the notice time period in order for a claimant to recover attorneys' fees; (vi) the "express negligence" and "clear and conspicuous" rules adopted by the Texas Supreme Court, as applied to any indemnity or release provisions in the Reviewed Documents; (vii) Section 35.52 of the Texas Business and Commerce Code; (viii) Section 162.001 et seq. of the Texas Property Code; (ix) Section 302.002 of the Texas Finance Code; (x) Section 28.009 of the Texas Property Code; and (xi) claims of sovereign or governmental immunity by political subdivisions or governmental authorities or corporations acting on their behalf.

We express no opinion as to the laws of any jurisdiction other than the laws of Texas and the laws of the United States of America. The opinions expressed above concern only the effect of the laws (excluding the principles of conflict of laws) of Texas and the United States of America as currently in effect.

We assume there are no material misstatements in the legal opinions delivered by the other parties and entities to this transaction; and further specifically rely upon Bond Counsel to the City with regard to the Bond Ordinance, Indenture, bond purchase agreement or other documents prepared, delivered or executed in connection with the Bonds and Bond documents, and the Attorney General's review and approval of the transaction.

This opinion letter has been rendered solely for the benefit of the addressees named above in connection with the transactions described therein, and may not be used, circulated, quoted, relied upon or otherwise referred to for any other purpose or by any other person without

our prior written consent. This opinion letter does not constitute a warranty or guarantee or an opinion as to matters of fact and should not be construed or relied upon as such. This opinion letter is as of the date hereof only, and we undertake no, and hereby disclaim any, obligation to advise you of any change in any matter set forth herein.

Very truly yours,

MESSER, FORT & MCDONALD PLLC
ATTORNEY FOR THE CITY

EXHIBIT A TO CITY ATTORNEY OPINION LETTER

ADDITIONAL ASSUMPTIONS

In addition to the assumptions contained in the letter to which this Exhibit A is attached, we have, with your concurrence and without any inquiry or other investigation, made and relied upon the following additional assumptions:

1. The legal capacity of all natural persons executing the Reviewed Documents;
2. No undue influence, duress, fraud, or deceit exists with respect to the transactions described in the Reviewed Documents, and there has not been any mutual mistake of fact or misunderstanding with respect to the same;
3. The conduct of the parties to the Reviewed Documents has complied, and will comply, with any requirement of good faith, fair dealing, and conscionability;
4. There are no agreements or understandings, written or oral, among the parties to the Reviewed Documents, and there is no usage or trade or course of prior dealing among the parties to the Reviewed Documents that would, in either case, define, supplement, or qualify the terms of the Reviewed Documents;
5. All statutes and ordinances enacted by an official legislative body were validly enacted and are constitutional, and all rules and regulations promulgated or issued by an official administrative body and not adjudicated invalid or unenforceable are valid and enforceable;
6. All parties to the Reviewed Documents have complied with all legal requirements that are applicable to them to the extent necessary to authorize such parties to enter into the Reviewed Documents and, except as to the Developer, the Reviewed Documents are enforceable against the other parties thereto;
7. There has been no modification of any provision of the Reviewed Documents, and no waiver or release of any right or remedy thereunder;
8. All parties to the Reviewed Documents will act in accordance with, and will refrain from taking any action that is forbidden by, the terms and conditions of the Reviewed Documents; and
9. All parties to the Reviewed Documents will obtain all permits and governmental approvals required in the future, and take all actions similarly required, relevant to subsequent consummation of the transactions evidenced by the Reviewed Documents or performance of the Reviewed Documents.
10. There are no material misstatements in the legal opinions delivered pursuant to the Bond Purchase Agreement by: (i) McCall, Parkhurst & Horton L.L.P. Bond Counsel to the City; (ii) Miklos Cinclair, PLLC; and (iii) Orrick Herrington & Sutcliffe LLP counsel to the Underwriter.

EXHIBIT B TO CITY ATTORNEY OPINION LETTER

ADDITIONAL EXCLUSIONS

None of the opinions expressed in the letter to which this Exhibit B is attached include any implied opinion unless such implied opinion is both (a) essential to the legal conclusion reached by the express opinions set forth in this letter and (b) based upon prevailing norms and expectations among experienced lawyers in the State of Texas, reasonable in the circumstances. Moreover, unless explicitly addressed in the letter to which this Exhibit B is attached, our opinions specifically do not address any of the following legal issues or the effects thereof on the transactions evidenced by the Bond Purchase Agreement or any other documents prepared, delivered, or executed in connection with the Bonds (the “**Bond Documents**”):

1. Federal and State securities laws and regulations administered by the Securities and Exchange Commission and state “**Blue Sky**” laws and regulations.
2. The compliance or noncompliance by the Underwriter, the Trustee, the City, any party to the Bond Documents, or the purchasers of the Bonds with any federal and state laws or regulations applicable to the transactions evidenced by the Bond Documents;
3. Compliance with fiduciary duty requirements;
4. Decisions, orders, rules, policies, and regulations of any political subdivision, department, agency, organization, or entity of any kind created under or pursuant to federal law and judicial decisions to the extent they deal with any of the foregoing.
5. Title to any asset or property described or referred to in the Bond Documents or the accuracy or sufficiency of its description;
6. The creation, attachment, perfection, priority or enforcement of any lien, security interest or right of offset purported to be granted under the Bond Documents or created by operation of law;
7. The recordation or filing of any Bond Documents or related documents;
8. Federal and state environmental laws and regulations;
9. Federal and state land use and subdivision laws and regulations;
10. Federal and state tax laws and regulations;
11. Federal patent, copyright and trademark, state trademark, and other federal and state intellectual property laws and regulations;
12. Federal and state racketeering laws and regulations (e.g., RICO);
13. Federal and state health and safety laws and regulations (e.g., OSHA);
14. Federal and state labor laws and regulations;
15. Federal and state laws, regulations and policies concerning (i) national and local emergency, (ii) possible judicial deference to acts of sovereign states, and (iii) criminal and civil forfeiture laws; and
16. Other federal and state statutes of general application to the extent they provide for criminal prosecution (e.g., mail fraud and wire fraud statutes).

APPENDIX D

[LETTERHEAD OF MIKLOS CINCLAIR, PLLC, MASTER DEVELOPER'S COUNSEL]

February 15, 2022

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

McCall, Parkhurst & Horton L.L.P.
717 North Harwood St., Suite 900
Dallas, Texas 75201

Messer, Fort & McDonald PLLC
6371 Preston Road, Suite 200
Frisco, TX 75034

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

Orrick, Herrington & Sutcliffe LLP
300 W 6th Street, Suite 1850
Austin, Texas 78701

\$8,148,000

CITY OF LAVON, TEXAS

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(ELEVON IMPROVEMENT DISTRICT ZONE 1 REMAINDER AREA PROJECT)

Ladies & Gentlemen:

We have acted as special counsel to MA Elevon 429, LLC, a Texas limited liability company ("the "Master Developer") in connection with the issuance and sale by the City of Lavon, Texas (the "City"), of \$8,148,000 City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project) (the "Bonds"), pursuant to the Indenture of Trust, dated as of February 1, 2022 (the "Indenture"), by and between the City and Wilmington Trust, National Association, as trustee (the "Trustee"). Proceeds from the sale of the Bonds will be used, in part, to fund certain public infrastructure improvements in the development known as "Elevon" (the "Development") located in the City of Lavon, Texas (the "City").

The Bonds are being sold to FMSbonds, Inc. (the "Underwriter"), pursuant to that certain Bond Purchase Agreement dated February 1, 2022 (the "Bond Purchase Agreement"), between the City and the Underwriter.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

In our capacity as special counsel to the Master Developer, and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

(a) The following documents (collectively, the "Material Documents"):

(1) the Elevon Development Agreement, dated as of November 2, 2021, by and among the City; the Master Developer; Petro-Hunt, L.L.C., a Texas limited liability company; Far East Lavon, LP, a Texas limited partnership; 78 Straddle, LP, a Texas limited partnership; East Lavon Partners, LP, a Texas limited partnership; and World Land Developers, LP, a Texas limited partnership;

(2) the Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding, and Acquisition Agreement by and between the City and the Master Developer dated as of February 1, 2022 (the “CFA Agreement”);

(3) the Master Developer Letter of Representations, dated as of February 1, 2022, and signed by the Master Developer; and

(4) Continuing Disclosure Agreement of the Master Developer with respect to the Bonds, dated as of February 1, 2022 executed and delivered by the Master Developer, P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent.

(b) General Certificate of the Master Developer and the Closing Certificate of the Master Developer, each dated as of the date hereof (together, the “Master Developer Certificate”).

(c) The Preliminary Limited Offering Memorandum, dated January 14, 2022 relating to the issuance of the Bonds (the “Preliminary Limited Offering Memorandum”).

(d) The final Limited Offering Memorandum, dated February 1, 2022, relating to the issuance of the Bonds (the “Limited Offering Memorandum”).

(e) Such other documents, records, agreements and certificates of the Master Developer as we have deemed necessary or appropriate to render the opinions expressed below.

Whenever our opinion or advice with respect to the existence or absence of facts is indicated to be based on our knowledge, we are referring to the actual knowledge of the Miklos Cinclair, PLLC attorneys who have given substantive attention to matters concerning the Master Developer during the course of our representation of the Master Developer in connection with the Material Documents, which knowledge has been obtained by such attorneys in their capacity as such after review of certificates, reports and information provided by the Master Developer, assuming such certificates, reports and information are accurate and complete. Further, the words “our knowledge” and similar language used herein are intended to be limited to the knowledge of the attorneys within our firm who have worked on the matters contemplated by our representation as special counsel. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters.

In rendering the opinions set forth herein, we have assumed, without independent investigation (other than the Master Developer), that: (i) the due authorization, execution, and delivery of each of the documents referred to in this opinion letter by all parties thereto and that each such document constitutes a valid, binding, and enforceable obligation of each party thereto, (ii) all of the parties to the documents referred to in this opinion letter are duly organized, validly existing, in good standing and have the requisite power, authority (corporate, limited liability company, partnership or other) and legal right to execute, deliver, and perform

its obligations under such documents (except to the extent set forth in our opinions set forth herein regarding valid existence and power and authority of the Master Developer to execute, deliver, and perform its obligations under the Material Documents), (iii) each certificate from governmental officials reviewed by us is accurate, complete, and authentic, and all official public records are accurate and complete, (iv) the legal capacity of all natural persons, (v) the genuineness of all signatures (other than those of the Master Developer in respect of the Material Documents), (vi) the authenticity and accuracy of all documents submitted to us as originals, (vii) the conformity to original documents of all documents submitted to us as photostatic or certified copies, (viii) that no laws or judicial, administrative, or other action of any governmental authority of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein, and (ix) that the execution and delivery by each party of, and performance of its agreements in, the Material Documents do not breach or result in a default under any existing obligation of such party under any agreements, contracts or instruments to which such party is a party to or otherwise subject to or any order, writ, injunction or decree of any court applicable to such party.

In addition, we have assumed that the Material Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and obligations of the parties thereunder. We have also assumed that the terms and conditions of the transaction as reflected in the Material Documents have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the Material Documents.

We assume that none of the parties to the Material Documents (other than the Master Developer) is a party to any court or regulatory proceeding relating to or otherwise affecting the Material Documents or is subject to any order, writ, injunction or decree of any court or federal, state or local governmental agency or commission that would prohibit the execution and delivery of the Material Documents, or the consummation of the transactions therein contemplated in the manner therein provided, or impair the validity or enforceability thereof. We assume that each of the parties to the Material Documents (other than the Master Developer) has full authority to close this transaction in accordance with the terms and provisions of the Material Documents.

We assume that the City nor its counsel have any current actual knowledge of any facts not known to us or any law or judicial decision which would make the opinions set forth herein incorrect, and that no party upon whom we have relied for purposes of this opinion letter has perpetrated a fraud.

We have only been engaged by our clients in connection with the Material Documents (and the transactions contemplated in the Material Documents) and do not represent these clients generally.

Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

1. The Master Developer is (a) a Texas limited liability company duly formed, validly existing under the laws of the State of Texas and qualified to transact

business as a Texas limited liability company, and (b) in good standing under the laws of the State of Texas.

2. The Master Developer has the power and authority under the Texas Business Organizations Code and the Master Developer's organizational documents to execute, deliver and perform its obligations under the Material Documents to which it is a party. The execution and delivery by the Master Developer of each Material Document to which it is a party, and the performance by the Master Developer of its agreements set forth therein, have been duly authorized by all necessary limited liability company action under the laws of the State of Texas, the Texas Business Organizations Code and the Master Developer's organizational documents.

3. The execution and delivery by the Master Developer of the Material Documents and the performance by the Master Developer of its obligations under the Material Documents will not (i) violate any applicable law; or (ii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Master Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Master Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Master Developer to perform its obligations under the Material Documents to which it is a party.

4. To our knowledge, no governmental approval which has not been obtained or taken is required to be obtained or taken by the Master Developer on or before the date hereof as a condition to the performance by the Master Developer of its obligations under the Material Documents to which it is a party, except for governmental approvals that may be required to comply with certain covenants contained in the Material Documents (including, without limitation, covenants to comply with applicable laws).

5. The Master Developer has duly executed and delivered each of the Material Documents to which it is a party, and each of the Material Documents constitute the legal, valid, and binding obligations of the Master Developer, enforceable against the Master Developer in accordance with their respective terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, indemnification provisions therein may be limited, in whole or in part. The execution, delivery, and performance by the Master Developer of its obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the Master Developer or any ordinance of the City applicable to the Master Developer or any ordinance of the City applicable to the Master Developer.

6. To our knowledge after reasonable inquiry, there are no actions, suits or proceedings pending or threatened against the Master Developer identified in the Master Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion in any court of law or equity, or before or by any governmental instrumentality with respect to (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the

validity or enforceability against it of such Material Documents or the transactions described therein; (iv) the titles of the parties executing the Material Documents; (v) the execution and delivery of the Material Documents on behalf of the Master Developer; (vi) the operations or financial condition of the Master Developer that would materially adversely affect those operations or the financial condition of the Master Developer; or (vii) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum.

7. The execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, Indenture, bond note, resolution, agreement or other instrument to which the Master Developer is a party or is otherwise subject and which have been identified in the Master Developer Certificate which violation, breach or default would materially adversely affect the Master Developer or its performance of its obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Master Developer, except as expressly described in the Material Documents (a) under applicable law or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

8. The information set forth in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in the maps therein and under the captions “PLAN OF FINANCE” (excluding the subcaptions “—The District,” “—The Bonds” and “—Future Indebtedness”), “THE ZONE 1 REMAINDER AREA AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE MASTER DEVELOPER AND BUILDERS,” “CONTINUING DISCLOSURE – The Master Developer” and “– The Master Developer’s Compliance with Prior Undertakings,” “BONDHOLDERS’ RISKS” (only as it pertains to the Master Developer, Zone 1 Remainder Area Projects, the Private Improvements, and the Elevon Development, each as defined in the Limited Offering Memorandum) and “LEGAL MATTERS — Litigation — The Master Developer,” “APPENDIX E-2,” “APPENDIX F” and “APPENDIX G” adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

Subject to the below qualifications and based upon our participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and our participation at conferences with representatives of the Underwriter and its Counsel, of the City and its counsel, and with representatives of the Master Developer at which the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and any amendment or supplement thereto, except as described in

paragraph 6 above, no facts have come to our attention that lead us to believe that the information set forth under the captions referenced in the preceding paragraph, with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of February 1, 2022, and with respect to the Limited Offering Memorandum, as of the date of the Limited Offering Memorandum and the date hereof, contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Qualifications

In addition to any assumptions, qualifications and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

(a) We have not examined any court dockets, agency files or other public records regarding the entry of any judgments, writs, decrees or orders or the pendency of any actions, proceedings, investigations or litigation.

(b) We have relied upon the Master Developer Certificate, as well as the representations of the Master Developer contained in the Material Documents, with respect to certain facts material to our opinion. Except as otherwise specifically indicated herein, we have made no independent investigation regarding any of the foregoing documents or the representations contained therein.

(c) Our opinion delivered pursuant to Section 5 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws affecting creditors' rights generally and to the effect of general principles of equity, including (without limitation) remedies of specific performance and injunctive relief and concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(d) Except for the Material Documents, we have not reviewed, and express no opinion as to, any other contracts or agreements to which the Master Developer is a party or by which the Master Developer is or may be bound.

(e) The opinions expressed herein are based upon and limited to the applicable laws of the State of Texas and the laws of the United States of America, excluding the principles of conflicts of laws thereof, as in effect as of the date hereof, and our knowledge of the facts relevant to such opinions on such date. In this regard, we note that we are members of the Bar of the State of Texas, we do not express any opinion herein as to matters governed by the laws of any other jurisdiction, except the United States of America, we do not purport to be experts in any other laws and we can accept no responsibility for the applicability or effect of any such laws. In addition, we assume no obligation to supplement the opinions expressed herein if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances that affect the opinions expressed herein.

(f) This letter is strictly limited to the matters expressly set forth herein and no statements or opinions should be inferred beyond such matters.

(g) Notwithstanding anything contained herein to the contrary, we express no opinion whatsoever concerning the status of title to any real or personal property.

(h) The opinions expressed herein regarding the enforceability of the Material Documents are subject to the qualification that certain of the remedial, waiver or other provisions thereof may not be enforceable; but such unenforceability will not, in our judgment, render the Material Documents invalid as a whole or substantially interfere with the practical realization of the principal legal benefits provided in the Material Documents, except to the extent of any economic consequences of any procedural delays which may result therefrom.

(i) The opinion expressed herein as to the enforceability of the Material Documents is specifically subject to the qualification that enforceability of the Material Documents is limited by the following: (i) the rights of the United States under the Federal Tax Lien Act of 1966, as amended; (ii) principles of equity, public policy and unconscionability which may limit the availability of certain remedies; (iii) bankruptcy, insolvency, reorganization, fraudulent conveyance, liquidation, probate, conservatorship and other laws applicable to creditors' rights or the collection of debtors' obligations generally; and (iv) requirements of due process under the United States Constitution, the Constitution of the State of Texas and other laws or court decisions limiting the rights of creditors to repossess, foreclose or otherwise realize upon the property of a debtor without appropriate notice or hearing or both.

(j) We express no opinion as to whether a court would grant specific performance or any other equitable remedy with respect to the enforcement of the Material Documents.

(k) We express no opinion as to the validity, binding effect, or enforceability of: (i) provisions which purport to waive rights or notices, including rights to trial by jury, counterclaims or defenses, jurisdiction or venue; (ii) provisions relating to consent judgments, waivers of defenses or the benefits of statutes of limitations, marshaling of assets, the transferability of any assets which by their nature are nontransferable, sales in inverse order of alienation, or severance; (iii) provisions purporting to waive the benefits of present or of future laws relating to exemptions, appraisal, valuation, stay of execution, redemption, extension of time for payment, setoff and similar debtor protection laws; or (iv) provisions requiring a party to pay fees and expenses regardless of the circumstances giving rise to such fees or expenses or the reasonableness thereof.

(l) The opinions expressed herein are subject to the effect of generally applicable rules of law that provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected.

(m) We express no opinion as to the enforceability of any provisions in the Material Documents purporting to entitle a party to indemnification in respect of any matters arising in whole or in part by reason of any negligent, illegal or wrongful act or omission of such party.

This opinion is furnished to those parties addressed in this letter solely in connection with the transactions, for the purposes and on the terms described above and may not be relied upon for any other purpose or by any other person in any manner or for any purpose.

Very truly yours,
Miklos Cinclair, PLLC

By: _____
Name: Robert Miklos

APPENDIX E-1

CLOSING CERTIFICATE OF MASTER DEVELOPER

In connection with that certain Bond Purchase Agreement, dated February 1, 2022 (the “Bond Purchase Agreement”), between the City of Lavon, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) related to the City’s \$8,148,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project) (the “Bonds”), MA Elevon 429, LLC, a Texas limited liability company (the “Master Developer”), DOES HEREBY CERTIFY the following as of February 15, 2022. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Bond Purchase Agreement.

1. The Master Developer is a limited liability company, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Master Developer have provided information to the City and the Underwriter to be used in connection with the offering by the City of the Bonds, pursuant to the City’s Preliminary Limited Offering Memorandum, dated January 14, 2022 and Limited Offering Memorandum dated February 1, 2022 (together, the “Limited Offering Memorandum”).

3. The Master Developer has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Master Developer’s organizational documents, and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

4. The Master Developer has delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Master Developer.

5. The Master Developer has executed or caused the execution of, and delivered each of the Master Developer Documents (as defined in the Bond Purchase Agreement) in the capacity provided for therein, and each of the Master Developer Documents constitutes a valid and binding obligation of the Master Developer, enforceable against the Master Developer in accordance with its terms.

6. The Master Developer has complied in all material respects with all of the Master Developer’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Master Developer under the Master Developer Documents on or prior to the date hereof.

7. The representations and warranties of the Master Developer contained in the Master Developer Documents are true and correct in all material respects on and as of the date hereof.

8. The execution and delivery of the Master Developer Documents by the Master Developer does not violate any judgment, order, writ, injunction or decree binding on the Master

Developer or any indenture, agreement, or other instrument to which Master Developer is a party. To the Master Developer's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against the Master Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Master Developer to perform its obligations under the Master Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Elevon Development in accordance with the description thereof in the Limited Offering Memorandum.

9. The Master Developer has reviewed and approved the information contained in the Limited Offering Memorandum under the captions "PLAN OF FINANCE" (excluding the subcaptions "—The District," "—The Bonds" and "—Future Indebtedness"), "THE ZONE 1 REMAINDER AREA AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE MASTER DEVELOPER AND BUILDERS" (only as it pertains to the Master Developer, Zone 1 Remainder Area Projects, the Private Improvements, and the Elevon Development, each as defined in the Limited Offering Memorandum), "CONTINUING DISCLOSURE – The Master Developer" and "– The Master Developer's Compliance with Prior Undertakings," and, to the best of the Master Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Master Developer, Zone 1 Remainder Area Projects, the Private Improvements, and the Elevon Development, each as defined in the Limited Offering Memorandum) and "LEGAL MATTERS — Litigation — The Master Developer," "APPENDIX E-2," "APPENDIX F" and "APPENDIX G", and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading respecting the Master Developer and the portion of the Elevon Development owned by the Master Developer, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

10. The Master Developer is in compliance in all material respects with all provisions of applicable law in all material respects relating to the Master Developer in connection with the Elevon Development. Except as otherwise described in the Limited Offering Memorandum: (a) there is no default of any zoning condition, land use permit or development agreement binding upon the Master Developer or any portion of the Elevon Development that would materially and adversely affect the Master Developer's ability to complete or cause to be completed the development of such portion of the Elevon Development as described in the Limited Offering Memorandum; and (b) the Master Developer has no reason to believe that any additional permits, consents and licenses required to complete the Elevon Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

11. The Master Developer is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

12. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in the Zone 1 Remainder Area of the District owned by the Master Developer will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Master Developer is a party or to which the Master Developer or any of its property or assets is subject.

13. The Master Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the Elevon Development.

14. The Master Developer has no knowledge of any physical condition of the Elevon Development owned or to be developed by the Master Developer that currently requires, or currently is reasonably expected to require in the process of development, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

15. [As of the date hereof, there are no liens on real property within the Zone 1 Remainder Area of the District other than the lien securing the Assessments.]*

[Signature page to follow]

* In the event that the Master Developer is unable to provide this certification, the Master Developer shall obtain and provide a Lender Consent Certificate for each holder of a lien on real property within the Zone 1 Remainder Area of the District.

MASTER DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

APPENDIX E-2

CLOSING CERTIFICATE OF HISTORY MAKER

In connection with that certain Bond Purchase Agreement, dated February 1, 2022 (the “Bond Purchase Agreement”), between the City of Lavon, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) related to the City’s \$8,148,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project) (the “Bonds”), HMH/Stratford Elevon JV, LLC, a Texas limited liability company (the “Builder”), DOES HEREBY CERTIFY the following as of February 15, 2022. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Bond Purchase Agreement.

1. The Builder is a Texas limited liability company, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Builder have provided information to the City and the Underwriter to be used in connection with the offering by the City of the Bonds, pursuant to the City’s Preliminary Limited Offering Memorandum, dated January 14, 2022 and Limited Offering Memorandum dated February 1, 2022 (together, the “Limited Offering Memorandum”).

3. The Builder has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Builder’s organizational documents, and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

4. The Builder has delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Builder.

5. The Builder has executed or caused the execution of, and delivered each of the below listed documents (individually, a “Builder Document” and collectively, the “Builder Documents”) in the capacity provided for in each such Builder Document, and each such Builder Document constitutes a valid and binding obligation of the Builder, enforceable against the Builder in accordance with its terms:

(a) this Closing Certificate;

(b) the Zone 1 Remainder Area Landowner Agreement, by and between the Builder and the City;

(c) the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation—Elevon PID, by and between the Builder and the City; and

(d) the Completion Agreement, by and between the Builder and the Trustee.

6. The Builder has complied in all material respects with all of the Builder's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Builder under the Builder Documents on or prior to the date hereof.

7. The representations and warranties of the Builder contained in the Builder Documents are true and correct in all material respects on and as of the date hereof.

8. The execution and delivery of the Builder Documents by the Builder does not violate any judgment, order, writ, injunction or decree binding on the Builder or any indenture, agreement, or other instrument to which the Builder is a party. To the Builder's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against the Builder that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Builder to perform its obligations under the Builder Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Elevon Development in accordance with the description thereof in the Limited Offering Memorandum.

9. The Builder has reviewed and approved the information relating to the Builder and its Builders' Development Obligations (as defined in the Limited Offering Memorandum) contained in the Limited Offering Memorandum under the captions "PLAN OF FINANCE" (except for the information under the subcaption "— The Bonds"), "THE ZONE 1 REMAINDER AREA AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE MASTER DEVELOPER AND BUILDERS," and, to the best of Builder's knowledge after due inquiry, under the caption "BONDHOLDERS' RISKS," and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading respecting the Builder and the portion of the Elevon Development owned by the Builder, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

10. The Builder is in compliance in all material respects with all provisions of applicable law in all material respects relating to the Builder in connection with the Elevon Development. Except as otherwise described in the Limited Offering Memorandum: (a) there is no default of any zoning condition, land use permit or development agreement binding upon the Builder or any portion of the Elevon Development that would materially and adversely affect the Builder's ability to complete or cause to be completed the development of such portion of the Elevon Development as described in the Limited Offering Memorandum; and (b) the Builder has no reason to believe that any additional permits, consents and licenses required to complete the Elevon Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

11. The Builder is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

12. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in the Zone 1 Remainder Area of the District owned by the Builder will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Builder is a party or to which the Builder or any of its property or assets is subject.

13. The Builder is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the Elevon Development.

14. The Builder has no knowledge of any physical condition of the Elevon Development owned or to be developed by the Builder that currently requires, or currently is reasonably expected to require in the process of development, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

15. The Builder has satisfied the fiscal security requirements of the Completion Agreement.

[Signature page to follow]

HISTORY MAKER:

HMH/STRATFORD ELEVON JV, LLC,
a Texas limited liability company

By: _____
Name: _____
Its: _____

APPENDIX E-3

CLOSING CERTIFICATE OF GREENBRICK

In connection with that certain Bond Purchase Agreement, dated February 1, 2022 (the “Bond Purchase Agreement”), between the City of Lavon, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) related to the City’s \$8,148,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project) (the “Bonds”), GRBK Edgewood, LLC, a Texas limited liability company (the “Builder”), DOES HEREBY CERTIFY the following as of February 15, 2022. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Bond Purchase Agreement.

1. The Builder is a Texas limited liability company, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Builder have provided information to the City and the Underwriter to be used in connection with the offering by the City of the Bonds, pursuant to the City’s Preliminary Limited Offering Memorandum, dated January 14, 2022 and Limited Offering Memorandum dated February 1, 2022 (together, the “Limited Offering Memorandum”).

3. The Builder has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Builder’s organizational documents, and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

4. The Builder has delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Builder.

5. The Builder has executed or caused the execution of, and delivered each of the below listed documents (individually, a “Builder Document” and collectively, the “Builder Documents”) in the capacity provided for in each such Builder Document, and each such Builder Document constitutes a valid and binding obligation of the Builder, enforceable against the Builder in accordance with its terms:

(a) this Closing Certificate;

(b) the Zone 1 Remainder Area Landowner Agreement, by and between the Builder and the City;

(c) the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation—Elevon PID, by and between the Builder and the City; and

(d) the Completion Agreement, by and between the Builder and the Trustee.

6. The Builder has complied in all material respects with all of the Builder's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Builder under the Builder Documents on or prior to the date hereof.

7. The representations and warranties of the Builder contained in the Builder Documents are true and correct in all material respects on and as of the date hereof.

8. The execution and delivery of the Builder Documents by the Builder does not violate any judgment, order, writ, injunction or decree binding on the Builder or any indenture, agreement, or other instrument to which the Builder is a party. To the Builder's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against the Builder that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Builder to perform its obligations under the Builder Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Elevon Development in accordance with the description thereof in the Limited Offering Memorandum.

9. The Builder has reviewed and approved the information relating to the Builder and its Builders' Development Obligations (as defined in the Limited Offering Memorandum) contained in the Limited Offering Memorandum under the captions "PLAN OF FINANCE" (except for the information under the subcaption "— The Bonds"), "THE ZONE 1 REMAINDER AREA AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE MASTER DEVELOPER AND BUILDERS," and, to the best of Builder's knowledge after due inquiry, under the caption "BONDHOLDERS' RISKS," and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading respecting the Builder and the portion of the Elevon Development owned by the Builder, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

10. The Builder is in compliance in all material respects with all provisions of applicable law in all material respects relating to the Builder in connection with the Elevon Development. Except as otherwise described in the Limited Offering Memorandum: (a) there is no default of any zoning condition, land use permit or development agreement binding upon the Builder or any portion of the Elevon Development that would materially and adversely affect the Builder's ability to complete or cause to be completed the development of such portion of the Elevon Development as described in the Limited Offering Memorandum; and (b) the Builder has no reason to believe that any additional permits, consents and licenses required to complete the Elevon Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

11. The Builder is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

12. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in the Zone 1 Remainder Area of the District owned by the Builder will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Builder is a party or to which the Builder or any of its property or assets is subject.

13. The Builder is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the Elevon Development.

14. The Builder has no knowledge of any physical condition of the Elevon Development owned or to be developed by the Builder that currently requires, or currently is reasonably expected to require in the process of development, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

15. The Builder has satisfied the fiscal security requirements of the Completion Agreement.

[Signature page to follow]

GREENBRICK:

GRBK EDGEWOOD, LLC,
a Texas limited liability company

By: _____
Name: _____
Its: _____

APPENDIX E-4

CLOSING CERTIFICATE OF UMH

In connection with that certain Bond Purchase Agreement, dated February 1, 2022 (the “Bond Purchase Agreement”), between the City of Lavon, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) related to the City’s \$8,148,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project) (the “Bonds”), UMH Development, LLC, a Texas limited liability company (the “Builder”), DOES HEREBY CERTIFY the following as of February 15, 2022. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Bond Purchase Agreement.

2. The Builder is a Texas limited liability company, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Builder have provided information to the City and the Underwriter to be used in connection with the offering by the City of the Bonds, pursuant to the City’s Preliminary Limited Offering Memorandum, dated January 14, 2022 and Limited Offering Memorandum dated February 1, 2022 (together, the “Limited Offering Memorandum”).

3. The Builder has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Builder’s organizational documents, and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

4. The Builder has delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Builder.

5. The Builder has executed or caused the execution of, and delivered each of the below listed documents (individually, a “Builder Document” and collectively, the “Builder Documents”) in the capacity provided for in each such Builder Document, and each such Builder Document constitutes a valid and binding obligation of the Builder, enforceable against the Builder in accordance with its terms:

(a) this Closing Certificate;

(b) the Zone 1 Remainder Area Landowner Agreement, by and between the Builder and the City;

(c) the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation—Elevon PID, by and between the Builder and the City; and

(d) the Completion Agreement, by and between the Builder and the Trustee.

6. The Builder has complied in all material respects with all of the Builder's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Builder under the Builder Documents on or prior to the date hereof.

7. The representations and warranties of the Builder contained in the Builder Documents are true and correct in all material respects on and as of the date hereof.

8. The execution and delivery of the Builder Documents by the Builder does not violate any judgment, order, writ, injunction or decree binding on the Builder or any indenture, agreement, or other instrument to which the Builder is a party. To the Builder's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against the Builder that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Builder to perform its obligations under the Builder Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Elevon Development in accordance with the description thereof in the Limited Offering Memorandum.

9. The Builder has reviewed and approved the information relating to the Builder and its Builders' Development Obligations (as defined in the Limited Offering Memorandum) contained in the Limited Offering Memorandum under the captions "PLAN OF FINANCE" (except for the information under the subcaption "— The Bonds"), "THE ZONE 1 REMAINDER AREA AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE MASTER DEVELOPER AND BUILDERS," and, to the best of Builder's knowledge after due inquiry, under the caption "BONDHOLDERS' RISKS," and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading respecting the Builder and the portion of the Elevon Development owned by the Builder, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

10. The Builder is in compliance in all material respects with all provisions of applicable law in all material respects relating to the Builder in connection with the Elevon Development. Except as otherwise described in the Limited Offering Memorandum: (a) there is no default of any zoning condition, land use permit or development agreement binding upon the Builder or any portion of the Elevon Development that would materially and adversely affect the Builder's ability to complete or cause to be completed the development of such portion of the Elevon Development as described in the Limited Offering Memorandum; and (b) the Builder has no reason to believe that any additional permits, consents and licenses required to complete the Elevon Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

11. The Builder is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

12. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in the Zone 1 Remainder Area of the District owned by the Builder will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Builder is a party or to which the Builder or any of its property or assets is subject.

13. The Builder is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the Elevon Development.

14. The Builder has no knowledge of any physical condition of the Elevon Development owned or to be developed by the Builder that currently requires, or currently is reasonably expected to require in the process of development, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

15. The Builder has satisfied the fiscal security requirements of the Completion Agreement.

[Signature page to follow]

UMH:

UMH Development, LLC,
a Texas limited liability company

By: _____
Name: _____
Its: _____

APPENDIX F

[LETTERHEAD OF APPRAISER]

[____], 2022

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Orrick, Herrington & Sutcliffe LLP
300 W 6th Street, Suite 1850
Austin, Texas 78701

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

McCall, Parkhurst & Horton L.L.P.
717 North Harwood St., Suite 900
Dallas, Texas 75201

Re: City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, appraiser of the property contained in the Zone 1 Remainder Area of the Elevon Public Improvement District (the “District”), does hereby represent the following:

1. On behalf of Peyco Southwest Realty Inc., I have supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated January 14, 2022, and the Limited Offering Memorandum for the Bonds, dated on or about February 1, 2022 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City of Lavon, Texas, as described above. The information I have provided is the real estate appraisal of the property in the Zone 1 Remainder Area of the District, located in APPENDIX H to the Limited Offering Memorandum, and the description thereof, set forth under the caption “APPRAISAL OF PROPERTY WITHIN THE DISTRICT — The Appraisal”.

2. To the best of my professional knowledge and belief, as of the date of my appraisal report, the portion of the Limited Offering Memorandum described above does not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. I agree to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of the name of my firm in the Limited Offering Memorandum for the Bonds.

4. I agree that, to the best of my ability, I will inform you immediately should I learn of any event(s) or information of which you are not aware subsequent to the date of this letter

and prior to the actual time of delivery of the Bonds (anticipated to occur on or about February 15, 2022) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any statement in the appraisal materially misleading.

5. The undersigned hereby represents that he has been duly authorized to execute this letter of representations.

Sincerely yours,

Peyco Southwest Realty Inc.

By: _____
Its: _____

APPENDIX G

[LETTERHEAD OF ADMINISTRATOR]

[____], 2022

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Orrick, Herrington & Sutcliffe LLP
300 W 6th Street, Suite 1850
Austin, Texas 78701

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

McCall, Parkhurst & Horton L.L.P.
717 North Harwood St., Suite 900
Dallas, Texas 75201

Re: City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, of P3Works, LLC, consultant in connection with the creation by the City of Lavon, Texas (the “City”), of the Elevon Public Improvement District (the “District”), does hereby represent the following:

1. On behalf of P3Works, LLC, I have supplied certain information contained in the Preliminary Limited Offering Memorandum, January 14, 2022, (the “Preliminary Limited Offering Memorandum”), and the final Limited Offering Memorandum, dated on or about February 1, 2022 (together with the Preliminary Limited Offering Memorandum, the “Limited Offering Memorandum”), both in connection with the Bonds, relating to the issuance of the Bonds by the City, as described above. The information I provided for the Limited Offering Memorandum is located (a) under the captions “ASSESSMENT PROCEDURES” and “PID ADMINISTRATOR,” and (b) in the Service and Assessment Plan (the “SAP”) for the City located in APPENDIX C to the Limited Offering Memorandum.

2. To the best of my professional knowledge and belief, the portions of the Limited Offering Memorandum described above do not contain an untrue statement of a material fact as to the information and data set forth therein, and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. I agree to the inclusion of the SAP in the Limited Offering Memorandum and to the use of the name of my firm in the Limited Offering Memorandum for the Bonds.

4. I agree that, to the best of my ability, I will inform you immediately should I learn of any event(s) or information of which you are not aware subsequent to the date of this letter

and prior to the actual time of delivery of the Bonds (anticipated to occur on or about February 15, 2022) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any such information materially misleading.

5. The undersigned hereby represents that he has been duly authorized to execute this letter of representation.

Sincerely yours,

P3WORKS, LLC

By: _____
Its: _____

EXHIBIT C

CONTINUING DISCLOSURE AGREEMENT

**CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVEN PUBLIC IMPROVEMENT DISTRICT
ZONE 1 REMAINDER AREA PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of February 1, 2022 (this “Disclosure Agreement”) is executed and delivered by and between the City of Lavon, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2022 (Eleven Public Improvement District Zone 1 Remainder Area 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 February 1, 2022, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, as amended or supplemented, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Collection Costs” shall have the meaning assigned to the term “Administrative Expenses” in the Indenture.

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

“Affiliate” shall have the meaning assigned to such term in Section 22 of this Disclosure Agreement.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual 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 Service and Assessment Plan.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Audited Financial Statements” shall mean the audited financial statements of the Issuer that have been prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant.

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

“Disclosure Agreement of Master Developer” shall mean the Continuing Disclosure Agreement of the Master Developer dated as of February 1, 2022 executed and delivered by the Master Developer, the Administrator, and the Dissemination Agent, relating to the Bonds.

“Disclosure Representative” shall mean the City Administrator of the Issuer or his or her designee, or such other officer or employee as the Issuer, may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Elevon Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“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 to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the calendar year from October 1 through September 30.

“Foreclosure Proceeds” shall have the meaning assigned to such term in the Indenture.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Master Developer” shall mean MA Elevon 429, LLC, a Texas limited liability company, and its successors and assigns.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reporting pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

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

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean Wilmington Trust, National Association, Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place.

“Zone 1 Remainder Area” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) Commencing with the Fiscal Year ending September 30, 2022, the Issuer shall provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB (i) not later than six (6) months after the end of the Issuer’s Fiscal Year, its Annual Financial Information and (ii) not later than twelve (12) months after the end of the Issuer’s Fiscal Year, its Audited Financial Statements. In each case, the Annual Financial Information and the Audited Financial Statements, as applicable, may be submitted as a single document or as separate documents comprising a package and 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 date by which the Issuer otherwise would be required to provide the Annual Financial Information or Audited Financial Statements, as applicable, pursuant to Section 4 of this Disclosure Agreement. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Upon delivery by the Issuer of the Annual Financial Information or the Audited Financial Statements, as applicable, to the Dissemination Agent together, with written instructions

to file such information or financial statements, as applicable, with the MSRB, the Dissemination Agent shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required in subsection (a); and

(ii) file the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required, containing or incorporating by reference the information set forth in Section 4 hereof;

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Financial Information or the Audited Financial Statements, as applicable, together with written instructions to file such financial information or financial statements with the MSRB and the Dissemination Agent has filed such financial information or financial statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or the Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which such financial information or financial statements shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Financial Information and Audited Financial Statements. The Annual Financial Information and the Audited Financial Statements shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent, the following:

(a) *Annual Financial Information.* Within six (6) months after the end of each Fiscal Year, the Annual Financial Information of the Issuer (any or all of which may be unaudited) being:

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount, the principal amount remaining Outstanding, and the outstanding interest amount;

(B) The amounts in the funds and accounts under the Indenture 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, in substantially similar form to that shown in the tables provided under Sections 4(a)(ii)(A) and 4(a)(ii)(B) of Exhibit B attached hereto. Such information shall be provided: (a) as of the end of the Fiscal Year (for tables in Section 4(a)(ii)(A) of Exhibit B), and (b) both as of the end of the Fiscal Year and through February 1 of the calendar year immediately succeeding such Fiscal Year (for tables in Section 4(a)(ii)(B) of Exhibit B).

(iii) The certified total assessed value for the land in the Zone 1 Remainder Area of the District for such Fiscal Year according to the Collin Central Appraisal District.

(iv) Updates to the information in the Service and Assessment Plan or the Annual Service Plan Update as most recently amended or supplemented, including any changes to the methodology for levying the Assessments in the Zone 1 Remainder Area of the District.

(v) Until building permits have been issued for parcels or lots representing, in the aggregate, ninety-five percent (95%) of the total the Assessments levied within the Zone 1 Remainder Area of the District, the Annual Financial Information (in the Annual Service Plan Update or otherwise) shall include the number of certificates of occupancy (“COs”) issued for new homes completed in the Zone 1 Remainder Area of the District during such Fiscal Year and the aggregate number of COs issued for new homes completed within the Zone 1 Remainder Area of the District since filing the initial Annual Financial Information for Fiscal Year ending September 30, 2022.

(vi) If the total amount of delinquencies greater than 150 days equals or exceeds five percent (5%) of the amount of Assessments due in any fiscal year, a list of delinquent property owners.

(vii) 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) *Audited Financial Statements.* Within twelve (12) months after the end of each Fiscal Year, the Audited Financial Statements of the Issuer, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If such audited financial statements are not complete within twelve (12) months after the end of each Fiscal Year, then the Issuer shall provide unaudited financial statements within such period and shall provide audited financial statements for the applicable Fiscal Year when and if the audit report on such statements becomes available.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs. The Issuer has designated P3Works, LLC, as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer’s staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information and Audited Financial Statements 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.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds,
if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Master Developer of real property within the District in the ordinary course of the Master Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the issuance of additional bonds under the Indenture or the incurrence of additional obligations will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with Section 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.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide Audited Financial Statements (or unaudited financial statements, if Audited Financial Statements are not available) or Annual Financial Information, as applicable, as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting "Notice to MSRB of Failure to File."

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made pursuant to Sections 4 and 5 of this Disclosure Agreement. In addition, the Issuer shall have the sole responsibility to ensure that

any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than three (3) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than the Business Day immediately following the day on which it receives written instructions from the Issuer. 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 Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 6. 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 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 Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until it receives 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 may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).

SECTION 7. 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. If the

Issuer discharges the Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 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 Master Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Master Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Master Developer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

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 or Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Audited 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 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or

including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement by the Issuer shall not be deemed a default under the Disclosure Agreement of Master Developer by the Master Developer, and a default under the Disclosure Agreement of Master Developer by the Master Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Financial Information and the Audited Financial Statements) prepared by the Issuer pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Master Developer or from Annual Collection Costs collected from the property owners in the Zone 1 Remainder Area of the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; 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 Master Developer or the failure of the Master Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Master 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. The Dissemination Agent shall not be responsible for the Issuer's failure to submit a complete Annual Financial Information or

Audited Financial Statements to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(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 with funds to be provided by the Master Developer or from Annual Collection Costs collected from the property owners in the Zone 1 Remainder Area of the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; 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 Master Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Master 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 their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(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 THE ISSUER, THE ADMINISTRATOR, OR THE DISSEMINATION AGENT, RESPECTIVELY, 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 OR THE ADMINISTRATOR IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessments Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit C which is solely intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds and shall create no rights

in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the Zone 1 Remainder Area of the District, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Anti-Boycott Verification. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, 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 boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent and the 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, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the Issuer to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Dissemination Agent and the Administrator, each respectively, and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

SECTION 20. No Discrimination Against Fossil-Fuel Companies. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification

is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, 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 boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable Federal or Texas law; or (B) does business with a company described by (A) above.

SECTION 21. No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, 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. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, (a) ‘discriminate against a firearm entity or firearm trade association’ (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association. As used in the foregoing verification, (b) ‘firearm entity’ means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport

shooting range (as defined by Section 250.001, Texas Local Government Code), and (c) ‘firearm trade association’ means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

SECTION 22. Affiliate. As used in Sections 18 through 21, the Dissemination Agent and Administrator, each respectively, understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of SEC Rule 405, 17.C.F.R. § 230.405, and exists to make a profit.

SECTION 23. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement.

SECTION 24. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 25. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

[Signature pages follow.]

CITY OF LAVON, TEXAS
(as Issuer)

By: _____
Mayor

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(ELEVON PUBLIC IMPROVEMENT DISTRICT ZONE 1 REMAINDER AREA PROJECT)

S-1

HTS CONTINUING DISCLOSURE SERVICES,
a division of Hilltop Securities Inc.
(as Dissemination Agent)

By: _____

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(ELEVON PUBLIC IMPROVEMENT DISTRICT ZONE 1 REMAINDER AREA PROJECT)

S-2

P3WORKS, LLC,
(as Administrator)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(ELEVON PUBLIC IMPROVEMENT DISTRICT ZONE 1 REMAINDER AREA PROJECT)

S-3

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION] [AUDITED FINANCIAL STATEMENTS]**

Name of Issuer: City of Lavon, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022
(Elevon Public Improvement District Zone 1 Remainder Area Project)
Date of Delivery _____, 20__
CUSIP Nos: [Insert CUSIP Nos]

NOTICE IS HEREBY GIVEN that the City of Lavon, Texas, has not provided [an Annual Financial Information] [Audited Financial Statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated as of February 1, 2022, between the Issuer, P3Works, LLC, as Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent. The Issuer anticipates that the [Annual Financial Information] [Audited Financial Statements] will be filed by _____.

Dated: _____

HTS CONTINUING DISCLOSURE SERVICES, a
division of Hilltop Securities Inc.,
on behalf of the City of Lavon, Texas
(solely in its capacity as Dissemination Agent)

By: _____

Title: _____

cc: City of Lavon, Texas

EXHIBIT B

**CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(ELEVON PUBLIC IMPROVEMENT DISTRICT
ZONE 1 REMAINDER AREA PROJECT)**

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [Insert CUSIP Nos]

DISSEMINATION AGENT

Name: _____
Address: _____
City: _____
Telephone: _____
Contact Person: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

Section 4(a)(i)(B)

INVESTMENTS

Fund/Account Name	Investment Description	Par Value	Book Value	Market Value

* Excluding Audited Financial Statements of the Issuer

Section 4(a)(i)(A)**ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE****ASSETS**

Bonds (Principal Balance)	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

LIABILITIES

Outstanding Bond Principal	_____
Outstanding Program Expenses (if any)	_____
TOTAL LIABILITIES	_____

EQUITY

Assets Less Liabilities	_____
Parity Ratio	_____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)(A)**FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR****Debt Service Requirements on the Bonds**

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>

Top Assessment Payers⁽¹⁾

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Assessments</u>

⁽¹⁾ Does not include those owing less than one percent (1%) of total Assessments.

Section 4(a)(ii)(B)**FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR AND AS OF FEBRUARY 1 OF THE NEXT SUCCEEDING YEAR****Foreclosure History Related to the Assessments**

<u>Time Period</u>	Delinquent Assessment		<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
	<u>Parcels in Foreclosure Proceedings</u>	<u>Amount in Foreclosure Proceedings</u>		
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.**Collection and Delinquency History of Assessments**

<u>Time Period</u>	<u>Total Assessment Levied</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent % as of 3/1</u>	<u>Delinquent Amount as of 9/1</u>	<u>Delinquent % as of 9/1</u>	<u>Total Assessments Collected⁽²⁾</u>
[FISCAL YEAR END]	\$		\$	%	\$	%	\$
[FEB 1. OF CURRENT YEAR] ⁽³⁾	\$		\$	%	N/A	N/A	\$

⁽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. Includes \$_____ attributable to Prepayments.

⁽³⁾ Collected as of February 1, 20__.

History of Prepayment of Assessments

<u>Time Period</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u>	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u>
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.

ITEM REQUIRED BY SECTION 4(a)(iii)

Assessed Value of the District

The [YEAR] certified total assessed value for the land in the Zone 1 Remainder Area of the District is approximately \$[AMOUNT] according to the Collin Central Appraisal District.

ITEMS REQUIRED BY SECTION 4(a)(iv) - (vii)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES⁽¹⁾

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received. Upon receipt but no later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing. Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 15	43/44	Issuer and/or Administrator should be aware of actual and specific delinquencies. Trustee pays bond interest payments to Owners. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

⁽¹⁾ Illustrates anticipated dates and procedures for pursuing the collection of delinquent 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 County Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

April 1

59/60

At this point, if total delinquencies are under 5% and if there is adequate funding for 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 delinquency. **For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure, in accordance with the County Tax/Assessor Collector's procedures.**

If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of the Bond Fund such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the County Tax/Assessor Collector's procedures.

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's procedures.

Issuer and/or Administrator to notify Dissemination Agent in writing for disclosure to MSRB of all delinquencies.

Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the

Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

A committee of not less than 25% of the Owners may request a meeting with the City Administrator to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day 30 if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed 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 Assessments.

EXHIBIT D

CONSTRUCTION, FUNDING AND ACQUISITION AGREEMENT

**ELEVON PUBLIC IMPROVEMENT DISTRICT ZONE 1 REMAINDER AREA
CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT**

This **ELEVON PUBLIC IMPROVEMENT DISTRICT ZONE 1 REMAINDER AREA CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT** (this “Agreement”), dated February 1, 2022 is by and between the **CITY OF LAVON, TEXAS**, a type A general law municipality of the State of Texas (the “City”), and **MA ELEVON 429, LLC**, a Texas limited liability company, (the “Developer”). The Developer and the City are sometimes individually referred to as a “Party” and collectively as the “Parties.”

**ARTICLE I
DEFINITIONS**

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

“**Act**” means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

“**Actual Costs**” means, with respect to each Zone 1 Remainder Area Project, the costs of the Zone 1 Remainder Area Project actually paid or incurred for construction and installation of the Zone 1 Remainder Area Project.

“**Administrator**” means, initially, P3Works, LLC, or any other individual or entity designated by the City to administer the District.

“**Annual Service Plan Update**” means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan.

“**Authorized Improvements**” means the improvements authorized by Section 372.003 of the Act, including those listed in Section III of the Service and Assessment Plan. An individual Authorized Improvement, including a completed segment or part, shall be referred to as an **Authorized Improvement**.

“**Bond Ordinance**” means the ordinance adopted by the City Council on February 1, 2022 authorizing the issuance of the Bonds pursuant to the Indenture.

“**Bonds**” means the City’s bonds designated “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (Elevon Public Improvement District Zone 1 Remainder Area Project)”.

“Budgeted Costs” means the anticipated, agreed upon costs of the Zone 1 Remainder Area Projects as shown in Exhibit B-1 of the Service and Assessment Plan.

“Certificate for Payment” means a certificate, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the Developer, the Administrator and the City Representative, executed by the Developer and approved by the City Representative, provided each month to the City Representative and the Trustee, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment from the Zone 1 Remainder Area Bond Improvement Account of the Project Fund for Actual Costs of Zone 1 Remainder Area Projects under the Indenture.

“City Administrator” means the City Administrator of the City.

“City Representative” means that official or agent of the City authorized by the City Council to undertake the action referenced herein. As of the date hereof, the City Administrator, and/or its designees are the authorized City Representatives.

“Closing Disbursement Request” means the certificate, substantially in the form of **Exhibit A** hereto or otherwise mutually agreed to by the Developer, Administrator and City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative (as defined in the Indenture), specifying the amounts to be disbursed for the costs related to the creation of the District and the costs of issuance of the Bonds.

“Construction Contracts” means the contracts for the construction of a Zone 1 Remainder Area Project. “Construction Contract” means any one of the Construction Contracts.

“Cost” means the Budgeted Costs or the cost of a Zone 1 Remainder Area Project as reflected in a Construction Contract, if greater than the Budgeted Costs.

“Cost Overrun” means, with respect to each Zone 1 Remainder Area Project, the Actual Cost of such Zone 1 Remainder Area Project in excess of the Budgeted Cost.

“Development Agreement” means that certain Elevon Development Agreement executed by and between the City, Petro-Hunt, LLC, a Texas limited liability company, Far East Lavon, LP, a Texas limited partnership, 78 Straddle, LP, a Texas limited partnership, East Lavon Partners, LP, a Texas limited partnership, and World Land Developers, LP, a Texas limited liability company, and the Developer, effective as of November 2, 2021.

“District” shall mean Elevon Public Improvement District.

“Final Completion” means completion of a Zone 1 Remainder Area Project in compliance with existing City standards for dedication under the City’s ordinances and the Development Agreement.

“Force Majeure” means any act that (i) materially and adversely affects the affected Party’s ability to perform the relevant obligations under this Agreement or delays such affected Party’s ability to do so, (ii) is beyond the reasonable control of the affected Party (financial inability excepted), (iii) is not due to the affected Party’s fault or negligence and (iv) could not be avoided, by the Party who suffers it, by the exercise of commercially reasonable efforts. “Force Majeure” shall include: (a) natural phenomena, such as storms, floods, lightning and earthquakes; (b) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (c) transportation disasters, whether by ocean, rail, land or air; (d) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (e) fires; (f) pandemics and epidemics; and (g) actions or omissions of a governmental authority (including the actions of the City in its capacity as a governmental authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach of its obligations under this Agreement or any applicable law or failure to comply with City regulations; provided, however, that under no circumstances shall Force Majeure include any of the following events if caused by the action or inaction of the Developer: (u) economic hardship; (v) changes in market condition; (w) any strike or labor dispute involving the employees of the Developer or any Affiliate of the Developer, other than industry or nationwide strikes or labor disputes; (x) weather conditions which could reasonably be anticipated by experienced contractors operating the relevant location; (y) the occurrence of any manpower, material or equipment shortages; or (z) any delay, default or failure (financial or otherwise) of the general contractor or any subcontractor, vendor or supplier of the Developer, or any construction contracts for the Authorized Improvements.

“Indenture” means that certain Indenture of Trust between the City and Wilmington Trust, National Association, as trustee, dated as of February 1, 2022 relating to the Bonds.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements, as determined by the City Council.

“Inspector” means (i) with respect to a Zone 1 Remainder Area Project other than Water Improvements, an individual employed by the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected, and (ii) with respect to Water Improvements, a SUD Representative whose job is, in part or in whole, to inspect infrastructure to be owned by applicable SUD for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

“Offsite Improvements” means those improvements authorized by Section 372.003 of the PID Act that confer a special benefit to all property within the District, other than Non-Benefited Property, as further described in Section III.C. and depicted on Exhibit G-1 to the Service and Assessment Plan.

“Plans” means the plans, specifications, schedules and related construction contracts for the Zone 1 Remainder Area Projects, respectively, approved pursuant to the applicable standards,

ordinances, procedures, policies and directives of the City, the Development Agreement, a SUD, and any other applicable governmental entity.

“Project Fund” means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

“Service and Assessment Plan” means Elevon Public Improvement District Service and Assessment Plan adopted on February 1, 2022 by the City Council, prepared pursuant to the Act, as amended and updated from time to time.

“SUD” means, as applicable, either (i) the Bear Creek Special Utility District, a political subdivision of the State of Texas, located in Collin County, or (ii) the Nevada Special Utility District, a political subdivision of the State of Texas, located in Collin County.

“SUD Representative” means that official or agent of a SUD authorized by the Board of Directors of such SUD to undertake the action referenced herein.

“Water Improvements” means the water lines, facilities and infrastructure improvements constituting a portion of the Zone 1 Remainder Area Projects.

“Zone 1” means approximately 336.724 acres located within the District and more specifically described in Exhibit K-3 and depicted on Exhibit A-2 to the Service and Assessment Plan.

“Zone 1 Improvements” means those improvements authorized by Section 372.003 of the PID Act that confer a special benefit to all property within Zone 1, other than Non-Benefited Property, as further described in Section III.A. and depicted on Exhibit G-1 to the Service and Assessment Plan.

“Zone 1 Remainder Area” means that portion of the District generally described in Section II of the Service and Assessment Plan and generally shown in Exhibit A-2 to the Service and Assessment Plan and as specifically described in Exhibit K-4 to the Service and Assessment Plan and in Exhibit A to this Indenture.

“Zone 1 Remainder Area Projects” means, collectively, (1) the pro rata portion of the Zone 1 Improvements allocable to the Zone 1 Remainder Area; and (2) the pro rata portion of the Offsite Improvements allocable to the Zone 1 Remainder Area.

ARTICLE II RECITALS

Section 2.01. The District and the Zone 1 Remainder Area Projects.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Zone 1 Remainder Area Projects.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, a portion of the proceeds of which shall be used, in part, to finance all or a portion of the Zone 1 Remainder Area Projects.

(c) All Zone 1 Remainder Area Projects are eligible to be financed with proceeds of the Bonds to the extent specified in the Indenture and the Service and Assessment Plan.

(d) The proceeds from the issuance and sale of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will perform or cause to be performed the engineering, construction and development of the Zone 1 Remainder Area Projects for acquisition and acceptance by the City or, in the case of the Water Improvements, the applicable SUD.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) Subject to the Cost Overrun provisions set forth in the Development Agreement and Section 4.04 of this Agreement, the Bonds will finance all or a portion of the Actual Costs of the Zone 1 Remainder Area Projects as provided for in the Service and Assessment Plan, as may be updated or amended. The payment of costs from the proceeds of the Bonds for such Zone 1 Remainder Area Projects shall be made from the Project Fund established under the Indenture.

(c) The City's obligation with respect to the payment of the Zone 1 Remainder Area Projects shall be limited to the Actual Costs and shall be payable solely from amounts on deposit for the payment of such costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns, Actual Costs and all expenses related to

the Zone 1 Remainder Area Projects, qualified, however, by the distribution of Cost Underrun (as defined in Section 4.04 hereof) monies, as detailed in Section 4.04.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment. Any such loss may diminish the amounts available in the Project Fund to pay the Costs of the Zone 1 Remainder Area Projects in the District, including the Developer to the extent it owns any real property in the District. The obligation of a property owner in the District to pay Assessments is not in any way dependent on the availability of amounts in the Project Fund to pay for all or any portion of the Costs of the Zone 1 Remainder Area Projects.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Zone 1 Remainder Area Projects shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Zone 1 Remainder Area Projects required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

(f) The Developer acknowledges that some funds may not be immediately available for reimbursement for Actual Costs of the Zone 1 Remainder Area Projects submitted and approved in accordance with Section 5.02 of this Agreement with an approved Certificate for Payment. Both parties acknowledge that these remaining amounts will be disbursed, to the extent of available monies in the Project Fund under the terms of the Indenture, as money is deposited into the Project Fund for the payment of such costs. Both Parties acknowledge that the availability of funds in the Project Fund does not relieve the Developer from its responsibility to acquire, construct or ensure the construction of the Zone 1 Remainder Area Projects in accordance with the Development Agreement, the Service and Assessment Plan, and this Agreement.

Section 3.02. Disbursements and Transfers at Bond Closing.

(a) The City and the Developer agree that from the proceeds of the Bonds and upon the presentation of evidence satisfactory to the Administrator, the City will cause the Trustee to pay at closing of the Bonds from the Costs of Issuance Account of the Project Fund and/or the Zone 1 Remainder Area Bond Improvement Account of the Project Fund, an amount not to exceed the amount set forth in the Indenture to the persons entitled to the payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the District as of the delivery of the Bonds, as described in the Service and Assessment Plan, as may be updated and amended.

Section 3.03 Bond Improvement Account. In addition to the Costs of Issuance Account, there shall be the Zone 1 Remainder Area Bond Improvement Account in the Project Fund administered by the Trustee at the direction of the City Representative. Certain proceeds from the issuance and sale of the Bonds attributable to the Zone 1 Remainder Area Projects shall be

deposited into the Zone 1 Remainder Area Bond Improvement Account of the Project Fund in the amount shown in the Indenture.

Section 3.04. Security for the Zone 1 Remainder Area Projects.

(a) Prior to completion and conveyance to the City of a Zone 1 Remainder Area Project, including a segment, section, or portion thereof, the Developer or the Developer's contractor shall provide to the City a maintenance bond, which maintenance bond shall be for a term of two years from the date of final acceptance of the Zone 1 Remainder Area Project. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that the City, through the City attorney, shall retain the right to reject any surety company as a surety for any work hereunder regardless of such company's authorization to do business in Texas. Approvals by the City shall not be unreasonably withheld or delayed. The Developer shall construct or cause to be constructed the Zone 1 Remainder Area Projects in accordance with the City's established ordinances, regulations, policies, procedures, specifications, and the Development Agreement. Prior to City accepting any Zone 1 Remainder Area Project and/or approving a final disbursement for a Zone 1 Remainder Area Project, the Developer shall provide an "all bills paid/no liens" affidavit, in the form provided by the City and shall also provide such supporting documentation as required by the City, that affirms that all invoices and bills, other than statutory ten percent (10%) retainage, were paid for the Zone 1 Remainder Area Project.

(b) The Developer shall construct or cause to be constructed the Water Improvements in accordance with the applicable SUD regulations and the Development Agreement.

ARTICLE IV

**DEDICATION OF LAND AND CONSTRUCTION OF ZONE 1 REMAINDER
AREA PROJECTS**

Section 4.01. Duty of Developer to Construct.

(a) All Zone 1 Remainder Area Projects shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Zone 1 Remainder Area Projects in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Zone 1 Remainder Area Projects, to be acquired and accepted

by the City (or, with respect to the Water Improvements, the applicable SUD), from the Developer as provided in this Agreement and the Development Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Zone 1 Remainder Area Project and, upon completion, inspection, and acceptance, convey each such Zone 1 Remainder Area Project to the City (or, with respect to the Water Improvements, the applicable SUD) in accordance with the terms hereof, even if there are insufficient funds in the Project Fund to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Zone 1 Remainder Area Projects required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Zone 1 Remainder Area Projects shall not require competitive bidding pursuant to Sections 252.022(a)(9) and 252.022(a)(11) of the Texas Local Government Code, as amended, based upon current cost estimates.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City with respect to the Zone 1 Remainder Area Projects.

Section 4.04. Remaining Funds After Completion of a Zone 1 Remainder Area Project. Upon the Final Completion of a Zone 1 Remainder Area Project (or its completed segment or phase thereof) and payment of all outstanding invoices for such Zone 1 Remainder Area Project (or its completed segment or phase thereof), if the Actual Cost of such Zone 1 Remainder Area Project is less than the Budgeted Cost (a "Cost Underrun"), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Zone 1 Remainder Area Project (or its completed segment or phase thereof) with the approval of the City Administrator and provided that all Zone 1 Remainder Area Projects as set forth in the Service and Assessment Plan are undertaken at least in part. The elimination of a category of Zone 1 Remainder Area Projects in the Service and Assessment Plan will require an amendment to the Service and Assessment Plan. Upon the approval of a final bid for a Zone 1 Remainder Area Project (or segment or phase thereof), if the Construction Contract for a Zone 1 Remainder Area Project (or segment or phase thereof) is lower than the Budgeted Cost, funds available from the applicable improvement category may be used as Cost Underruns and applied to another improvement category with the approval of the City Administrator, and the Service and Assessment Plan shall be amended or updated in an Annual Service Plan Update to reflect the reallocation of Budgeted Costs. If, upon completion of the Zone 1 Remainder Area Projects in any improvement category, there are funds remaining in any improvement categories for the Zone 1 Remainder Area Projects, those funds can then be used to reimburse the Developer for any qualifying costs of the Zone 1 Remainder Area Projects that have not been previously paid.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “Change Orders”) required for the construction of the Zone 1 Remainder Area Projects. Developer or its contractors may approve and implement any Change Orders, even if such Change Order would increase the Cost of a Zone 1 Remainder Area Project, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such Change Orders except to the extent amounts are available pursuant to Section 4.04. If any Change Order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City’s engineer prior to execution of the Change Order.

ARTICLE V

ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Closing Disbursement Request. In order to receive the disbursement from the Project Fund at closing of the Bonds described in Section 3.02, on or prior to the fifteenth (15th) day before the closing of the Bonds, the Developer shall cause to be delivered to the Trustee at Closing a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise acceptable and agreed to by the Developer, Administrator, and the City Representative for the disbursements described in Section 3.02.

Section 5.02. Certificate for Payment for a Zone 1 Remainder Area Project.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on a Zone 1 Remainder Area Project until a monthly Certificate for Payment is received from the Developer for work with respect to a Zone 1 Remainder Area Project (or its completed segment or phase thereof). Upon receipt of a Certificate for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation acceptable to the City) from the Developer, the City Representative shall conduct a review in order to confirm that such request is complete, that the work with respect to such Zone 1 Remainder Area Project identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement and the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certificate for Payment (collectively, the “Developer Compliance Requirements”), and shall forward the request to the Trustee. The approval of the Certificate for Payment by the City Representative shall constitute a representation by the City to the Trustee that the Developer Compliance Requirements have been satisfied with respect to the Zone 1 Remainder Area Projects identified therein. The Inspector shall also conduct such review as is required in his discretion to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the Inspector in conducting each such review and to provide the Inspector with such additional information and documentation as is reasonably necessary for the Inspector to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Certificate for Payment, the City Representative, or their designee, shall either (i) approve and execute the Certificate for Payment and forward the same for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the City Representative, or their designee, disapproves the Certificate for Payment, give written notification to the Developer of the City's disapproval, in whole or in part, of such Certificate for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certificate for Payment. If a Certificate for Payment seeking reimbursement is approved only in part, the City shall specify the extent to which the Certificate for Payment is approved and shall deliver such partially approved Certificate for Payment to the Trustee for payment to the Developer or its designee in accordance with Section 5.03 hereof, and any such partial work shall be processed for payment under Section 5.03(c) hereof notwithstanding such partial denial.

(c) If the City requires additional documentation, timely disapproves or questions the correctness or authenticity of the Certificate for Payment, the City shall deliver a detailed notice to the Developer within fifteen (15) business days of receipt thereof, then payment with respect to disputed portion(s) of the Certificate for Payment shall not be made until the Developer and the City have jointly settled such dispute or additional information has been provided to the City's reasonable satisfaction. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial of the Certificate for Payment by the City Council shall be attempted to be resolved by half-day mediation between the Parties in the event an agreement is not otherwise reached by the Parties, with the mediator's fee being paid by Developer. The portion of the Certificate for Payment in dispute shall not be forwarded to the Trustee for payment until the dispute is resolved by the City and the Developer.

(d) The City shall deliver the approved or partially approved Certificate for Payment to the Trustee for payment and the Trustee shall make such payment from the Project Fund in accordance with Section 5.03 below.

Section 5.03. Payment for a Zone 1 Remainder Area Project.

(a) Upon receipt of a reviewed and approved Certificate for Payment, the Trustee shall make payment from the Zone 1 Remainder Area Bond Improvement Account of the Project Fund as designated in the Certificate for Payment pursuant to the terms of the Certificate for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular Zone 1 Remainder Area Project (or its completed segment), unless a Cost Overrun amount has been approved for a particular Zone 1 Remainder Area Project. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certificates for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, the Trustee shall make payment directly to the person or entity specified by the Developer in an approved Certificate for Payment, including: (1) a general contractor or supplier of materials or services or jointly to the Developer (or any permitted assignee of the Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certificate for Payment; (2) to the Developer or any assignee of the Developer if an unconditional lien release (or a conditional lien release accompanied by evidence of payment satisfactory to the City) related to the items referenced in the Certificate for Payment is attached to such Certificate for Payment; and (3) to the Developer, or to the third party contractor directly, at Developer's request as specified in the Certificate for Payment, in the event the Developer provides a general contractor's or suppliers of materials unconditional lien release (or a conditional lien release accompanied by evidence of payment satisfactory to the City) for a portion of the work covered by a Developer or any assignee of the Developer to the extent of such lien release. Neither the Trustee, nor the City, City Council, City Administrator, or City Representative, or their designee, shall have any liability for relying on the accuracy of the payee information in any Certificate for Payment as presented by the Developer or its assignees.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanic's or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Zone 1 Remainder Area Project to foreclosure, forfeiture, or sale.

ARTICLE VI

OWNERSHIP AND TRANSFER OF ZONE 1 REMAINDER AREA PROJECTS

Section 6.01. Zone 1 Remainder Area Projects to be Owned by the City– Title Evidence. The Developer shall furnish to the City a preliminary title report for land with respect to a Zone 1 Remainder Area Project to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City, for review and approval at least thirty (30) calendar days prior to the transfer of title of a Zone 1 Remainder Area Project to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Zone 1

Remainder Area Project until the Developer has cured such objections to title to the satisfaction of the City.

Section 6.02. Zone 1 Remainder Area Project Constructed on City Land or Developer Land. If a Zone 1 Remainder Area Project is on land owned by the City, the City hereby grants to the Developer, where applicable, a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Zone 1 Remainder Area Project. The provisions for inspection and acceptance of such Zone 1 Remainder Area Project otherwise provided herein shall apply. If the Zone 1 Remainder Area Project is on land owned by the Developer, the Developer hereby grants to the City an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Zone 1 Remainder Area Project. The provisions for inspection and acceptance of such Zone 1 Remainder Area Project otherwise provided herein and in the Development Agreement shall apply.

ARTICLE VII REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer is a limited liability company duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands of the Developer in the District or the Zone 1 Remainder Area Projects in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Zone 1 Remainder Area Projects.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition, construction or installation of any

improvements that are not part of the Zone 1 Remainder Area Projects, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certificate for Payments.

(f) Financial Records. For a period of two years after completion of the Zone 1 Remainder Area Projects, the Developer covenants to maintain proper books of record and account for the construction of the Zone 1 Remainder Area Projects and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City, the applicable SUD, and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Zone 1 Remainder Area Projects have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, this Agreement and the Development Agreement. Developer shall provide as-built plans for all Zone 1 Remainder Area Projects to the City.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the Inspector and the City Representative related to the status of construction of Zone 1 Remainder Area Projects within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement executed by the Developer, the Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent, dated as February 1, 2022 in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the “Tax Certificate”) containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, “Bond Proceeds”).

The Developer covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the

officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquiries to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including, but not limited to, the use of the Zone 1 Remainder Area Projects) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. The Developer shall assume the defense of, and indemnify and hold harmless the Inspector, the City, employees, officials, officers, representatives and agents of the City, and each of them (each an “Indemnified Party”), from and against all actions, damages, claims, losses or expense of every type and description to which they may be subjected or put, by reason of, or resulting from the breach of any provision of this Agreement by the Developer, the negligent design, engineering and/or construction by the Developer or any architect, engineer or contractor hired by the Developer of any of the Zone 1 Remainder Area Projects or other Authorized Improvements constructed by the Developer hereunder, the Developer’s nonpayment under contracts between the Developer and its consultants, engineers, advisors, contractors, subcontractors and suppliers in the provision of the Zone 1 Remainder Area Projects or other Authorized Improvements constructed by Developer, or any claims of Persons employed by the Developer or its agents to construct such projects. Notwithstanding the foregoing, no indemnification is given hereunder for any action, damage, claim, loss or expense directly attributable to the willful misconduct or gross negligence of any Indemnified Party. The City does not waive its defenses and immunities, whether governmental, sovereign, official, or otherwise, and nothing in this Agreement is intended to or shall confer any right or interest in any person not a party hereto.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Zone 1 Remainder Area Projects, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Zone 1 Remainder Area Projects is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer are or may be substantially increased or otherwise adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied within the Zone 1 Remainder Area as of the effective date of this Agreement.

ARTICLE VIII TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Zone 1 Remainder Area Projects not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of a Zone 1 Remainder Area Project hereunder for any remaining work, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the Inspector and other appropriate City staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the Zone 1 Remainder Area Projects. Such options may include, but not be limited to, the termination of this Agreement by the City. If the City elects to terminate this Agreement, the City shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) of the grounds for such termination and allow the Developer a minimum of forty-five (45) days to eliminate or to mitigate to the satisfaction of the City the grounds for such termination. Such period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the City, the City may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work accepted by the City related to a Zone 1 Remainder Area Project only as provided for under the terms of the Indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the

performance of any material obligation hereunder, notice of which has been given by the City to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the City may in its discretion cause the Trustee to cease making payments for the Actual Costs of Zone 1 Remainder Area Projects, provided that the Developer shall receive payment of the Actual Costs of any Zone 1 Remainder Area Projects that were accepted by the City at the time of the occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement and of the Development Agreement.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Zone 1 Remainder Area Projects not accepted by the City or the applicable SUD and use all or any portion of the funds on deposit in the Project Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Zone 1 Remainder Area Projects hereunder, except as otherwise may be provided upon the mutual written consent of the City and the Developer or as provided for in the Indenture. The City shall have no obligation to perform any work related to a Zone 1 Remainder Area Project or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding Bonds issued under the Indenture.

Section 8.04. Construction of the Zone 1 Remainder Area Projects Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Zone 1 Remainder Area Projects in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to Force Majeure, to perform its obligations under this Agreement, then the obligations affected by the Force Majeure shall be temporarily suspended. Within fifteen (15) business days after the occurrence of a Force Majeure, the Party claiming the right to temporarily suspend its performance, shall give notice to all the Parties, including a detailed explanation of the Force Majeure and a description of the action that will be taken to remedy the Force Majeure and resume full performance at the earliest possible time.

ARTICLE IX MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the Inspector, City Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The Inspector, City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days' prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Zone 1 Remainder Area Projects and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	Attn: Kim Dobbs City Administrator City of Lavon 120 School Road P.O. Box 340 Lavon, Texas 75166 kdobbs@lavontx.gov
With a copy to:	Attn: Julie Fort Messer, Fort & McDonald 6371 Preston Road, STE 200 Frisco, Texas 75034 julie@txmunicipallaw.com
To the Developer:	Attn: John Marlin MA Elevon 429, LLC 15443 Knoll Trail Drive, Suite 130 Dallas, Texas 75248 jmarlin@madev.com

With a copy to: Attn: Robert Miklos
Miklos Cinclair, PLLC
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234
Robert@m-clegal.com

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The City shall advise the Developer of the name and address of any Inspector who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Administrator, except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for the Developer for a Zone 1 Remainder Area Project, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Zone 1 Remainder Area Project. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the City being an “obligated person” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. In connection with any consent of the City, the City may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee’s express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the City deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned. The City may assign by a separate writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City’s or the Developer’s rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this

Agreement and the Indenture, the Indenture shall control. To the extent there is a conflict between this Agreement and the Development Agreement, this Agreement shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. Except as otherwise provided in Section 9.05, upon agreement by the parties, this Agreement may be amended, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement shall become effective upon the date first above written. All representations and warranties set forth therein shall be deemed to have been made on the effective date of this Agreement and on the Closing Date of the Bonds.

Section 9.13 No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.14. Not a Listed Company. The Developer hereby 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, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

The Developer understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

Section 9.15. Verification Regarding Energy Company Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

Section 9.16. Verification Regarding Discrimination Against Firearm Entity or Trade Association. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, “SB 19”), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3) (as added by SB 19), Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

[Execution pages follow.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed
February 1, 2022.

ATTEST:

CITY OF LAVON, TEXAS

Name: Rae Norton
Title: City Secretary

By: _____
Name: Vicki Sanson
Title: Mayor

Date: _____

(City Seal)

DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

Exhibit A

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for MA Elevon 429, LLC, (the “Developer”) and requests payment from:

[the Costs of Issuance Account of the Project Fund][the Zone 1 Remainder Area Bond Improvement Account of the Project Fund] from Wilmington Trust, National Association, (the “Trustee”) in the amount of _____DOLLARS (\$_____) for costs incurred in the establishment, administration, and operation of the Elevon Public Improvement District (the “District”), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding, and Acquisition Agreement between the Developer and the City, dated February 1, 2022 (the “CFA Agreement”).

In connection to the above referenced payments, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with and within the costs as set forth in the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the CFA Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment Instructions

I hereby declare that the above representations and warranties are true and correct.

DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

APPROVAL OF REQUEST

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and authorizes and directs payment of such amounts by Trustee from the accounts listed below to the Developer or other person designated by the Developer.

Closing Costs	Amount to be Paid by Trustee from Costs of Issuance Account	Amount to be paid by Trustee from Zone 1 Remainder Area Bond Improvement Account
\$ _____	\$ _____	\$ _____

CITY OF LAVON, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B

CERTIFICATE FOR PAYMENT FORM – ZONE 1 REMAINDER AREA PROJECT

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding, and Acquisition Agreement between the Developer and the City, dated February 1, 2022 (the “CFA Agreement”).

The undersigned is an agent for MA Elevon 429, LLC, a Texas limited liability company (the “Developer”) and requests payment to the Developer (or to the person designated by the Developer) from the Zone 1 Remainder Area Bond Improvement Account of the Project Fund from Wilmington Trust, National Association, (the “Trustee”), in the amount of _____ (\$_____) for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Zone 1 Remainder Area Projects providing a special benefit to property within the Elevon Public Improvement District.

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment Form on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The itemized payment requested for the below referenced Zone 1 Remainder Area Projects has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The itemized amounts listed for the Zone 1 Remainder Area Projects below is a true and accurate representation of the Zone 1 Remainder Area Projects associated with the creation, acquisition, or construction, or installation of said Zone 1 Remainder Area Projects and such costs (i) are in compliance with the CFA Agreement, and (ii) are consistent with and within the cost identified for such Zone 1 Remainder Area Projects as set forth in the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the CFA Agreement, the Indenture, and the Service and Assessment Plan.
5. The Developer or their assignee is not delinquent on PID assessments or property taxes for property under their respective control within the District.
6. All conditions set forth in the Indenture and the CFA Agreement for the payment hereby requested have been satisfied.
7. The work with respect to Zone 1 Remainder Area Projects referenced below (or its completed segment) has been completed, and the Inspector has inspected such Zone 1 Remainder Area Projects (or its completed segment).

8. The Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

Payee / Description of Zone 1 Remainder Area Projects	Total Cost of Zone 1 Remainder Area Projects	Budgeted Cost of Zone 1 Remainder Area Projects	Amount requested to be paid from the Zone 1 Remainder Area Bond Improvement Account	Total amount disbursed from Zone 1 Remainder Area Bond Improvement Account upon payment of sums under this Payment Certificate

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are **“bills paid” affidavits and supporting documentation** in the standard form for City construction projects evidencing that any contractor or subcontractor having performed work on a Zone 1 Remainder Area Project described above has been paid in full for all work completed through the previous Certificate for Payment.

Pursuant to the CFA Agreement, after receiving this payment request, the Inspector has inspected the Zone 1 Remainder Area Projects (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment instructions

I hereby declare that the above representations and warranties are true and correct.

Dated: _____.

DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

APPROVAL OF REQUEST

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and authorizes and directs payment of the amounts set forth below by Trustee from the Project Fund to the Developer or other person designated by the Developer as listed and directed on such Certificate for Payment. The City's approval of the Certificate for Payment shall not have the effect of estopping or preventing the City from asserting claims under the CFA Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Zone 1 Remainder Area Projects

Pursuant to the CFA Agreement, after or upon receiving this payment request, the City has inspected or been provided inspection reports for the Zone 1 Remainder Area Projects (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

Amount of Payment Certificate Request	Amount to be Paid by Trustee from Zone 1 Remainder Area Bond Improvement Account
\$_____	\$_____

CITY OF LAVON, TEXAS

By:_____

Name: _____

Title: _____

Date: _____

EXHIBIT E

AGRICULTURE VALUATION WAIVER AND REDEMPTION AGREEMENTS

**AGREEMENT REGARDING CONVEYANCE OF RIGHT OF REDEMPTION AND
WAIVER OF AGRICULTURAL VALUATION**

ELEVON PID

THIS AGREEMENT REGARDING CONVEYANCE OF RIGHT OF REDEMPTION AND WAIVER OF AGRICULTURAL VALUATION—ELEVON PID (“Agreement”), dated February 1, 2022 (the “Effective Date”), by and among GRBK EDGEWOOD LLC, a Texas limited liability company, and its successors and assigns (“Landowner”), the CITY OF LAVON, TEXAS (the “City”), acting by and through its duly authorized representative, and WILMINGTON TRUST, NATIONAL ASSOCIATION and any successor thereto (“Trustee”). Capitalized terms not defined herein have the meaning ascribed to them in the Construction Funding Agreement (defined below).

RECITALS

A. WHEREAS, on November 2, 2021, the City Council authorized the formation of Elevon Public Improvement District pursuant to Resolution No. 2021-11-07 (the “District”) in accordance with Chapter 372 of the Texas Local Government Code, as amended. Landowner owns property within an area of the District designated as the Zone 1 Remainder Area, which property contains approximately 52.368 acres of land located in Collin County, Texas and is more particularly described on **Exhibit “A”** attached hereto (the “Property”); and

B. WHEREAS, Landowner intends to develop the Property as a residential development; and

C. WHEREAS, the City has entered into that certain Elevon Development Agreement dated November 2, 2021 (the “Development Agreement”), with MA Elevon 429, LLC, a Texas limited liability company (the “Master Developer”), Petro-Hunt, LLC, Far East Lavon, LP, 78 Straddle, LP, East Lavon Partners, LP, and World Land Developers, LP for the development of property within the District, including the Property; and

D. WHEREAS, the Property was acquired by the Landowner from the Master Developer and is subject to the terms of the Development Agreement; and

E. WHEREAS, the Master Developer proposes to construct certain Authorized Improvements to serve and benefit the Property and transfer certain of those improvements to the City in accordance with the terms and provisions of the Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding, and Acquisition Agreement, dated as of February 1, 2022, between the Master Developer and the City (the “Construction Funding Agreement”); and

F. WHEREAS, the City has adopted an Assessment Ordinance on February 1, 2022, a Service and Assessment Plan, and has levied assessments (the “Zone 1 Remainder Area Assessments”) on all or a portion of the Property (“Assessed Property”) and, the City will issue

the Bonds, subject to the Indenture, for payment of costs associated with construction and/or acquisition of the Zone 1 Remainder Area Projects; and

G. WHEREAS, as a condition precedent to the City's performance of its obligations under the Construction Funding Agreement, Landowner has agreed to (a) convey to the Trustee all rights to redeem any portion of the Property, which is Assessed Property and that has an agricultural use valuation, following a tax sale, and (b) execute and deliver into escrow with the Trustee a waiver of agricultural use valuation as described in Section 2 hereof; and

H. WHEREAS, Wilmington Trust, National Association is the trustee under the Indenture;

NOW, THEREFORE, in consideration of the premises set forth above, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto hereby agree as follows:

SECTION 1. CONVEYANCE OF RIGHT OF REDEMPTION.

Landowner has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL, and CONVEY, unto the Trustee all rights that Landowner and its successors and assigns now have or in the future may have in equity, or under common law, statutory law, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire those portions of the Property that are Assessed Property and are designated and claimed for agricultural use as described in Section 23.41 of the Texas Tax Code (the "Non-Redeemable Property") following a foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended ("Tax Redemption Rights").

TO HAVE AND TO HOLD the Tax Redemption Rights in the Non-Redeemable Property belonging in any way to Landowner, unto the Trustee, its successors and assigns, forever, subject to the restrictions and reservations set forth herein, so that neither Landowner nor Landowner's successors and assigns, nor any other person claiming by, through or under Landowner, shall at any time hereafter have, claim or demand any right, title, or interest in and to the Tax Redemption Rights in the Non-Redeemable Property or any part thereof, except as expressly provided in this Agreement.

(a) Restrictions and Reservations.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that if all or a portion of the Non-Redeemable Property ceases to be Assessed Property, as shown on the Zone 1 Remainder Area Assessment Roll maintained by the City, then the owner of such land shall have the right to assume ownership of the Tax Redemption Rights for said portion of the Non-Redeemable Property. Upon written request by an owner of land that is Non-Redeemable Property that has ceased to be

Assessed Property, the City and the Trustee, following receipt of written direction from the City, shall execute a Release of Redemption Agreement, in the form attached hereto as **Exhibit “E.”**

(b) Restriction Against Redemption of Non-Redeemable Property.

In the event that a court of competent jurisdiction enters a final judgment that the foregoing conveyance of Tax Redemption Rights is not effective, the Landowner hereby absolutely, unconditionally and irrevocably waives, releases, relinquishes and surrenders, on behalf of itself and its successors and assigns, and agrees not to assert or exercise any and all Tax Redemption Rights it now has or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire any portion of the Property that is Non-Redeemable Property following a sale for failing to pay the Zone 1 Remainder Area Assessments levied under the Assessment Ordinance, a foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended.

SECTION 2. DEPOSIT OF FUNDS WITH TRUSTEE/WAIVER OF AGRICULTURAL USE VALUATION.

(a) Landowner Property Tax Account. Concurrently with the closing on the Bonds for the Property, the Landowner will deposit \$[AMOUNT EQUAL TO TWO YEARS PROPERTY TAXES] with the Trustee in the Landowner Property Tax Account of the Property Tax Fund pursuant to the Indenture (“Landowner Property Tax Account”) which is estimated to be two years of ad valorem taxes levied by all taxing units on the portion of the Property subject to agricultural valuation for the calendar years 2022 and 2023. Trustee is instructed to hold the Landowner Property Tax Account in cash until such time it receives further instruction from the City to either (i) return the funds to the Landowner; or (ii) deliver the funds to the City if, and only if, the Agricultural Use Waiver is released to the City under Section 2(b) below; provided however, if on the eighth anniversary of the execution of this Agreement (the “Anniversary Date”), the Trustee has not received instruction from the City, then it shall return such funds to the Landowner within thirty (30) days of the Anniversary Date and this Agreement shall terminate subject to the return of the Agricultural Use Waiver as described in Section 2(b) below.

(b) Delivery of Agricultural Use Waiver Into Escrow. Concurrently with the execution and delivery of this Agreement and the deposit of monies into the Landowner Property Tax Account, Landowner has delivered or will promptly deliver to the Trustee five (5) originals of an executed waiver of agricultural use valuation (the “Agricultural Use Waiver”) waiving any agricultural use valuation and any right to special appraisal arising based on agricultural use with respect to Non-Redeemable Property. Such Agricultural Use Waiver shall be in the form thereof attached hereto as **Exhibit “B”** and made a part hereof for all purposes.

(c) Authorization to File Agricultural Use Waiver.

(i) Prior to the Trustee taking any action described in subsection 2(c)(ii) below, the Trustee shall pay past due or delinquent taxes using funds in the Landowner Property Tax Account of the Administrative Fund held under the Indenture. If the funds in the applicable Landowner Property Tax Account are not sufficient to pay all past due ad valorem taxes, including any accrued interest and penalties, then the Trustee shall notify the Landowner and any lender providing a development loan relating to the Assessed Property, if applicable (the "Lender") of such deficiency and provide the Landowner and the Lender thirty (30) days to deliver to the Trustee the requisite amount of funds to pay all past due taxes and restore the applicable Landowner Property Tax Account.

(ii) In the event that any taxes secured by a lien against any portion of the Non-Redeemable Property have not been paid by March 1st following the year for which such taxes are levied, the Trustee shall provide the Lender notice of the deficiency and provide the Lender ten (10) days to cure said deficiency. If the Lender fails to cure the deficiency, Trustee shall (unless otherwise instructed by holders of not less than twenty percent (20%) of the Bonds secured by the applicable Indenture then outstanding) and the Landowner hereby irrevocably authorizes the Trustee to, release the Agricultural Use Waiver from escrow and deliver same to the Collin County Tax Assessor/Collector or its successor. The Trustee shall, and the Landowner further authorizes the Trustee to, attach to the Agricultural Use Waiver a description of that portion of the Non-Redeemable Property for which taxes are delinquent; provided, the Trustee shall verify with the City the descriptions of the Non-Redeemable Property to be attached to such waiver. In the event that the Trustee receives notice that delinquent taxes and all penalties and interest have been paid prior to Trustee's transmittal of the Agricultural Use Waiver to the Collin County Tax Assessor/Collector or its successor, then Trustee shall not transmit the Waiver of Agricultural Use to the Collin County Tax Assessor/Collector and such waiver shall be returned to escrow. In the event that the number of Agricultural Use Waivers held by Trustee is less than two (2) and some portion of the Property is Non-Redeemable Property, the Landowner agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by the Landowner; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by the Landowner, if the Landowner does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee. Notwithstanding anything to the contrary contained herein, the Lender is under no obligation to cure any deficiency.

(iii) Except as provided in Section 2(c)(iv), in the event that any Assessments levied by the City pursuant to the Assessment Ordinance that are secured by a lien against any portion of the Non-Redeemable Property have not been paid by March 1st following the year for which such Assessments are levied (or ten (10) days before such Assessments become delinquent, if earlier), the Trustee shall provide the Lender notice of the failure to pay Assessments and provide the Lender ten (10) days to cure such failure. If the Lender fails to cure, the Trustee shall (unless otherwise instructed by holders of not less than twenty percent (20%) of the Bonds secured by the Indenture then outstanding) and the Landowner hereby irrevocably authorizes the Trustee to, release the Agricultural Use Waiver from escrow and deliver same to the Collin County Tax Assessor/Collector or its successor. The Trustee shall, and the Landowner further authorizes the Trustee to, attach to the Agricultural Use Waiver a description of that portion of the Non-

Redeemable Property for which Assessments are delinquent. In the event that the number of Agricultural Use Waivers held by Trustee is less than two (2) and some portion of the Property is Non-Redeemable, the Landowner agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by the Landowner; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by the Landowner, if the Landowner does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee. Notwithstanding anything to the contrary contained herein, the Lender is under no obligation to cure the failure to pay.

(iv) If, by case law, statute or an opinion of the Attorney General of the State of Texas it is determined that Tax Redemption Rights do not apply to the Assessments levied in the District, then Section 2(c)(iii) shall immediately become non-operative and non-effective upon Trustee's receipt of written notice of such decision, statute or opinion.

SECTION 3. REPRESENTATIONS AND WARRANTIES.

The Landowner hereby represents and warrants to the City as follows:

(a) The Landowner represents and warrants that it is a limited liability company duly organized and validly existing under the laws of the State of Texas, is qualified to do business in and is in good standing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Landowner represents and warrants that it has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Landowner.

(c) The Landowner represents and warrants that this Agreement is a valid and enforceable obligation of the Landowner and is enforceable against the Landowner in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

SECTION 4. DEFAULT AND REMEDIES.

In the event that the Landowner shall violate, or indicate that the Landowner intends to violate, any of the terms and provisions set forth in this Agreement, in addition to any other remedies available at law or in equity, the Trustee shall have the right to sue for and obtain a prohibitive or mandatory injunction or any other equitable remedy to prevent the breach of, or to enforce the observance of, the terms of this Agreement. The foregoing remedies shall be cumulative with, in addition to, and non-exclusive of one another, and the exercise of any one

remedy shall not bar the exercise of any other remedy. In the event of any legal action commenced by the Trustee to enforce the obligations of the Landowner hereunder, the Trustee shall be entitled to recover its reasonable attorney's fees and costs. The Trustee shall provide thirty (30) days' notice to the Lender prior to taking any enforcement action. Notwithstanding anything to the contrary set forth in this Agreement, the obligations of Landowner under this Agreement shall be several, not joint.

SECTION 5. MISCELLANEOUS.

(a) Term of Agreement. This Agreement shall continue in full force and effect until the earlier of: (i) the date the Trustee receives instruction from the City under Section 2(a)-(b) to return of monies in the Landowner Property Tax Account and the Agricultural Use Waiver to the Landowner and (ii) no obligations remain outstanding under the Indenture.

(b) Covenants Run with the Land; Transfers of the Property. This Agreement shall be recorded in the deed records of Collin County, Texas, and shall run with the land and the ownership of any Non-Redeemable Property, act as an appurtenant burden on the Non-Redeemable Property and shall be binding upon the Non- Redeemable Property and all owners, tenants, subtenants, licensees, assignees and occupants thereof and any other party having any interest therein. Upon the acquisition by any party of any interest in the Non-Redeemable Property, (a) such party shall automatically and without further action by such party or any other party be deemed to have assumed and agreed to be bound by this Agreement from and after the date of such transfer, and (b) the Landowner shall be released of liability with respect to the transferred interest in the Non-Redeemable Property from and after the date of such transfer, but not prior thereto. Without limiting the foregoing, any party who acquires a fee interest in any portion of the Non-Redeemable Property ("Subsequent Owner") shall, and hereby shall be deemed to have agreed to, (i) execute and record in the Real Property Records of Collin County, Texas, promptly following the recording of the conveyance instrument, an agreement in the form attached hereto as **Exhibit "C"** (the "Acknowledgment and Agreement") to acknowledge that such party is subject to the terms of this Agreement, expressly agreeing to comply with the terms and provisions of this Agreement applicable to the portion of the Non-Redeemable Property acquired by such party, and waiving such party's right to redeem such portion of the Non-Redeemable Property, and (ii) execute and deliver to the Trustee, concurrently with the recording of the Acknowledgment and Agreement, five (5) Agricultural Use Waivers in the form attached hereto as **Exhibit "B"** for that portion of the Non-Redeemable Property acquired by such party. In the event that the number of Agricultural Use Waivers signed by a Subsequent Owner that are held by Trustee is less than two (2) and some portion of the Property owned by the Subsequent Owner is Non-Redeemable Property, such Subsequent Owner agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by such Subsequent Owner; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver

with respect to the remaining Non-Redeemable Property owned by a Subsequent Owner that has not paid taxes or Assessments as required by this Agreement, if said Subsequent Owner does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee.

(c) Release of Obligations and Notice of Termination. Upon termination of this Agreement pursuant to Section 5(a), the Trustee shall record the Release of Obligations and Notice of Termination of this Agreement in the form attached hereto as **Exhibit “D”** in the deed records of Collin County, Texas.

(d) **INDEMNIFICATION.** LANDOWNER AND SUBSEQUENT OWNERS, SEVERALLY SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, DEFEND, INDEMNIFY AND HOLD HARMLESS TRUSTEE AND EACH DIRECTOR, OFFICER, EMPLOYEE, ATTORNEY, AGENT AND AFFILIATE OF TRUSTEE AND CITY (COLLECTIVELY, THE **“INDEMNIFIED PARTIES”**) AGAINST ANY AND ALL ACTIONS, CLAIMS (WHETHER OR NOT VALID), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES OF ANY KIND OR NATURE WHATSOEVER (INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS’ FEES, COSTS AND EXPENSES) INCURRED BY OR ASSERTED AGAINST ANY OF THE INDEMNIFIED PARTIES AS A RESULT OF OR ARISING FROM OR IN ANY WAY RELATING TO ANY CLAIM, DEMAND, SUIT, ACTION OR PROCEEDING BY ANY PERSON, INCLUDING WITHOUT LIMITATION SUCH LANDOWNER, ASSERTING A CLAIM FOR ANY LEGAL OR EQUITABLE REMEDY AGAINST ANY PERSON ARISING FROM OR IN CONNECTION WITH THE NEGOTIATING, EXECUTION, PERFORMANCE OR FAILURE OF PERFORMANCE OF THIS AGREEMENT BY LANDOWNER OR SUCH SUBSEQUENT OWNER, AS APPLICABLE, WHETHER OR NOT ANY SUCH INDEMNIFIED PARTY IS A PARTY TO ANY SUCH SUIT, ACTION OR PROCEEDING; PROVIDED, HOWEVER, THAT NO INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO BE INDEMNIFIED HEREUNDER FOR ANY LIABILITY FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION, SUBJECT TO NO FURTHER APPEAL, TO HAVE RESULTED SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY. IT BEING THE EXPRESSED INTENTION OF THE PARTIES THAT THE INDEMNIFIED PARTIES ARE TO BE HELD HARMLESS AND INDEMNIFIED FOR THEIR OWN NEGLIGENCE.

(e) Trustee’s Fees. The Trustee shall not charge a fee for the performance of services hereunder.

(f) Material Agreement. The Landowner acknowledges that the agreements and obligations of the Parties set forth herein are a material inducement to the City’s entering into the Construction Funding Agreement, that the Landowner is represented by counsel of its own choice

with respect to this Agreement, and that the Landowner is entering into this Agreement freely and voluntarily and not acting under coercion or duress.

(g) Binding Effect. This Agreement shall be binding upon the Landowner and its successors, receivers, trustees, and assigns and shall inure to the benefit of the City, the Trustee and the successors and assigns of the City and Trustee.

(h) Amendments. This Agreement may be modified or amended only by a written agreement executed by the Trustee, the City, and each owner of the portion of the Non-Redeemable Property to be affected by such amendment and recorded in the Official Public Records of Collin County, Texas.

(i) Severability; No Waiver. If any provision of this Agreement is held invalid or unenforceable, no other provision of this Agreement will be affected by such holding and all other provisions of this Agreement will continue in full force and effect. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement will not be deemed a waiver of such requirement or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

(j) Notices. Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the address set forth below or at such other address as may be specified in writing by any Party hereto to the other parties hereto.

If to the City:

Attn: Kim Dobbs, City Administrator
City of Lavon
P.O. Box 340
120 School Road
Lavon, Texas 75009
E-mail: kim.dobbs@cityoflavon.org
TEL: (972) 843-4220
FAX: (972) 843-0397

With a copy to:

Attn: Julie Fort
Messer, Fort & McDonald, PLLC
6371 Preston Rd., Ste. 200
Frisco, Texas 75034
E-mail: julie@txmunicipallaw.com
TEL: (972) 668-6400
FAX: (972) 668-6414

To the Landowner:

GRBK Edgewood LLC
Attn: Bobby Samuel
2805 Dallas Parkway, Suite 400
Plano, Texas 75093

bsamuel@greenbrickpartners.com

With a copy to:

Green Brick Partners, Inc.
Attn: Hilary Liston, Esq.
2805 Dallas Parkway, Suite 400
Plano, Texas 75093
hliston@greenbrickpartners.com

If to Trustee:

Wilmington Trust, National Association
Attn: Dayna L. Smith
15950 North Dallas Parkway, Suite 550
Dallas, TX 75248
TEL: 972-383-3154

(j) Third Party Beneficiaries. The provisions of this Agreement are and will be for the benefit of the Parties, the Trustee and the holders of the Bonds only and are not for the benefit of any other third party and, accordingly, no other third party shall have the right to enforce the provisions of this Agreement.

(k) Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties to this Agreement have caused this Agreement to be executed by their duly authorized representatives on dates set forth in the acknowledgements below, to be effective as of the day and year first above written.

CITY OF LAVON, TEXAS

By: _____
Vicki Sanson, Mayor

ATTEST:

By: _____
Kim Dobbs, City Administrator

THE STATE OF TEXAS §

COUNTY OF COLLIN §

This instrument was acknowledged before me on _____, 2022, by Vicki Sanson, Mayor, on behalf of said City of Lavon, Texas.

Notary Public, State of Texas

GRBK EDGEWOOD LLC,
a Texas limited liability company

By: _____

Bobby Samuel, Vice President

THE STATE OF TEXAS §

COUNTY OF COLLIN §

THIS INSTRUMENT is acknowledged before me on _____, 2022, by Bobby Samuel, Vice President of GRBK EDGEWOOD LLC, LLC, a Texas limited liability company, on behalf of said limited liability company.

Notary Public, State of Texas

WILMINGTON TRUST, NATIONAL ASSOCIATION

By:_____

Name:_____

Title:_____

THE STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2022, by Dayna Smith, Vice President on behalf of Wilmington Trust, National Association.

Notary Public, State of Texas

Exhibit “A”

Description of Landowner Property

PROPERTY METES AND BOUNDS DESCRIPTION

52.368 Acres of Land

EXHIBIT B

WAIVER OF SPECIAL APPRAISAL

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
COUNTY OF COLLIN §

THAT this Waiver of Special Appraisal (this “Waiver”) is made and entered into as of the ____ day of _____, 20____, for the benefit of the City of Lavon, Texas (the “City”) and the Trustee (as defined below), by GRBK EDGEWOOD LLC, a Texas limited liability company (“Landowner”), owner of the property described on Schedule 1 hereto (the “Property”), which Property is located within Elevon Public Improvement District (the “District”), a public improvement district of the City, pursuant to Texas Tax Code Ann. §23.20.

RECITALS

A. The City has the right to levy special assessments on land located within the District pursuant to a separate ordinance enacted by the City Council of the City, which assessments are intended to provide for the financing of certain improvements for the benefit of the District.

B. The purpose of the City in selling its special assessment revenue bonds is to provide, among other things, financing for certain improvements to serve the District (the “Facilities”).

C. Trustee is the trustee described in that certain Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding, and Acquisition Agreement having an effective date of February 1, 2022, by and between the City and MA Elevon 429, LLC (the “Master Developer”), the master developer of the property in the District .

D. In furtherance of this purpose, the City has agreed to fund certain Authorized Improvements that serve and benefit the Property pursuant to that certain Indenture of Trust dated as of February 1, 2022, between the City and the Trustee.

E. Landowner acknowledges that the election by Landowner to claim agricultural use exemptions or valuations arising under Section 23.41, et. seq., of the Texas Tax Code, as amended (collectively, the “Exemptions”), but not including any residential homestead exemption, for the Property would be detrimental to the property valuation base and may significantly impair the ability of the City to meet its debt obligations for its special assessment revenue bonds.

F. Landowner further acknowledges that the exercise of the right to redemption after a tax sale pursuant to Section 34.21 of the Texas Tax Code may impair the City's ability to meet its debt obligations for its special assessment revenue bonds.

WAIVER

Section 1. Waiver of Exemptions. Landowner, on behalf of itself, its successors and assigns, (i) irrevocably waives its right to claim any of the Exemptions with respect to the Property for a period of thirty (30) years beginning on the date this Waiver is received by the Collin County Tax Assessor/Collector (the "Waiver Period"); (ii) authorizes the City and/or the Trustee to file this Waiver with the Chief Appraiser of the Collin Central Appraisal District, or its successors, in accordance with the terms of the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation-Elevon PID having an effective date of February 1, 2022; and (iii) covenants that it will not, during the Waiver Period, if applicable, make any claim for a special appraisal except on written authorization of the Trustee. Landowner acknowledges that it may have the right under Article 8 of the Texas Constitution to assert some or all of the Exemptions which it is waiving herein, and agrees that it shall be estopped from claiming such Exemptions at any time during the Waiver Period, if applicable, provided, however, it is expressly acknowledged and agreed by Landowner that mechanisms for single family residences now available or to be made available by any change in Texas laws for the reduction of ad valorem tax liability or of valuation for the purposes of ad valorem taxes or other assessments with respect to real property, such as exemptions for homesteads, disabled veterans, and elderly homesteads, are not included in the definition of Exemptions and are expressly allowed, to the extent such exemptions would be otherwise available, with respect to the Property.

Section 2. Covenants to Run with Land. The terms and provisions hereof shall be deemed to be restrictive covenants encumbering and running with the Property and shall be binding upon the Landowner and its successors and assigns. In particular, each successive purchaser of the Property shall, upon purchase thereof (or such portion thereof) be deemed to have waived its right to claims of the Exemptions with respect to the Property (or such portions thereof) at any time during the Waiver Period, if applicable.

Section 3. Enforceability. The covenants and restrictions binding the Property hereunder shall be enforceable only by the City, the Trustee and their respective successors and assigns. This Waiver is for the sole benefit of the parties hereto, and of the Trustee, and no other third party is intended to be a beneficiary of this Waiver.

Section 4. Termination. This Waiver shall continue in full force and effect until the earlier to occur of the following: (i) the expiration of the Waiver Period; or (ii) such time as the Trustee approves a revocation in writing.

Section 5. Severability. Every provision of this Waiver is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever

by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable to the maximum extent permitted by law, it being the intent of the parties hereto to give full force and effect to the agreements made hereunder to the maximum extent permitted by law.

Section 6. Headings. The Section headings are included in this Waiver for convenience of reference only, and shall not be deemed to affect the substantive provisions of this Waiver.

Section 7. Remedies. If Landowner breaches its obligations hereunder, the Trustee or the City (on behalf of the Trustee), in addition to all other remedies set forth herein or otherwise available at law or in equity, shall be entitled to recover from Landowner the amount of assessments that would have been due to the City had Landowner complied with this Waiver. Such payment will be due and payable, and will incur penalties and charges under the same terms as if the payment had been an assessment obligation of Landowner to City.

EXECUTED to be effective as of the date first above written.

GRBK EDGEWOOD LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

COUNTY OF DALLAS §

THIS INSTRUMENT is acknowledged before me on _____, 2022, by _____, _____ of GRBK EDGEWOOD LLC, a Texas limited liability company, on behalf of said limited liability company.

Notary Public, State of Texas

EXHIBIT “C”

ACKNOWLEDGMENT OF ASSUMPTION AND CONVEYANCE OF RIGHT OF REDEMPTION

This Acknowledgment of Assumption and Conveyance of Right of Redemption (this “Acknowledgment and Agreement”) is entered into effective _____, 20__ by _____, a _____ (whether one or more, the “Buyer”) in favor of the City of Lavon, Texas and the Trustee, as such term is defined in the Redemption Agreement (defined below).

R E C I T A L S

A. WHEREAS, Buyer has purchased and acquired certain land described on **Exhibit A** attached hereto (the “Property”); and

B. WHEREAS, the Property is subject to that certain Agreement Regarding Conveyance of Right of Redemption and Wavier of Agricultural Valuation—Elevon PID, dated on or about February 1, 2022 (the “Redemption Agreement”); and

C. WHEREAS, pursuant to the requirements of the Redemption Agreement, it is a condition to the acquisition of the Property that the Buyer execute this Acknowledgment and Agreement and record same in the Real Property Records of Collin County, Texas; and

D. WHEREAS, the purchase price paid by Buyer for the Property was calculated and determined, in part, based upon the benefits and restrictions applicable to the Property and arising in connection with the Redemption Agreement and the other agreements executed in connection therewith and the requirement that Buyer execute this Acknowledgment and Agreement.

NOW, THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer hereby represents, warrants and agrees as follows:

1. Buyer acknowledges that the Redemption Agreement continues to affect the Property, and that Buyer has assumed, and Buyer hereby does assume and agree to perform, the obligations of the Landowner (as such term is defined in the Redemption Agreement) under the Redemption Agreement with respect to the Property.

2. Buyer hereby grants, sells, conveys and assigns to the Trustee all rights Buyer and its successors and assigns now have or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire, following any foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, any portion of the Property that constitutes Exempt Property (as defined in the Redemption Agreement),

3. Concurrently with the execution and delivery of this Acknowledgment and Agreement, Buyer has executed and has delivered (or will promptly deliver) to the Trustee to be held in escrow a Waiver of Special Appraisal in the form attached as **Exhibit B** to the Redemption Agreement waiving any agricultural use valuation and any right to special appraisal arising based on agricultural use with respect to the Property. Such agreement shall be held in, and released from, escrow in accordance with the provisions of the Redemption Agreement.

BUYER:

This document was acknowledged before me on _____, 20__, by _____, the _____ of _____, a _____, on behalf of said entity.

* Attach description of the Property as **Exhibit A** prior to recording.

EXHIBIT "D"

RELEASE OF OBLIGATIONS AND NOTICE OF TERMINATION

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
COUNTY OF COLLIN §

All rights and obligations under that certain "Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation-Elevon PID" having an effective date of _____ (the "*Agreement*") recorded in the real property records of Collin County, Texas, on _____, 20__ at Instrument # _____ ARE HEREBY RELEASED and NOTICE IS HEREBY GIVEN of the termination of the Agreement in accordance with its terms.

EXHIBIT “E”

RELEASE OF REDEMPTION AGREEMENT

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
COUNTY OF _____ §

WHEREAS, the land described in the attached Exhibit “A” (“Property”) is located within the Elevon Public Improvement District (“District”);

WHEREAS, GRBK EDGEWOOD LLC is the owner of the Property (“Owner”);

WHEREAS, the Property is subject to the terms of the Agreement Regarding Conveyance of Right of Redemption And Waiver of Agricultural Valuation – Elevon Public Improvement District with an effective date of February 1, 2022, and recorded in Document No. _____, Official Public Records of Collin County, Texas (“Redemption Agreement”);

WHEREAS, the City of Lavon and the Trustee are parties to the Redemption Agreement;

WHEREAS, pursuant to the Redemption Agreement certain rights to redeem the Property under the Texas Tax Code (as described in the Redemption Agreement) were conveyed to the Trustee (defined below);

WHEREAS, Wilmington Trust, National Association, is the Trustee, as defined in the Redemption Agreement;

WHEREAS, pursuant to Section 2 of the Redemption Agreement, the Trustee is authorized to deliver a Waiver of Agricultural Use to the appropriate Tax Assessor/Collector office in the event that delinquent taxes or Special Assessments are owed on the Property;

WHEREAS, pursuant to Section 2 of the Redemption Agreement, the City and the Trustee are authorized to release property from the terms of the Redemption Agreement; and

WHEREAS, the City and the Trustee have determined that the Property should be released from the terms of the Redemption Agreement;

NOW, THEREFORE, for and in consideration of the above stated premises, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged by the City of Lavon and the Trustee, the City of Lavon and the Trustee do hereby forever release and discharge the Property from all terms, restrictions, covenants and conditions of the Redemption Agreement in its entirety, and release any and all rights that the City of Lavon and the Trustee had, have or may have by virtue of the Redemption Agreement. In no event shall this

release have any impact on land within the District other than the Property described in the attached Exhibit "A".

Trustee has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL, and CONVEY, unto Owner all rights that Trustee and its successors and assigns now have or in the future may have in equity, or under common law, statutory law, the Constitution of the State of Texas or otherwise in the "Tax Redemption Rights," as defined in the Redemption Agreement with respect to the Property described in the attached Exhibit "A".

TO HAVE AND TO HOLD the Tax Redemption Rights in the Property, described in the attached Exhibit "A", belonging in any way to Trustee, unto the Owner, its successors and assigns, forever, and Trustee does hereby bind itself and its respective successors and assigns, to WARRANT AND FOREVER DEFEND all and singular, the Tax Redemption Rights in the Property, described in the attached Exhibit "A", unto the Owner, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof by, through, or under Trustee, but not otherwise.

[SIGNATURE PAGE FOLLOWS]

WITNESS THE EXECUTION HEREOF this the ____ day of _____, 20__.

City of Lavon

By:_____

THE STATE OF TEXAS §

§

COUNTY OF COLLIN §

 This instrument was acknowledged before me on _____, 20__, by
_____, the _____ of the City of Lavon, Texas, a Type a
general law city, on behalf of said city.

Notary Public, State of Texas

WITNESS THE EXECUTION HEREOF this the ____ day of _____, 20____.

Trustee

By:_____

THE STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____,
20__, by _____, the _____ of _____,
on behalf of said entity.

Notary Public, State of _____

* Attached description of the Land as **Exhibit A** prior to recording.

After Recording Mail to:

**AGREEMENT REGARDING CONVEYANCE OF RIGHT OF REDEMPTION AND
WAIVER OF AGRICULTURAL VALUATION**

ELEVON PID

THIS AGREEMENT REGARDING CONVEYANCE OF RIGHT OF REDEMPTION AND WAIVER OF AGRICULTURAL VALUATION—ELEVON PID (“Agreement”), dated February 1, 2022 (the Effective Date”), by and among HMH/Stratford Elevon JV, LLC, a Texas limited liability company, and its successors and assigns (“Landowner”), the CITY OF LAVON, TEXAS (the “City”), acting by and through its duly authorized representative, and WILMINGTON TRUST, NATIONAL ASSOCIATION and any successor thereto (“Trustee”). Capitalized terms not defined herein have the meaning ascribed to them in the Construction Funding Agreement (defined below).

RECITALS

A. WHEREAS, on November 2, 2021, the City Council authorized the formation of Elevon Public Improvement District pursuant to Resolution No. 2021-11-07 (the “District”) in accordance with Chapter 372 of the Texas Local Government Code, as amended. Landowner owns property within an area of the District designated as the Zone 1 Remainder Area, which property contains approximately 38.72 acres of land located in Collin County, Texas and is more particularly described on **Exhibit “A”** attached hereto (the “Property”); and

B. WHEREAS, Landowner intends to develop the Property as a residential development; and

C. WHEREAS, the City has entered into that certain Elevon Development Agreement dated November 2, 2021 (the “Development Agreement”), with MA Elevon 429, LLC, a Texas limited liability company (the “Master Developer”), Petro-Hunt, LLC, Far East Lavon, LP, 78 Straddle, LP, East Lavon Partners, LP, and World Land Developers, LP for the development of property within the District, including the Property; and

D. WHEREAS, the Property was acquired by the Landowner from the Master Developer and is subject to the terms of the Development Agreement; and

E. WHEREAS, the Master Developer proposes to construct certain Authorized Improvements to serve and benefit the Property and transfer certain of those improvements to the City in accordance with the terms and provisions of the Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding, and Acquisition Agreement, dated as of February 1, 2022, between the Master Developer and the City (the “Construction Funding Agreement”); and

F. WHEREAS, the City has adopted an Assessment Ordinance on January 11, 2022, a Service and Assessment Plan, and has levied assessments (the “Zone 1 Remainder Area Assessments”) on all or a portion of the Property (“Assessed Property”) and, the City will issue

the Bonds, subject to the Indenture, for payment of costs associated with construction and/or acquisition of the Zone 1 Remainder Area Projects; and

G. WHEREAS, as a condition precedent to the City's performance of its obligations under the Construction Funding Agreement, Landowner has agreed to (a) convey to the Trustee all rights to redeem any portion of the Property, which is Assessed Property and that has an agricultural use valuation, following a tax sale, and (b) execute and deliver into escrow with the Trustee a waiver of agricultural use valuation as described in Section 2 hereof; and

H. WHEREAS, Wilmington Trust, National Association is the trustee under the Indenture;

NOW, THEREFORE, in consideration of the premises set forth above, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto hereby agree as follows:

SECTION 1. CONVEYANCE OF RIGHT OF REDEMPTION.

Landowner has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL, and CONVEY, unto the Trustee all rights that Landowner and its successors and assigns now have or in the future may have in equity, or under common law, statutory law, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire those portions of the Property that are Assessed Property and are designated and claimed for agricultural use as described in Section 23.41 of the Texas Tax Code (the "Non-Redeemable Property") following a foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended ("Tax Redemption Rights").

TO HAVE AND TO HOLD the Tax Redemption Rights in the Non-Redeemable Property belonging in any way to Landowner, unto the Trustee, its successors and assigns, forever, subject to the restrictions and reservations set forth herein, so that neither Landowner nor Landowner's successors and assigns, nor any other person claiming by, through or under Landowner, shall at any time hereafter have, claim or demand any right, title, or interest in and to the Tax Redemption Rights in the Non-Redeemable Property or any part thereof, except as expressly provided in this Agreement.

(a) Restrictions and Reservations.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that if all or a portion of the Non-Redeemable Property ceases to be Assessed Property, as shown on the Zone 1 Remainder Area Assessment Roll maintained by the City, then the owner of such land shall have the right to assume ownership of the Tax Redemption Rights for said portion of the Non-Redeemable Property. Upon written request by an owner of land that is Non-Redeemable Property that has ceased to be

Assessed Property, the City and the Trustee, following receipt of written direction from the City, shall execute a Release of Redemption Agreement, in the form attached hereto as **Exhibit “E.”**

(b) Restriction Against Redemption of Non-Redeemable Property.

In the event that a court of competent jurisdiction enters a final judgment that the foregoing conveyance of Tax Redemption Rights is not effective, the Landowner hereby absolutely, unconditionally and irrevocably waives, releases, relinquishes and surrenders, on behalf of itself and its successors and assigns, and agrees not to assert or exercise any and all Tax Redemption Rights it now has or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire any portion of the Property that is Non-Redeemable Property following a sale for failing to pay the Zone 1 Remainder Area Assessments levied under the Assessment Ordinance, a foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended.

SECTION 2. DEPOSIT OF FUNDS WITH TRUSTEE/WAIVER OF AGRICULTURAL USE VALUATION.

(a) Landowner Property Tax Account. Concurrently with the closing on the Bonds for the Property, the Landowner will deposit \$17,210.98 with the Trustee in the Landowner Property Tax Account of the Property Tax Fund pursuant to the Indenture (“Landowner Property Tax Account”) which is estimated to be two years of ad valorem taxes levied by all taxing units on the portion of the Property subject to agricultural valuation for the calendar years 2022 and 2023. Trustee is instructed to hold the Landowner Property Tax Account in cash until such time it receives further instruction from the City to either (i) return the funds to the Landowner; or (ii) deliver the funds to the City if, and only if, the Agricultural Use Waiver is released to the City under Section 2(b) below; provided however, if on the eighth anniversary of the execution of this Agreement (the “Anniversary Date”), the Trustee has not received instruction from the City, then it shall return such funds to the Landowner within thirty (30) days of the Anniversary Date and this Agreement shall terminate subject to the return of the Agricultural Use Waiver as described in Section 2(b) below.

(b) Delivery of Agricultural Use Waiver Into Escrow. Concurrently with the execution and delivery of this Agreement and the deposit of monies into the Landowner Property Tax Account, Landowner has delivered or will promptly deliver to the Trustee five (5) originals of an executed waiver of agricultural use valuation (the “Agricultural Use Waiver”) waiving any agricultural use valuation and any right to special appraisal arising based on agricultural use with respect to Non-Redeemable Property. Such Agricultural Use Waiver shall be in the form thereof attached hereto as **Exhibit “B”** and made a part hereof for all purposes.

(c) Authorization to File Agricultural Use Waiver.

(i) Prior to the Trustee taking any action described in subsection 2(c)(ii) below, the Trustee shall pay past due or delinquent taxes using funds in the Landowner Property Tax Account of the Administrative Fund held under the Indenture. If the funds in the applicable Landowner Property Tax Account are not sufficient to pay all past due ad valorem taxes, including any accrued interest and penalties, then the Trustee shall notify the Landowner and Texas Bank and Trust (as lender on the development loan relating to the Assessed Property), and any successor to Texas Bank and Trust (the “Lender”) of such deficiency and provide the Landowner and the Lender thirty (30) days to deliver to the Trustee the requisite amount of funds to pay all past due taxes and restore the applicable Landowner Property Tax Account.

(ii) In the event that any taxes secured by a lien against any portion of the Non-Redeemable Property have not been paid by March 1st following the year for which such taxes are levied, the Trustee shall provide the Lender notice of the deficiency and provide the Lender ten (10) days to cure said deficiency. If the Lender fails to cure the deficiency, Trustee shall (unless otherwise instructed by holders of not less than twenty percent (20%) of the Bonds secured by the applicable Indenture then outstanding) and the Landowner hereby irrevocably authorizes the Trustee to, release the Agricultural Use Waiver from escrow and deliver same to the Collin County Tax Assessor/Collector or its successor. The Trustee shall, and the Landowner further authorizes the Trustee to, attach to the Agricultural Use Waiver a description of that portion of the Non-Redeemable Property for which taxes are delinquent; provided, the Trustee shall verify with the City the descriptions of the Non-Redeemable Property to be attached to such waiver. In the event that the Trustee receives notice that delinquent taxes and all penalties and interest have been paid prior to Trustee’s transmittal of the Agricultural Use Waiver to the Collin County Tax Assessor/Collector or its successor, then Trustee shall not transmit the Waiver of Agricultural Use to the Collin County Tax Assessor/Collector and such waiver shall be returned to escrow. In the event that the number of Agricultural Use Waivers held by Trustee is less than two (2) and some portion of the Property is Non-Redeemable Property, the Landowner agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by the Landowner; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by the Landowner, if the Landowner does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee. Notwithstanding anything to the contrary contained herein, the Lender is under no obligation to cure any deficiency.

(iii) Except as provided in Section 2(c)(iv), in the event that any Assessments levied by the City pursuant to the Assessment Ordinance that are secured by a lien against any portion of the Non-Redeemable Property have not been paid by March 1st following the year for which such Assessments are levied (or ten (10) days before such Assessments become delinquent, if earlier), the Trustee shall provide the Lender notice of the failure to pay Assessments and provide the Lender ten (10) days to cure such failure. If the Lender fails to cure, the Trustee shall (unless otherwise instructed by holders of not less than twenty percent (20%) of the Bonds secured by the Indenture then outstanding) and the Landowner hereby irrevocably authorizes the Trustee to, release the Agricultural Use Waiver from escrow and deliver same to the Collin County Tax Assessor/Collector or its successor. The Trustee shall, and the Landowner further authorizes the Trustee to, attach to the Agricultural Use Waiver a description of that portion of the Non-

Redeemable Property for which Assessments are delinquent. In the event that the number of Agricultural Use Waivers held by Trustee is less than two (2) and some portion of the Property is Non-Redeemable, the Landowner agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by the Landowner; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by the Landowner, if the Landowner does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee. Notwithstanding anything to the contrary contained herein, the Lender is under no obligation to cure the failure to pay.

(iv) If, by case law, statute or an opinion of the Attorney General of the State of Texas it is determined that Tax Redemption Rights do not apply to the Assessments levied in the District, then Section 2(c)(iii) shall immediately become non-operative and non-effective upon Trustee's receipt of written notice of such decision, statute or opinion.

SECTION 3. REPRESENTATIONS AND WARRANTIES.

The Landowner hereby represents and warrants to the City as follows:

(a) The Landowner represents and warrants that it is a limited liability company duly organized and validly existing under the laws of the State of Texas, is qualified to do business in and is in good standing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Landowner represents and warrants that it has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Landowner.

(c) The Landowner represents and warrants that this Agreement is a valid and enforceable obligation of the Landowner and is enforceable against the Landowner in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

SECTION 4. DEFAULT AND REMEDIES.

In the event that the Landowner shall violate, or indicate that the Landowner intends to violate, any of the terms and provisions set forth in this Agreement, in addition to any other remedies available at law or in equity, the Trustee shall have the right to sue for and obtain a prohibitive or mandatory injunction or any other equitable remedy to prevent the breach of, or to enforce the observance of, the terms of this Agreement. The foregoing remedies shall be cumulative with, in addition to, and non-exclusive of one another, and the exercise of any one

remedy shall not bar the exercise of any other remedy. In the event of any legal action commenced by the Trustee to enforce the obligations of the Landowner hereunder, the Trustee shall be entitled to recover its reasonable attorney's fees and costs. The Trustee shall provide thirty (30) days' notice to the Lender prior to taking any enforcement action. Notwithstanding anything to the contrary set forth in this Agreement, the obligations of Landowner under this Agreement shall be several, not joint.

SECTION 5. MISCELLANEOUS.

(a) Term of Agreement. This Agreement shall continue in full force and effect until the earlier of: (i) the date the Trustee receives instruction from the City under Section 2(a)-(b) to return of monies in the Landowner Property Tax Account and the Agricultural Use Waiver to the Landowner and (ii) no obligations remain outstanding under the Indenture.

(b) Covenants Run with the Land; Transfers of the Property. This Agreement shall be recorded in the deed records of Collin County, Texas, and shall run with the land and the ownership of any Non-Redeemable Property, act as an appurtenant burden on the Non-Redeemable Property and shall be binding upon the Non- Redeemable Property and all owners, tenants, subtenants, licensees, assignees and occupants thereof and any other party having any interest therein. Upon the acquisition by any party of any interest in the Non-Redeemable Property, (a) such party shall automatically and without further action by such party or any other party be deemed to have assumed and agreed to be bound by this Agreement from and after the date of such transfer, and (b) the Landowner shall be released of liability with respect to the transferred interest in the Non-Redeemable Property from and after the date of such transfer, but not prior thereto. Without limiting the foregoing, any party who acquires a fee interest in any portion of the Non-Redeemable Property ("Subsequent Owner") shall, and hereby shall be deemed to have agreed to, (i) execute and record in the Real Property Records of Collin County, Texas, promptly following the recording of the conveyance instrument, an agreement in the form attached hereto as **Exhibit "C"** (the "Acknowledgment and Agreement") to acknowledge that such party is subject to the terms of this Agreement, expressly agreeing to comply with the terms and provisions of this Agreement applicable to the portion of the Non-Redeemable Property acquired by such party, and waiving such party's right to redeem such portion of the Non-Redeemable Property, and (ii) execute and deliver to the Trustee, concurrently with the recording of the Acknowledgment and Agreement, five (5) Agricultural Use Waivers in the form attached hereto as **Exhibit "B"** for that portion of the Non-Redeemable Property acquired by such party. In the event that the number of Agricultural Use Waivers signed by a Subsequent Owner that are held by Trustee is less than two (2) and some portion of the Property owned by the Subsequent Owner is Non-Redeemable Property, such Subsequent Owner agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by such Subsequent Owner; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver

with respect to the remaining Non-Redeemable Property owned by a Subsequent Owner that has not paid taxes or Assessments as required by this Agreement, if said Subsequent Owner does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee.

(c) Release of Obligations and Notice of Termination. Upon termination of this Agreement pursuant to Section 5(a), the Trustee shall record the Release of Obligations and Notice of Termination of this Agreement in the form attached hereto as **Exhibit “D”** in the deed records of Collin County, Texas.

(d) **INDEMNIFICATION.** LANDOWNER AND SUBSEQUENT OWNERS, SEVERALLY SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, DEFEND, INDEMNIFY AND HOLD HARMLESS TRUSTEE AND EACH DIRECTOR, OFFICER, EMPLOYEE, ATTORNEY, AGENT AND AFFILIATE OF TRUSTEE AND CITY (COLLECTIVELY, THE **“INDEMNIFIED PARTIES”**) AGAINST ANY AND ALL ACTIONS, CLAIMS (WHETHER OR NOT VALID), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES OF ANY KIND OR NATURE WHATSOEVER (INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS’ FEES, COSTS AND EXPENSES) INCURRED BY OR ASSERTED AGAINST ANY OF THE INDEMNIFIED PARTIES AS A RESULT OF OR ARISING FROM OR IN ANY WAY RELATING TO ANY CLAIM, DEMAND, SUIT, ACTION OR PROCEEDING BY ANY PERSON, INCLUDING WITHOUT LIMITATION SUCH LANDOWNER, ASSERTING A CLAIM FOR ANY LEGAL OR EQUITABLE REMEDY AGAINST ANY PERSON ARISING FROM OR IN CONNECTION WITH THE NEGOTIATING, EXECUTION, PERFORMANCE OR FAILURE OF PERFORMANCE OF THIS AGREEMENT BY LANDOWNER OR SUCH SUBSEQUENT OWNER, AS APPLICABLE, WHETHER OR NOT ANY SUCH INDEMNIFIED PARTY IS A PARTY TO ANY SUCH SUIT, ACTION OR PROCEEDING; PROVIDED, HOWEVER, THAT NO INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO BE INDEMNIFIED HEREUNDER FOR ANY LIABILITY FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION, SUBJECT TO NO FURTHER APPEAL, TO HAVE RESULTED SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY. IT BEING THE EXPRESSED INTENTION OF THE PARTIES THAT THE INDEMNIFIED PARTIES ARE TO BE HELD HARMLESS AND INDEMNIFIED FOR THEIR OWN NEGLIGENCE.

(e) Trustee’s Fees. The Trustee shall not charge a fee for the performance of services hereunder.

(f) Material Agreement. The Landowner acknowledges that the agreements and obligations of the Parties set forth herein are a material inducement to the City’s entering into the Construction Funding Agreement, that the Landowner is represented by counsel of its own choice

with respect to this Agreement, and that the Landowner is entering into this Agreement freely and voluntarily and not acting under coercion or duress.

(g) Binding Effect. This Agreement shall be binding upon the Landowner and its successors, receivers, trustees, and assigns and shall inure to the benefit of the City, the Trustee and the successors and assigns of the City and Trustee.

(h) Amendments. This Agreement may be modified or amended only by a written agreement executed by the Trustee, the City, and each owner of the portion of the Non-Redeemable Property to be affected by such amendment and recorded in the Official Public Records of Collin County, Texas.

(i) Severability; No Waiver. If any provision of this Agreement is held invalid or unenforceable, no other provision of this Agreement will be affected by such holding and all other provisions of this Agreement will continue in full force and effect. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement will not be deemed a waiver of such requirement or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

(j) Notices. Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the address set forth below or at such other address as may be specified in writing by any Party hereto to the other parties hereto.

If to the City:

Attn: Kim Dobbs, City Administrator
City of Lavon
P.O. Box 340
120 School Road
Lavon, Texas 75009
E-mail: kim.dobbs@cityoflavon.org
TEL: (972) 843-4220
FAX: (972) 843-0397

With a copy to:

Attn: Julie Fort
Messer, Fort & McDonald, PLLC
6371 Preston Rd., Ste. 200
Frisco, Texas 75034
E-mail: julie@txmunicipallaw.com
TEL: (972) 668-6400
FAX: (972) 668-6414

To the Landowner:

Attn: Darrel Amen
HMH/Stratford Elevon JV, LLC
1038 Texas Trail
Grapevine, Texas 76051

Darrel.Amen@historymaker.com

With a copy to:

Mier Law PLLC
Attn: Brian C. Mier
1700 Pacific Avenue, Suite 1840
E-mail: bmier@mierlaw.com

If to Trustee:

Wilmington Trust, National Association
Attn: Dayna L. Smith
15950 North Dallas Parkway, Suite 550
Dallas, TX 75248
TEL: 972-383-3154

(j) Third Party Beneficiaries. The provisions of this Agreement are and will be for the benefit of the Parties, the Trustee and the holders of the Bonds only and are not for the benefit of any other third party and, accordingly, no other third party shall have the right to enforce the provisions of this Agreement.

(k) Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties to this Agreement have caused this Agreement to be executed by their duly authorized representatives on dates set forth in the acknowledgements below, to be effective as of the day and year first above written.

CITY OF LAVON, TEXAS

By: _____
Vicki Sanson, Mayor

ATTEST:

By: _____
Kim Dobbs, City Administrator

THE STATE OF TEXAS §

COUNTY OF COLLIN §

This instrument was acknowledged before me on _____, 2022, by Vicki Sanson, Mayor, on behalf of said City of Lavon, Texas.

Notary Public, State of Texas

HMH/STRATFORD ELEVON JV, LLC,
a Texas limited liability company

By:_____

Name:_____

Title:_____

THE STATE OF TEXAS §

COUNTY OF TARRANT §

THIS INSTRUMENT is acknowledged before me on _____, 2022, by
_____, _____ of HMH/Stratford Elevon JV, LLC, a Texas limited liability
company, on behalf of said limited liability company.

Notary Public, State of Texas

WILMINGTON TRUST, NATIONAL ASSOCIATION

By:_____

Name:_____

Title:_____

THE STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2022, by Dayna Smith, Vice President on behalf of Wilmington Trust, National Association.

Notary Public, State of Texas

Exhibit “A”

Description of Landowner Property

PROPERTY METES AND BOUNDS DESCRIPTION

38.72 Acres of Land

EXHIBIT B

WAIVER OF SPECIAL APPRAISAL

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
COUNTY OF COLLIN §

 THAT this Waiver of Special Appraisal (this “Waiver”) is made and entered into as of the ____ day of _____, 20____, for the benefit of the City of Lavan, Texas (the “City”) and the Trustee (as defined below), by HMH/Stratford Elevon JV, LLC, a Texas limited liability company (“Landowner”), owner of the property described on Schedule 1 hereto (the “Property”), which Property is located within Elevon Public Improvement District (the “District”), a public improvement district of the City, pursuant to Texas Tax Code Ann. §23.20.

RECITALS

A. The City has the right to levy special assessments on land located within the District pursuant to a separate ordinance enacted by the City Council of the City, which assessments are intended to provide for the financing of certain improvements for the benefit of the District.

B. The purpose of the City in selling its special assessment revenue bonds is to provide, among other things, financing for certain improvements to serve the District (the “Facilities”).

C. Trustee is the trustee described in that certain Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding, and Acquisition Agreement having an effective date of February 1, 2022, by and between the City and MA Elevon 429, LLC (the “Master Developer”), the master developer of the property in the District .

D. In furtherance of this purpose, the City has agreed to fund certain Authorized Improvements that serve and benefit the Property pursuant to that certain Indenture of Trust dated as of January 1, 2022, between the City and the Trustee.

E. Landowner acknowledges that the election by Landowner to claim agricultural use exemptions or valuations arising under Section 23.41, et. seq., of the Texas Tax Code, as amended (collectively, the “Exemptions”), but not including any residential homestead exemption, for the Property would be detrimental to the property valuation base and may significantly impair the ability of the City to meet its debt obligations for its special assessment revenue bonds.

F. Landowner further acknowledges that the exercise of the right to redemption after a tax sale pursuant to Section 34.21 of the Texas Tax Code may impair the City's ability to meet its debt obligations for its special assessment revenue bonds.

WAIVER

Section 1. Waiver of Exemptions. Landowner, on behalf of itself, its successors and assigns, (i) irrevocably waives its right to claim any of the Exemptions with respect to the Property for a period of thirty (30) years beginning on the date this Waiver is received by the Collin County Tax Assessor/Collector (the "Waiver Period"); (ii) authorizes the City and/or the Trustee to file this Waiver with the Chief Appraiser of the Collin Central Appraisal District, or its successors, in accordance with the terms of the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation-Elevon PID having an effective date of February 1, 2022; and (iii) covenants that it will not, during the Waiver Period, if applicable, make any claim for a special appraisal except on written authorization of the Trustee. Landowner acknowledges that it may have the right under Article 8 of the Texas Constitution to assert some or all of the Exemptions which it is waiving herein, and agrees that it shall be estopped from claiming such Exemptions at any time during the Waiver Period, if applicable, provided, however, it is expressly acknowledged and agreed by Landowner that mechanisms for single family residences now available or to be made available by any change in Texas laws for the reduction of ad valorem tax liability or of valuation for the purposes of ad valorem taxes or other assessments with respect to real property, such as exemptions for homesteads, disabled veterans, and elderly homesteads, are not included in the definition of Exemptions and are expressly allowed, to the extent such exemptions would be otherwise available, with respect to the Property.

Section 2. Disclosures of Lienholders. Landowner represents and warrants that Texas Bank and Trust is the lienholder on the Property.

Section 3. Covenants to Run with Land. The terms and provisions hereof shall be deemed to be restrictive covenants encumbering and running with the Property and shall be binding upon the Landowner and its successors and assigns. In particular, each successive purchaser of the Property shall, upon purchase thereof (or such portion thereof) be deemed to have waived its right to claims of the Exemptions with respect to the Property (or such portions thereof) at any time during the Waiver Period, if applicable.

Section 4. Enforceability. The covenants and restrictions binding the Property hereunder shall be enforceable only by the City, the Trustee and their respective successors and assigns. This Waiver is for the sole benefit of the parties hereto, and of the Trustee, and no other third party is intended to be a beneficiary of this Waiver.

Section 5. Termination. This Waiver shall continue in full force and effect until the earlier to occur of the following: (i) the expiration of the Waiver Period; or (ii) such time as the Trustee approves a revocation in writing.

Section 6. Severability. Every provision of this Waiver is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable to the maximum extent permitted by law, it being the intent of the parties hereto to give full force and effect to the agreements made hereunder to the maximum extent permitted by law.

Section 7. Headings. The Section headings are included in this Waiver for convenience of reference only, and shall not be deemed to affect the substantive provisions of this Waiver.

Section 8. Remedies. If Landowner breaches its obligations hereunder, the Trustee or the City (on behalf of the Trustee), in addition to all other remedies set forth herein or otherwise available at law or in equity, shall be entitled to recover from Landowner the amount of assessments that would have been due to the City had Landowner complied with this Waiver. Such payment will be due and payable, and will incur penalties and charges under the same terms as if the payment had been an assessment obligation of Landowner to City.

EXECUTED to be effective as of the date first above written.

HMH/Stratford Elevon JV, LLC,
a Texas limited liability company

By:_____

Name:_____

Title:_____

THE STATE OF TEXAS §

COUNTY OF DALLAS §

THIS INSTRUMENT is acknowledged before me on _____, 2022, by _____, _____ of HMH/Stratford Elevon JV, LLC, a Texas limited liability company, on behalf of said limited liability company.

Notary Public, State of Texas

CONSENT OF LIENHOLDER

_____ (“Lienholder”), being a lienholder on the Property, hereby consents to this Waiver of Special Appraisal (the “Waiver”) and accepts and agrees to the terms and provisions of this Waiver; provided that Lienholder is provided notice and an opportunity to cure pursuant to Section __ of the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation.

LIENHOLDER:

By: _____

Name: _____

Title: _____

THE STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 20__, by _____, the _____ of _____, on behalf of said entity.

Notary Public, State of

After recording, return to:

EXHIBIT “C”

ACKNOWLEDGMENT OF ASSUMPTION AND CONVEYANCE OF RIGHT OF REDEMPTION

This Acknowledgment of Assumption and Conveyance of Right of Redemption (this “Acknowledgment and Agreement”) is entered into effective _____, 20__ by _____, a _____ (whether one or more, the “Buyer”) in favor of the City of Lavon, Texas and the Trustee, as such term is defined in the Redemption Agreement (defined below).

R E C I T A L S

A. WHEREAS, Buyer has purchased and acquired certain land described on **Exhibit A** attached hereto (the “Property”); and

B. WHEREAS, the Property is subject to that certain Agreement Regarding Conveyance of Right of Redemption and Wavier of Agricultural Valuation—Elevon PID, dated on or about February 1, 2022 (the “Redemption Agreement”); and

C. WHEREAS, pursuant to the requirements of the Redemption Agreement, it is a condition to the acquisition of the Property that the Buyer execute this Acknowledgment and Agreement and record same in the Real Property Records of Collin County, Texas; and

D. WHEREAS, the purchase price paid by Buyer for the Property was calculated and determined, in part, based upon the benefits and restrictions applicable to the Property and arising in connection with the Redemption Agreement and the other agreements executed in connection therewith and the requirement that Buyer execute this Acknowledgment and Agreement.

NOW, THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer hereby represents, warrants and agrees as follows:

1. Buyer acknowledges that the Redemption Agreement continues to affect the Property, and that Buyer has assumed, and Buyer hereby does assume and agree to perform, the obligations of the Landowner (as such term is defined in the Redemption Agreement) under the Redemption Agreement with respect to the Property.

2. Buyer hereby grants, sells, conveys and assigns to the Trustee all rights Buyer and its successors and assigns now have or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire, following any foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, any portion of the Property that constitutes Exempt Property (as defined in the Redemption Agreement),

3. Concurrently with the execution and delivery of this Acknowledgment and Agreement, Buyer has executed and has delivered (or will promptly deliver) to the Trustee to be held in escrow a Waiver of Special Appraisal in the form attached as **Exhibit B** to the Redemption Agreement waiving any agricultural use valuation and any right to special appraisal arising based on agricultural use with respect to the Property. Such agreement shall be held in, and released from, escrow in accordance with the provisions of the Redemption Agreement.

BUYER:

This document was acknowledged before me on _____, 20__, by _____, the _____ of _____, a _____, on behalf of said entity.

* Attach description of the Property as **Exhibit A** prior to recording.

EXHIBIT “D”

RELEASE OF OBLIGATIONS AND NOTICE OF TERMINATION

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
COUNTY OF COLLIN §

All rights and obligations under that certain "Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation-Elevon PID" having an effective date of February 1, 2022 (the "*Agreement*") recorded in the real property records of Collin County, Texas, on _____, 2022 at Instrument # _____ ARE HEREBY RELEASED and NOTICE IS HEREBY GIVEN of the termination of the Agreement in accordance with its terms.

EXHIBIT “E”

RELEASE OF REDEMPTION AGREEMENT

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
COUNTY OF _____ §

WHEREAS, the land described in the attached Exhibit “A” (“Property”) is located within the Elevon Public Improvement District (“District”);

WHEREAS, HMH/Stratford Elevon JV, LLC is the owner of the Property (“Owner”);

WHEREAS, the Property is subject to the terms of the Agreement Regarding Conveyance of Right of Redemption And Waiver of Agricultural Valuation – Elevon Public Improvement District with an effective date of February 1, 2022, and recorded in Document No. _____, Official Public Records of Collin County, Texas (“Redemption Agreement”);

WHEREAS, the City of Lavon and the Trustee are parties to the Redemption Agreement;

WHEREAS, pursuant to the Redemption Agreement certain rights to redeem the Property under the Texas Tax Code (as described in the Redemption Agreement) were conveyed to the Trustee (defined below);

WHEREAS, Wilmington Trust, National Association, is the Trustee, as defined in the Redemption Agreement;

WHEREAS, pursuant to Section 2 of the Redemption Agreement, the Trustee is authorized to deliver a Waiver of Agricultural Use to the appropriate Tax Assessor/Collector office in the event that delinquent taxes or Special Assessments are owed on the Property;

WHEREAS, pursuant to Section 2 of the Redemption Agreement, the City and the Trustee are authorized to release property from the terms of the Redemption Agreement; and

WHEREAS, the City and the Trustee have determined that the Property should be released from the terms of the Redemption Agreement;

NOW, THEREFORE, for and in consideration of the above stated premises, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged by the City of Lavon and the Trustee, the City of Lavon and the Trustee do hereby forever release and discharge the Property from all terms, restrictions, covenants and conditions of the Redemption Agreement in its entirety, and release any and all rights that the City of Lavon and the Trustee had, have or may have by virtue of the Redemption Agreement. In no event shall this

release have any impact on land within the District other than the Property described in the attached Exhibit "A".

Trustee has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL, and CONVEY, unto Owner all rights that Trustee and its successors and assigns now have or in the future may have in equity, or under common law, statutory law, the Constitution of the State of Texas or otherwise in the "Tax Redemption Rights," as defined in the Redemption Agreement with respect to the Property described in the attached Exhibit "A".

TO HAVE AND TO HOLD the Tax Redemption Rights in the Property, described in the attached Exhibit "A", belonging in any way to Trustee, unto the Owner, its successors and assigns, forever, and Trustee does hereby bind itself and its respective successors and assigns, to WARRANT AND FOREVER DEFEND all and singular, the Tax Redemption Rights in the Property, described in the attached Exhibit "A", unto the Owner, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof by, through, or under Trustee, but not otherwise.

[SIGNATURE PAGE FOLLOWS]

WITNESS THE EXECUTION HEREOF this the ____ day of _____, 20__.

City of Lavon

By:_____

THE STATE OF TEXAS §

§

COUNTY OF COLLIN §

 This instrument was acknowledged before me on _____, 20__, by
_____, the _____ of the City of Lavon, Texas, a Type a
general law city, on behalf of said city.

Notary Public, State of Texas

WITNESS THE EXECUTION HEREOF this the ____ day of _____, 20____.

Trustee

By:_____

THE STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____,
20__, by _____, the _____ of _____,
on behalf of said entity.

Notary Public, State of _____

* Attached description of the Land as **Exhibit A** prior to recording.

After Recording Mail to:

**AGREEMENT REGARDING CONVEYANCE OF RIGHT OF REDEMPTION AND
WAIVER OF AGRICULTURAL VALUATION**

ELEVON PID

THIS AGREEMENT REGARDING CONVEYANCE OF RIGHT OF REDEMPTION AND WAIVER OF AGRICULTURAL VALUATION—ELEVON PID (“Agreement”), dated February 1, 2022 (the “Effective Date”), by and among UMH Development, LLC, a Texas limited liability company, and its successors and assigns (“Landowner”), the CITY OF LAVON, TEXAS (the “City”), acting by and through its duly authorized representative, and WILMINGTON TRUST, NATIONAL ASSOCIATION and any successor thereto (“Trustee”). Capitalized terms not defined herein have the meaning ascribed to them in the Construction Funding Agreement (defined below).

RECITALS

A. WHEREAS, on November 2, 2021, the City Council authorized the formation of Elevon Public Improvement District pursuant to Resolution No. 2021-11-07 (the “District”) in accordance with Chapter 372 of the Texas Local Government Code, as amended. Landowner owns property within an area of the District designated as the Zone 1 Remainder Area, which property contains approximately 12.972 acres of land located in Collin County, Texas and is more particularly described on **Exhibit “A”** attached hereto (the “Property”); and

B. WHEREAS, Landowner intends to develop the Property as a residential development; and

C. WHEREAS, the City has entered into that certain Elevon Development Agreement dated November 2, 2021 (the “Development Agreement”), with MA Elevon 429, LLC, a Texas limited liability company (the “Master Developer”), Petro-Hunt, LLC, Far East Lavon, LP, 78 Straddle, LP, East Lavon Partners, LP, and World Land Developers, LP for the development of property within the District, including the Property; and

D. WHEREAS, the Property was acquired by the Landowner from the Master Developer and is subject to the terms of the Development Agreement; and

E. WHEREAS, the Master Developer proposes to construct certain Authorized Improvements to serve and benefit the Property and transfer certain of those improvements to the City in accordance with the terms and provisions of the Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding, and Acquisition Agreement, dated as of February 1, 2022, between the Master Developer and the City (the “Construction Funding Agreement”); and

F. WHEREAS, the City has adopted an Assessment Ordinance on January 11, 2022, a Service and Assessment Plan, and has levied assessments (the “Zone 1 Remainder Area Assessments”) on all or a portion of the Property (“Assessed Property”) and, the City will issue

the Bonds, subject to the Indenture, for payment of costs associated with construction and/or acquisition of the Zone 1 Remainder Area Projects; and

G. WHEREAS, as a condition precedent to the City's performance of its obligations under the Construction Funding Agreement, Landowner has agreed to (a) convey to the Trustee all rights to redeem any portion of the Property, which is Assessed Property and that has an agricultural use valuation, following a tax sale, and (b) execute and deliver into escrow with the Trustee a waiver of agricultural use valuation as described in Section 2 hereof; and

H. WHEREAS, Wilmington Trust, National Association is the trustee under the Indenture;

NOW, THEREFORE, in consideration of the premises set forth above, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto hereby agree as follows:

SECTION 1. CONVEYANCE OF RIGHT OF REDEMPTION.

Landowner has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL, and CONVEY, unto the Trustee all rights that Landowner and its successors and assigns now have or in the future may have in equity, or under common law, statutory law, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire those portions of the Property that are Assessed Property and are designated and claimed for agricultural use as described in Section 23.41 of the Texas Tax Code (the "Non-Redeemable Property") following a foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended ("Tax Redemption Rights").

TO HAVE AND TO HOLD the Tax Redemption Rights in the Non-Redeemable Property belonging in any way to Landowner, unto the Trustee, its successors and assigns, forever, subject to the restrictions and reservations set forth herein, so that neither Landowner nor Landowner's successors and assigns, nor any other person claiming by, through or under Landowner, shall at any time hereafter have, claim or demand any right, title, or interest in and to the Tax Redemption Rights in the Non-Redeemable Property or any part thereof, except as expressly provided in this Agreement.

(a) Restrictions and Reservations.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that if all or a portion of the Non-Redeemable Property ceases to be Assessed Property, as shown on the Zone 1 Remainder Area Assessment Roll maintained by the City, then the owner of such land shall have the right to assume ownership of the Tax Redemption Rights for said portion of the Non-Redeemable Property. Upon written request by an owner of land that is Non-Redeemable Property that has ceased to be

Assessed Property, the City and the Trustee, following receipt of written direction from the City, shall execute a Release of Redemption Agreement, in the form attached hereto as **Exhibit “E.”**

(b) Restriction Against Redemption of Non-Redeemable Property.

In the event that a court of competent jurisdiction enters a final judgment that the foregoing conveyance of Tax Redemption Rights is not effective, the Landowner hereby absolutely, unconditionally and irrevocably waives, releases, relinquishes and surrenders, on behalf of itself and its successors and assigns, and agrees not to assert or exercise any and all Tax Redemption Rights it now has or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire any portion of the Property that is Non-Redeemable Property following a sale for failing to pay the Zone 1 Remainder Area Assessments levied under the Assessment Ordinance, a foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended.

SECTION 2. DEPOSIT OF FUNDS WITH TRUSTEE/WAIVER OF AGRICULTURAL USE VALUATION.

(a) Landowner Property Tax Account. Concurrently with the closing on the Bonds for the Property, the Landowner will deposit \$6,392.33 with the Trustee in the Landowner Property Tax Account of the Property Tax Fund pursuant to the Indenture (“Landowner Property Tax Account”) which is estimated to be two years of ad valorem taxes levied by all taxing units on the portion of the Property subject to agricultural valuation for the calendar years 2022 and 2023. Trustee is instructed to hold the Landowner Property Tax Account in cash until such time it receives further instruction from the City to either (i) return the funds to the Landowner; or (ii) deliver the funds to the City if, and only if, the Agricultural Use Waiver is released to the City under Section 2(b) below; provided however, if on the eighth anniversary of the execution of this Agreement (the “Anniversary Date”), the Trustee has not received instruction from the City, then it shall return such funds to the Landowner within thirty (30) days of the Anniversary Date and this Agreement shall terminate subject to the return of the Agricultural Use Waiver as described in Section 2(b) below.

(b) Delivery of Agricultural Use Waiver Into Escrow. Concurrently with the execution and delivery of this Agreement and the deposit of monies into the Landowner Property Tax Account, Landowner has delivered or will promptly deliver to the Trustee five (5) originals of an executed waiver of agricultural use valuation (the “Agricultural Use Waiver”) waiving any agricultural use valuation and any right to special appraisal arising based on agricultural use with respect to Non-Redeemable Property. Such Agricultural Use Waiver shall be in the form thereof attached hereto as **Exhibit “B”** and made a part hereof for all purposes.

(c) Authorization to File Agricultural Use Waiver.

(i) Prior to the Trustee taking any action described in subsection 2(c)(ii) below, the Trustee shall pay past due or delinquent taxes using funds in the Landowner Property Tax Account of the Administrative Fund held under the Indenture. If the funds in the applicable Landowner Property Tax Account are not sufficient to pay all past due ad valorem taxes, including any accrued interest and penalties, then the Trustee shall notify the Landowner and Pegasus Bank (as lender on the development loan relating to the Assessed Property), and any successor to Pegasus Bank (the "Lender") of such deficiency and provide the Landowner and the Lender thirty (30) days to deliver to the Trustee the requisite amount of funds to pay all past due taxes and restore the applicable Landowner Property Tax Account.

(ii) In the event that any taxes secured by a lien against any portion of the Non-Redeemable Property have not been paid by March 1st following the year for which such taxes are levied, the Trustee shall provide the Lender notice of the deficiency and provide the Lender ten (10) days to cure said deficiency. If the Lender fails to cure the deficiency, Trustee shall (unless otherwise instructed by holders of not less than twenty percent (20%) of the Bonds secured by the applicable Indenture then outstanding) and the Landowner hereby irrevocably authorizes the Trustee to, release the Agricultural Use Waiver from escrow and deliver same to the Collin County Tax Assessor/Collector or its successor. The Trustee shall, and the Landowner further authorizes the Trustee to, attach to the Agricultural Use Waiver a description of that portion of the Non-Redeemable Property for which taxes are delinquent; provided, the Trustee shall verify with the City the descriptions of the Non-Redeemable Property to be attached to such waiver. In the event that the Trustee receives notice that delinquent taxes and all penalties and interest have been paid prior to Trustee's transmittal of the Agricultural Use Waiver to the Collin County Tax Assessor/Collector or its successor, then Trustee shall not transmit the Waiver of Agricultural Use to the Collin County Tax Assessor/Collector and such waiver shall be returned to escrow. In the event that the number of Agricultural Use Waivers held by Trustee is less than two (2) and some portion of the Property is Non-Redeemable Property, the Landowner agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by the Landowner; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by the Landowner, if the Landowner does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee. Notwithstanding anything to the contrary contained herein, the Lender is under no obligation to cure any deficiency.

(iii) Except as provided in Section 2(c)(iv), in the event that any Assessments levied by the City pursuant to the Assessment Ordinance that are secured by a lien against any portion of the Non-Redeemable Property have not been paid by March 1st following the year for which such Assessments are levied (or ten (10) days before such Assessments become delinquent, if earlier), the Trustee shall provide the Lender notice of the failure to pay Assessments and provide the Lender ten (10) days to cure such failure. If the Lender fails to cure, the Trustee shall (unless otherwise instructed by holders of not less than twenty percent (20%) of the Bonds secured by the Indenture then outstanding) and the Landowner hereby irrevocably authorizes the Trustee to, release the Agricultural Use Waiver from escrow and deliver same to the Collin County Tax Assessor/Collector or its successor. The Trustee shall, and the Landowner further authorizes the Trustee to, attach to the Agricultural Use Waiver a description of that portion of the Non-

Redeemable Property for which Assessments are delinquent. In the event that the number of Agricultural Use Waivers held by Trustee is less than two (2) and some portion of the Property is Non-Redeemable, the Landowner agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by the Landowner; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by the Landowner, if the Landowner does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee. Notwithstanding anything to the contrary contained herein, the Lender is under no obligation to cure the failure to pay.

(iv) If, by case law, statute or an opinion of the Attorney General of the State of Texas it is determined that Tax Redemption Rights do not apply to the Assessments levied in the District, then Section 2(c)(iii) shall immediately become non-operative and non-effective upon Trustee's receipt of written notice of such decision, statute or opinion.

SECTION 3. REPRESENTATIONS AND WARRANTIES.

The Landowner hereby represents and warrants to the City as follows:

(a) The Landowner represents and warrants that it is a limited liability company duly organized and validly existing under the laws of the State of Texas, is qualified to do business in and is in good standing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Landowner represents and warrants that it has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Landowner.

(c) The Landowner represents and warrants that this Agreement is a valid and enforceable obligation of the Landowner and is enforceable against the Landowner in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

SECTION 4. DEFAULT AND REMEDIES.

In the event that the Landowner shall violate, or indicate that the Landowner intends to violate, any of the terms and provisions set forth in this Agreement, in addition to any other remedies available at law or in equity, the Trustee shall have the right to sue for and obtain a prohibitive or mandatory injunction or any other equitable remedy to prevent the breach of, or to enforce the observance of, the terms of this Agreement. The foregoing remedies shall be cumulative with, in addition to, and non-exclusive of one another, and the exercise of any one

remedy shall not bar the exercise of any other remedy. In the event of any legal action commenced by the Trustee to enforce the obligations of the Landowner hereunder, the Trustee shall be entitled to recover its reasonable attorney's fees and costs. The Trustee shall provide thirty (30) days' notice to the Lender prior to taking any enforcement action. Notwithstanding anything to the contrary set forth in this Agreement, the obligations of Landowner under this Agreement shall be several, not joint.

SECTION 5. MISCELLANEOUS.

(a) Term of Agreement. This Agreement shall continue in full force and effect until the earlier of: (i) the date the Trustee receives instruction from the City under Section 2(a)-(b) to return of monies in the Landowner Property Tax Account and the Agricultural Use Waiver to the Landowner and (ii) no obligations remain outstanding under the Indenture.

(b) Covenants Run with the Land; Transfers of the Property. This Agreement shall be recorded in the deed records of Collin County, Texas, and shall run with the land and the ownership of any Non-Redeemable Property, act as an appurtenant burden on the Non-Redeemable Property and shall be binding upon the Non- Redeemable Property and all owners, tenants, subtenants, licensees, assignees and occupants thereof and any other party having any interest therein. Upon the acquisition by any party of any interest in the Non-Redeemable Property, (a) such party shall automatically and without further action by such party or any other party be deemed to have assumed and agreed to be bound by this Agreement from and after the date of such transfer, and (b) the Landowner shall be released of liability with respect to the transferred interest in the Non-Redeemable Property from and after the date of such transfer, but not prior thereto. Without limiting the foregoing, any party who acquires a fee interest in any portion of the Non-Redeemable Property ("Subsequent Owner") shall, and hereby shall be deemed to have agreed to, (i) execute and record in the Real Property Records of Collin County, Texas, promptly following the recording of the conveyance instrument, an agreement in the form attached hereto as **Exhibit "C"** (the "Acknowledgment and Agreement") to acknowledge that such party is subject to the terms of this Agreement, expressly agreeing to comply with the terms and provisions of this Agreement applicable to the portion of the Non-Redeemable Property acquired by such party, and waiving such party's right to redeem such portion of the Non-Redeemable Property, and (ii) execute and deliver to the Trustee, concurrently with the recording of the Acknowledgment and Agreement, five (5) Agricultural Use Waivers in the form attached hereto as **Exhibit "B"** for that portion of the Non-Redeemable Property acquired by such party. In the event that the number of Agricultural Use Waivers signed by a Subsequent Owner that are held by Trustee is less than two (2) and some portion of the Property owned by the Subsequent Owner is Non-Redeemable Property, such Subsequent Owner agrees to promptly execute and deliver to the Trustee, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by such Subsequent Owner; provided, however, the Trustee shall deliver to the Collin County Tax Assessor/Collector or its successor an Agricultural Use Waiver

with respect to the remaining Non-Redeemable Property owned by a Subsequent Owner that has not paid taxes or Assessments as required by this Agreement, if said Subsequent Owner does not execute and deliver to the Trustee such additional Agricultural Waivers within thirty (30) days of a written request by the Trustee.

(c) Release of Obligations and Notice of Termination. Upon termination of this Agreement pursuant to Section 5(a), the Trustee shall record the Release of Obligations and Notice of Termination of this Agreement in the form attached hereto as **Exhibit "D"** in the deed records of Collin County, Texas.

(d) **INDEMNIFICATION.** LANDOWNER AND SUBSEQUENT OWNERS, SEVERALLY SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, DEFEND, INDEMNIFY AND HOLD HARMLESS TRUSTEE AND EACH DIRECTOR, OFFICER, EMPLOYEE, ATTORNEY, AGENT AND AFFILIATE OF TRUSTEE AND CITY (COLLECTIVELY, THE **"INDEMNIFIED PARTIES"**) AGAINST ANY AND ALL ACTIONS, CLAIMS (WHETHER OR NOT VALID), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES OF ANY KIND OR NATURE WHATSOEVER (INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES, COSTS AND EXPENSES) INCURRED BY OR ASSERTED AGAINST ANY OF THE INDEMNIFIED PARTIES AS A RESULT OF OR ARISING FROM OR IN ANY WAY RELATING TO ANY CLAIM, DEMAND, SUIT, ACTION OR PROCEEDING BY ANY PERSON, INCLUDING WITHOUT LIMITATION SUCH LANDOWNER, ASSERTING A CLAIM FOR ANY LEGAL OR EQUITABLE REMEDY AGAINST ANY PERSON ARISING FROM OR IN CONNECTION WITH THE NEGOTIATING, EXECUTION, PERFORMANCE OR FAILURE OF PERFORMANCE OF THIS AGREEMENT BY LANDOWNER OR SUCH SUBSEQUENT OWNER, AS APPLICABLE, WHETHER OR NOT ANY SUCH INDEMNIFIED PARTY IS A PARTY TO ANY SUCH SUIT, ACTION OR PROCEEDING; PROVIDED, HOWEVER, THAT NO INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO BE INDEMNIFIED HEREUNDER FOR ANY LIABILITY FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION, SUBJECT TO NO FURTHER APPEAL, TO HAVE RESULTED SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY. IT BEING THE EXPRESSED INTENTION OF THE PARTIES THAT THE INDEMNIFIED PARTIES ARE TO BE HELD HARMLESS AND INDEMNIFIED FOR THEIR OWN NEGLIGENCE.

(e) Trustee's Fees. The Trustee shall not charge a fee for the performance of services hereunder.

(f) Material Agreement. The Landowner acknowledges that the agreements and obligations of the Parties set forth herein are a material inducement to the City's entering into the Construction Funding Agreement, that the Landowner is represented by counsel of its own choice

with respect to this Agreement, and that the Landowner is entering into this Agreement freely and voluntarily and not acting under coercion or duress.

(g) Binding Effect. This Agreement shall be binding upon the Landowner and its successors, receivers, trustees, and assigns and shall inure to the benefit of the City, the Trustee and the successors and assigns of the City and Trustee.

(h) Amendments. This Agreement may be modified or amended only by a written agreement executed by the Trustee, the City, and each owner of the portion of the Non-Redeemable Property to be affected by such amendment and recorded in the Official Public Records of Collin County, Texas.

(i) Severability; No Waiver. If any provision of this Agreement is held invalid or unenforceable, no other provision of this Agreement will be affected by such holding and all other provisions of this Agreement will continue in full force and effect. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement will not be deemed a waiver of such requirement or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

(j) Notices. Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the address set forth below or at such other address as may be specified in writing by any Party hereto to the other parties hereto.

If to the City:

Attn: Kim Dobbs, City Administrator
City of Lavon
P.O. Box 340
120 School Road
Lavon, Texas 75009
E-mail: kim.dobbs@cityoflavon.org
TEL: (972) 843-4220
FAX: (972) 843-0397

With a copy to:

Attn: Julie Fort
Messer, Fort & McDonald, PLLC
6371 Preston Rd., Ste. 200
Frisco, Texas 75034
E-mail: julie@txmunicipallaw.com
TEL: (972) 668-6400
FAX: (972) 668-6414

To the Landowner:

Attn: Dennis Pitt
UMH Development, LLC
5001 LBJ Freeway, Suite 450
Dallas, Texas 75244

dpitt@jtgholdings.com

With a copy to:

Miklos Cinclair, PLLC
Attn: Robert Miklos
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75264
E-mail: Robert@m-clegal.com

If to Trustee:

Wilmington Trust, National Association
Attn: Dayna L. Smith
15950 North Dallas Parkway, Suite 550
Dallas, TX 75248
TEL: 972-383-3154

(j) Third Party Beneficiaries. The provisions of this Agreement are and will be for the benefit of the Parties, the Trustee and the holders of the Bonds only and are not for the benefit of any other third party and, accordingly, no other third party shall have the right to enforce the provisions of this Agreement.

(k) Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties to this Agreement have caused this Agreement to be executed by their duly authorized representatives on dates set forth in the acknowledgements below, to be effective as of the day and year first above written.

CITY OF LAVON, TEXAS

By: _____
Vicki Sanson, Mayor

ATTEST:

By: _____
Kim Dobbs, City Administrator

THE STATE OF TEXAS §

COUNTY OF COLLIN §

This instrument was acknowledged before me on _____, 2022, by Vicki Sanson, Mayor, on behalf of said City of Lavon, Texas.

Notary Public, State of Texas

UMH Development, LLC,
a Texas limited liability company

By:_____

Name:_____

Title:_____

THE STATE OF TEXAS §

COUNTY OF COLLIN §

THIS INSTRUMENT is acknowledged before me on _____, 2022, by
_____, _____ of UMH Development, LLC, a Texas limited liability
company, on behalf of said limited liability company.

Notary Public, State of Texas

WILMINGTON TRUST, NATIONAL ASSOCIATION

By:_____

Name:_____

Title:_____

THE STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2022, by Dayna Smith, Vice President on behalf of Wilmington Trust, National Association.

Notary Public, State of Texas

Exhibit “A”

Description of Landowner Property

PROPERTY METES AND BOUNDS DESCRIPTION

12.972 Acres of Land

EXHIBIT B

WAIVER OF SPECIAL APPRAISAL

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
COUNTY OF COLLIN §

 THAT this Waiver of Special Appraisal (this “Waiver”) is made and entered into as of the ____ day of _____, 20____, for the benefit of the City of Lavon, Texas (the “City”) and the Trustee (as defined below), by UMH Development, LLC, a Texas limited liability company (“Landowner”), owner of the property described on Schedule 1 hereto (the “Property”), which Property is located within Elevon Public Improvement District (the “District”), a public improvement district of the City, pursuant to Texas Tax Code Ann. §23.20.

RECITALS

 A. The City has the right to levy special assessments on land located within the District pursuant to a separate ordinance enacted by the City Council of the City, which assessments are intended to provide for the financing of certain improvements for the benefit of the District.

 B. The purpose of the City in selling its special assessment revenue bonds is to provide, among other things, financing for certain improvements to serve the District (the “Facilities”).

 C. Trustee is the trustee described in that certain Elevon Public Improvement District Zone 1 Remainder Area Construction, Funding, and Acquisition Agreement having an effective date of February 1, 2022, by and between the City and MA Elevon 429, LLC (the “Master Developer”), the master developer of the property in the District .

 D. In furtherance of this purpose, the City has agreed to fund certain Authorized Improvements that serve and benefit the Property pursuant to that certain Indenture of Trust dated as of January 1, 2022, between the City and the Trustee.

 E. Landowner acknowledges that the election by Landowner to claim agricultural use exemptions or valuations arising under Section 23.41, et. seq., of the Texas Tax Code, as amended (collectively, the “Exemptions”), but not including any residential homestead exemption, for the Property would be detrimental to the property valuation base and may significantly impair the ability of the City to meet its debt obligations for its special assessment revenue bonds.

F. Landowner further acknowledges that the exercise of the right to redemption after a tax sale pursuant to Section 34.21 of the Texas Tax Code may impair the City's ability to meet its debt obligations for its special assessment revenue bonds.

WAIVER

Section 1. Waiver of Exemptions. Landowner, on behalf of itself, its successors and assigns, (i) irrevocably waives its right to claim any of the Exemptions with respect to the Property for a period of thirty (30) years beginning on the date this Waiver is received by the Collin County Tax Assessor/Collector (the "Waiver Period"); (ii) authorizes the City and/or the Trustee to file this Waiver with the Chief Appraiser of the Collin Central Appraisal District, or its successors, in accordance with the terms of the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation-Elevon PID having an effective date of February 1, 2022; and (iii) covenants that it will not, during the Waiver Period, if applicable, make any claim for a special appraisal except on written authorization of the Trustee. Landowner acknowledges that it may have the right under Article 8 of the Texas Constitution to assert some or all of the Exemptions which it is waiving herein, and agrees that it shall be estopped from claiming such Exemptions at any time during the Waiver Period, if applicable, provided, however, it is expressly acknowledged and agreed by Landowner that mechanisms for single family residences now available or to be made available by any change in Texas laws for the reduction of ad valorem tax liability or of valuation for the purposes of ad valorem taxes or other assessments with respect to real property, such as exemptions for homesteads, disabled veterans, and elderly homesteads, are not included in the definition of Exemptions and are expressly allowed, to the extent such exemptions would be otherwise available, with respect to the Property.

Section 2. Disclosures of Lienholders. Landowner represents and warrants that Pegasus Bank is the lienholder on the Property.

Section 3. Covenants to Run with Land. The terms and provisions hereof shall be deemed to be restrictive covenants encumbering and running with the Property and shall be binding upon the Landowner and its successors and assigns. In particular, each successive purchaser of the Property shall, upon purchase thereof (or such portion thereof) be deemed to have waived its right to claims of the Exemptions with respect to the Property (or such portions thereof) at any time during the Waiver Period, if applicable.

Section 4. Enforceability. The covenants and restrictions binding the Property hereunder shall be enforceable only by the City, the Trustee and their respective successors and assigns. This Waiver is for the sole benefit of the parties hereto, and of the Trustee, and no other third party is intended to be a beneficiary of this Waiver.

Section 5. Termination. This Waiver shall continue in full force and effect until the earlier to occur of the following: (i) the expiration of the Waiver Period; or (ii) such time as the Trustee approves a revocation in writing.

Section 6. Severability. Every provision of this Waiver is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable to the maximum extent permitted by law, it being the intent of the parties hereto to give full force and effect to the agreements made hereunder to the maximum extent permitted by law.

Section 7. Headings. The Section headings are included in this Waiver for convenience of reference only, and shall not be deemed to affect the substantive provisions of this Waiver.

Section 8. Remedies. If Landowner breaches its obligations hereunder, the Trustee or the City (on behalf of the Trustee), in addition to all other remedies set forth herein or otherwise available at law or in equity, shall be entitled to recover from Landowner the amount of assessments that would have been due to the City had Landowner complied with this Waiver. Such payment will be due and payable, and will incur penalties and charges under the same terms as if the payment had been an assessment obligation of Landowner to City.

EXECUTED to be effective as of the date first above written.

UMH Development, LLC,
a Texas limited liability company

By:_____

Name:_____

Title:_____

THE STATE OF TEXAS §

COUNTY OF DALLAS §

THIS INSTRUMENT is acknowledged before me on _____, 2022, by _____, _____ of UMH Development, LLC, a Texas limited liability company, on behalf of said limited liability company.

Notary Public, State of Texas

CONSENT OF LIENHOLDER

_____ (“Lienholder”), being a lienholder on the Property, hereby consents to this Waiver of Special Appraisal (the “Waiver”) and accepts and agrees to the terms and provisions of this Waiver; provided that Lienholder is provided notice and an opportunity to cure pursuant to Section ___ of the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation.

LIENHOLDER:

By: _____

Name: _____

Title: _____

THE STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 20__, by _____, the _____ of _____, on behalf of said entity.

Notary Public, State of

After recording, return to:

EXHIBIT “C”

ACKNOWLEDGMENT OF ASSUMPTION AND CONVEYANCE OF RIGHT OF REDEMPTION

This Acknowledgment of Assumption and Conveyance of Right of Redemption (this “Acknowledgment and Agreement”) is entered into effective _____, 20__ by _____, a _____ (whether one or more, the “Buyer”) in favor of the City of Lavon, Texas and the Trustee, as such term is defined in the Redemption Agreement (defined below).

R E C I T A L S

A. WHEREAS, Buyer has purchased and acquired certain land described on **Exhibit A** attached hereto (the “Property”); and

B. WHEREAS, the Property is subject to that certain Agreement Regarding Conveyance of Right of Redemption and Wavier of Agricultural Valuation—Elevon PID, dated on or about February 1, 2022 (the “Redemption Agreement”); and

C. WHEREAS, pursuant to the requirements of the Redemption Agreement, it is a condition to the acquisition of the Property that the Buyer execute this Acknowledgment and Agreement and record same in the Real Property Records of Collin County, Texas; and

D. WHEREAS, the purchase price paid by Buyer for the Property was calculated and determined, in part, based upon the benefits and restrictions applicable to the Property and arising in connection with the Redemption Agreement and the other agreements executed in connection therewith and the requirement that Buyer execute this Acknowledgment and Agreement.

NOW, THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer hereby represents, warrants and agrees as follows:

1. Buyer acknowledges that the Redemption Agreement continues to affect the Property, and that Buyer has assumed, and Buyer hereby does assume and agree to perform, the obligations of the Landowner (as such term is defined in the Redemption Agreement) under the Redemption Agreement with respect to the Property.

2. Buyer hereby grants, sells, conveys and assigns to the Trustee all rights Buyer and its successors and assigns now have or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire, following any foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, any portion of the Property that constitutes Exempt Property (as defined in the Redemption Agreement),

3. Concurrently with the execution and delivery of this Acknowledgment and Agreement, Buyer has executed and has delivered (or will promptly deliver) to the Trustee to be held in escrow a Waiver of Special Appraisal in the form attached as **Exhibit B** to the Redemption Agreement waiving any agricultural use valuation and any right to special appraisal arising based on agricultural use with respect to the Property. Such agreement shall be held in, and released from, escrow in accordance with the provisions of the Redemption Agreement.

BUYER:

This document was acknowledged before me on _____, 20__, by _____, the _____ of _____, a _____, on behalf of said entity.

* Attach description of the Property as **Exhibit A** prior to recording.

EXHIBIT “D”

RELEASE OF OBLIGATIONS AND NOTICE OF TERMINATION

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
COUNTY OF COLLIN §

All rights and obligations under that certain "Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation-Elevon PID" having an effective date of February 1, 2022 (the "*Agreement*") recorded in the real property records of Collin County, Texas, on _____, 2022 at Instrument # _____ ARE HEREBY RELEASED and NOTICE IS HEREBY GIVEN of the termination of the Agreement in accordance with its terms.

EXHIBIT “E”

RELEASE OF REDEMPTION AGREEMENT

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
COUNTY OF _____ §

WHEREAS, the land described in the attached Exhibit “A” (“Property”) is located within the Elevon Public Improvement District (“District”);

WHEREAS, UMH Development, LLC is the owner of the Property (“Owner”);

WHEREAS, the Property is subject to the terms of the Agreement Regarding Conveyance of Right of Redemption And Waiver of Agricultural Valuation – Elevon Public Improvement District with an effective date of February 1, 2022, and recorded in Document No. _____, Official Public Records of Collin County, Texas (“Redemption Agreement”);

WHEREAS, the City of Lavon and the Trustee are parties to the Redemption Agreement;

WHEREAS, pursuant to the Redemption Agreement certain rights to redeem the Property under the Texas Tax Code (as described in the Redemption Agreement) were conveyed to the Trustee (defined below);

WHEREAS, Wilmington Trust, National Association, is the Trustee, as defined in the Redemption Agreement;

WHEREAS, pursuant to Section 2 of the Redemption Agreement, the Trustee is authorized to deliver a Waiver of Agricultural Use to the appropriate Tax Assessor/Collector office in the event that delinquent taxes or Special Assessments are owed on the Property;

WHEREAS, pursuant to Section 2 of the Redemption Agreement, the City and the Trustee are authorized to release property from the terms of the Redemption Agreement; and

WHEREAS, the City and the Trustee have determined that the Property should be released from the terms of the Redemption Agreement;

NOW, THEREFORE, for and in consideration of the above stated premises, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged by the City of Lavon and the Trustee, the City of Lavon and the Trustee do hereby forever release and discharge the Property from all terms, restrictions, covenants and conditions of the Redemption Agreement in its entirety, and release any and all rights that the City of Lavon and the Trustee had, have or may have by virtue of the Redemption Agreement. In no event shall this

release have any impact on land within the District other than the Property described in the attached Exhibit "A".

Trustee has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL, and CONVEY, unto Owner all rights that Trustee and its successors and assigns now have or in the future may have in equity, or under common law, statutory law, the Constitution of the State of Texas or otherwise in the "Tax Redemption Rights," as defined in the Redemption Agreement with respect to the Property described in the attached Exhibit "A".

TO HAVE AND TO HOLD the Tax Redemption Rights in the Property, described in the attached Exhibit "A", belonging in any way to Trustee, unto the Owner, its successors and assigns, forever, and Trustee does hereby bind itself and its respective successors and assigns, to WARRANT AND FOREVER DEFEND all and singular, the Tax Redemption Rights in the Property, described in the attached Exhibit "A", unto the Owner, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof by, through, or under Trustee, but not otherwise.

[SIGNATURE PAGE FOLLOWS]

WITNESS THE EXECUTION HEREOF this the ____ day of _____, 20__.

City of Lavon

By:_____

THE STATE OF TEXAS §

§

COUNTY OF COLLIN §

 This instrument was acknowledged before me on _____, 20__, by
_____, the _____ of the City of Lavon, Texas, a Type a
general law city, on behalf of said city.

Notary Public, State of Texas

WITNESS THE EXECUTION HEREOF this the ____ day of _____, 20____.

Trustee

By:_____

THE STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____,
20__, by _____, the _____ of _____,
on behalf of said entity.

Notary Public, State of _____

* Attached description of the Land as **Exhibit A** prior to recording.

After Recording Mail to:

CITY OF LAVON, TEXAS
RESOLUTION NO. 2022-02-05

TIRZ No. 2 – Reimbursement Agreement

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAVON,
TEXAS APPROVING A REIMBURSEMENT AGREEMENT WITH MA
ELEVON 429, LLC.**

WHEREAS, the City of Lavon, Texas (hereinafter referred to as the “City”), pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as the “Act”), may designate a geographic area within the extraterritorial jurisdiction of the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, on October 19, 2021, the City Council of the City (the “City Council”) opened a public hearing in accordance with Section 311.003(c) of the Act and interested persons were allowed to speak for or against the creation of the Tax Increment Reinvestment Zone Number Two of the City (the “Zone”), the boundaries of the Zone, and the concept of tax increment financing, and owners of property in the proposed Zone were given a reasonable opportunity to protest the inclusion of their property in the Zone; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on October 19, 2021; and

WHEREAS, on October 19, 2021, the City Council approved Ordinance No. 2021-10-07, establishing the Zone; and

WHEREAS, on February 1, 2022, the Board of Directors of the Zone reviewed the “TIRZ No. 2 Reimbursement Agreement”, a copy of which is attached hereto as **Exhibit A** and incorporated herein (herein after referred to as the “Agreement”), as described by and in connection with the “Elevon Development Agreement” between the City and MA elevon 429, LLC, a Texas limited liability company and Petro-Hunt, LLC, a Texas limited liability company, Far East Lavon, LP, a Texas limited partnership, 78 Straddle, LP, a Texas limited partnership, East Lavon Partners, LP, a Texas limited partnership, and World Land Developers, LP, a Texas limited liability company, approved by the City on November 2, 2021 (the “Development Agreement”) and adopted Resolution No. **TIRZ-2022-02-01** approving and recommending that the City Council approve the Agreement; and

WHEREAS, the City Council has reviewed the Agreement and recommendation of the Board of Directors of the Zone and determined that the Agreement will promote the development and redevelopment of the Zone, will significantly enhance the value of the taxable real property in the Zone, and will be of general benefit to the City.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAVON, THAT:

SECTION 1. FINDINGS. Each and every one of the recitals, findings, and determinations contained in the preamble to this Resolution is incorporated into the body of this Resolution as if fully set forth herein and are hereby found and declared to be true and correct legislative findings and are adopted as part of this Resolution for all purposes.

SECTION 2. SUFFICIENCY. The Agreement has been reviewed by the City Council and, to the City Council's reasonable knowledge and belief, and except to the extent conflicts are described in such following documents, conforms with and satisfies all requirements set forth in the Act, the "Tax Increment Reinvestment Zone Number Two Final Project and Finance Plan" approved by the City on January 18, 2022, and the Development Agreement.

SECTION 3. APPROVAL. The City Council hereby approves the Agreement.

SECTION 4. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Resolution, or the application thereto to any persons or circumstances, is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Resolution; and the City Council hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 5. EFFECTIVE DATE. This Resolution shall become effective from and after its date of passage in accordance with law.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LAVON, THIS
1st DAY OF FEBRUARY, 2022.**

Vicki Sanson, Mayor

ATTEST:

Rae Norton, City Secretary

Exhibit A
TIRZ No. 2 Reimbursement Agreement

TIRZ NO. 2 REIMBURSEMENT AGREEMENT

This TIRZ No. 2 Reimbursement Agreement (the “Agreement”) is entered into as of the ____ day of ____, 2022 (the “Effective Date”), by and between the **CITY OF LAVON**, Texas, a type A general law municipality situated in Collin County, Texas (the “City”), **MA ELEVEN 429, LLC**, a Texas limited liability company (the “Developer”), and the **BOARD OF DIRECTORS** (the “Board”) of Reinvestment Zone Number Two, City of Lavon, Texas (the “TIRZ”) created pursuant to the provisions of Chapter 311, Texas Tax Code, as amended (the “Act” or “TIRZ Act”).

RECITALS

WHEREAS, the City, the Developer, and the Board are sometimes collectively referenced in this Agreement as “Parties” or, each individually, as a “Party”; and

WHEREAS, the TIRZ was created pursuant to Ordinance No. 2021-10-07, adopted by the City Council of the City (the “City Council”) on October 19, 2021, pursuant to the Act; and

WHEREAS, on November 2, 2021, the City created the Eleven Public Improvement District, pursuant to Chapter 372, Texas Local Government Code, as amended (the “District”), the boundaries of the District being described by metes and bounds and depicted on **Exhibit A** attached hereto and made a part hereof for all purposes (the “PID Property”); and

WHEREAS, the TIRZ boundaries include: (i) the PID Property, and (ii) the commercial, business park, and mixed-use portions (the “Mixed-Use Property”) of the Eleven Development (hereinafter defined); and

WHEREAS, on January 18, 2022, pursuant to Ordinance No. 2022-01-01, the City Council approved a Final Project and Finance Plan for the TIRZ (the “Project and Financing Plan”, attached hereto as **Exhibit B**); and

WHEREAS, the City, subject to the approval of the City Council, will levy special assessments (the “Assessments”) on the PID Property within the District to pay for construction of the Authorized Improvements (as defined in the Service and Assessment Plan), and Public Improvements (as defined in the Project and Financing Plan), (collectively, “Public Projects”) all as set forth in that certain Eleven Public Improvement District Service and Assessment Plan dated as of February 1, 2022, regarding the levy of Assessments (as amended and supplemented from time to time, the “Service and Assessment Plan”); and

WHEREAS, the City, subject to the approval of the City Council, intends to issue special assessment revenue bonds (the “PID Bonds”) secured by a pledge of the Assessments, for the purpose of providing funds to construct the Authorized Improvements; and

WHEREAS, the Project and Financing Plan provides for the collection of forty-five percent (45%) of the City’s ad valorem tax increment attributable to the TIRZ, based on the City’s tax rate each year and as authorized by law, for a period of fifty (50) years (the “City Tax Increment”); and

WHEREAS, if Collin County (the “County”) participates in the TIRZ, a percentage of the County’s ad valorem tax increment attributable to the TIRZ (the “County Tax Increment”) shall

be collected at the percentage rate set forth in a separate interlocal agreement between the City and the County (the "County Participation Agreement"); and

WHEREAS, in accordance with the Elevon Development Agreement, executed by and between City, Petro-Hunt, LLC, a Texas limited liability company, Far East Lavon, LP, a Texas limited partnership, 78 Straddle, LP, a Texas limited partnership, East Lavon Partners, LP, a Texas limited partnership, and World Land Developers, LP, a Texas limited liability company, and the Developer, effective as of November 2, 2021, and as may be amended (the "Development Agreement"), to the extent the County participates in the TIRZ, the City Tax Increment shall be reduced in a dollar amount equal to the dollar amount of the County Tax Increment contribution; and

WHEREAS, after the payment of TIRZ administrative expenses, the City Tax Increment and the County Tax Increment, if any, from the PID Property are intended by the Board and the City to be used in accordance with this Agreement, the TIRZ Act, and the Project and Financing Plan for the development of the PID Property; and

WHEREAS, the Public Projects shall be owned and maintained by the City or Bear Creek SUD or Nevada SUD for the benefit of the development of a mixed-use master planned community (the "Development") and the TIRZ; and

WHEREAS, after the payment of TIRZ administrative expenses, the City Tax Increment and the County Tax Increment, if any, from the Mixed-Use Property are intended by the Board and the City to be used in accordance with this Agreement, the TIRZ Act, and the Project and Financing Plan for the development of the PID Property; and

WHEREAS, the Parties are authorized to enter into this Agreement by the Act; and

WHEREAS, the Parties have agreed for the Developer to undertake the Development as set forth in the Development Agreement, and the Development Agreement and documents related to the District and the TIRZ contain controls to ensure the public purpose is accomplished; and

WHEREAS, but for the Developer undertaking the Development, the TIRZ would not generate sufficient TIRZ increment to provide the grant to the Developer as set forth in the Project and Financing Plan; and

WHEREAS, pursuant to Section 311.010(h) of the Act, the Board may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and stimulate business and commercial activity in the zone, and the Board has all the powers of a municipality under Chapter 380, Texas Local Government Code, as amended ("Chapter 380"); and

WHEREAS, capitalized terms used but not defined herein shall have the meanings given to them in the Service and Assessment Plan.

NOW, THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed by the Parties, the Parties agree as follows:

ARTICLE I **THE DEVELOPMENT**

Section 1.01. Completion of the Public Projects. The City agrees to the construction and completion of the Public Projects by the Developer or caused by the Developer within the Development, which construction is authorized and provided for in the Development Agreement.

Section 1.02. Levy of Assessments and Issuance of the PID Bonds. The City, subject to the approval of the City Council, intends to proceed with the levy of Assessments within the PID Property and the sale of the PID Bonds. The City further agrees to use a portion of the proceeds from the sale of the PID Bonds to pay for the costs of the Authorized Improvements as incurred by the Developer. Upon the refunding of any series of PID Bonds, any reduction in the Assessments for such PID Bonds shall mean a dollar-for-dollar reduction in any TIRZ credit allocated to such PID Bonds, with such excess TIRZ funds resulting from such reduction to be used for purposes set forth herein and in the TIRZ Project and Finance Plan

Section 1.03. Use of City Tax Increment and County Tax Increment.

(a) TIRZ Fund. The City and the Board agree that City Tax Increment and County Tax Increment, if any, collected for the PID Property shall be deposited into a segregated account of the TIRZ Fund (the "PID Property Account") and disbursed pursuant to the terms of this Agreement. The City and the Board agree that City Tax Increment and County Tax Increment, if any, collected for the Mixed-Use Property shall be deposited into a segregated account of the TIRZ Fund (the "Mixed-Use Property Account") and disbursed pursuant to the terms of this Agreement.

(b) PID Property Account. The monies in the PID Property Account shall be allocated or dedicated for the following purposes:

(i) First, to pay administrative expenses of the TIRZ, including any reasonable third-party administrative costs; and

(ii) Second, to the applicable TIRZ Account corresponding to a zone or improvement area of the PID Property (a "PID Phase") and used for the following purposes as determined by the City:

A. To subsidize Assessments for each PID Phase in order to lower the Annual Installments of the Assessments in each PID Phase by assigning TIRZ funds from the PID Property Account in such phase to offset Assessments for each parcel within a PID Phase on a parcel-by-parcel basis as shown in the Service and Assessment Plan; and then

1. the Improvement Area Improvements Public Improvement Project Costs allocable to each PID Phase that are not assessed for in that same PID Phase, subject to the Development Agreement in accordance with the TIRZ Act pursuant to an approved TIRZ Certificate for Payment.

2. the Zone Improvements Public Improvement Project Costs allocable to each PID Phase, that are not assessed for in that same PID Phase, subject to the Development Agreement in accordance with the TIRZ Act pursuant to an approved TIRZ Certificate for Payment.

3. The Major Improvements Public Improvement Project Costs allocable to each PID Phase that are not assessed for in that same PID Phase, subject to the Development Agreement in accordance with the TIRZ Act pursuant to an approved TIRZ Certificate for Payment.

And/or;

B. To reimburse the costs of the construction or acquisition of Public Projects in the TIRZ, in accordance with the TIRZ Act pursuant to this Agreement by either:

1. At the sole discretion of the City, utilizing the TIRZ revenue stream to pay all or a portion of an obligation hereunder held by the Developer through a bond issuance secured by TIRZ revenues that the City may consider specific to the Public Projects; and/or

2. Reimbursing the Developer pursuant to an approved TIRZ Certificate for Payment.

(iii) Third, starting in year eleven (11) of this Agreement, and for each City fiscal year thereafter, from available funds after payments are made from the PID Property Account fund to pay down PID Assessments, up to \$200,000.00 shall be paid to the City to be used for road and storm sewer repair and maintenance to benefit the District. If any of the up to \$200,000.00 provided to the City is not spent within twelve (12) months from the date of the transfer, it will revert back to the PID Property Account and will be eligible to reimburse the Developer pursuant to an approved TIRZ Certificate for Payment.

(c) Mixed-Use Property Account. The monies in the Mixed-Use Property Account shall be allocated or dedicated for the following purposes

(1) The City Tax Increment in the Mixed-Use Property Account shall be allocated or dedicated for the following purposes:

(i) First, to pay administrative expenses of the TIRZ, including any reasonable third-party administrative costs;

(ii) Second, to reimburse the Developer for costs of Public Projects attributable to the Mixed-Use Property in accordance with the TIRZ Act pursuant to an approved TIRZ Certificate for Payment; and

(iii) Third, to provide an economic development grant to the Developer to incentivize commercial development as set forth in one or more future TIRZ agreements or economic development agreement(s) pursuant to Chapter 380, Texas Local Government Code, as amended.

(2) The County Tax Increment, if any, in the Mixed-Use Property Account shall be allocated or dedicated for the following purposes:

(i) First, to pay administrative expenses of the TIRZ, including any reasonable third-party administrative costs;

(ii) Second, to reimburse the Developer for costs of Public Projects attributable to the Mixed-Use Property in accordance with the TIRZ Act pursuant to an approved TIRZ Certificate for Payment.

(d) District Assessments. When City Tax Increment and County Tax Increment are provided as a credit to Assessments as set forth in (a) above, TIRZ revenues shall be paid to or transferred to the City each year on or before May 1 and shall be applied to reduce the Assessments billed in the following year. The application and allocation of the TIRZ revenues to the properties within the District shall be made on an equitable basis, and subject to the terms of the Development Agreement, as set forth in the Service and Assessment Plan.

(e) TIRZ Reimbursement Form. To continue receiving reimbursement pursuant to TIRZ Certificates for Payment, Developer shall, on an annual basis, but no sooner than May 1st of each year, submit a TIRZ reimbursement form to the City Representative (as defined below) in substantially the same form as provided in **Exhibit C** attached hereto (the "TIRZ Reimbursement Form"), including documentation demonstrating compliance with the terms of this Agreement and the Project and Financing Plan. "City Representative" shall mean the current or acting City Administrator of the City, or a person designated to act on behalf of that individual, including the TIRZ administrator of the City, if the designation is in writing and signed by the current or acting City Administrator. The City Representative shall review each TIRZ Reimbursement Form within five (5) business days of receipt thereof and upon approval payment shall be made to the Developer as specified in the TIRZ Reimbursement Form and this Agreement within such fifteen (5) business days period. The TIRZ Reimbursement Form amount will be accounted for by the City and TIRZ Administrator and provided to the Developer with an accounting of expenditures made from the TIRZ Fund.

(f) TIRZ Certificate for Payment. The Developer shall submit a TIRZ Certificate for Payment, in substantially the same form as attached in **Exhibit D**, to evidence the Actual Costs expended on the Public Projects and subject to reimbursement pursuant to this Agreement. Upon receipt of a TIRZ Certificate for Payment (along with all accompanying documentation reasonably required by the City) from the Developer, the City shall conduct a review in order to (i) confirm that such request is complete, (ii) confirm that the work for which payment is requested was performed in accordance with all applicable governmental laws, rules, regulations and applicable plans therefor and with the terms of the Development Agreement and any other agreement between the Parties related to the TIRZ; (iii) verify and approve the Actual Costs of such work specified in such TIRZ Certificate for Payment; and (iv) confirm that the Public Projects (or completed portion thereof) have been conveyed and dedicated to the City in accordance with the Development Agreement. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Within fifteen (15) business days following receipt of any TIRZ Certificate for Payment, the City shall either: (1) approve the TIRZ Certificate for Payment; or (2) provide the Developer with written notification of disapproval of all or part of a TIRZ Certificate for Payment, setting forth with specificity the basis for any such disapproval. Interest shall accrue at the rate of five percent (5%) per annum for amounts due pursuant to a TIRZ

Certificate for Payment upon the City's acceptance of the applicable Public Project until payment is made as set forth in this Agreement.

If the total cost of the Public Project (or segment, section, or portion thereof) exceeds the budgeted cost for such Public Project (or segment, section, or portion thereof) (a "Cost Overrun"), the Developer and/or the constructing party, as applicable, shall be solely responsible for the remainder of the cost of such Public Project (or segment, section, or portion thereof), except as provided herein. If, upon the completion of construction of the Public Project (or segment, section, or portion thereof) and payment or reimbursement for such Public Project, the total cost of the Public Project (or segment, section, or portion thereof) is less than the budgeted cost for such Public Project (or segment, section, or portion thereof) (a "Cost Underrun"), any remaining budgeted cost(s) may be available to pay Cost Overruns on any other Public Project. Prior to completion of all of the Public Projects (or segment, section, or portion thereof), any anticipated Cost Underruns for such Public Project (or segment, section, or portion thereof) may be applied to any Cost Overruns on any other Public Project.

In order to receive payments under the TIRZ Certificate for Payment above, the Developer shall have provided to the City and TIRZ Administrator evidence of costs expended for the construction or acquisition of the Public Projects eligible to be reimbursed in accordance with Section 1.03(b) or (c) above.

ARTICLE II

MISCELLANEOUS PROVISIONS

Section 2.01. Term. This Agreement shall be in force and effect from the date of execution hereof until the expiration of the term of the TIRZ as set forth in Ordinance No. 2021-10-07, which is: (i) on December 31, 2071; or (ii) at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, notes and other obligations of the Zone, and the interest thereon, have been paid in full, in accordance with Section 311.017 of the Act; or (iii) at a time designated by subsequent ordinance of the City.

Section 2.02 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; and (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

Section 2.03 Successors and Assigns. All covenants and agreements contained by or on behalf of the TIRZ in this Agreement shall bind its successors and assigns and shall inure to the benefit of the Developer and its successors and assigns. This Agreement and the right to monies available in the TIRZ Fund, including the grant, set forth herein may be assigned, from time to time and in whole or in part, by the Developer to any person or entity and collaterally assigned to any lender. The assignment must be in writing. A copy of the assignment shall be given to the City within thirty (30) days after such assignment; however, City consent to the assignment is not required. Upon any such assignment and notice to the City, Developer shall not be released from

performing the duties or obligations that are assigned and that arise after the effective date of the assignment or the date that the City receives notice of the assignment, whichever later occurs; further, the Developer is not released from any liabilities that arose prior to the effective date or date of notice to the City, whichever later occurs, unless the City and the Board agree. The Developer's rights under this Agreement are a personal obligation and do not constitute a covenant running with the land.

Section 2.04 Notices. Any notice, submittal, payment or instrument required or permitted by this Agreement to be given or delivered to any Party shall be deemed to have been received when personally delivered or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City: Attn: Kim Dobbs
City Administrator
City of Lavon
120 School Road
P.O. Box 340
Lavon, Texas 75166
kdobbs@lavontx.gov

With a copy to: Attn: Julie Fort
Messer, Fort & McDonald
6371 Preston Road, STE 200
Frisco, Texas 75034
julie@txmunicipallaw.com

To the Board: Attn: Kim Dobbs
City Administrator
City of Lavon
120 School Road
P.O. Box 340
Lavon, Texas 75166
kdobbs@lavontx.gov

With a copy to: Attn: Julie Fort
Messer, Fort & McDonald
6371 Preston Road, STE 200
Frisco, Texas 75034
julie@txmunicipallaw.com

To the Developer: Attn: John Marlin
MA Elevon 429, LLC
15443 Knoll Trail Drive, Suite 130
Dallas, Texas 75248
jmarlin@madev.com

With a copy to: Attn: Robert Miklos
 Miklos Cinclair, PLLC
 1800 Valley View Lane, Suite 360
 Farmers Branch, Texas 75234
 Robert@m-legal.com

Any Party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other Party.

Section 2.05 Interpretation.

(a) The Parties acknowledge that each has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.

(b) Conflicts. To the extent that this Agreement conflicts with the Development Agreement, this Agreement shall control.

Section 2.06 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is necessary and required.

Section 2.07 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action of the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been and is duly authorized to do so. The Board represents and warrants that this Agreement has been approved by official action of the Board in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the Board has been and is duly authorized to do so. The Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that the individual executing this Agreement on behalf of the Developer has been and is duly authorized to do so. Each Party respectively acknowledges and agrees that this Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

Section 2.08 Severability. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the Parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

Section 2.09 Applicable Law; Venue. This Agreement is entered into pursuant to, and is to be construed and enforced in accordance with, the laws of the State of Texas, and all obligations

of the Parties are performable in Collin County. Exclusive venue for any action related to, arising out of, or brought in connection with this Agreement shall be in the Collin County State District Court.

Section 2.10 Non-Waiver. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except in writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

Section 2.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

Section 2.12 Complete Agreement. This Agreement embodies the entire Agreement between the Parties and cannot be varied or terminated except as set forth in this Agreement, or by written agreement of the City, the Board, and the Developer expressly amending the terms of this Agreement.

Section 2.13 Consideration. This Agreement is executed by the Parties without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

Section 2.14 Developer Indemnification. In the event of any litigation challenging the validity or enforceability of this Agreement, Developer agrees to indemnify the City or the Board, as applicable, for its reasonable attorneys' fees and costs spent on defending the validity or enforceability of the Agreement. Developer shall reimburse the City or the Board for any grant payments that are made by the City or the Board to the Developer, if such payments are deemed by a court with jurisdiction to be illegal or a violation of state or federal law.

Section 2.15 Anti-Boycott Verification.

The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is construed to be a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, but only to the extent such section is applicable, and to the extent such section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

Section 2.16 Iran, Sudan and Foreign Terrorist Organizations

The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

Section 2.17 Verification Regarding Energy Company Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

Section 2.18 Verification Regarding Discrimination Against Firearm Entity or Trade Association. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, "SB 19"), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" shall have the meaning assigned to such term

in Section 2274.001(3) (as added by SB 19), Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

[SIGNATURE PAGES FOLLOW]

EXECUTED BY THE PARTIES TO BE EFFECTIVE ON THE EFFECTIVE DATE:

CITY OF LAVON, TEXAS

By: _____
Name: Vicki Sanson
Title: Mayor

ATTEST:

By: _____
Name: Rae Norton
Title: City Secretary

TIRZ NO. 2 BOARD:

REINVESTMENT ZONE NUMBER TWO,
CITY OF LAVON, TEXAS

By: _____
Name: Vicki Sanson
Title: Chairman

ATTEST:

By: _____
Name: Rae Norton
Title: City Secretary

DEVELOPER:

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

EXHIBIT "A"

Metes and Bounds Description and Depiction of the District

LEGAL DESCRIPTION

TRACT 1

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541;

THENCE along the west line of said 180.339 acre tract and along the east line of said Lavon Ranchettes Addition as follows:

North 01 degrees 21 minutes 21 seconds East, 157.69 feet to a point for corner;

North 01 degrees 07 minutes 18 seconds East, 1,375.04 feet to a point for corner;

North 01 degrees 01 minutes 24 seconds East, 240.18 feet to a point for corner, said point being the northwest corner of said 180.339 acre tract, said point also being in the south line of said 472.8955 acre tract;

THENCE North 01 degrees 07 minutes 21 seconds East, at 1,306.98 feet passing the northeast corner of said Lavon Ranchettes Addition, in all a total distance of 1,925.93 feet to a point for corner, said point being in the north line of said 472.8955 acre tract, said point also being in the south right-of-way line of that tract of land described in deed to Northeast Texas Rural Rail Transportation District as recorded in Volume 5585, Page 2680, Official Public Records of Collin County, Texas;

THENCE North 81 degrees 09 minutes 48 seconds East, 6,008.29 feet along the north line of said 472.8955 acre tract and along the south right-of-way line of said Northeast Texas Rural Rail Transportation District to a point for corner, said point being the northeast corner of said 472.8955 acre tract, said point also being the northwest corner of that called 216.85 acre tract of land described in deed to East Lavon, L.P. as recorded in Document Number 20190408000368940, Official Public Records of Collin County, Texas;

THENCE North 81 degrees 12 minutes 20 seconds East, 1,968.14 feet along the north line of said 216.85 acre tract to a point for corner, said point being the northeast corner of said 216.85 acre tract;

THENCE along the east line of said 216.85 acre tract as follows:

South 00 degrees 32 minutes 19 seconds West, 2,448.70 feet to a point or corner;

South 00 degrees 30 minutes 32 seconds West, 2,570.14 feet to a point for corner in the southeast corner of said 216.85 acre tract, said point also being in the approximate centerline of County Road 541;

THENCE along the approximate centerline of County Road Number 541 as follows:

South 89 degrees 53 minutes 52 seconds West, 1,944.34 feet to a point for corner, said point being the southwest corner of said 216.85 acre tract, said point also being the southeast corner of said 472.8955 acre tract;

North 89 degrees 08 minutes 13 seconds West, 1,466.14 feet to a point for corner, said point being the most southerly southwest corner of said 472.8955 acre tract;

THENCE North 00 degrees 22 minutes 15 seconds East, 30.66 feet along the west line of said 472.8955 acre tract to a point for corner, said point being the southeast corner of said 180.339 acre tract, said point also being in the north right-of-way line of County Road Number 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 1,350.92 feet to a point for corner;

THENCE North 00 degrees 31 minutes 17 seconds East, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 89 degrees 28 minutes 43 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 31 minutes 17 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 1,266.00 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 89 degrees 23 minutes 25 seconds West, 705.75 feet to a point for corner;

THENCE North 00 degrees 45 minutes 47 seconds East, 253.51 feet to a point for corner;

THENCE North 87 degrees 47 minutes 23 seconds West, 180.66 feet to a point for corner;

THENCE South 00 degrees 37 minutes 46 seconds West, 257.91 feet to a point for corner;

THENCE North 89 degrees 10 minutes 57 seconds West, 848.67 feet to the POINT OF BEGINNING and containing 34,367,739 square feet or 788.975 acres of land.

"This document was prepared under 22 TAC 663.23, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

LEGAL DESCRIPTION

TRACT 2

Being a parcel of land located in Collin County, Texas, a part of the Drury Anglin Survey, Abstract Number 2, and being a part James P. Davis Survey, Abstract Number 249, and being all of that called Tract Two – 173.739 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5569, Page 2651, Official Public Records of Collin County, Texas, and also being all of that called 20.005 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5710, Page 3283, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at the southeast corner of said 20.005 acre tract;

THENCE North 89 degrees 47 minutes 26 seconds West, 2,014.28 feet to a point for corner, said point being the southwest corner of said 20.005 acre tract;

THENCE North 00 degrees 26 minutes 04 seconds East, 432.62 feet to a point for corner, said point being the northwest corner of said 20.005 acre tract, said point also being in the south line of said 173.739 acre tract;

THENCE North 89 degrees 47 minutes 26 seconds West, 108.39 feet to the most southerly southwest corner of said 173.739 acre tract;

THENCE along the west line of said 173.739 acre tract as follows:

North 00 degrees 12 minutes 34 seconds East, 929.80 feet to a point for corner;

North 89 degrees 47 minutes 26 seconds West, 1399.55 feet to a point for corner, said point being the most westerly southwest corner of said 173.739 acre tract, said point also being in the east right-of-way line of Farm-to-Market Highway Number 2755;

THENCE continuing along the west line of said 173.739 acre tract and along the east right-of-way line of Farm-to-Market Highway Number 2755;

North 01 degrees 07 minutes 01 seconds East, 715.54 feet to a point for corner;

Northwesterly, 966.03 feet along a curve to the left having a central angle of 64 degrees 05 minutes 55 seconds, a radius of 863.51 feet, a tangent of 540.61 feet, and whose chord bears North 30 degrees 55 minutes 56 seconds West, 916.44 feet to a point for corner;

North 00 degrees 37 minutes 01 seconds East, 15.07 feet to a point for corner, said point being the northwest corner of said 173.739 acre tract, said point also being at the intersection of the east right-of-way line of Farm-to-Market Highway Number 2755 with the south right-of-way line of County Road Number 541;

THENCE South 89 degrees 24 minutes 15 seconds East, 4,152.64 feet along the south right-of-way line of County Road Number 541 to a point for corner, said point being the northeast corner of said 173.739 acre tract;

THENCE along the east line of said 173.739 acre tract as follows:

South 00 degrees 25 minutes 05 seconds West, 1279.32 feet to a point for corner;

North 89 degrees 39 minutes 34 seconds West, 159.29 feet to a point for corner;

South 00 degrees 24 minutes 16 seconds West, 1137.75 feet to a point for corner, said point being the southeast corner of said 173.739 acre tract, said point also being the northeast corner of said 20.005 acre tract;

THENCE South 00 degrees 26 minutes 04 seconds West, 432.62 to the POINT OF BEGINNING and containing 8,439,493 square feet or 193.744 acres of land.

"This document was prepared under 22 TAC 663.23, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."



REINVESTMENT ZONE NUMBER TWO,
CITY OF LAVON, TEXAS
FINAL PROJECT AND FINANCE PLAN

JANUARY 18, 2022

TABLE OF CONTENTS

Table of Contents	1
Section 1: Introduction.....	2
Section 2: Description and Maps.....	4
Section 3: Proposed Changes to Ordinances, Plans, Codes, Rules, and Regulations.....	5
Section 4: Relocation of Displaced Persons	5
Section 5: Estimated Non-Project Costs.....	5
Section 6: Proposed Public Improvements	5
Section 7: Estimated Project Costs.....	6
Section 8: Economic Feasibility	7
Section 9: Estimated Bonded Indebtedness	8
Section 10: Appraised Value.....	8
Section 11: Method of Financing	8
Section 12: Duration of the Zone, Termination	11
Section 13: Economic Development Programs	13
List of Exhibits.....	14
Exhibit A – Map of the Zone	15
Exhibit B – Non-Project Costs	16
Exhibit C – Project Costs.....	17
Exhibit D – Estimated Timeline of Incurred Costs	18
Exhibit E-1 – Feasibility Study.....	19
Exhibit E-2 – Feasibility Study – Improvement Area #1	20
Exhibit E-3 – Feasibility Study – Zone #1 – Remainder Area	21
Exhibit E-4 – Feasibility Study – Future Improvement Area	22
Exhibit E-5 – Feasibility Study – Mixed-Use Property	23
Exhibit F-1 – Map of the Public Improvements – PID Property	24
Exhibit F-2 – Map of the Public Improvements – Mixed-Use Property	32
Exhibit G – Parcel Identification	33
Exhibit H – Proposed Uses of the Property	34

SECTION 1: INTRODUCTION

1.1 Authority and Purpose

The City of Lavon, Texas, a Texas general law municipality (the “City”) has the authority under Chapter 311, Texas Tax Code, Tax Increment Financing Act, as amended (the “Act”) to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction of the City as a tax increment reinvestment zone to promote development or redevelopment of the area because the governing body of the City (the “City Council”) has determined that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future, that the Zone is feasible, and that creation of the Zone is in the best interest of the City and the property in the Zone. The purpose of the Zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the Zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

1.2 Eligibility Requirements

An area is eligible under the Act to be designated as a tax increment reinvestment zone if it either (1) substantially arrests or impairs the sound growth of the municipality designating the Zone, retard the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition, (2) is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City, (3) is in a federally assisted new community located in the City or in an area immediately adjacent to a federally assisted new community, or (4) is in an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the City by the owners of property constituting at least fifty percent (50%) of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located. The City cannot, however, designate a zone if more than thirty percent (30%) of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes, or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds fifty percent (50%) of the total appraised value of taxable real property in the City and in industrial districts created by the City.

1.3 Proposed Zone

The City Council created a tax increment reinvestment zone known as “*Reinvestment Zone Number Two, City of Lavon, Texas*” (the “Zone”) that includes approximately 1,299.50 acres of land within the corporate limits and extraterritorial jurisdiction of the City, with parcels identified

on **Exhibit G** and depicted on **Exhibit A** (the “Property”). The Property is primarily owned by MA Elevon 429, LLC, a Texas limited liability company, (the “Master Developer”) and other homebuilder developers.

The portions of the Property that are currently within the City limits are currently zoned agricultural, and single family. The Property is anticipated to be zoned a planned development district upon annexation of the Property pursuant to the Development Agreement. The Property is undeveloped, and due to its size, location, and physical characteristics, development will not occur solely through private investment in the foreseeable future. The Property substantially impairs and arrests the sound growth of the City because it is predominately open and undeveloped due to factors such as the lack of public infrastructure and the need for economic incentive to attract development to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone. If the public improvements, and other projects are financed as contemplated by this Preliminary Plan (hereinafter defined), the City envisions that the Property will be developed to take full advantage of the opportunity to bring to the City, Collin County, (the “County”), a quality master planned residential and commercial development.

1.4 Preliminary Plan and Hearing

Before the City Council adopted Ordinance No. 2021-10-07 on October 19, 2021 designating the Zone (the “Creation Ordinance”), the City Council prepared a preliminary reinvestment zone financing plan in accordance with the Act and held a public hearing on the creation of the Zone and its benefits to the City and to the Property, at which public hearing interested persons were given the opportunity to speak for and against the creation of the Zone, the boundaries of the Zone and the concept of tax increment financing, and at which hearing the owners of the Property were given a reasonable opportunity to protest the inclusion of their Property in the Zone. The requirement of the Act for a preliminary reinvestment zone financing plan is satisfied by the *Reinvestment Zone Number Two, City of Lavon, Texas, Preliminary Project and Finance Plan* dated October 19, 2021 (the “Preliminary Plan”), the purpose of which is to describe, in general terms, the public improvements that will be undertaken and financed by the Zone. A description of how such public improvements and projects will be undertaken and financed shall be determined by this *Reinvestment Zone Number Two, City of Lavon Texas, Final Project and Finance Plan* (this “Final Plan”) and by the TIRZ Agreement, which require approval by the Board (hereinafter defined) and by the City Council.

1.5 Creation of the Zone

Upon the closing of the above referenced public hearing, the City Council adopted the Creation Ordinance in accordance with the Act creating the Zone and made findings that (1) development or redevelopment of the Property would not occur solely through private investment in the

reasonably foreseeable future, (2) that the Zone was feasible, (3) that improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City, and (4) that at the time of creation, the Zone met the eligibility requirements of the Act. Among other provisions required by the Act, the Creation Ordinance creating the Zone appointed a Board of Directors for the Zone (the “Board”).

1.6 Board Recommendations

After the creation of the Zone, the Board reviewed this Final Plan and recommended its approval to the City Council pursuant to which the City shall contribute a portion of its ad valorem tax increment attributable to new development in the Zone (the “City Tax Increment”) into a tax increment fund created by the City and segregated from all other funds of the City (the “TIRZ Fund”) to pay to the Master Developer or its assigns, in accordance with the TIRZ Agreement, the costs of public improvements and other projects benefiting the Zone. Additionally, the Board approved the TIRZ Agreement among the City, Board, and Master Developer to be effective January 4, 2022, and recommended its approval to the City Council.

1.7 Council Action

On November 2, 2021, the City, Owners, and the Master Developer entered into that certain Elevon Development Agreement detailing the obligations for the Zone (the “Development Agreement”). On January 18, 2022, the City, Board, and Master Developer entered into the TIRZ No. 2 Economic Development Agreement (the “TIRZ Agreement”). The City Council will take into consideration the recommendations of the Board and will consider approval of this Final Plan, and, if applicable, the County Participation Agreement. If the County Participation Agreement is approved by the County, the City Council will authorize and direct its execution.

SECTION 2: DESCRIPTION AND MAPS

2.1 Existing Uses and Conditions

The Property is currently located within the corporate limits and extraterritorial jurisdiction of the City and the portion of the Property located within the City limits is zoned agricultural and single family, in accordance with the City’s zoning ordinance. The Property is anticipated to be zoned a planned development district upon annexation of the portion of the Property located within the extraterritorial jurisdiction pursuant to the Development Agreement. The Property is undeveloped, and there is no or limited public infrastructure to support development. Development will require extensive public infrastructure that: (1) the City cannot provide, and (2) will not be provided solely through private investment in the foreseeable future. A map of the Property and the Zone is shown on **Exhibit A**.

2.2 Proposed Uses

The proposed uses of the Property are expected to consist of single family residential (the “PID Property”), and commercial, business park, and mixed-use (the “Mixed-Use Property”), as shown on **Exhibit H**.

2.3 Parcel Identification

The parcels identified on **Exhibit G** provide sufficient detail to identify with ordinary and reasonable certainty the territory included in the Zone.

SECTION 3: PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS

The Property is wholly located in the corporate limits and extraterritorial jurisdiction of the City and shall be subject to the City’s zoning regulation. The City has exclusive jurisdiction over the subdivision and platting of the property within the Property located within the City limits, and the design, construction, installation, and inspection of water, sewer, drainage, roadway, and other public infrastructure. Changes to zoning ordinances, comprehensive plan, building codes, subdivision rules, or other municipal ordinances are planned, as contemplated in the Concept Plan attached as **Exhibit H**, and made effective with annexation and zoning.

SECTION 4: RELOCATION OF DISPLACED PERSONS

No persons will be displaced and in need of relocation due to the creation of the Zone or implementation of this Final Plan.

SECTION 5: ESTIMATED NON-PROJECT COSTS

Non-project costs are private funds that will be spent to develop in the Zone but will not be financed by the Zone. The list of non-project costs is shown on **Exhibit B** and are estimated to be approximately \$1,199,545,600.

SECTION 6: PROPOSED PUBLIC IMPROVEMENTS

6.1 Categories of Public Improvements

The proposed public improvements to be financed by the Zone include streets, water, storm drainage, sanitary sewer, professional services, right of way acquisition, land acquisition, municipal services, Economic Development Grants (defined hereafter), and principal and interest on public improvement district bonds (the “Public Improvements”), as described in **Exhibit C**. All Public Improvements shall be designed and constructed in accordance with all applicable City

standards and shall otherwise be inspected, approved, and accepted by the City. At the City's option, the Public Improvements may be expanded to include any other category of improvements authorized by the Act.

6.2 Locations of Public Improvements

The estimated locations of the proposed Public Improvements are depicted on **Exhibit F-1 and F-2**. These locations may be revised, with the approval of the City, from time to time without amending the Final Plan.

6.3 Economic Development Grants

The Zone is authorized to provide economic development grants at the discretion of the City Council, as set forth in one or more economic development agreement(s) pursuant to Chapter 380, Texas Local Government Code, as amended (the "Economic Development Grants").

SECTION 7: ESTIMATED PROJECT COSTS

7.1 Project Costs

The total costs for projects in the Zone, which includes the costs to construct and finance the Public Improvements and Administrative Costs (hereinafter defined), are currently estimated to be \$282,084,483 (the "Project Costs"), as shown on **Exhibit C**. The Project Costs include principal and interest payments for future debt service payments on public improvement district bonds issued to finance all or a portion of the Public Improvements pursuant to Chapter 372, Texas Local Government Code, as amended.

7.2 Estimated Costs of Public Improvements

The estimated costs of the Public Improvements within the Zone are \$280,392,895, as shown on **Exhibit C**. The City Council may amend this Final Plan to include future Public Improvement costs or categories.

7.3 Estimated Administrative Costs

The estimated costs for administration of the Zone shall be the actual, direct costs paid or incurred by or on behalf of the City to administer the Zone (the "Administrative Costs"). The Administrative Costs include the costs of professional services, including those for planning, engineering, and legal services paid by or on behalf of the City. The Administrative Costs also include organizational costs, the cost of publicizing the creation of the Zone, and the cost of implementing this Final Plan for the Zone paid by or on behalf of the City that are directly related to the administration of the Zone. The Administrative Costs shall be paid each year from the TIRZ Fund before any other Project Costs are paid. The annual Administrative Costs are estimated to be \$10,000, beginning in 2022 and escalating at two percent (2%) thereafter.

7.4 Estimated Timeline of Incurred Costs

The Administrative Costs will be incurred annually beginning in 2022 and through the duration of the Zone. It is estimated the Project Costs will be incurred between calendar years 2022 and 2033, as shown on **Exhibit D**.

SECTION 8: ECONOMIC FEASIBILITY

8.1 Feasibility Study

For purposes of this Preliminary Plan, economic feasibility has been evaluated over the term of the Zone, as shown on **Exhibit E-1** (the “Feasibility Study”). This evaluation focuses on only direct financial benefits (i.e., ad valorem tax revenues from the development of Public Improvements in the Zone). Based on **Table 1** below, during the term of the Zone, new development (which would not have occurred but for the Zone) will generate approximately \$647,423,642 in total new real property tax revenue for the City and the County.

Table 1

Taxing Entity	Gross AV Revenue	TIRZ Fund Contribution	Net AV Revenue
City	\$ 479,237,760	\$ 215,643,165	\$ 263,594,594
County	\$ 168,185,882	\$ 75,678,795	\$ 92,507,087
Total	\$ 647,423,642	\$ 291,321,960	\$ 356,101,682

The City, as a participant, will benefit from the new development within the Zone and will retain approximately \$263,594,594 in net additional real property tax revenue.

The County, if it chooses to participate, will benefit from the new development with the Zone and will retain approximately \$92,507,087 in net additional real property tax revenue. The remaining additional revenue will be deposited in the TIRZ Fund to pay Project Costs.

The Feasibility Study shows a portion of the new real property tax revenue generated by the Zone will be retained by the City and the County. The remainder of the new real property tax revenue generated within the Zone will be available to pay Project Costs, until the term of the Zone expires or is otherwise terminated. Upon expiration or termination of the Zone, one hundred percent (100%) of all tax revenue generated within the Zone will be retained by the respective taxing entities. Based on the foregoing, the feasibility of the Zone has been demonstrated.

SECTION 9: ESTIMATED BONDED INDEBTEDNESS

The City reserves the right, at its sole discretion, to issue bonded indebtedness to fund its obligations identified within the Development Agreement and the TIRZ Agreement, pursuant to the Act.

SECTION 10: APPRAISED VALUE

10.1 Current Appraised Value

The current total appraised value of taxable real property in the Zone is estimated at \$128,301, which represents the Tax Increment Base, (the "Tax Increment Base") of the Property and shall be confirmed by the Collin County Appraisal District in accordance with Section 311.012(c) of the Act.

10.2 Estimated Captured Appraised Value

The amount of the Tax Increment for a year during the term of the Zone is the amount of property taxes levied and collected by the City for that year on the captured appraised value of the Property less the Tax Increment Base of the Property, (the "Captured Appraised Value"). The Tax Increment Base of the Property is the total taxable value of the Property for the year in which the Zone was designated, as described in **Section 10.1** above. It is estimated that upon expiration of the term of the Zone, the total Captured Appraised Value of taxable real property in the Zone will be approximately \$3,182,526,017, as shown on **Exhibit E-1**. The actual Captured Appraised Value, as certified by the Collin County Appraisal District will, for each year, be used to calculate annual payment by the City, and, if applicable, the County into the TIRZ Fund pursuant to the Final Plan.

SECTION 11: METHOD OF FINANCING

11.1 Financing Mechanisms

Pursuant to the Development Agreement, the Master Developer has paid, and will in the future pay, those Project Costs attributable to the Public Improvements and will construct or cause to be constructed the Public Improvements. A portion of the Public Improvements may be financed by the City of Lavon Elevon Public Improvement District (the "Elevon PID"), as allowed by Chapter 372 Local Government Code, as amended, including the issuance of public improvement district bonds, which, if applicable, shall be described in detail in the Elevon PID Service and Assessment Plan (the "SAP").

Pursuant to the Development Agreement and TIRZ Agreement, the Zone may fund the principal and interest on the Public Improvements in the form of an annual deposit to the Elevon PID (the “TIRZ Credit”).

This Final Plan shall obligate the City to deposit into the TIRZ Fund each year for the duration of the Zone an amount equal to forty-five percent (45%) of the Captured Appraised Value in the Zone levied and collected that constitutes the Tax Increment for that year. For example, in FY 2022, the City tax rate is \$0.478956 per \$100 of assessed value, therefore the City will contribute \$0.2155 per \$100 of the Captured Appraised Value in the Zone levied and collected.

If applicable, the County Participation Agreement shall obligate the County to deposit into the TIRZ Fund each year for the duration of the Zone an amount equal to forty-five percent (45%) of the Captured Appraised Value in the Zone levied and collected that constitutes the Tax Increment for that year. For example, in FY 2022, the County tax rate is \$0.168087 per \$100 of assessed value, therefore the County will contribute \$0.0756 per \$100 of the Captured Appraised Value in the Zone levied and collected.

11.2 TIRZ Fund Bifurcation

Pursuant to the Development Agreement, the City shall bifurcate the TIRZ Fund into multiple accounts within the TIRZ Fund that correspond to the PID Property (the “PID Property Account”), and the Mixed-Use Property (the “Mixed-Use Property Account”). The PID Property is anticipated to occur in various phases, and each phase shall have a corresponding subaccount within the PID Property Account of the TIRZ Fund. The initial accounts within the TIRZ Fund shall be the following:

TIRZ Fund Initial Accounts	Feasibility Study
PID Property Account	
Improvement Area #1 - TIRZ Account	Exhibit F-2
Zone #1 Remainder Area - TIRZ Account	Exhibit F-3
Future Improvement Area - TIRZ Account	Exhibit F-4
Mixed-Use Property Account	
Mixed-Use Property - TIRZ Account	Exhibit F-5

Pursuant to the Development Agreement and TIRZ Agreement, the PID Property Account shall have the following priority of funds:

(i) First, to pay the Administrative Costs relating to the Zone, including any reasonable third-party Administrative Costs; and

(ii) Second, to the applicable TIRZ Fund Account corresponding to a zone or improvement area of the PID Property (a "PID Phase") and used for the following purposes as determined by the City, either:

A. To subsidize Assessments for each PID Phase from the applicable TIRZ Fund Account in order to lower the Annual Installments of the Assessments in each PID Phase by assigning TIRZ funds from the PID Property Account of such PID Phase to offset Assessments for each parcel within the PID Phase on a parcel-by-parcel basis as shown in the SAP; and then:

1. the Improvement Area Improvements Public Improvement Project Costs allocable to each PID Phase that are not assessed for in that same PID Phase, subject to the Development Agreement in accordance with the Act pursuant to the TIRZ reimbursement form as described in the TIRZ Agreement (the "TIRZ Reimbursement Form").

2. the Zone Improvements Public Improvement Project Costs allocable to each PID Phase, that are not assessed for in that same PID Phase, subject to the Development Agreement in accordance with the Act pursuant to an approved TIRZ Reimbursement Form.

3. The Major Improvements Public Improvement Project Costs allocable to each PID Phase that are not assessed for in that same PID Phase, subject to the Development Agreement in accordance with the Act pursuant to an approved TIRZ Reimbursement Form;

Or;

B. To reimburse the costs of the construction or acquisition of Public Improvements in the PID Property, in accordance with the Act pursuant to the TIRZ Agreement by either:

1. At the sole discretion of the City, utilizing the TIRZ Fund revenue stream to pay all or a portion of an obligation under the TIRZ Agreement held by the Master Developer through a bond issuance secured by TIRZ Fund revenues that the City may consider specific to the TIRZ Agreement infrastructure; and/or

2. Reimbursing the Master Developer from TIRZ Fund Revenues pursuant to an approved TIRZ Reimbursement Form.

Pursuant to the Development Agreement and TIRZ Agreement, the City Tax Increment in the Mixed-Use Property Account shall be used for the following purposes:

(i) First, to pay the Administrative Costs relating to the Zone, including any reasonable third-party Administrative Costs;

(ii) Second, to reimburse the Master Developer for the cost of Public Improvements attributable to the Mixed-Use Property in accordance with the Act and pursuant to an approved TIRZ Reimbursement Form; and

(iii) Third, to provide an economic development grant to the Master Developer to incentivize commercial development projects, as may be approved by the City Council, as set forth in one or more future TIRZ agreements or economic development agreement(s) pursuant to Chapter 380, Texas Local Government Code, as amended.

The County Tax Increment in the Mixed-Use Property Account shall be allocated or dedicated for the following purposes:

(i) First, to pay administrative expenses of the Zone; then

(ii) Second, to reimburse the Master Developer for costs of public improvements attributable to the Mixed-Use Property in accordance with the TIRZ Act pursuant to an approved TIRZ Reimbursement Form.

All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City unless otherwise approved by the governing body, and the TIRZ Fund shall only be used to pay the Project Costs in accordance with the Final Plan and the TIRZ Agreement(s). The City may amend this Final Plan in compliance with the Development Agreement, TIRZ Agreement, and the SAP including but not limited to what is considered a Project Cost.

SECTION 12: DURATION OF THE ZONE, TERMINATION

12.1 Duration

The stated term of the Zone shall commence on the creation of the Zone, and shall continue for fifty (50) years, with the last payment due by January 31, 2072, unless otherwise terminated in accordance with the Creation Ordinance of the Zone.

12.2 Termination

The Zone will terminate prior to the expiration of its stated term if the Project Costs have been fully funded, according to this Final Plan. If upon expiration of the stated term of the Zone, the Project Costs have not been fully funded, the City and County shall have no obligation to pay the

shortfall and the term shall not be extended. If upon expiration of the stated term of the Zone, there are unused monies in the TIRZ Fund, such monies shall be disbursed to the City and the County proportionally. The provisions of this section shall be included in the TIRZ Agreement. Nothing in this section is intended to prevent the City from extending the term of the Zone in accordance with the Act.

SECTION 13: ECONOMIC DEVELOPMENT PROGRAMS

The City Council and the Board have determined it to be necessary and convenient to the accomplishment of the objectives of the Zone to establish and provide for the administration of economic development programs that may be used to incentivize development. The economic development programs established in this Section is authorized by Section 311.010(h) of the Act and by Article III, Section 52-a, Texas Constitution, as amended (the “Economic Development Provision”). The Economic Development Provision provides that the Board, subject to the approval of the City Council, may establish and provide for the administration of one or more programs as the Board determines is necessary or convenient to implement and achieve the purposes of this Final Plan, which programs are for the public purposes of developing and diversifying the economy of the Zone and developing business and commercial activity within the Zone. This section is intended to designate an economic development program as authorized by the Economic Development Provision, (the “Economic Development Program”).

Such Economic Development Program may include, to the extent permitted by the law, programs to make grants of any lawfully available money from the TIRZ Fund, including activities that benefit the Zone and stimulate business and commercial activity in the Zone. The Economic Development Program will further the public purpose of developing and diversifying the economy of the Zone. All grants that are part of the Economic Development Program described in this Section serve the public purpose of attracting new business and commercial activity to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increases in the real property tax base for all taxing units within the Zone, and increased job opportunities for residents of the City, County, and the region.

LIST OF EXHIBITS

Unless otherwise stated, all references to "Exhibits" contained in this Final Plan shall mean and refer to the following exhibits, all of which are attached to and made a part of this Final Plan for all purposes.

Exhibit A	Map of the Zone
Exhibit B	Non-Project Costs
Exhibit C	Project Costs
Exhibit D	Estimated Timeline of Incurred Costs
Exhibit E-1	Feasibility Study
Exhibit E-2	Feasibility Study – Improvement Area #1
Exhibit E-3	Feasibility Study – Zone #1 Remainder Area
Exhibit E-4	Feasibility Study – Future Improvement Area
Exhibit E-5	Feasibility Study – Mixed Use Property
Exhibit F-1	Map of the Public Improvements – PID Property
Exhibit F-2	Map of the Public Improvements – Mixed-Use Property
Exhibit G	Parcel Identification
Exhibit H	Proposed Uses of the Property

EXHIBIT A – MAP OF THE ZONE

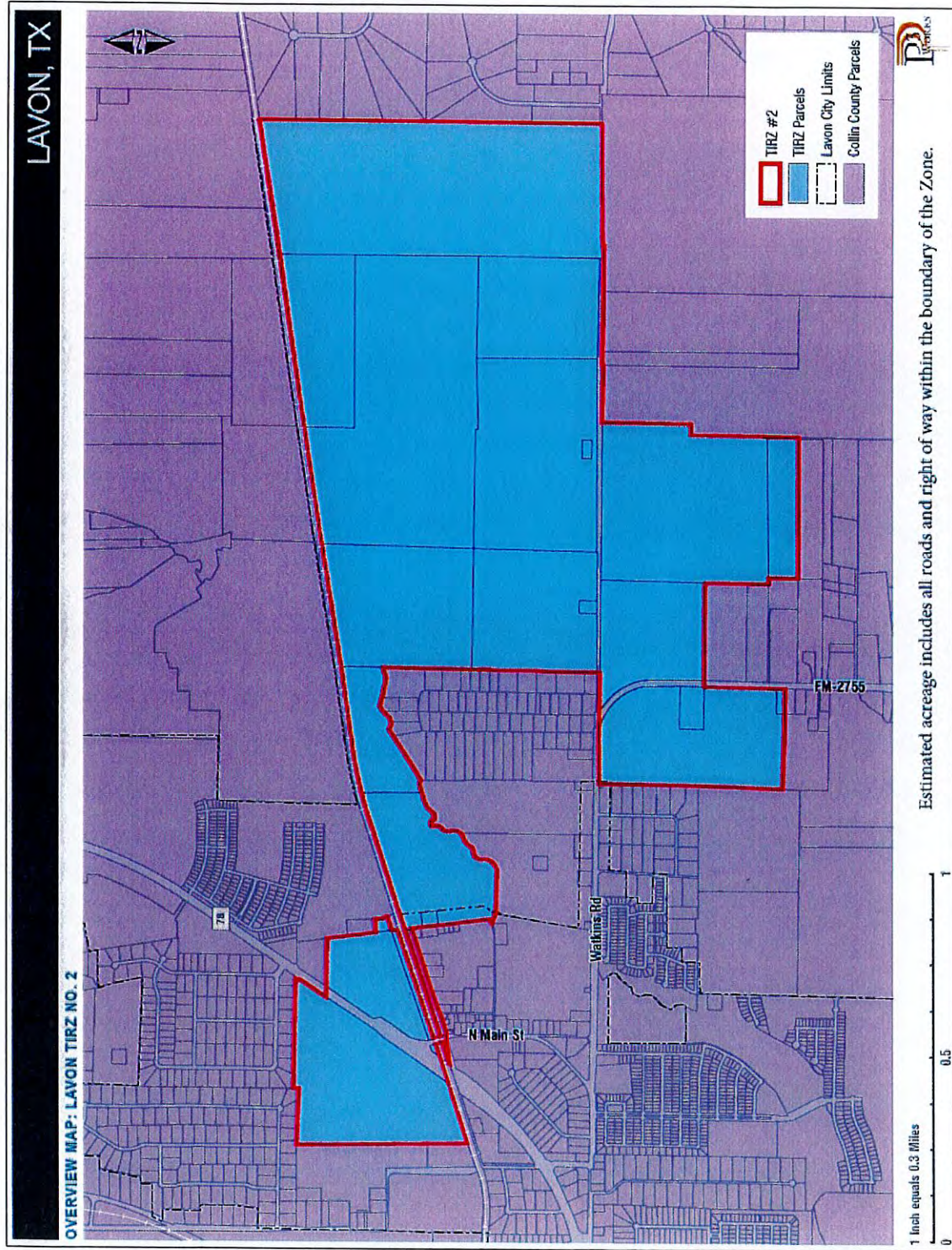


EXHIBIT B – NON-PROJECT COSTS

Reinvestment Zone Number Two, City of Lavon						
Non-Project Costs						
Lot Type	Unit	Lot Value		Buildout Value		Non-Project Costs
		Per Unit	Total	Per Unit	Total	
Improvement Area #1¹						
26's	44	\$ 42,000	\$ 1,848,000	\$ 210,000	\$ 9,240,000	\$ 7,392,000
30's	77	\$ 46,600	\$ 3,588,200	\$ 233,000	\$ 17,941,000	\$ 14,352,800
40's	215	\$ 59,200	\$ 12,728,000	\$ 296,000	\$ 63,640,000	\$ 50,912,000
45's	68	\$ 65,000	\$ 4,420,000	\$ 325,000	\$ 22,100,000	\$ 17,680,000
50's	312	\$ 70,000	\$ 21,840,000	\$ 350,000	\$ 109,200,000	\$ 87,360,000
60's	143	\$ 84,000	\$ 12,012,000	\$ 420,000	\$ 60,060,000	\$ 48,048,000
70's	76	\$ 98,000	\$ 7,448,000	\$ 490,000	\$ 37,240,000	\$ 29,792,000
Subtotal						\$ 255,536,800
Zone #1 - Remainder Area¹						
40's	143	\$ 59,200	\$ 8,465,600	\$ 296,000	\$ 42,328,000	\$ 33,862,400
45's	61	\$ 65,000	\$ 3,965,000	\$ 325,000	\$ 19,825,000	\$ 15,860,000
50's	203	\$ 70,000	\$ 14,210,000	\$ 350,000	\$ 71,050,000	\$ 56,840,000
60's	45	\$ 84,000	\$ 3,780,000	\$ 420,000	\$ 18,900,000	\$ 15,120,000
Subtotal						\$ 121,682,400
Future Improvement Area¹						
Future Residential	2,264	\$ 66,400	\$ 150,329,600	\$ 332,000	\$ 751,648,000	\$ 601,318,400
Subtotal						\$ 601,318,400
Mixed Use Property²						
Future Commercial	392,800	\$ 40	\$ 15,712,000	\$ 200	\$ 78,560,000	\$ 62,848,000
Future Residential Rental	600	\$ 50,000	\$ 30,000,000	\$ 250,000	\$ 150,000,000	\$ 120,000,000
Future Business Park	900,000	\$ 11	\$ 9,540,000	\$ 53	\$ 47,700,000	\$ 38,160,000
Subtotal						\$ 221,008,000
Total						\$ 1,199,545,600

(1) As provided by the Master Developer.

(2) Estimated based on acreage and similar projects.

EXHIBIT C – PROJECT COSTS

Reinvestment Zone Number Two, City of Lavon Project Costs		
Project Costs ¹		
Improvement Area #1 - Public Improvements		
Streets	\$	16,838,144
Water	\$	5,272,396
Sewer	\$	3,834,723
Drainage	\$	4,848,904
ROW Areas	\$	3,469,669
Soft Costs	\$	7,998,082
Wastewater Plant Site	\$	158,433
Interest and Financing Costs ²	\$	23,343,880
IA#1 Subtotal	\$	65,764,230
Zone #1 - Remainder Area - Public Improvements		
Streets	\$	2,302,782
Water	\$	841,064
Sewer	\$	329,473
Drainage	\$	435,003
ROW Areas	\$	682,311
Soft Costs	\$	1,555,917
Wastewater Plant Site	\$	75,117
Interest and Financing Costs ²	\$	7,753,615
Z1RA Subtotal	\$	13,975,283
Future Improvement Area - Public Improvements		
Streets	\$	72,904,436
Water	\$	36,042,184
Sewer	\$	19,650,905
Drainage	\$	26,270,906
Soft Costs	\$	34,177,116
FIA Subtotal	\$	189,045,546
Mixed-Use Property - Public Improvements		
Streets	\$	3,723,489
Water	\$	1,603,840
Sewer	\$	970,652
Drainage	\$	2,736,935
Soft Costs	\$	2,572,920
Economic Development Grants		TBD ³
MU Subtotal	\$	11,607,836
Municipal Services		TBD ⁴
Land Acquisition		TBD ⁵
Total Public Improvements	\$	280,392,895
Administrative Costs	\$	1,691,588
Total Project Costs	\$	282,084,483

(1) Based on data provided by the Master Developer.
 (2) Subject to change based on Public Improvement District Bonds Pricing.
 (3) To be determined pursuant to an Economic Development Agreement.
 (4) To be identified annually by the TIRZ Board and City Council.
 (5) Subject to an approved appraisal.

EXHIBIT D – ESTIMATED TIMELINE OF INCURRED COSTS

Reinvestment Zone Number Two, City of Lavon Estimated Timeline of Incurred Costs

Zone Term	Calendar Year	IA#1 Public Improvements	Z1RA Public Improvements	FIA Public Improvements	MU Public Improvements	Total Project Costs ^{1,2}	
						Annual	Cumulative
Base	2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1	2022	\$ 37,159,224	\$ -	\$ -	\$ -	\$ 37,159,224	\$ 37,159,224
2	2023	\$ 20,727,182	\$ 3,770,074	\$ -	\$ -	\$ 24,497,256	\$ 61,656,480
3	2024	\$ 7,877,825	\$ 8,461,613	\$ -	\$ -	\$ 16,339,438	\$ 77,995,917
4	2025	\$ -	\$ 1,743,596	\$ -	\$ -	\$ 1,743,596	\$ 79,739,513
5	2026	\$ -	\$ -	\$ 23,964,992	\$ 3,090,305	\$ 27,055,297	\$ 106,794,810
6	2027	\$ -	\$ -	\$ 24,444,292	\$ 3,152,111	\$ 27,596,403	\$ 134,391,212
7	2028	\$ -	\$ -	\$ 24,933,178	\$ 3,667,751	\$ 28,600,929	\$ 162,992,141
8	2029	\$ -	\$ -	\$ 24,933,178	\$ 1,245,071	\$ 26,178,249	\$ 189,170,390
9	2030	\$ -	\$ -	\$ 24,933,178	\$ 452,598	\$ 25,385,775	\$ 214,556,165
10	2031	\$ -	\$ -	\$ 25,431,841	\$ -	\$ 25,431,841	\$ 239,988,007
11	2032	\$ -	\$ -	\$ 25,940,478	\$ -	\$ 25,940,478	\$ 265,928,484
12	2033	\$ -	\$ -	\$ 14,464,411	\$ -	\$ 14,464,411	\$ 280,392,895
		\$ 65,764,230	\$ 13,975,283	\$ 189,045,546	\$ 11,607,836	\$ 280,392,895	

(1) Timeline shown for illustrative purposes only and is subject to change.

(2) Administrative Costs are not shown, and are anticipated to be incurred annually.

Reinvestment Zone Number Two, City of Laven
Feasibility Study

(1) County has not yet agreed to participate, and is shown for illustrative purposes only

Assessments	
Tax Increment Base \$	128,301
City Tax Rate	0.478956
County Tax Rate	0.166037

REINVESTMENT ZONE NO. 2, CITY OF LAVON, TEXAS
FINAL PROJECT AND FINANCE PLAN

EXHIBIT E-2 – FEASIBILITY STUDY – IMPROVEMENT AREA #1

Reinvestment Zone Number Two, City of Lavon Feasibility Study - Improvement Area #1

Zone Term	Calendar Year	Growth / Year	Net Taxable Value	Incremental Value	City TIRZ Fund Contribution		County TIRZ Fund Contribution ²		TIRZ Fund - IA#1 PID Property Account	
					%	Annual	%	Annual	Annual	Cumulative
Base	2021		\$ 25,304	\$ -	45%	\$ -	45%	\$ -	\$ -	\$ -
1	2022	2.0%	\$ 25,810	\$ 506	45%	\$ -	45%	\$ -	\$ -	\$ -
2	2023	2.0%	\$ 182,487,326	\$ 182,462,022	45%	\$ 1	45%	\$ 0	\$ 1	\$ 1
3	2024	2.0%	\$ 287,912,673	\$ 287,887,369	45%	\$ 393,261	45%	\$ 138,013	\$ 531,273	\$ 531,275
4	2025	2.0%	\$ 332,352,998	\$ 332,327,694	45%	\$ 620,484	45%	\$ 217,756	\$ 838,240	\$ 1,369,515
5	2026	2.0%	\$ 339,000,058	\$ 338,974,754	45%	\$ 716,267	45%	\$ 251,370	\$ 967,636	\$ 2,337,151
6	2027	2.0%	\$ 345,780,060	\$ 345,754,755	45%	\$ 730,593	45%	\$ 256,398	\$ 986,991	\$ 3,324,142
7	2028	2.0%	\$ 352,695,661	\$ 352,670,357	45%	\$ 745,206	45%	\$ 261,526	\$ 1,006,732	\$ 4,330,874
8	2029	2.0%	\$ 359,749,574	\$ 359,724,270	45%	\$ 760,111	45%	\$ 266,757	\$ 1,026,868	\$ 5,357,742
9	2030	0.00%	\$ 359,749,574	\$ 359,724,270	45%	\$ 775,314	45%	\$ 272,092	\$ 1,047,407	\$ 6,405,148
10	2031	0.00%	\$ 359,749,574	\$ 359,724,270	45%	\$ 775,314	45%	\$ 272,092	\$ 1,006,732	\$ 4,330,874
11	2032	2.0%	\$ 366,944,565	\$ 366,919,261	45%	\$ 775,314	45%	\$ 272,092	\$ 1,047,407	\$ 8,499,962
12	2033	2.0%	\$ 374,283,457	\$ 374,258,153	45%	\$ 790,822	45%	\$ 277,535	\$ 1,068,356	\$ 9,568,318
13	2034	2.0%	\$ 381,769,126	\$ 381,743,822	45%	\$ 806,639	45%	\$ 283,086	\$ 1,089,725	\$ 10,658,043
14	2035	2.0%	\$ 389,404,508	\$ 389,379,204	45%	\$ 822,773	45%	\$ 288,748	\$ 1,111,521	\$ 11,769,564
15	2036	2.0%	\$ 397,192,599	\$ 397,167,294	45%	\$ 839,230	45%	\$ 294,523	\$ 1,133,753	\$ 12,903,317
16	2037	2.0%	\$ 405,136,451	\$ 405,111,146	45%	\$ 856,015	45%	\$ 300,414	\$ 1,156,429	\$ 14,059,747
17	2038	2.0%	\$ 413,239,180	\$ 413,213,875	45%	\$ 873,137	45%	\$ 306,423	\$ 1,179,559	\$ 15,239,306
18	2039	2.0%	\$ 421,503,963	\$ 421,478,659	45%	\$ 890,601	45%	\$ 312,551	\$ 1,203,152	\$ 16,442,458
19	2040	0.00%	\$ 421,503,963	\$ 421,478,659	45%	\$ 908,414	45%	\$ 318,803	\$ 1,227,217	\$ 17,669,675
20	2041	0.00%	\$ 421,503,963	\$ 421,478,659	45%	\$ 908,414	45%	\$ 318,803	\$ 1,179,559	\$ 18,896,892
21	2042	2.0%	\$ 429,934,042	\$ 429,908,738	45%	\$ 908,414	45%	\$ 318,803	\$ 1,227,217	\$ 20,124,108
22	2043	2.0%	\$ 438,532,723	\$ 438,507,419	45%	\$ 926,583	45%	\$ 325,179	\$ 1,251,762	\$ 21,375,871
23	2044	2.0%	\$ 447,303,378	\$ 447,278,074	45%	\$ 945,116	45%	\$ 331,683	\$ 1,276,799	\$ 22,652,670
24	2045	2.0%	\$ 456,249,445	\$ 456,224,141	45%	\$ 964,019	45%	\$ 338,317	\$ 1,302,337	\$ 23,955,007
25	2046	2.0%	\$ 465,374,434	\$ 465,349,130	45%	\$ 983,301	45%	\$ 345,084	\$ 1,328,385	\$ 25,283,392
26	2047	2.0%	\$ 474,681,923	\$ 474,656,619	45%	\$ 1,002,968	45%	\$ 351,986	\$ 1,354,954	\$ 26,638,346
27	2048	2.0%	\$ 484,175,561	\$ 484,150,257	45%	\$ 1,023,028	45%	\$ 359,026	\$ 1,382,055	\$ 28,020,400
28	2049	2.0%	\$ 493,859,073	\$ 493,833,768	45%	\$ 1,043,490	45%	\$ 366,207	\$ 1,409,697	\$ 29,430,097
29	2050	0.00%	\$ 493,859,073	\$ 493,833,768	45%	\$ 1,064,361	45%	\$ 373,532	\$ 1,437,893	\$ 30,867,990
30	2051	0.00%	\$ 493,859,073	\$ 493,833,768	45%	\$ 1,064,361	45%	\$ 373,532	\$ 1,437,893	\$ 32,305,883
31	2052	2.0%	\$ 503,736,254	\$ 503,710,950	45%	\$ 1,064,361	45%	\$ 373,532	\$ 1,437,893	\$ 33,743,775
32	2053	2.0%	\$ 513,810,979	\$ 513,785,675	45%	\$ 1,085,649	45%	\$ 381,003	\$ 1,466,652	\$ 35,210,427
33	2054	2.0%	\$ 524,087,199	\$ 524,061,895	45%	\$ 1,107,363	45%	\$ 388,623	\$ 1,495,986	\$ 36,706,414
34	2055	2.0%	\$ 534,568,943	\$ 534,543,639	45%	\$ 1,129,512	45%	\$ 396,396	\$ 1,525,908	\$ 38,232,321
35	2056	2.0%	\$ 545,260,322	\$ 545,235,017	45%	\$ 1,152,103	45%	\$ 404,324	\$ 1,556,427	\$ 39,788,748
36	2057	2.0%	\$ 556,165,528	\$ 556,140,224	45%	\$ 1,175,146	45%	\$ 412,411	\$ 1,587,557	\$ 41,376,306
37	2058	2.0%	\$ 567,288,839	\$ 567,263,534	45%	\$ 1,198,650	45%	\$ 420,660	\$ 1,619,310	\$ 42,995,615
38	2059	2.0%	\$ 578,634,615	\$ 578,609,311	45%	\$ 1,222,624	45%	\$ 429,073	\$ 1,651,698	\$ 44,647,313
39	2060	0.00%	\$ 578,634,615	\$ 578,609,311	45%	\$ 1,247,078	45%	\$ 437,655	\$ 1,684,733	\$ 46,332,046
40	2061	0.00%	\$ 578,634,615	\$ 578,609,311	45%	\$ 1,247,078	45%	\$ 437,655	\$ 1,684,733	\$ 48,016,779
41	2062	2.0%	\$ 590,207,308	\$ 590,182,003	45%	\$ 1,247,078	45%	\$ 437,655	\$ 1,684,733	\$ 49,701,512
42	2063	2.0%	\$ 602,011,454	\$ 601,986,150	45%	\$ 1,272,020	45%	\$ 446,409	\$ 1,718,429	\$ 51,419,941
43	2064	2.0%	\$ 614,051,683	\$ 614,026,379	45%	\$ 1,297,462	45%	\$ 455,337	\$ 1,752,799	\$ 53,172,740
44	2065	2.0%	\$ 626,332,716	\$ 626,307,412	45%	\$ 1,323,412	45%	\$ 464,444	\$ 1,787,857	\$ 54,960,597
45	2066	2.0%	\$ 638,859,371	\$ 638,834,067	45%	\$ 1,349,882	45%	\$ 473,734	\$ 1,823,615	\$ 56,784,212
46	2067	2.0%	\$ 651,636,558	\$ 651,611,254	45%	\$ 1,376,880	45%	\$ 483,209	\$ 1,860,089	\$ 58,644,301
47	2068	2.0%	\$ 664,669,289	\$ 664,643,985	45%	\$ 1,404,419	45%	\$ 492,873	\$ 1,897,292	\$ 60,541,593
48	2069	2.0%	\$ 677,962,675	\$ 677,937,371	45%	\$ 1,432,509	45%	\$ 502,731	\$ 1,935,240	\$ 62,476,833
49	2070	0.00%	\$ 677,962,675	\$ 677,937,371	45%	\$ 1,461,160	45%	\$ 512,786	\$ 1,973,946	\$ 64,450,779
50	2071	0.00%	\$ 677,962,675	\$ 677,937,371	45%	\$ 1,461,160	45%	\$ 512,786	\$ 1,973,946	\$ 66,424,725
						\$ 49,169,098			\$ 17,255,627	\$ 66,424,725

Assumptions

Tax Increment Base ¹	\$ 25,304
City Tax Rate	0.478956
County Tax Rate	0.168087

Footnotes:

- (1) Proportionate value of Tax Increment Base, based on estimated buildout value.
(2) County has not yet agreed to participate and is shown for illustrative purposes only.

EXHIBIT E-3 – FEASIBILITY STUDY – ZONE #1 – REMAINDER AREA

Reinvestment Zone Number Two, City of Lavon Feasibility Study - Zone #1 - Remainder Area

Zone Term	Calendar Year	Growth / Year	Net Taxable		Incremental Value	City TIRZ Fund Contribution			County TIRZ Fund Contribution ²			TIRZ Fund - Z1RA PID Property Account	
			Value	Value		%	Annual	Cumulative	%	Annual	Cumulative	Annual	Cumulative
Base	2021		\$ 12,364	\$ -		45%	\$ -	\$ -	45%	\$ -	\$ -	\$ -	\$ -
1	2022	2.0%	\$ 12,611	\$ 247		45%	\$ -	\$ -	45%	\$ -	\$ -	\$ -	\$ -
2	2023	2.0%	\$ 12,863	\$ 500		45%	\$ 1	\$ 1	45%	\$ 0	\$ 0	\$ 1	\$ 1
3	2024	2.0%	\$ 42,577,721	\$ 42,565,357		45%	\$ 1	\$ 2	45%	\$ 0	\$ 1	\$ 1	\$ 2
4	2025	2.0%	\$ 138,961,924	\$ 138,949,560		45%	\$ 91,741	\$ 91,743	45%	\$ 32,196	\$ 32,197	\$ 123,937	\$ 123,939
5	2026	2.0%	\$ 161,426,571	\$ 161,414,207		45%	\$ 299,478	\$ 391,221	45%	\$ 105,100	\$ 137,297	\$ 404,579	\$ 528,518
6	2027	2.0%	\$ 164,655,103	\$ 164,642,739		45%	\$ 347,896	\$ 739,117	45%	\$ 122,092	\$ 259,389	\$ 469,989	\$ 998,507
7	2028	2.0%	\$ 167,948,205	\$ 167,935,841		45%	\$ 354,855	\$ 1,093,972	45%	\$ 124,534	\$ 383,924	\$ 479,389	\$ 1,477,896
8	2029	2.0%	\$ 171,307,169	\$ 171,294,805		45%	\$ 361,952	\$ 1,455,925	45%	\$ 127,025	\$ 510,949	\$ 488,978	\$ 1,966,874
9	2030	0.00%	\$ 171,307,169	\$ 171,294,805		45%	\$ 369,192	\$ 1,825,117	45%	\$ 129,566	\$ 640,515	\$ 498,758	\$ 2,465,632
10	2031	0.00%	\$ 171,307,169	\$ 171,294,805		45%	\$ 369,192	\$ 2,194,309	45%	\$ 129,566	\$ 770,081	\$ 498,758	\$ 2,964,390
11	2032	2.0%	\$ 174,733,312	\$ 174,720,948		45%	\$ 369,192	\$ 2,563,501	45%	\$ 129,566	\$ 899,647	\$ 498,758	\$ 3,463,147
12	2033	2.0%	\$ 178,227,978	\$ 178,215,614		45%	\$ 376,576	\$ 2,940,077	45%	\$ 132,157	\$ 1,031,804	\$ 508,734	\$ 3,971,881
13	2034	2.0%	\$ 181,792,538	\$ 181,780,174		45%	\$ 384,108	\$ 3,324,186	45%	\$ 134,801	\$ 1,166,605	\$ 518,909	\$ 4,490,791
14	2035	2.0%	\$ 185,428,389	\$ 185,416,025		45%	\$ 391,791	\$ 3,715,977	45%	\$ 137,497	\$ 1,304,102	\$ 529,288	\$ 5,020,079
15	2036	2.0%	\$ 189,136,957	\$ 189,124,593		45%	\$ 399,628	\$ 4,115,604	45%	\$ 140,247	\$ 1,444,349	\$ 539,875	\$ 5,559,953
16	2037	2.0%	\$ 192,919,696	\$ 192,907,332		45%	\$ 407,621	\$ 4,523,225	45%	\$ 143,052	\$ 1,587,401	\$ 550,673	\$ 6,110,626
17	2038	2.0%	\$ 196,778,090	\$ 196,765,726		45%	\$ 415,774	\$ 4,938,999	45%	\$ 145,913	\$ 1,733,315	\$ 561,687	\$ 6,672,313
18	2039	2.0%	\$ 200,713,651	\$ 200,701,287		45%	\$ 424,090	\$ 5,363,088	45%	\$ 148,832	\$ 1,882,147	\$ 572,921	\$ 7,245,235
19	2040	0.00%	\$ 200,713,651	\$ 200,701,287		45%	\$ 432,572	\$ 5,795,660	45%	\$ 151,809	\$ 2,033,955	\$ 584,381	\$ 7,829,615
20	2041	0.00%	\$ 200,713,651	\$ 200,701,287		45%	\$ 432,572	\$ 6,228,232	45%	\$ 151,809	\$ 2,185,764	\$ 584,381	\$ 8,413,996
21	2042	2.0%	\$ 204,727,924	\$ 204,715,560		45%	\$ 432,572	\$ 6,660,804	45%	\$ 151,809	\$ 2,337,573	\$ 584,381	\$ 8,998,377
22	2043	2.0%	\$ 208,822,483	\$ 208,810,119		45%	\$ 441,224	\$ 7,102,028	45%	\$ 154,845	\$ 2,492,418	\$ 596,069	\$ 9,594,446
23	2044	2.0%	\$ 212,998,933	\$ 212,986,569		45%	\$ 450,049	\$ 7,552,077	45%	\$ 157,942	\$ 2,650,360	\$ 607,991	\$ 10,202,437
24	2045	2.0%	\$ 217,258,911	\$ 217,246,547		45%	\$ 459,050	\$ 8,011,127	45%	\$ 161,101	\$ 2,811,461	\$ 620,152	\$ 10,822,588
25	2046	2.0%	\$ 221,604,089	\$ 221,591,725		45%	\$ 468,232	\$ 8,479,359	45%	\$ 164,323	\$ 2,975,785	\$ 632,555	\$ 11,455,144
26	2047	2.0%	\$ 226,036,171	\$ 226,023,807		45%	\$ 477,597	\$ 8,956,956	45%	\$ 167,610	\$ 3,143,395	\$ 645,207	\$ 12,100,351
27	2048	2.0%	\$ 230,556,895	\$ 230,544,531		45%	\$ 487,150	\$ 9,444,105	45%	\$ 170,962	\$ 3,314,357	\$ 658,112	\$ 12,758,463
28	2049	2.0%	\$ 235,168,033	\$ 235,155,669		45%	\$ 496,893	\$ 9,940,999	45%	\$ 174,382	\$ 3,488,739	\$ 671,275	\$ 13,429,738
29	2050	0.00%	\$ 235,168,033	\$ 235,155,669		45%	\$ 506,831	\$ 10,447,830	45%	\$ 177,870	\$ 3,666,609	\$ 684,701	\$ 14,114,439
30	2051	0.00%	\$ 235,168,033	\$ 235,155,669		45%	\$ 506,831	\$ 10,954,662	45%	\$ 177,870	\$ 3,844,479	\$ 684,701	\$ 14,799,140
31	2052	2.0%	\$ 239,871,393	\$ 239,859,029		45%	\$ 506,831	\$ 11,461,493	45%	\$ 177,870	\$ 4,022,349	\$ 684,701	\$ 15,483,842
32	2053	2.0%	\$ 244,668,821	\$ 244,656,457		45%	\$ 516,969	\$ 11,978,462	45%	\$ 181,427	\$ 4,203,776	\$ 698,396	\$ 16,182,238
33	2054	2.0%	\$ 249,562,197	\$ 249,549,834		45%	\$ 527,309	\$ 12,505,770	45%	\$ 185,056	\$ 4,388,832	\$ 712,365	\$ 16,894,602
34	2055	2.0%	\$ 254,553,441	\$ 254,541,077		45%	\$ 537,855	\$ 13,043,625	45%	\$ 188,757	\$ 4,577,589	\$ 726,613	\$ 17,621,215
35	2056	2.0%	\$ 259,644,510	\$ 259,632,146		45%	\$ 548,613	\$ 13,592,238	45%	\$ 192,533	\$ 4,770,122	\$ 741,146	\$ 18,362,360
36	2057	2.0%	\$ 264,837,400	\$ 264,825,036		45%	\$ 559,586	\$ 14,151,824	45%	\$ 196,384	\$ 4,966,506	\$ 755,969	\$ 19,118,330
37	2058	2.0%	\$ 270,134,148	\$ 270,121,785		45%	\$ 570,778	\$ 14,722,602	45%	\$ 200,311	\$ 5,166,817	\$ 771,089	\$ 19,889,419
38	2059	2.0%	\$ 275,536,831	\$ 275,524,467		45%	\$ 582,194	\$ 15,304,796	45%	\$ 204,318	\$ 5,371,135	\$ 786,512	\$ 20,675,931
39	2060	0.00%	\$ 275,536,831	\$ 275,524,467		45%	\$ 593,838	\$ 15,898,634	45%	\$ 208,404	\$ 5,579,539	\$ 802,243	\$ 21,478,174
40	2061	0.00%	\$ 275,536,831	\$ 275,524,467		45%	\$ 593,838	\$ 16,492,473	45%	\$ 208,404	\$ 5,787,944	\$ 802,243	\$ 22,280,416
41	2062	2.0%	\$ 281,047,568	\$ 281,035,204		45%	\$ 593,838	\$ 17,086,311	45%	\$ 208,404	\$ 5,996,348	\$ 802,243	\$ 23,082,659
42	2063	2.0%	\$ 286,668,519	\$ 286,656,155		45%	\$ 605,716	\$ 17,692,027	45%	\$ 212,573	\$ 6,208,921	\$ 818,288	\$ 23,900,948
43	2064	2.0%	\$ 292,401,890	\$ 292,389,526		45%	\$ 617,831	\$ 18,309,858	45%	\$ 216,824	\$ 6,425,745	\$ 834,655	\$ 24,735,602
44	2065	2.0%	\$ 298,249,928	\$ 298,237,564		45%	\$ 630,188	\$ 18,940,045	45%	\$ 221,161	\$ 6,646,906	\$ 851,349	\$ 25,586,951
45	2066	2.0%	\$ 304,214,926	\$ 304,202,562		45%	\$ 642,792	\$ 19,582,837	45%	\$ 225,584	\$ 6,872,490	\$ 868,376	\$ 26,455,327
46	2067	2.0%	\$ 310,299,225	\$ 310,286,861		45%	\$ 655,648	\$ 20,238,486	45%	\$ 230,096	\$ 7,102,586	\$ 885,745	\$ 27,341,072
47	2068	2.0%	\$ 316,505,209	\$ 316,492,845		45%	\$ 668,762	\$ 20,907,248	45%	\$ 234,698	\$ 7,337,285	\$ 903,460	\$ 28,244,532
48	2069	2.0%	\$ 322,835,313	\$ 322,822,949		45%	\$ 682,138	\$ 21,589,385	45%	\$ 239,392	\$ 7,576,677	\$ 921,530	\$ 29,166,063
49	2070	0.00%	\$ 322,835,313	\$ 322,822,949		45%	\$ 695,781	\$ 22,285,166	45%	\$ 244,181	\$ 7,820,858	\$ 939,961	\$ 30,106,024
50	2071	0.00%	\$ 322,835,313	\$ 322,822,949		45%	\$ 695,781	\$ 22,980,947	45%	\$ 244,181	\$ 8,065,038	\$ 939,961	\$ 31,045,985
						\$ 22,980,947			\$ 8,065,038			\$ 31,045,985	

Assumptions

Tax Increment Base ¹	\$ 12,364
City Tax Rate	0.478956
County Tax Rate	0.168087

Footnotes:

- (1) Proportionate value of Tax Increment Base, based on estimated buildout value.
- (2) County has not yet agreed to participate and is shown for illustrative purposes only.

EXHIBIT E-4 – FEASIBILITY STUDY – FUTURE IMPROVEMENT AREA

Reinvestment Zone Number Two, City of Lavon Feasibility Study - Future Improvement Area

Zone Term	Calendar Year	Growth / Year	Incremental		City TIRZ Fund Contribution		County TIRZ Fund Contribution		TIRZ Fund - Future Residential PID Property Account	
			Net Taxable Value	Value	%	Annual	Cumulative	%	Annual	Cumulative
Base	2021		\$ 66,642	\$ -	45%	\$ -	\$ -	45%	\$ -	\$ -
1	2022	2.0%	\$ 67,975	\$ 1,333	45%	\$ -	\$ -	45%	\$ -	\$ -
2	2023	2.0%	\$ 69,334	\$ 2,692	45%	\$ 3	\$ 3	45%	\$ 1	\$ 4
3	2024	2.0%	\$ 70,721	\$ 4,079	45%	\$ 6	\$ 9	45%	\$ 2	\$ 8
4	2025	2.0%	\$ 72,135	\$ 5,493	45%	\$ 9	\$ 17	45%	\$ 3	\$ 12
5	2026	2.0%	\$ 73,578	\$ 6,936	45%	\$ 12	\$ 29	45%	\$ 4	\$ 16
6	2027	2.0%	\$ 107,885,293	\$ 107,818,651	45%	\$ 15	\$ 44	45%	\$ 5	\$ 20
7	2028	2.0%	\$ 220,009,447	\$ 219,942,805	45%	\$ 232,382	\$ 232,426	45%	\$ 81,553	\$ 81,569
8	2029	2.0%	\$ 336,575,413	\$ 336,508,771	45%	\$ 474,043	\$ 706,469	45%	\$ 166,363	\$ 247,932
9	2030	0.00%	\$ 448,741,190	\$ 448,674,548	45%	\$ 725,278	\$ 1,431,747	45%	\$ 254,532	\$ 502,464
10	2031	0.00%	\$ 560,906,967	\$ 560,840,325	45%	\$ 967,029	\$ 2,398,776	45%	\$ 339,374	\$ 841,837
11	2032	2.0%	\$ 686,534,198	\$ 686,467,556	45%	\$ 1,208,780	\$ 3,607,557	45%	\$ 424,215	\$ 1,266,052
12	2033	2.0%	\$ 816,962,157	\$ 816,895,515	45%	\$ 1,479,545	\$ 5,087,102	45%	\$ 519,238	\$ 1,785,291
13	2034	2.0%	\$ 898,371,800	\$ 898,305,158	45%	\$ 1,760,657	\$ 6,847,758	45%	\$ 617,893	\$ 2,403,183
14	2035	2.0%	\$ 916,339,236	\$ 916,272,594	45%	\$ 1,936,119	\$ 8,783,877	45%	\$ 679,470	\$ 3,082,654
15	2036	2.0%	\$ 934,666,021	\$ 934,599,379	45%	\$ 1,974,844	\$ 10,758,721	45%	\$ 693,061	\$ 3,775,715
16	2037	2.0%	\$ 953,359,341	\$ 953,292,699	45%	\$ 2,014,344	\$ 12,773,065	45%	\$ 706,923	\$ 4,482,638
17	2038	2.0%	\$ 972,426,528	\$ 972,359,886	45%	\$ 2,054,634	\$ 14,827,699	45%	\$ 721,062	\$ 5,203,700
18	2039	2.0%	\$ 991,875,059	\$ 991,808,416	45%	\$ 2,095,729	\$ 16,923,428	45%	\$ 735,485	\$ 5,939,185
19	2040	0.00%	\$ 991,875,059	\$ 991,808,416	45%	\$ 2,137,647	\$ 19,061,075	45%	\$ 750,195	\$ 6,689,380
20	2041	0.00%	\$ 991,875,059	\$ 991,808,416	45%	\$ 2,137,647	\$ 21,198,721	45%	\$ 750,195	\$ 7,439,576
21	2042	2.0%	\$ 1,011,712,560	\$ 1,011,645,918	45%	\$ 2,137,647	\$ 23,336,368	45%	\$ 750,195	\$ 8,189,771
22	2043	2.0%	\$ 1,031,946,811	\$ 1,031,880,169	45%	\$ 2,180,402	\$ 25,516,770	45%	\$ 765,200	\$ 8,954,972
23	2044	2.0%	\$ 1,052,585,747	\$ 1,052,519,105	45%	\$ 2,224,013	\$ 27,740,784	45%	\$ 780,505	\$ 9,735,477
24	2045	2.0%	\$ 1,073,637,462	\$ 1,073,570,820	45%	\$ 2,268,497	\$ 30,009,280	45%	\$ 796,117	\$ 10,531,593
25	2046	2.0%	\$ 1,095,110,211	\$ 1,095,043,569	45%	\$ 2,313,869	\$ 32,323,150	45%	\$ 812,040	\$ 11,343,633
26	2047	2.0%	\$ 1,117,012,416	\$ 1,116,945,773	45%	\$ 2,360,540	\$ 34,683,299	45%	\$ 828,282	\$ 12,171,915
27	2048	2.0%	\$ 1,139,352,664	\$ 1,139,286,022	45%	\$ 2,407,355	\$ 37,090,655	45%	\$ 844,848	\$ 13,016,763
28	2049	2.0%	\$ 1,162,139,717	\$ 1,162,073,075	45%	\$ 2,455,505	\$ 39,546,160	45%	\$ 861,746	\$ 13,878,510
29	2050	0.00%	\$ 1,162,139,717	\$ 1,162,073,075	45%	\$ 2,504,618	\$ 42,050,779	45%	\$ 878,982	\$ 14,757,492
30	2051	0.00%	\$ 1,162,139,717	\$ 1,162,073,075	45%	\$ 2,504,618	\$ 44,555,397	45%	\$ 878,982	\$ 15,636,474
31	2052	2.0%	\$ 1,185,382,511	\$ 1,185,315,869	45%	\$ 2,504,618	\$ 47,060,015	45%	\$ 878,982	\$ 16,515,456
32	2053	2.0%	\$ 1,209,090,162	\$ 1,209,023,520	45%	\$ 2,554,714	\$ 49,614,729	45%	\$ 896,563	\$ 17,412,019
33	2054	2.0%	\$ 1,233,271,965	\$ 1,233,205,323	45%	\$ 2,605,811	\$ 52,220,540	45%	\$ 914,495	\$ 18,326,514
34	2055	2.0%	\$ 1,257,937,404	\$ 1,257,870,762	45%	\$ 2,657,930	\$ 54,878,470	45%	\$ 932,786	\$ 19,259,300
35	2056	2.0%	\$ 1,283,096,152	\$ 1,283,029,510	45%	\$ 2,711,091	\$ 57,589,561	45%	\$ 951,443	\$ 20,210,743
36	2057	2.0%	\$ 1,308,758,075	\$ 1,308,691,433	45%	\$ 2,765,316	\$ 60,354,877	45%	\$ 970,473	\$ 21,181,215
37	2058	2.0%	\$ 1,334,933,237	\$ 1,334,866,595	45%	\$ 2,820,625	\$ 63,175,502	45%	\$ 989,883	\$ 22,171,099
38	2059	2.0%	\$ 1,361,631,902	\$ 1,361,565,260	45%	\$ 2,877,041	\$ 66,052,543	45%	\$ 1,009,682	\$ 23,180,780
39	2060	0.00%	\$ 1,361,631,902	\$ 1,361,565,260	45%	\$ 2,934,584	\$ 68,987,127	45%	\$ 1,029,876	\$ 24,210,657
40	2061	0.00%	\$ 1,361,631,902	\$ 1,361,565,260	45%	\$ 2,934,584	\$ 71,921,712	45%	\$ 1,029,876	\$ 25,240,533
41	2062	2.0%	\$ 1,388,864,540	\$ 1,388,797,898	45%	\$ 2,934,584	\$ 74,856,296	45%	\$ 1,029,876	\$ 26,270,409
42	2063	2.0%	\$ 1,416,641,830	\$ 1,416,575,188	45%	\$ 2,993,279	\$ 77,849,575	45%	\$ 1,050,475	\$ 27,320,884
43	2064	2.0%	\$ 1,444,974,667	\$ 1,444,908,025	45%	\$ 3,053,147	\$ 80,902,722	45%	\$ 1,071,485	\$ 28,392,370
44	2065	2.0%	\$ 1,473,874,160	\$ 1,473,807,518	45%	\$ 3,114,213	\$ 84,016,935	45%	\$ 1,092,916	\$ 29,485,286
45	2066	2.0%	\$ 1,503,351,644	\$ 1,503,285,002	45%	\$ 3,176,500	\$ 87,193,436	45%	\$ 1,114,775	\$ 30,600,061
46	2067	2.0%	\$ 1,533,418,676	\$ 1,533,352,034	45%	\$ 3,240,033	\$ 90,433,469	45%	\$ 1,137,072	\$ 31,737,133
47	2068	2.0%	\$ 1,564,087,050	\$ 1,564,020,408	45%	\$ 3,304,837	\$ 93,738,306	45%	\$ 1,159,814	\$ 32,896,948
48	2069	2.0%	\$ 1,595,368,791	\$ 1,595,302,149	45%	\$ 3,370,936	\$ 97,109,242	45%	\$ 1,183,012	\$ 34,079,960
49	2070	0.00%	\$ 1,595,368,791	\$ 1,595,302,149	45%	\$ 3,438,358	\$ 100,547,600	45%	\$ 1,206,673	\$ 35,286,633
50	2071	0.00%	\$ 1,595,368,791	\$ 1,595,302,149	45%	\$ 3,438,358	\$ 103,985,958	45%	\$ 1,206,673	\$ 36,493,306
					\$ 103,985,958		\$ 36,493,306		\$ 140,479,263	

Assumptions

Tax Increment Base ¹	\$ 66,642
City Tax Rate	0.478956
County Tax Rate	0.168087

Footnotes:

- (1) Proportionate value of Tax Increment Base, based on estimated buildout value.
- (2) County has not yet agreed to participate and is shown for illustrative purposes only.

EXHIBIT E-5 – FEASIBILITY STUDY – MIXED-USE PROPERTY

Reinvestment Zone Number Two, City of Lavon Feasibility Study - Mixed Use Property

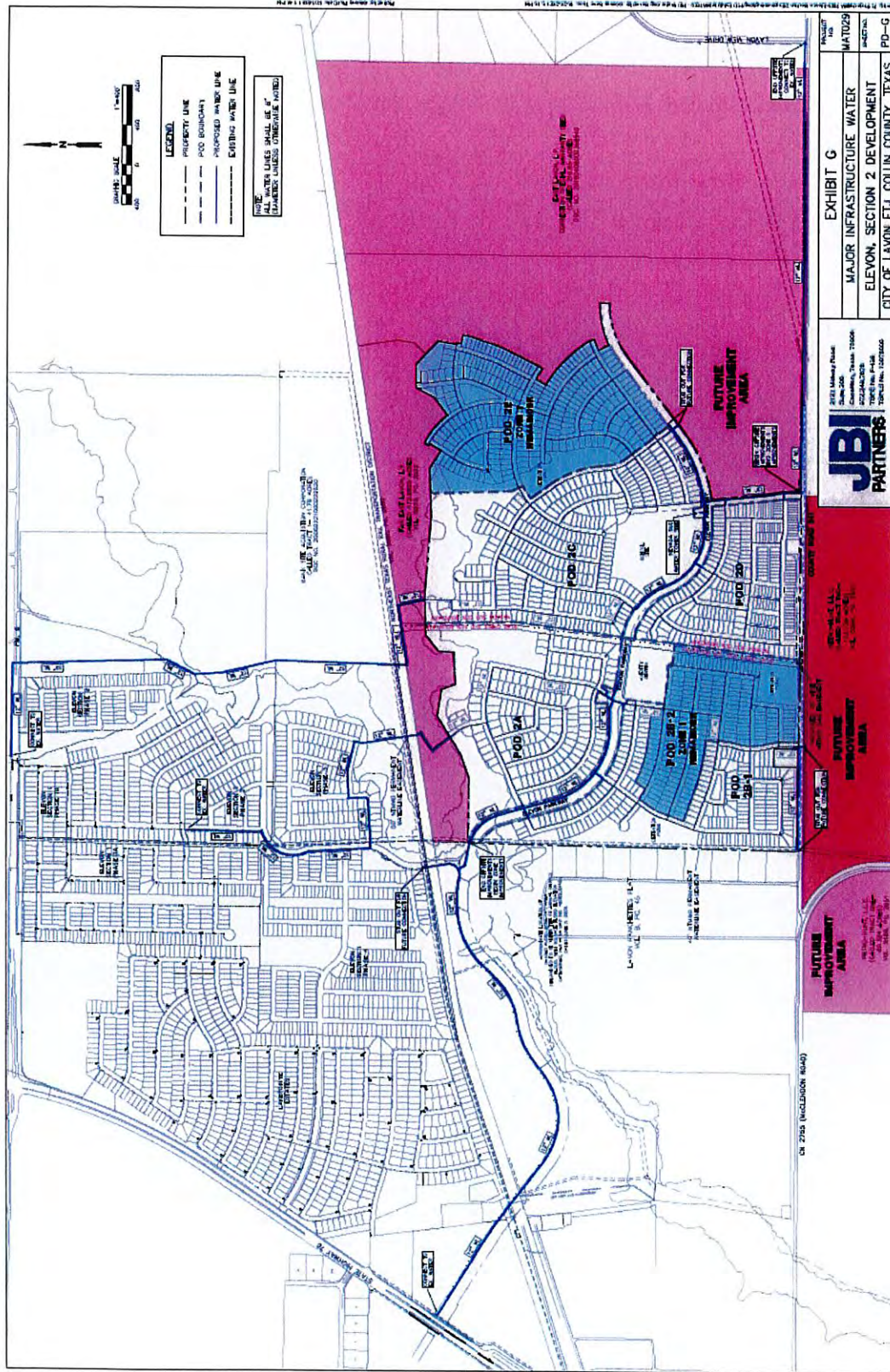
TIRZ Term	Calendar Year	Growth / Year	Net Taxable		Incremental	City TIRZ Fund Contribution		County TIRZ Fund Contribution		TIRZ Fund - Mixed-Use Property Account		
			Value	Value		%	Annual	Cumulative	%	Annual	Cumulative	Annual
Base	2021		\$ 23,991	\$ -	45%	\$ -	\$ -	45%	\$ -	\$ -	\$ -	\$ -
1	2022	2.0%	\$ 24,471	\$ 480	45%	\$ -	\$ -	45%	\$ -	\$ -	\$ -	\$ -
2	2023	2.0%	\$ 24,960	\$ 969	45%	\$ 1	\$ 1	45%	\$ 0	\$ 0	\$ 1	\$ 1
3	2024	2.0%	\$ 25,459	\$ 1,468	45%	\$ 2	\$ 3	45%	\$ 1	\$ 1	\$ 3	\$ 4
4	2025	2.0%	\$ 25,968	\$ 1,978	45%	\$ 3	\$ 6	45%	\$ 1	\$ 2	\$ 4	\$ 8
5	2026	2.0%	\$ 26,488	\$ 2,497	45%	\$ 4	\$ 11	45%	\$ 1	\$ 4	\$ 6	\$ 14
6	2027	2.0%	\$ 81,534,159	\$ 81,510,168	45%	\$ 5	\$ 16	45%	\$ 2	\$ 6	\$ 7	\$ 21
7	2028	2.0%	\$ 166,302,127	\$ 166,278,136	45%	\$ 175,679	\$ 175,695	45%	\$ 61,654	\$ 61,659	\$ 237,333	\$ 237,354
8	2029	2.0%	\$ 266,365,521	\$ 266,341,530	45%	\$ 358,380	\$ 534,075	45%	\$ 125,771	\$ 187,431	\$ 484,151	\$ 721,505
9	2030	0.00%	\$ 299,204,417	\$ 299,180,427	45%	\$ 574,046	\$ 1,108,121	45%	\$ 201,458	\$ 388,889	\$ 775,505	\$ 1,497,010
10	2031	0.00%	\$ 311,141,739	\$ 311,117,748	45%	\$ 644,824	\$ 1,752,945	45%	\$ 226,298	\$ 615,187	\$ 871,122	\$ 2,368,132
11	2032	2.0%	\$ 317,364,574	\$ 317,340,583	45%	\$ 670,553	\$ 2,423,498	45%	\$ 235,327	\$ 850,513	\$ 905,880	\$ 3,274,011
12	2033	2.0%	\$ 323,711,865	\$ 323,687,874	45%	\$ 683,965	\$ 3,107,463	45%	\$ 240,034	\$ 1,090,547	\$ 923,999	\$ 4,198,010
13	2034	2.0%	\$ 330,186,103	\$ 330,162,112	45%	\$ 697,645	\$ 3,805,108	45%	\$ 244,835	\$ 1,335,382	\$ 942,480	\$ 5,140,490
14	2035	2.0%	\$ 336,789,825	\$ 336,765,834	45%	\$ 711,599	\$ 4,516,707	45%	\$ 249,732	\$ 1,585,114	\$ 961,331	\$ 6,101,821
15	2036	2.0%	\$ 343,525,621	\$ 343,501,630	45%	\$ 725,832	\$ 5,242,539	45%	\$ 254,727	\$ 1,839,840	\$ 980,559	\$ 7,082,379
16	2037	2.0%	\$ 350,396,134	\$ 350,372,143	45%	\$ 740,350	\$ 5,982,889	45%	\$ 259,822	\$ 2,099,662	\$ 1,000,171	\$ 8,082,551
17	2038	2.0%	\$ 357,404,056	\$ 357,380,065	45%	\$ 755,158	\$ 6,738,046	45%	\$ 265,019	\$ 2,364,681	\$ 1,020,176	\$ 9,102,727
18	2039	2.0%	\$ 364,552,137	\$ 364,528,147	45%	\$ 770,262	\$ 7,508,308	45%	\$ 270,319	\$ 2,635,000	\$ 1,040,581	\$ 10,143,308
19	2040	0.00%	\$ 364,552,137	\$ 364,528,147	45%	\$ 785,668	\$ 8,293,977	45%	\$ 275,726	\$ 2,910,726	\$ 1,061,394	\$ 11,204,703
20	2041	0.00%	\$ 364,552,137	\$ 364,528,147	45%	\$ 785,668	\$ 9,079,645	45%	\$ 275,726	\$ 3,186,452	\$ 1,061,394	\$ 12,266,097
21	2042	2.0%	\$ 371,843,180	\$ 371,819,189	45%	\$ 785,668	\$ 9,865,313	45%	\$ 275,726	\$ 3,462,178	\$ 1,061,394	\$ 13,327,491
22	2043	2.0%	\$ 379,280,044	\$ 379,256,053	45%	\$ 801,383	\$ 10,666,696	45%	\$ 281,241	\$ 3,743,419	\$ 1,082,624	\$ 14,410,115
23	2044	2.0%	\$ 386,865,645	\$ 386,841,654	45%	\$ 817,411	\$ 11,484,107	45%	\$ 286,866	\$ 4,030,285	\$ 1,104,277	\$ 15,514,393
24	2045	2.0%	\$ 394,602,957	\$ 394,578,967	45%	\$ 833,761	\$ 12,317,868	45%	\$ 292,604	\$ 4,322,889	\$ 1,126,364	\$ 16,640,756
25	2046	2.0%	\$ 402,495,017	\$ 402,471,026	45%	\$ 850,437	\$ 13,168,305	45%	\$ 298,456	\$ 4,621,345	\$ 1,148,893	\$ 17,789,649
26	2047	2.0%	\$ 410,544,917	\$ 410,520,926	45%	\$ 867,447	\$ 14,035,751	45%	\$ 304,426	\$ 4,925,770	\$ 1,171,872	\$ 18,961,522
27	2048	2.0%	\$ 418,755,815	\$ 418,731,824	45%	\$ 884,797	\$ 14,920,548	45%	\$ 310,515	\$ 5,236,285	\$ 1,195,311	\$ 20,156,833
28	2049	2.0%	\$ 427,130,932	\$ 427,106,941	45%	\$ 902,494	\$ 15,823,041	45%	\$ 316,725	\$ 5,553,010	\$ 1,219,219	\$ 21,376,051
29	2050	0.00%	\$ 427,130,932	\$ 427,106,941	45%	\$ 920,544	\$ 16,743,586	45%	\$ 323,060	\$ 5,876,070	\$ 1,243,605	\$ 22,619,656
30	2051	0.00%	\$ 427,130,932	\$ 427,106,941	45%	\$ 920,544	\$ 17,664,130	45%	\$ 323,060	\$ 6,199,130	\$ 1,243,605	\$ 23,863,260
31	2052	2.0%	\$ 435,673,550	\$ 435,649,559	45%	\$ 920,544	\$ 18,584,675	45%	\$ 323,060	\$ 6,522,190	\$ 1,243,605	\$ 25,106,865
32	2053	2.0%	\$ 444,387,021	\$ 444,363,030	45%	\$ 938,956	\$ 19,523,631	45%	\$ 329,522	\$ 6,851,712	\$ 1,268,478	\$ 26,375,343
33	2054	2.0%	\$ 453,274,762	\$ 453,250,771	45%	\$ 957,737	\$ 20,481,367	45%	\$ 336,112	\$ 7,187,824	\$ 1,293,849	\$ 27,669,192
34	2055	2.0%	\$ 462,340,257	\$ 462,316,266	45%	\$ 976,892	\$ 21,458,260	45%	\$ 342,835	\$ 7,530,659	\$ 1,319,727	\$ 28,988,919
35	2056	2.0%	\$ 471,587,062	\$ 471,563,071	45%	\$ 996,431	\$ 22,454,691	45%	\$ 349,692	\$ 7,880,352	\$ 1,346,123	\$ 30,335,042
36	2057	2.0%	\$ 481,018,803	\$ 480,994,812	45%	\$ 1,016,361	\$ 23,471,052	45%	\$ 356,686	\$ 8,237,038	\$ 1,373,047	\$ 31,708,090
37	2058	2.0%	\$ 490,639,179	\$ 490,615,188	45%	\$ 1,036,689	\$ 24,507,741	45%	\$ 363,820	\$ 8,600,858	\$ 1,400,509	\$ 33,108,599
38	2059	2.0%	\$ 500,451,963	\$ 500,427,972	45%	\$ 1,057,424	\$ 25,565,165	45%	\$ 371,097	\$ 8,971,955	\$ 1,428,521	\$ 34,537,120
39	2060	0.00%	\$ 500,451,963	\$ 500,427,972	45%	\$ 1,078,573	\$ 26,643,738	45%	\$ 378,519	\$ 9,350,475	\$ 1,457,093	\$ 35,994,213
40	2061	0.00%	\$ 500,451,963	\$ 500,427,972	45%	\$ 1,078,573	\$ 27,722,312	45%	\$ 378,519	\$ 9,728,994	\$ 1,457,093	\$ 37,451,306
41	2062	2.0%	\$ 510,461,002	\$ 510,437,011	45%	\$ 1,078,573	\$ 28,800,885	45%	\$ 378,519	\$ 10,107,514	\$ 1,457,093	\$ 38,908,399
42	2063	2.0%	\$ 520,670,222	\$ 520,646,231	45%	\$ 1,100,146	\$ 29,901,031	45%	\$ 386,090	\$ 10,493,604	\$ 1,486,236	\$ 40,394,635
43	2064	2.0%	\$ 531,083,627	\$ 531,059,636	45%	\$ 1,122,150	\$ 31,023,181	45%	\$ 393,812	\$ 10,887,416	\$ 1,515,962	\$ 41,910,597
44	2065	2.0%	\$ 541,705,299	\$ 541,681,308	45%	\$ 1,144,594	\$ 32,167,775	45%	\$ 401,689	\$ 11,289,105	\$ 1,546,283	\$ 43,456,880
45	2066	2.0%	\$ 552,539,405	\$ 552,515,414	45%	\$ 1,167,487	\$ 33,335,261	45%	\$ 409,723	\$ 11,698,828	\$ 1,577,210	\$ 45,034,090
46	2067	2.0%	\$ 563,590,193	\$ 563,566,202	45%	\$ 1,190,838	\$ 34,526,099	45%	\$ 417,918	\$ 12,116,746	\$ 1,608,756	\$ 46,642,845
47	2068	2.0%	\$ 574,861,997	\$ 574,838,006	45%	\$ 1,214,655	\$ 35,740,754	45%	\$ 426,277	\$ 12,543,023	\$ 1,640,932	\$ 48,283,778
48	2069	2.0%	\$ 586,359,237	\$ 586,335,246	45%	\$ 1,238,950	\$ 36,979,704	45%	\$ 434,803	\$ 12,977,826	\$ 1,673,752	\$ 49,957,530
49	2070	0.00%	\$ 586,359,237	\$ 586,335,246	45%	\$ 1,263,730	\$ 38,243,433	45%	\$ 443,499	\$ 13,421,325	\$ 1,707,229	\$ 51,664,758
50	2071	0.00%	\$ 586,359,237	\$ 586,335,246	45%	\$ 1,263,730	\$ 39,507,163	45%	\$ 443,499	\$ 13,864,824	\$ 1,707,229	\$ 53,371,987
						\$ 39,507,163		\$ 13,864,824		\$ 53,371,987		

Assumptions

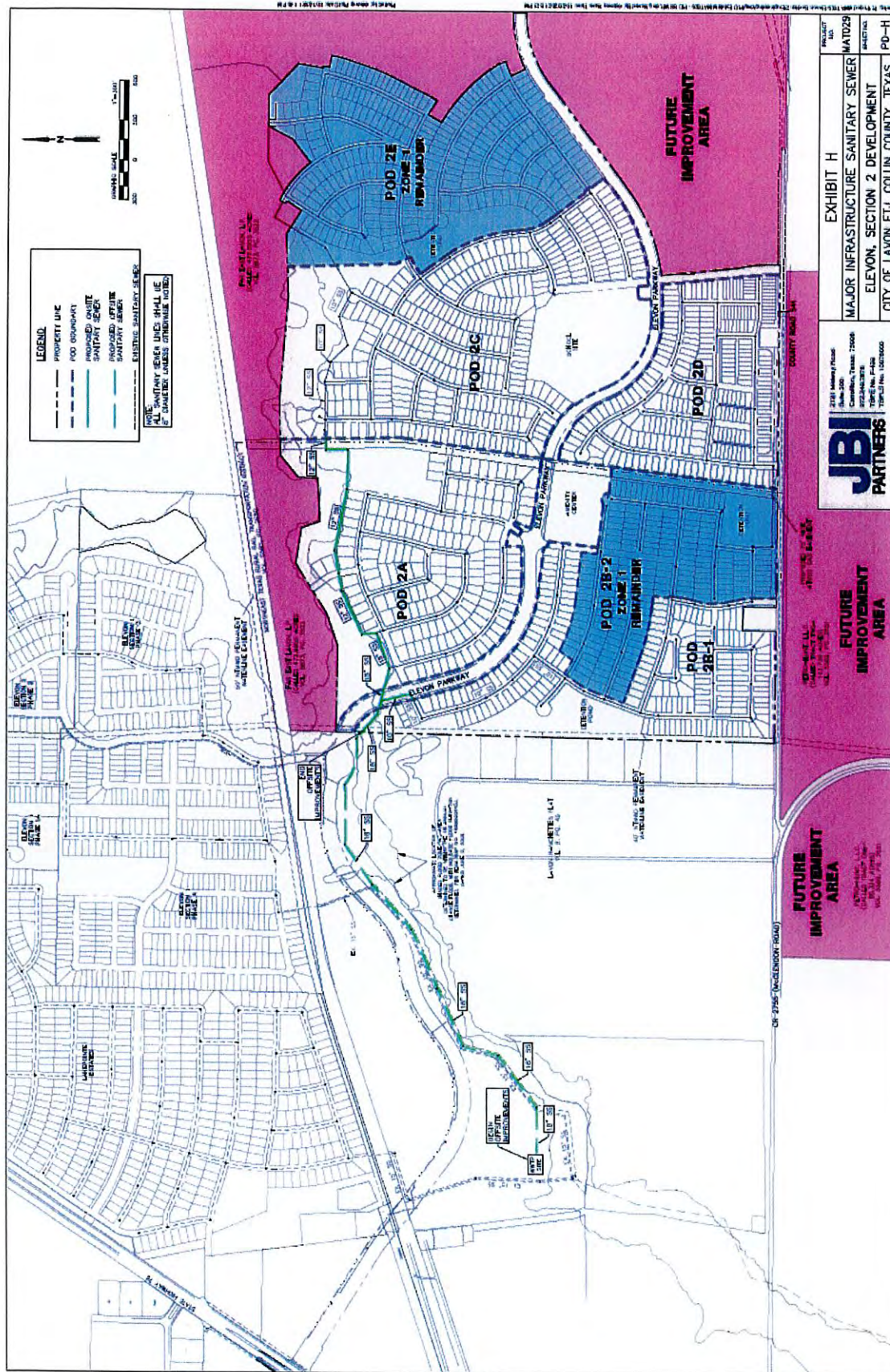
Tax Increment Base ¹	\$ 23,991
City Tax Rate	0.478956
County Tax Rate	0.168087

Footnotes:

- (1) Proportionate value of Tax Increment Base, based on estimated buildout value.
(2) County has not yet agreed to participate and is shown for illustrative purposes only.



REINVESTMENT ZONE NO. 2, CITY OF LAVON, TEXAS
FINAL PROJECT AND FINANCE PLAN



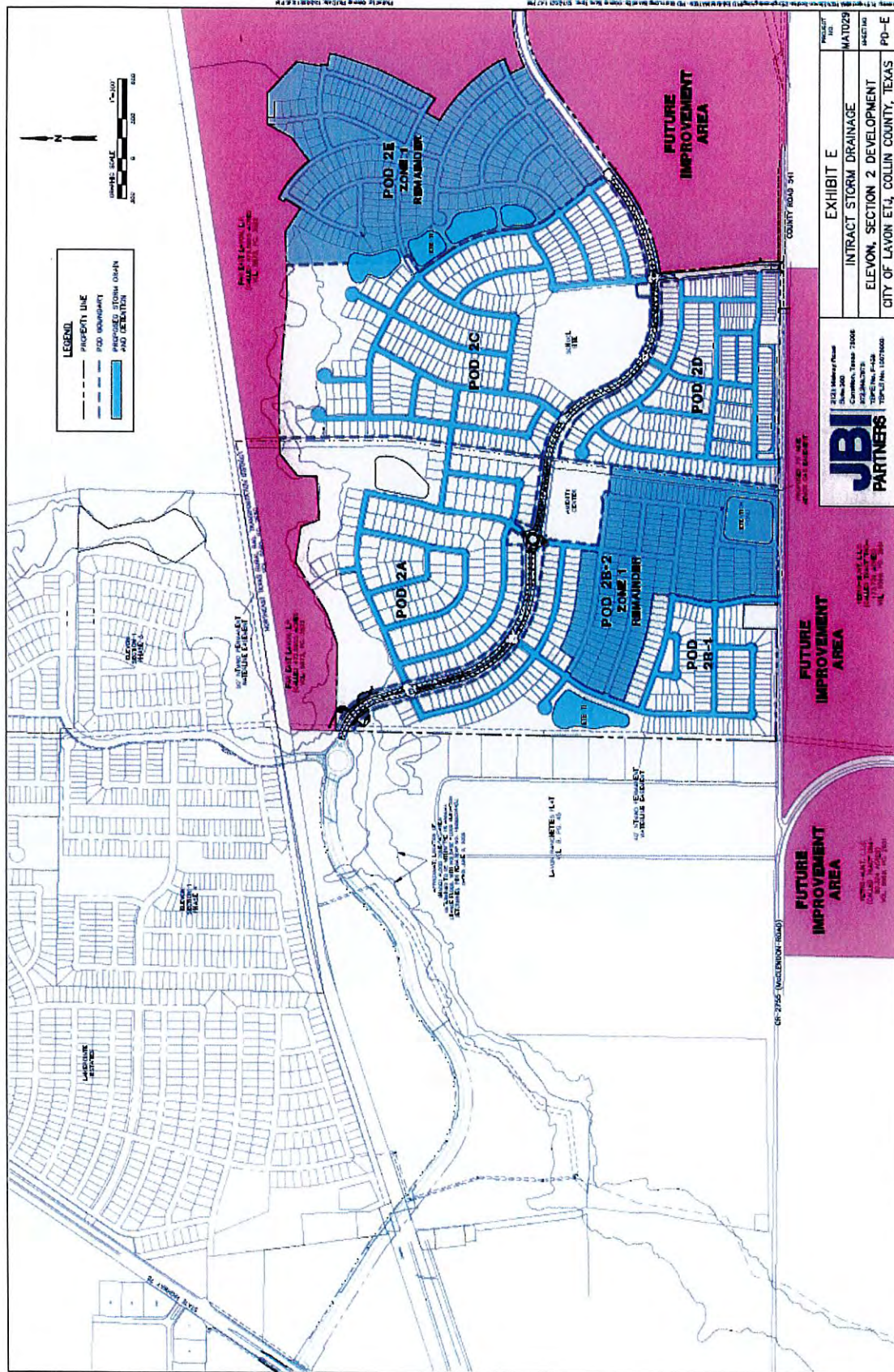


EXHIBIT F-2 – MAP OF THE PUBLIC IMPROVEMENTS – MIXED-USE PROPERTY

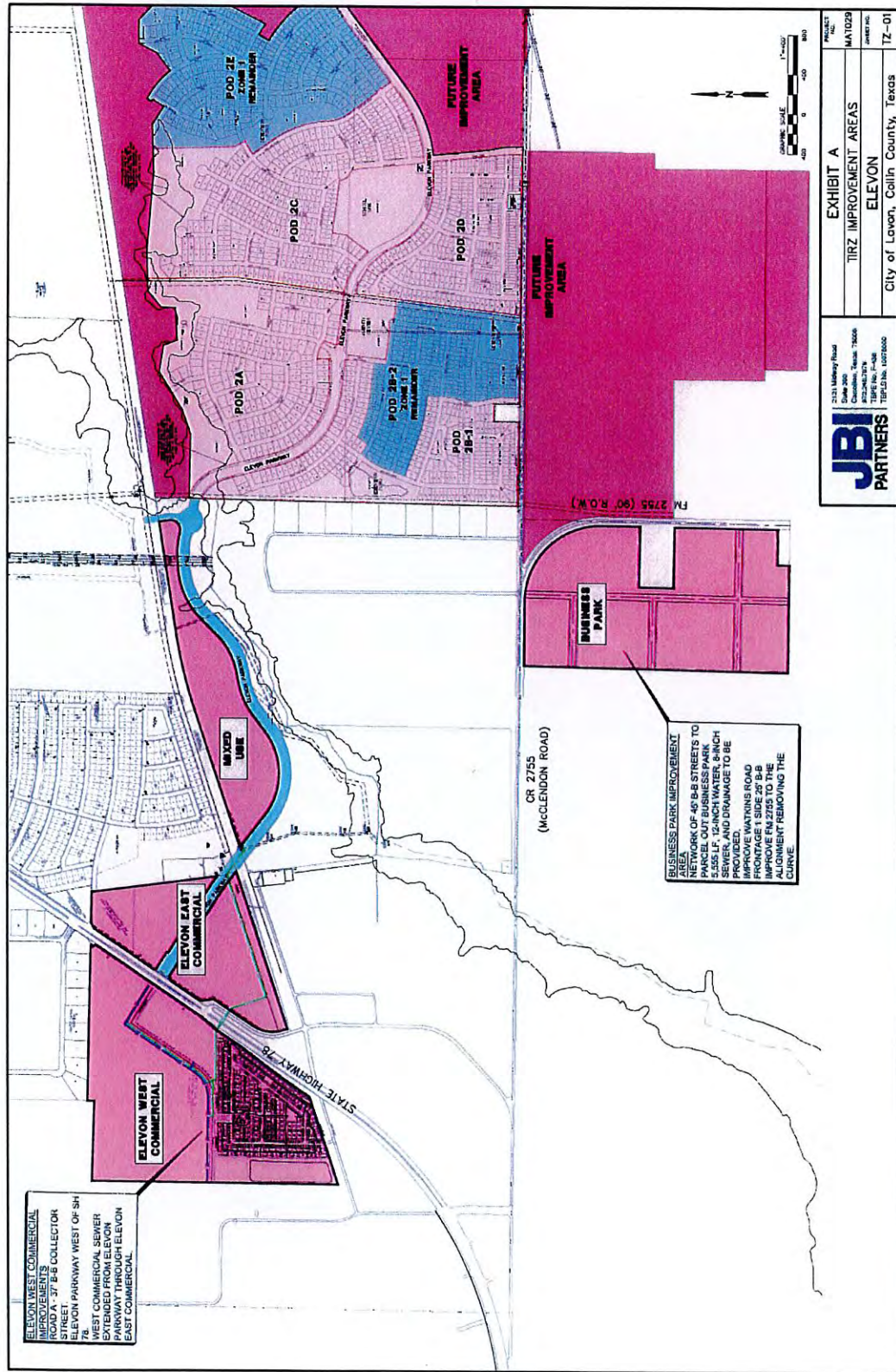
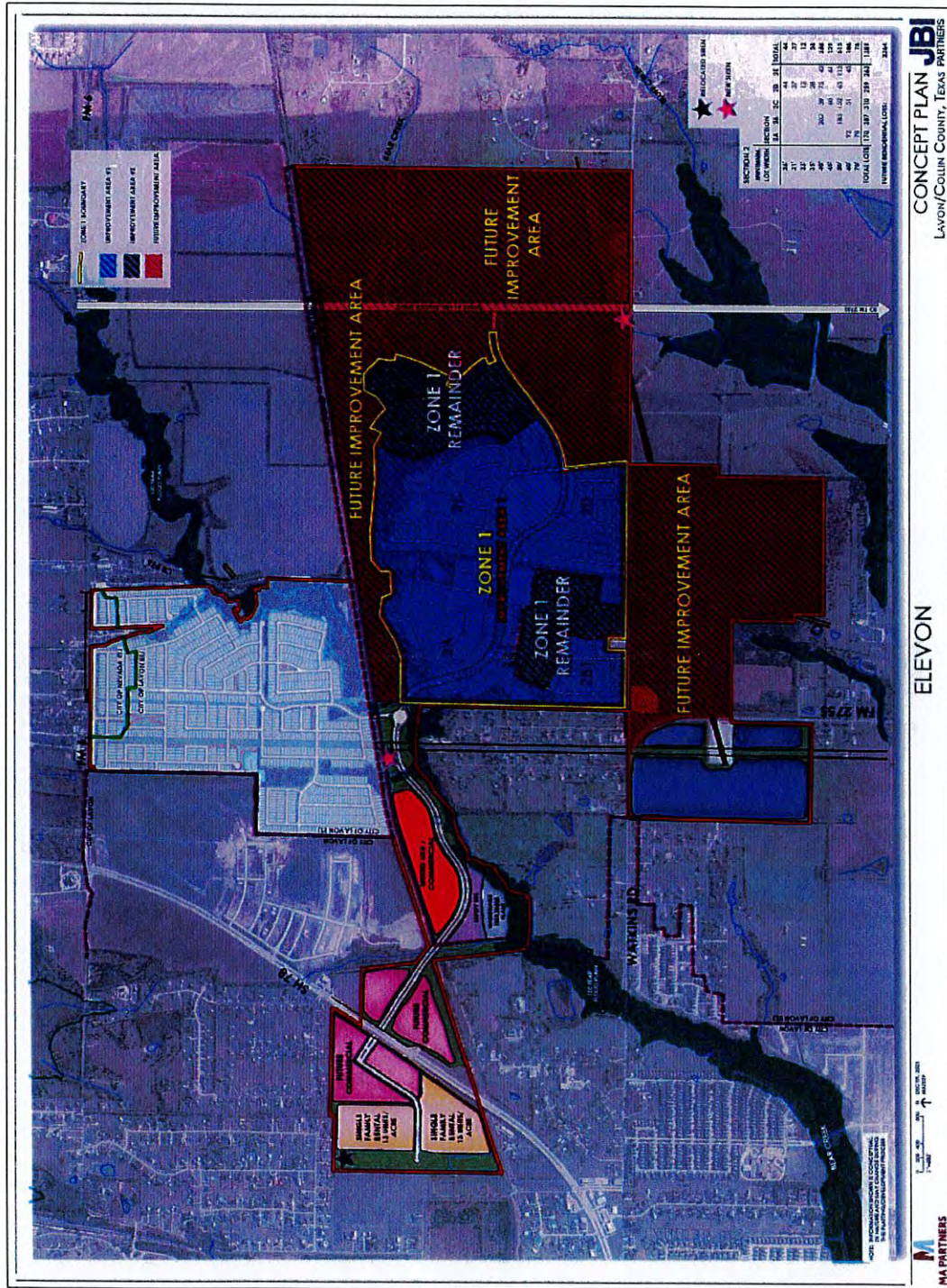


EXHIBIT G – PARCEL IDENTIFICATION

Property ID	Legal Description
1287164	ABS A0249 J P DAVIS SURVEY, SHEET 1, TRACT 2, 119.391 ACRES
1287173	ABS A0249 J P DAVIS SURVEY, SHEET 1, TRACT 3, 20.005 ACRES
1290034	ABS A0740 S M RAINIER SURVEY, SHEET 6, TRACT 8, 216.85 ACRES
1290132	ABS A0740 S M RAINIER SURVEY, SHEET 3, TRACT 18, 60.0 ACRES
1290141	ABS A0740 S M RAINIER SURVEY, SHEET 3, TRACT 19, .5 ACRES
1290150	ABS A0740 S M RAINIER SURVEY, SHEET 3, TRACT 20, 72.0 ACRES
1290169	ABS A0740 S M RAINIER SURVEY, SHEET 3, TRACT 21, 191.21 ACRES
1290178	ABS A0740 S M RAINIER SURVEY, SHEET 3, TRACT 22, 86.87 ACRES
1290203	ABS A0740 S M RAINIER SURVEY, SHEET 3, TRACT 25, 55.66 ACRES
1290392	ABS A0740 S M RAINIER SURVEY, SHEET 2, TRACT 41, 23.9915 ACRES
1290506	ABS A0740 S M RAINIER SURVEY, SHEET 2, TRACT 51, 54.0 ACRES
1290515	ABS A0740 S M RAINIER SURVEY, SHEET 2, TRACT 52, 1.5 ACRES
1290533	ABS A0740 S M RAINIER SURVEY, SHEET 1, TRACT 54, 0.906 ACRES
2017567	ABS A0740 S M RAINIER SURVEY, SHEET 3, TRACT 26, 1.05 ACRES
2032794	ABS A0740 S M RAINIER SURVEY, SHEET 3, TRACT 19-9, 107.839 ACRES
2542828	ABS A0740 S M RAINIER SURVEY, SHEET 1, TRACT 148, 87.2935 ACRES
2542829	ABS A0740 S M RAINIER SURVEY, SHEET 1, TRACT 149, 31.3507 ACRES
2543097	ABS A0002 DRURY ANGLIN SURVEY, SHEET 1, TRACT 75, 79.324 ACRES
2543098	ABS A0002 DRURY ANGLIN SURVEY, SHEET 1, TRACT 52, 54.348 ACRES
2638134	ABS A0740 S M RAINIER SURVEY, SHEET 1, TRACT 103, .285 ACRES
2638135	ABS A0740 S M RAINIER SURVEY, SHEET 1, TRACT 153, 3.504 ACRES
2638136	ABS A0740 S M RAINIER SURVEY, SHEET 1, TRACT 154, 2.302 ACRES
2638137	ABS A0740 S M RAINIER SURVEY, SHEET 1, TRACT 155, .271 ACRES
2719973	WYLIE SWITCHYARD ADDITION (GCN), BLK 1, LOT 1
2806279	ABS A0002 DRURY ANGLIN SURVEY, SHEET 1, TRACT 97, 1.00 ACRES

EXHIBIT H – PROPOSED USES OF THE PROPERTY



REINVESTMENT ZONE NO. 2, CITY OF LAVON, TEXAS
FINAL PROJECT AND FINANCE PLAN

EXHIBIT “B”

PROJECT AND FINANCING PLAN TIRZ No. 2

EXHIBIT "C"

TIRZ Reimbursement Form

City of Lavon, Texas
PO Box 340
120 School Road
Lavon, Texas 75166
Attn: City Administrator

[City Counsel]
[City Counsel Address]

Attn: _____

[Developer]
[Developer Address]

[Developer Counsel]
[Developer Counsel Address]

Attn: _____

Attn: _____

As authorized by Section 1.03(e) of the *TIRZ Reimbursement Agreement* –effective as of _____ by and between [Developer Name], a _____ company ("**Developer**") and the City of Lavon, Texas (the "**City**"), the revenue stream related to the Public Projects (as defined in the Reimbursement Agreement) constructed for the benefit of Reinvestment Zone Number Two, City of Lavon, Texas, (the "**Zone**") is to be paid pursuant to the TIRZ Reimbursement Agreement.

The undersigned is an agent for the Developer and requests payment by the City from the appropriate TIRZ Account in the amount approved in the TIRZ Certificate for Payments approved by the City for costs, incurred for the acquisition, installation and/or construction of Public Projects (as defined in the TIRZ Reimbursement Agreement) for the benefit of the Zone. The City may rely on this notice received from the Developer without obligation to investigate or confirm the validity of the information provided herein. The Developer waives all rights or claims against the City for any funds paid under this notice. Payments should be made to Developer at:

Bank Name:

Bank Address:

ABA No.:

Account Name:

Account No.:

Beneficiary's Name:

Sincerely,
[Developer Name]

By: _____
[Agent for Developer], [Title]

Date: _____

TIRZ Term Year: _____	Annual Payment: _____
Total Outstanding Reimbursement Obligation:	\$ _____
Total TIRZ Revenue Billed	\$ _____
Total TIRZ Revenue Collected	\$ _____
Total Administrative Costs	\$ _____
Total TIRZ Revenue to be reimbursed to Developer	\$ _____

City Dated payment:	Authorized by:
Bank Name:	
Wire Amount:	
Wire confirmation: [] attached	

EXHIBIT "D"

TIRZ Certificate for Payment

The undersigned is a duly authorized representative for MA Elevon 429, LLC, a Texas limited liability company (the "Developer") and requests payment from the:

[PID Property Account]

[Mixed-Use Property Account]

of the Tax Increment Fund of Reinvestment Zone Number Two, City of Lavon, Texas ("TIRZ No. 2") from the board of directors of TIRZ No. 2 (the "TIRZ Board") and the City of Lavon, Texas (the "City") in the amount of \$_____ for reimbursement of the costs of the TIRZ No. 2 projects (the "TIRZ Projects")

In connection to the above referenced payment, the Developer represents and warrants to the TIRZ Board and the City as follows:

1. The undersigned is a duly authorized representative of the Developer, is qualified to execute this TIRZ Certificate for Payment on behalf of Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced TIRZ Project(s) has not been reimbursed from the Elevon Public Improvement District or 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 amount listed for the TIRZ Project(s) below is a true and accurate representation of the costs associated with construction of said TIRZ Projects, and such costs are in compliance with the TIRZ Project and Financing Plan.
4. The work with respect to the TIRZ Project(s) referenced below (or its completed segment) has been completed and the City representative(s) may begin inspection of the TIRZ Projects.
5. The Developer agrees to cooperate with the City representative(s) in conducting its review of the requested payment, and agrees to provide reasonable additional information and documentation as is reasonably necessary for the City representative(s) to complete said review including: (1) After City acceptance, an all-bills-paid affidavit and copies of invoices to be provided as supporting documentation, and the City acceptance letter; or (2) before City acceptance, an all bills paid affidavit, or lien release with copies of invoices and cleared checks.

Attached hereto, are necessary documentation to be evidence for actual costs incurred for the construction or acquisition of TIRZ Project(s)

TIRZ No. 2 Reimbursement Agreement

I hereby declare that the above representations and warranties are true and correct.

MA ELEVON 429, LLC,
a Texas limited liability company

By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: _____
John D. Marlin, Manager

APPROVAL OF REQUEST BY CITY AND/OR TIRZ BOARD

The City Representative is in receipt of the attached TIRZ Reimbursement Form, acknowledges the TIRZ Reimbursement Form, and finds the TIRZ Reimbursement Form to be in order. After reviewing the TIRZ Reimbursement Form, the City, acting through its City Representative, approves the TIRZ Reimbursement Form.

CITY OF LAVON, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

**REINVESTMENT ZONE NUMBER TWO,
CITY OF LAVON, TEXAS**

By: _____

Name: _____

Title: _____

Date: _____