

CITY OF LAVON, TEXAS

ORDINANCE NO. 2025-07-02

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "CITY OF LAVON, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025 (TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT PROJECTS)"; APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A LIMITED OFFERING MEMORANDUM, AND A CONTINUING DISCLOSURE AGREEMENT; APPROVING AND ACCEPTING AN UPDATE TO THE SERVICE AND ASSESMENT PLAN FOR THE DISTRICT; AND APPROVING 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 "Trails of Lavon Public Improvement District" (the "District"), pursuant to Resolution No. 2021-10-03 (the "Authorizing Resolution") adopted by the City Council of the City (the "City Council"), authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, pursuant to the PID Act, the City Secretary mailed notice to property owners and published notice of an assessment hearing in a newspaper of general circulation in the City, and the City Council held a public hearing on July 18, 2023, regarding the levy of special assessments within Improvement Area #1 of the District, and on July 18, 2023, the City Council adopted Ordinance No. 2023-07-07, under which the City Council approved and accepted the Trails of Lavon Public Improvement District Service and Assessment Plan, dated July 18, 2023 (the "Original Service and Assessment Plan") and levied special assessments against the Improvement Area #1 property as shown on the Improvement Area #1 Assessment Roll Improvement Area #1 Projects; and

WHEREAS, pursuant to the PID Act, the City Secretary mailed notice to property owners published notice of an assessment hearing in a newspaper of general circulation in the City, and the City Council held a public hearing on September 3, 2024, regarding the levy of special assessments within Improvement Area #2 of the District, and on September 3, 2024, the City Council adopted Ordinance No. 2024-09-02, under which the City Council approved and accepted the Trails of Lavon Public Improvement District 2024 Amended and Restated Service and Assessment Plan, dated September 3, 2024, which updated the Original Service and Assessment Plan for Improvement Area #2 (the "September 2024 Updated Service and Assessment Plan") and levied special assessments against the Improvement Area #2 property as shown on the Improvement Area #2 Assessment Roll to fund costs of the Improvement Area #2 Projects; and

WHEREAS, pursuant to the PID Act, the City Secretary mailed notice to property owners and published notice of an assessment hearing in a newspaper of general circulation in

the City, and the City Council held a public hearing on October 15, 2024, regarding the levy of special assessments within Improvement Area #3 of the District, and on October 15, 2024, the City Council adopted Ordinance No. 2024-10-03, under which the City Council approved and accepted the Trails of Lavon Public Improvement District 2024 Amended and Restated Service and Assessment Plan, dated October 15, 2024, which updated the September 2024 Service and Assessment Plan for Improvement Area #3 (the "October 2024 Updated Service and Assessment Plan") and levied special assessments against the Improvement Area #3 property as shown on the Improvement Area #3 Assessment Roll to fund costs of the Improvement Area #3 Projects; and

WHEREAS, the City Council finds and determines that the Trails of Lavon Public Improvement District 2025 Amended and Restated Service and Assessment Plan, dated July 15, 2025 (the "2025 Service and Assessment Plan"), which updates the October 6, 2024 Updated Service and Assessment Plan, and updates the Improvement Area #1 Assessment Roll, the Improvement Area #2 Assessment Roll and the Improvement Area #3 Assessment Roll in connection with the issuance of the Bonds (as defined below), and which is incorporated herein for all purposes, should be approved and accepted. Capitalized terms used in this Ordinance and not otherwise defined shall have the meaning assigned thereto in the 2025 Service and Assessment Plan; and

WHEREAS, the City 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 2025 (Trails of Lavon Public Improvement District Projects)" (the "Bonds"), such Bonds to be payable from and secured by the Trust Estate, including the Pledged Revenues, each as defined in the Indenture (defined below); and

WHEREAS, the City is authorized by the PID Act to issue the Bonds for the purpose of (i) paying a portion of the Improvement Area #1 Project Costs (as defined in the Indenture), (ii) paying a portion of the Improvement Area #2 Project Costs (as defined in the Indenture), (iii) paying a portion of the Improvement Area #3 Project Costs (as defined in the Indenture), (iv) funding a reserve fund for payment of principal and interest on the Bonds, (v) paying a portion of the costs incidental to the organization of the District, and (vi) paying the costs of issuance of the Bonds ; and

WHEREAS, the City Council has found and determined to approve (i) the issuance of the Bonds to finance a portion of the Improvement Area #1 Project Costs, the Improvement Area #2 Project Costs and the Improvement Area #3 Project Costs, including the costs of issuance of the Bonds, (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), and (vi) an update to Service and Assessment Plan; 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 \$29,099,000 for the purpose of (i) paying a portion of the Improvement Area #1 Project Costs (as defined in the Indenture), (ii) paying a portion of the Improvement Area #2 Project Costs (as defined in the Indenture), (iii) paying a portion of the Improvement Area #3 Project Costs (as defined in the Indenture), (iv) funding a reserve fund for payment of principal and interest on the Bonds, (v) paying a portion of the costs incidental to the organization of the District, and (vi) 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 August 1, 2025, 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 and the City Secretary is hereby authorized and directed to attest such signature of the Mayor or Mayor Pro Tem.

(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 this Ordinance is adopted, 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. The Mayor's or Mayor Pro Tem's signature on the Bond Purchase Agreement may be attested by the City Secretary.

Section 4. Limited Offering Memorandum. The use and distribution of the Preliminary Limited Offering Memorandum dated July 8, 2025 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 City Council, the City 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, Improvement Area #2 Projects or Improvement Area #3 Projects, the Developers, or any home builder, or their financial ability, or to any other landowners or the appraisal of the property in the District.

Section 5. Continuing Disclosure Agreement. The Continuing Disclosure Agreement of Issuer (the "Continuing Disclosure Agreement") among 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. Update to Service and Assessment Plan. The City Council hereby adopts the 2025 Service and Assessment Plan for the District attached hereto as **Exhibit D** and incorporated herein as a part hereof for all purposes.

Section 7. Additional Actions. The Mayor, the Mayor Pro Tem, the City Manager 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 Manager 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 15th day of July, 2025.

CITY OF LAVON, TEXAS



Vicki Sanson, Mayor

ATTEST:



Rae Norton, City Secretary



EXHIBIT A
INDENTURE OF TRUST

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 AUGUST 1, 2025

SECURING

\$29,099,000

**CITY OF LAVON, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT
PROJECTS)**

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INDENTURE OF TRUST

THIS INDENTURE, dated as of August 1, 2025, 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 21, 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 “Trails of Lavon 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 in 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 in the District; and

WHEREAS, on September 21, 2021, the City Council of the City (the “*City Council*”) adopted Resolution No. 2021-09-12 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 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 October 19, 2021, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2021-10-03 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, in 2023 and 2024, mailed notices of the public hearings 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 in Improvement Area #1, Improvement Area #2 and Improvement Area #3; and

WHEREAS, the City Council opened, conducted and closed the public hearings, 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, Improvement Area #2 Project Costs and the Improvement Area #3 Project Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, at the public hearings 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, Improvement Area #2 Project Costs and Improvement Area #3 Project Costs, the Assessment Roll, or the levy of the Assessments; and

WHEREAS, the City Council closed the public hearings and, after considering all written and documentary evidence presented at the public hearings, including all written comments and statements filed with the City, 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 the Improvement Area #2 Project Costs, (iii) paying the Improvement Area #3 Project Costs, (iv) funding a reserve fund for payment of principal and interest on the Bonds, (v) paying a portion of the costs incidental to the organization of the District and (vi) paying the costs of issuance of the Bonds; and

WHEREAS, On July 15, 2025, the City Council approved an Amended and Restated Service and Assessment Plan by adopting Ordinance No. 2025-_____, which serves to amend and restate the Service and Assessment Plan in its entirety for the purposes of (1) issuing the Bonds; (2) updating the Improvement Area #1 Assessment Roll; (3) updating the Improvement Area #2 Assessment Roll; and (4) updating the Improvement Area #3 Assessment Roll.

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 2025 (Trails of Lavon Public Improvement District Projects)” (the “Bonds”), such Bonds being payable solely from a first lien on, security interest in, and pledge of the Trust Estate for the purposes set forth in this preamble; and

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

NOW, THEREFORE, the City, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Bonds Similarly Secured by the Owners thereof, and of other good and valuable consideration,

the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN, and DELIVER to the Trustee for the benefit of the Owners, a security interest in all of the moneys, rights and properties described in the Granting Clauses hereof, as follows (collectively, the “*Trust Estate*”):

FIRST GRANTING CLAUSE

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

SECOND GRANTING CLAUSE

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

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

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

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

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

“*Administrative Fund*” means that Fund established by Section 6.1 and administered pursuant to Section 6.9.

“*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 Collection Costs*” means the “Annual Collection Costs”, as defined in the Service and Assessment Plan, including actual or budgeted 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. Annual Collection Costs do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds Similarly Secured. Annual Collection Costs collected but not expended for actual Annual Collection Costs in any year shall be carried

forward and applied to reduce Annual Collection Costs in subsequent years to avoid the over-collection of Annual Collection Costs.

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

“Annual Installment” means, collectively, the Improvement Area #1 Annual Installment, Improvement Area #2 Annual Installment and the Improvement Area #3 Annual Installment.

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

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

“Assessed Property” means, collectively, the Improvement Area #1 Assessed Property, Improvement Area #2 Assessed Property and the Improvement Area #3 Assessed Property.

“Assessment Ordinance” means, collectively, (i) the ordinance adopted by the City Council on July 18, 2023, as may be amended or supplemented, that levied the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property, (ii) the ordinance adopted by the City Council on September 3, 2024, as may be amended or supplemented, that levied the Improvement Area #2 Assessments on the Improvement Area #2 Assessed Property, and (iii) the ordinance adopted by the City Council on October 15, 2024, as may be amended or supplemented, that levied the Improvement Area #3 Assessments on the Improvement Area #3 Assessed Property.

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

“Assessment Roll” means, collectively, the Improvement Area #1 Assessment Roll, Improvement Area #2 Assessment Roll and the Improvement Area #3 Assessment Roll.

“Assessments” means, collectively, the Improvement Area #1 Assessments, Improvement Area #2 Assessments and the Improvement Area #3 Assessments.

“Attorney General” means the Attorney General of the State.

“Authorized Denomination” means, for the Bonds, \$100,000 and any integral multiple of \$1,000 in excess thereof. 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 July 15, 2025, 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 2025 (Trails of Lavon Public Improvement District Projects)”.

“Bonds Similarly Secured” means, collectively, any Outstanding Bonds and any Outstanding Refunding Bonds.

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

“Certificate for Payment” means, with respect to payment or reimbursement of Improvement Area #1 Project Costs and the Improvement Area #2 Project Costs, a certificate substantially in the form of Exhibit A hereto and executed by a Person approved by the City Representative that is delivered to the City Representative and the Trustee specifying the amount of work performed and the Improvement Area #1 Project Costs, Improvement Area #2 Project Costs or Improvement Area #3 Project Costs thereof, and requesting payment for such Improvement Area #1 Project Costs, the Improvement Area #2 Project Costs or Improvement Area #3 Project Costs from money on deposit in the Improvement Area #1 Bond Improvement Account, the Improvement Area #2 Bond Improvement Account or Improvement Area #3 Bond Improvement Account, as applicable, of the Project Fund as further described in Section 6.5 of this Indenture.

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

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

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

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

“*Comptroller*” means the Comptroller of Public Accounts of the State.

“*Costs of Issuance Account*” means the 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.

“*Delivery Date*” means August 13, 2025, which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

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

“*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 #2 and Improvement Area #3.

“Improvement Area #1” means that portion of the District generally described in Section II of the Service and Assessment Plan and depicted in Exhibit A-2 to the Service and Assessment Plan and as specifically described in Exhibit L-2 to the Service and Assessment Plan.

“Improvement Area #1 Annual Installment” means, with respect to each Improvement Area #1 Assessed Property, each annual payment of: (i) the principal of and interest on the Improvement Area #1 Assessments as shown on the Improvement Area #1 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) Annual Collection Costs and (iii) the Additional Interest.

“Improvement Area #1 Assessed Property” means the property located in Improvement Area #1 that benefits from the Improvement Area #1 Projects and is defined as the “Improvement Area #1 Assessed Property” in the Service and Assessment Plan.

“Improvement Area #1 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.

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

“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 Improvements” means the Authorized Improvements which only benefit property located in the Improvement Area #1 and are described in Section III.B. of, shown on Exhibit B to, and depicted on Exhibit I-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 Annual Collection Costs), solely for the Improvement Area #1 Projects.

“Improvement Area #1 Projects” means, collectively, (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1, and (ii) the Improvement Area #1 Improvements.

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

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

“Improvement Area #2 Assessed Property” means the property located in Improvement Area #2 that benefits from the Improvement Area #2 Projects and is defined as the “Improvement Area #2 Assessed Property” in the Service and Assessment Plan.

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

“Improvement Area #2 Assessments” means the aggregate assessments levied against Improvement Area #2 Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #2 Projects. The singular of such term means the assessment levied against an Improvement Area #2 Parcel as shown on the Improvement Area #2 Assessment Roll.

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

“Improvement Area #2 Improvements” means the Authorized Improvements which only benefit property located in the Improvement Area #2 and are described in Section III.C., shown on Exhibit B and depicted on Exhibit I-3 to the Service and Assessment Plan.

“Improvement Area #2 Project Costs” means the Actual Costs, as defined in the Service and Assessment Plan (excluding Annual Collection Costs), solely for the Improvement Area #2 Projects.

“Improvement Area #2 Projects” means, collectively, (i) the pro rata portion of the Major Improvements allocable to Improvement Area #2, and (ii) the Improvement Area #2 Improvements.

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

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

“Improvement Area #3 Assessed Property” means the property located in Improvement Area #3 that benefits from the Improvement Area #3 Projects and is defined as the “Improvement Area #3 Assessed Property” in the Service and Assessment Plan.

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

“Improvement Area #3 Assessments” means the aggregate assessments levied against Improvement Area #3 Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #3 Projects. The singular of such term means the assessment levied against an Improvement Area #3 Parcel as shown on the Improvement Area #3 Assessment Roll.

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

“Improvement Area #3 Improvements” means the Authorized Improvements which only benefit property located in the Improvement Area #3 and are described in Section III.D., shown on Exhibit B and depicted on Exhibit I-4 to the Service and Assessment Plan.

“Improvement Area #3 Project Costs” means the Actual Costs, as defined in the Service and Assessment Plan (excluding Annual Collection Costs), solely for the Improvement Area #3 Projects.

“Improvement Area #3 Projects” means, collectively, (i) the pro rata portion of the Major Improvements allocable to Improvement Area #3, and (ii) the Improvement Area #3 Improvements.

“Indenture” means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more 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, 2025.

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

“Major Improvements” means those Authorized Improvements that confer a special benefit to all of the Assessed Property within the District, and are described in Section III.A. of, shown on Exhibit B to, and depicted on Exhibit I-1 to the Service and Assessment Plan.

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

“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, 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 Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds 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 Refunding Bond, the redemption price set forth in a Supplemental Indenture.

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

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

“Reserve Account” means the 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 to the Assessment Ordinance, as may be updated, amended and supplemented from time to time.

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

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

“State” means the State of Texas.

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

“*Supplemental Indenture*” means an indenture 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, with respect to Pledged Revenues, only include Pledged Revenues related to Assessments levied on Assessed Property within Improvement Area #1 for the Improvement Area #1 Projects, within Improvement Area #2 for the Improvement Area #2 Projects and within Improvement Area #3 for the Improvement Area #3 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.

Section 1.2. **Findings.**

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

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

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

Section 1.4. Interpretation.

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

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

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

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

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds Similarly Secured.

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

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

Section 2.2. Limited Obligations.

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

Section 2.3. Authorization for Indenture.

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

Section 2.4. Contract with Owners and Trustee.

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

(b) In consideration of the purchase and acceptance of any or all of the Bonds Similarly Secured by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the 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 \$29,099,000 for the purpose of (i) paying a portion of the Improvement Area #1 Project Costs, (ii) paying a portion of the Improvement Area #2 Project Costs, (iii) paying a portion of the Improvement Area #3 Project Costs, (iv) funding a reserve fund for payment of principal and interest on the Bonds, (v) paying a portion of the costs incidental to the organization of the District, and (vi) 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, 2025, 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 this Indenture executed by the Trustee and the City;
- (d) 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;
- (e) an executed Signature and No-Litigation Certificate of the City;
- (f) an executed opinion of Bond Counsel; and

(g) the approving opinion of the Attorney General 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 20[___], 20[___] and 20[___] (collectively, the “*Term Bonds*”), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price 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, 20[___]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, 20[___]	\$
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]*	

Term Bonds maturing September 15, 20[___]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, 20[___]	\$
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	

September 15, 20[___]
September 15, 20[___]
September 15, 20[___]*

Term Bonds maturing September 15, 20[___]

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, 20[___]	\$
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]	
September 15, 20[___]*	

* Stated Maturity.

(b) At least thirty (30) days prior to each 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 2025
(TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT
PROJECTS)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DELIVERY DATE</u>	<u>CUSIP NUMBER</u>
_____%	September 15, 20__	August 13, 2025	_____

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, 2025.

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 \$29,099,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of August 1, 2025 (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 Improvement Area #2 Project Costs, (iii) paying a portion of the Improvement Area #2 Project Costs, (iv) funding a reserve fund for payment of principal and interest on the Bonds, (v) paying a portion of the costs incidental to the organization of the District, and (vi) paying the costs of issuance of the Bonds.

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

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

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

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

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

Redemption Date

Sinking Fund Installment

\$

*

Term Bonds maturing September 15, 20[___]

Redemption Date

Sinking Fund Installment

\$

*

Term Bonds maturing September 15, 20[___]

Redemption Date

Sinking Fund Installment

\$

*

* 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 an opinion to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

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:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates”</u>

(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; and
- (vii) Administrative Fund.

(b) Creation of Accounts.

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

- (A) Principal and Interest Account.

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

(A) Reserve Account; and

(B) Delinquency and Prepayment Reserve Account.

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

(A) Improvement Area #1 Bond Improvement Account;

(B) Improvement Area #2 Bond Improvement Account;

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

(D) 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. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

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

(i) to the Reserve Account of the Reserve Fund: \$[_____], which is equal to the initial Reserve Account Requirement;

(ii) to the Costs of Issuance Account of the Project Fund: \$[_____];

(iii) to the Improvement Area #1 Bond Improvement Account of the Project Fund: \$[_____];

(iv) to the Improvement Area #2 Bond Improvement Account of the Project Fund: \$[_____];

(v) to the Improvement Area #3 Bond Improvement Account of the Project Fund: \$[_____]; and

(vi) to the Administrative Fund: \$[_____].

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 Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with Section 6.9 hereof. Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred 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 (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 Rebatable Arbitrage to the United States Government pursuant to Section 6.8 hereof, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer under this Section 6.3(a), the full amount of Rebatable Arbitrage owed by the City, as further described in Section 6.10(f) hereof. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (i) pay other costs of the Improvement Area #1 Projects, (ii) pay other costs of the Improvement Area #2 Projects, (iii) pay other costs of the Improvement Area #3 Projects, (iv) pay other costs permitted by the PID Act, or (v) deposit such excess into the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV or in a Supplemental Indenture. Along with each transfer to the Trustee, the City shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

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

(c) If, after the foregoing transfers and any transfer from 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 Refunding Bonds pursuant to a Supplemental Indenture promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 or Refunding Bonds pursuant to a Supplemental Indenture.

(f) After satisfaction of the requirement to provide for the payment of the principal 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.

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

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1. Except as provided in Sections 6.5(c) and (e), money on deposit in the Improvement Area #1 Bond Improvement Account of the Project Fund shall only be used to pay Improvement Area #1 Project Costs, money on deposit in the Improvement Area #2 Bond Improvement Account of the Project Fund shall only be used to pay Improvement Area #2 Project Costs, and money on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund shall only be used to pay Improvement Area #3 Project Costs.

(b) (1) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates.

(2) Disbursements from the Improvement Area #1 Bond Improvement Account, the Improvement Area #2 Bond Improvement Account, and the Improvement Area #2 Bond Improvement Account of the Project Fund to pay Improvement Area #1 Project Costs, Improvement Area #2 Project Costs and Improvement Area #3 Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. 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) (1) 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 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 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 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.

(2) If the City Representative determines in his or her sole discretion that certain amounts then on deposit in the Improvement Area #2 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 Improvement Area #2 Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #2 Bond Improvement Account will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #2 Bond Improvement Account that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the identified amounts on deposit in the Improvement Area #2 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.

(3) If the City Representative determines in his or her sole discretion that certain amounts then on deposit in the Improvement Area #3 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 Improvement Area #3 Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #3

Bond Improvement Account will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #3 Bond Improvement Account that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the identified amounts on deposit in the Improvement Area #3 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.

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

(e) (1) Upon the filing of a City Certificate stating that all Improvement Area #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. Upon such transfer, the Improvement Area #1 Bond Improvement Account of the Project Fund shall be closed.

(2) Upon the filing of a City Certificate stating that all Improvement Area #2 Projects have been completed and that all Improvement Area #2 Project Costs have been paid, or that any Improvement Area #2 Project Costs are not required to be paid from the Project Fund pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #2 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 Improvement Area #1 Bond Improvement Account of the Project Fund shall be closed.

(3) Upon the filing of a City Certificate stating that all Improvement Area #3 Projects have been completed and that all Improvement Area #3 Project Costs have been paid, or that any Improvement Area #3 Project Costs are not required to be paid from the Project Fund pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #3 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 Improvement Area #1 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, in the same proportionate amounts as the proportionate amounts of Bond proceeds deposited to the Improvement Area #1 Bond Improvement Account, the Improvement Area #2 Bond Improvement Account and the Improvement Area #3 Bond Improvement Account on the Date of Delivery of the Bonds, to the Improvement Area #1 Bond Improvement Account of the Project Fund and used to pay Improvement Area #1 Project Costs, to the Improvement Area #2 Bond Improvement Account of the Project Fund and used to pay Improvement Area #2 Project Costs, and to the Improvement Area #3 Bond Improvement Account of the Project Fund and used to pay Improvement Area #3 Project Costs or, if no Improvement Area #1 Improvement

Project Costs, Improvement Area #2 Project Costs or Improvement Area #3 Project Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Order filed with the Trustee, and the Costs of Issuance Account 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 Refunding Bonds as provided in a Supplemental Indenture. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV and Refunding Bonds as provided in a Supplemental Indenture.

Section 6.7. Reserve Fund.

(a) The City agrees with the Owners of the Bonds Similarly Secured to accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture. The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 15 of each year, commencing September 15, 2025, 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 Refunding Bonds pursuant to a Supplemental Indenture, the Trustee, pursuant to prior written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such

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 Annual Collection Costs for the Bonds Similarly Secured, (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, (iv) to the Improvement Area #2 Bond Improvement Account of the Project Fund to pay Improvement Area #2 Project Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof, (v) to the Improvement Area #3 Bond Improvement Account of the Project Fund to pay Improvement Area #3 Project Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (vi) to the Redemption Fund to be applied to the redemption of Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 or Refunding Bonds pursuant to a Supplemental Indenture. In the event that the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within 45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof or Refunding Bonds pursuant to a Supplemental Indenture and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in 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 Refunding Bonds, as further set forth in written directions from the City to the Trustee. The Trustee may conclusively rely on such written instructions as set forth in this Section and shall not be responsible for any loss or liability resulting from the investment of funds under this Section, but only so long as the Trustee follows such written instructions in all respects.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and shall not be liable or responsible if it follows the written instructions of the City and shall not be required to take any action under this Section in the absence of 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 Annual Collection Costs 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 Annual Collection Costs 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. In the absence of investment instructions from the City, the Trustee shall hold monies held by it uninvested and shall have no obligation to invest or reinvest such monies.

(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.

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 Annual Collection Costs in connection with its covenants and agreements under this Section or otherwise other than funds on deposit in the Administrative Fund.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the 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 Refunding 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, Improvement Area #2 Project Costs and Improvement Area #3 Project Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Improvement Area #1 Project Costs, Improvement Area #2 Project Costs and Improvement Area #3 Project Costs are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. Liability of City.

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and 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 (satisfactory to the Trustee in its sole and absolute discretion) by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers (provided such payment or transfer is prior to an Event of Default) when required hereunder, or to deliver any notice when required hereunder. During the occurrence of an Event of Default, the Trustee shall be entitled to indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers as Trustee, and in such case the Trustee may make transfers from the 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 and expressly set forth in this Indenture. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Indenture against the Trustee. Neither the Trustee, nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of any other person or entity or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person. In any event, the Trustee shall not be liable for any amount in excess of the value of the Trust Estate.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for such losses, damages or expense which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special, punitive or consequential loss or damages of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action in connection with or arising from this Indenture for the existence, furnishing or use of the Improvement Area #1 Projects, Improvement Area #2 Projects or Improvement Area #3 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 written 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 liable for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of counsel.

(g) The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds) or for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

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

(i) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, 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 request and conclusively rely and shall be protected in acting or refraining from acting upon any resolution, instrument, opinion, report, order, judgment, notice, request, consent, waiver, certificate, statement, affidavit, requisition, direction, bond, debenture or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant that the Trustee shall in good faith reasonably believe to be qualified in relation to the subject matter or is selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may 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.

(a) Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, the previously determined and agreed upon, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar and extraordinary services rendered, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, all pursuant to a City Order and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Order, and the Trustee shall have a first lien therefor on any and all funds at any time held by it hereunder prior to any Bonds 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 monies in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from lawfully available funds (other than funds designated by the City for arbitrage rebate purposes) in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder. The right of the Trustee to fees, expense, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

(b) If any material controversy arises hereunder, or the Trustee is made a party to any litigation pertaining to this Indenture or the subject matter hereof, then the Trustee shall be

compensated for any services or work performed by Trustee in connection with any delay, controversy, litigation or event, and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event, unless any such events are the result of the Trustee's negligence or willful misconduct.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds 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 willful misconduct.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 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 Refunding Bonds permitted under the terms of this Indenture; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds Similarly Secured.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds Similarly Secured. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Owner of Bonds Similarly Secured from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds Similarly Secured for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds Similarly Secured giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds Similarly Secured and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed

with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds Similarly Secured at the expiration of 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.

The Trustee shall not be charged with knowledge of (a) any events or other information, or (b) any default or Event of Default under this Indenture or any other agreement unless a responsible officer of the Trustee shall have actual knowledge thereof.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than 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 Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate is and will remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Other Obligations or Other Liens; Refunding Bonds.

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

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

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

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

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

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

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds Similarly Secured.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

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 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 in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Defeased Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem 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 200
Dallas, Texas 75248
Attn: Corporate Trust Administration
Telephone: (714) 384-4174

(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, excluding its conflict of laws rules to the extent such rules would apply the law of another jurisdiction. Venue and exclusive jurisdiction for any action to enforce or construe this Indenture shall be a state court of competent jurisdiction in 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. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.10. Verification of Statutory Representations and Covenants.

The Trustee makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Government Code"), in entering into this Indenture. As used in such verifications, "affiliate means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

- (a) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
- (b) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.
- (c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.
- (d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF LAVON, TEXAS

By: _____
Mayor

Attest:

City Secretary

(CITY SEAL)

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

CERTIFICATE FOR PAYMENT

The undersigned is an agent for Meritage Homes of Texas, LLC, an Arizona limited liability company (the “Developer”) and requests payment from the Improvement Area #[1][2][3] 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 construction of certain Improvement Area #[1][2][3] Projects related to the Trails of Lavon Public Improvement District (the “District”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust, dated as of August 1, 2025, by and between the City of Lavon, Texas (the “City”) and the Trustee relating to the “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2025 (Trails of Lavon Public Improvement District Projects)” (the “Indenture”).

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Improvement Area #[1][2][3] Projects have not been the subject of any prior payment request submitted to the City or, if previously requested, no disbursement was made with respect thereto.
3. The itemized amounts listed for the Improvement Area #[1][2][3] Projects below is a true and accurate representation of the costs associated with the creation, acquisition, or construction of said Improvement Area #[1][2][3] Projects, and such costs are in compliance with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Indenture, the Service and Assessment Plan and all reimbursement or other agreements between the Developer and the City related to the District.
5. All conditions set forth in the Indenture and all reimbursement or other agreements between the Developer and the City related to the District for the payment hereby requested have been satisfied.

6. The work with respect to the Improvement Area #[1][2][3] Projects referenced below (or its completed segment) has been completed and the City may begin inspection of the Improvement Area #[1][2][3] Projects.

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested should include the following:

Payee / Description of Improvement Area #[1][2][3] Improvement	Total Cost of Improvement Area #[1][2][3] Improvement	Budgeted Cost of Improvement Area #[1][2][3] Improvement	Amount to be paid from the Improvement Area #[1][2][3] Bond Improvement Account

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are **“bills paid” affidavits and supporting documentation** in the standard form for City construction projects evidencing that any contractor or subcontractor having performed work on an Improvement Area #[1][2][3] Improvement described above has been paid in full for all work completed through the previous Certificate for Payment.

[Information regarding Payee, amount, and payments instructions attached]

I hereby declare that the above representations and warranties are true and correct.

Dated: _____.

DEVELOPER:

Meritage Homes of Texas, LLC,
an Arizona limited liability company

By: _____

Name: _____

Its: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment. The City authorizes and directs the amount of this Certificate for Payment to be paid by Trustee from the Improvement Area #[1][2][3] Bond Improvement Account of the Project Fund to the Developer or other person designated by the Developer as listed and directed on such Certificate for Payment. The City's approval of the Certificate for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Indenture, the Service and Assessment Plan, or any reimbursement or other agreement between the parties or that there is a defect in the Improvement Area #[1][2][3] Projects.

CITY OF LAVON, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B

BOND PURCHASE AGREEMENT

\$29,099,000
CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT PROJECTS)

BOND PURCHASE AGREEMENT

July 15, 2025

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).

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 \$29,099,000 aggregate principal amount of the “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2025 (Trails of Lavon Public Improvement District Projects)” (the “Bonds”), at a purchase price of \$_____ (representing the aggregate principal amount of the Bonds, less an original issue discount of \$_____, and 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 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 proceeds of the Bonds and the construction of the District Improvements (defined in the Limited Offering Memorandum) financed with proceeds of 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 Closing Date 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 August 13, 2025 (or such other date as may be agreed to by the City and the Underwriter).

2. Authorization Instruments and Law. The Bonds were authorized by the Bond Ordinance enacted by the City Council of the City on July 15, 2025, and shall be issued pursuant to the provisions of the PID Act and an Indenture of Trust, dated as of August 1, 2025, entered into by and 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 the Assessments levied on the Assessed Property within the District. The District was established by a resolution (the "Creation Resolution") enacted by the City Council on October 19, 2021, in accordance with the PID Act. The Assessments were levied in accordance with the Assessment Ordinance, adopted by the City Council on July 18, 2023, September 3, 2024, and October 15, 2024, respectively, and the Service and Assessment Plan. The Assessment Ordinance, the Creation Resolution, the Indenture, and the Bond Ordinance are referred to herein as the "Authorizing Documents." The Bonds shall be further secured by certain applicable funds and accounts created pursuant to the Indenture.

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 in the Limited Offering Memorandum under the subcaption "PLAN OF FINANCE – The Bonds."

3. Initial Offering. The Underwriter agrees to make an initial offering of all of the Bonds in accordance with Section 4 hereof and to limit the initial offering of the Bonds to persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended and then in effect (the “Securities Act”) or “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act). 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 (defined herein), in substantially the form attached hereto as Appendix B.

4. Establishment of Issue Price.

(a) Definitions. For purposes of this Section 4, the following definitions apply:

(i) “*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 third-party distribution agreement participating in the initial sale of the Bonds to the public).

(ii) “*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.

(iii) “*Related Party*” means any two or more persons who are subject, directly or indirectly, to (A) at least 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).

(iii) “*Sale Date*” means the date of execution of this Purchase 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 least five (5) Business Days prior to 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, 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 (the “Issue Price Certificate”). 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 Financial Advisor (defined in subsection 6(r) hereof) and any notice or report to be provided to the City may be provided to the 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 (defined herein). 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 (5th) 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 (5th) Business Day after the Sale Date.

The City acknowledges that, in making the representation set forth in this subparagraph (d), 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 third-party 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 (5) Business Days from the Sale Date, or (ii) comply with the Hold-The-Price Restriction.

5. 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 July 8, 2025 (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 (as more particularly defined below, 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, except for the inclusion of the information permitted to be excluded from the Preliminary Limited Offering Memorandum by Section (b)(1) of Rule 15c2-12. 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 public 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 public 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 public 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 twenty-fifth (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 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 City will notify the Underwriter promptly (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, the City makes no representations with respect to the following information (collectively, the “Non-City Disclosures”) (i) 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 information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum in any maps included therein or under the captions and subcaptions “PLAN OF FINANCE” (except for the information under the subcaption “– The Bonds”), “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BOOK-ENTRY ONLY SYSTEM,” “THE DISTRICT IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPERS,” “THE PID ADMINISTRATOR,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developers and their Affiliates, the District Improvements, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS – Litigation – The Managing Developer,” “CONTINUING DISCLOSURE – The Managing Developer” and “– The Managing Developer’s Compliance with Prior Undertakings,” “INFORMATION RELATING TO THE TRUSTEE,” “APPENDIX E-2,” and “APPENDIX G.” If such notification shall be subsequent to the Closing (defined herein), 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 (1) 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.

6. 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 and perform its duties and obligations under:

(1) this Agreement;

(2) the Indenture;

(3) the Development Agreement, effective October 19, 2021 (the “Development Agreement”), by and between the City and Meritage Homes of Texas, LLC (the “Managing Developer”); and

(4) that certain Improvement Area #1 Landowner Agreement by and between the City and the Managing Developer, entered into as of July 18, 2023 (the “Improvement Area #1 Landowner Agreement”), that certain Improvement Area #2 Landowner Agreement by and between the City and the Managing Developer, entered into as of September 3, 2024 (the “Improvement Area #2 Landowner Agreement”), and that certain Improvement Area #3 Landowner Agreement by and between the City and the Managing Developer, entered into as of October 15, 2024 (the “Improvement Area #3 Landowner Agreement” and, together with the Improvement Area #1 Landowner Agreement and the Improvement Area #2 Landowner Agreement, the “Landowner Agreements”);

(5) that certain Trails of Lavon Public Improvement District Improvement Area #1 Reimbursement Agreement by and between the City and the Managing Developer, effective as of July 18, 2023 (the “Improvement Area #1 Reimbursement Agreement”), that certain Trails of Lavon Public Improvement District Improvement Area #2 Reimbursement Agreement by and between the City and the Managing Developer, effective as of September 3, 2024 (the “Improvement Area #2 Reimbursement Agreement”), and that certain the Trails of Lavon Public Improvement District Improvement Area #3 Reimbursement Agreement by and between the City and the Managing Developer, effective as of October 15, 2024 (the “Improvement Area #3 Reimbursement Agreement” and, together with the Improvement Area #1 Reimbursement Agreement and the Improvement Area #2 Reimbursement Agreement, the “Reimbursement Agreements”); and

(6) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of August 1, 2025 (the “Continuing Disclosure Agreement of Issuer”), executed and delivered by the City, P3Works, LLC (the “PID Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent (the “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 Landowner Agreements, (5) the Reimbursement Agreements, (6) the Continuing Disclosure Agreement of Issuer, (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 sovereign 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 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 PID Act. The City has, and at the Closing 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 PID 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 Bond Ordinance and the other City Documents.

d. No Breach or Default. As of the time of acceptance hereof, and to its knowledge, the City is not, and as of the Closing Date the City will not be, in 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 portion of the Trust Estate 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 lien on and pledge of the Trust Estate. The Indenture creates a valid lien on and pledge of the Trust Estate 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 have been levied by the City in accordance with the Assessment Ordinance and the PID Act on those parcels of land identified in the Assessment Roll. According to the PID 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 lien on and pledge of the Trust Estate which secures 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 5 of this Agreement) at all times subsequent thereto during the period up to and including the twenty-fifth (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 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; and further provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 5(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 5 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 twenty-fifth (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 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 if the City notifies the Underwriter of any fact or event as required by Section 5(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 (5) 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/or warranty, as applicable in the legal context, 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 (the “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.

7. Developers’ Letters of Representations and Closing Certificates. At the signing of this Agreement, the City and Underwriter shall receive from Meritage Homes of Texas, LLC (the “Managing Developer”), an executed Managing Developer’s Letter of Representations (the “Managing Developer’s Letter of Representations”) in the form of Appendix A-1 hereto, and from GRBK Edgewood LLC, a Texas limited liability company (the “Co-Developer”) an executed Co-Developer’s Letter of Representations (the “Co-Developer’s Letter of Representations” and together with the Managing Developer’s Letter of Representations, the “Developers’ Letters of Representations”) in the form of Appendix A-2 hereto, and, at the Closing, a certificate signed by the Managing Developer as described in Section 10(e) and set forth in Appendix E-1 hereto (the “Managing Developer’s Closing Certificate”) and a certificate signed by the Co-Developer as described in Section 10(e) and set forth in Appendix E-2 hereto (the “Co-Developer’s Closing Certificate”).

8. 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 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.

9. Underwriter’s Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations and covenants herein and in the Developers’ Letters of Representations and the performance by the City of its obligations under this Agreement, both as of the date hereof and as of the Closing Date. 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 Developer as, in the opinion of Winstead PC (“Developer’s Counsel”), shall be necessary, on or prior to the Closing Date, in connection with the transactions on the part of the Developers described in the Developers’ Letters of Representations, the Development Agreement, the Landowner Agreements, the Reimbursement Agreements, and the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of August 1, 2025, executed and delivered by the Managing Developer, P3Works, LLC, as PID Administrator, and the Dissemination Agent, as dissemination agent (the “Continuing Disclosure Agreement of Developer” and, together with the Developers’ Letters of Representations, the Development Agreement, the Landowner Agreements, and the Reimbursement Agreements, the “Developers’ Documents”); 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.

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 Managing Developer Documents or other documents relating to the financing and construction of the District Improvements and the Development (as defined in the Limited Offering Memorandum), and the Managing Developer shall not be in default in the payment of principal of or interest on any of its indebtedness which default shall materially adversely impact the ability of the Developer to pay the Assessments when due.

d. Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 10 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 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; 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 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, 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; provided, however that such suspension in trading or any disruption in securities settlement, payment or clearance services is not in force on the date hereof; or

(4) there shall have occurred (whether or not foreseeable) (i) any outbreak of hostilities (including, without limitation, an act of terrorism) including, but not limited to, an escalation of hostilities that existed prior to the date hereof, (ii) national or international calamity or crisis, including, but not limited to, an escalation in the scope or magnitude of any pandemic or natural disaster, or (iii) material financial crisis or adverse change in the financial or economic conditions affecting the United States government or the securities markets in the United States; 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 described in 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 ten percent (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 and the liens created thereby, such Assessments being the primary asset of the Trust Estate 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 a 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 Securities and Exchange Commission 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 described in this Agreement or in 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 Closing Date, including the Securities Act, the Securities Exchange Act of 1934, 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; or

(ix) an adverse change of a material nature in the financial position, results of operations, or condition, financial or otherwise, of the Managing Developer, other than in the ordinary course of its business.

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.

10. 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 Closing Date and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 10(b) hereof, 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 to 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 Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum but that Bond Counsel has reviewed the statements and information appearing in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions and subcaptions “PLAN OF FINANCE – The Bonds,” “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS SIMILARLY SECURED,” “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology” and “Assessment Amounts”), “THE DISTRICT” (except for the subcaption “Collection and Delinquency History of Improvement Area #1 and Improvement Area #2 of the District”), “TAX MATTERS,” “LEGAL MATTERS – Legal Proceedings” (first paragraph only) and “– Legal Opinions,” “CONTINUING DISCLOSURE – The City,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS,” “INVESTMENTS,” and “APPENDIX B,” and Bond Counsel is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance, the Service and Assessment Plan, 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, the

Service and Assessment Plan, 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 Continuing Disclosure Agreement of Issuer, 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 governmental entities.

c. City Legal Opinion. An opinion of the City Attorney, dated the Closing Date and addressed to the Underwriter, the City, Bond Counsel, 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 Developer’s Counsel. An opinion of Developer’s Counsel, substantially in the form of Appendix D hereto, dated the Closing Date and addressed to the City, Bond Counsel, the City Attorney, the Underwriter, and the Trustee.

e. Developers’ Closing Certificates. The Managing Developer’s Closing Certificate dated as of the Closing Date, signed by authorized officers of the Managing Developer in substantially the form of Appendix E-1 hereto and the Co-Developer’s Closing Certificate dated as of the Closing Date, signed by authorized officers of the Co-Developer in substantially the form of Appendix E-2 hereto.

f. City Closing Certificate. A certificate of the City, dated the Closing Date, signed by an appropriate City official, to the effect that:

(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 Counsel Opinion. An opinion of counsel to the Trustee, dated the Closing Date and addressed to the Underwriter, the City and Bond Counsel, in form and substance acceptable to Underwriter's Counsel, the City and Bond Counsel to the following effect:

(i) The Trustee is duly organized, validly existing and in good standing as a national banking association organized under the laws of the United States of America, and is duly qualified to serve as Trustee in accordance with the qualifications set forth for the Trustee in the Indenture;

(ii) The Trustee has full right, power, and authority to enter into the Indenture, to perform its obligations under, and to carry out and consummate all of the transactions involving the Trustee contemplated by, the Indenture; and

(iii) 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.

h. Trustee's Certificate. A customary authorization and incumbency certificate dated prior to the Closing Date, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter, Underwriter's Counsel and Bond Counsel.

i. Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Orrick, Herrington & Sutcliffe LLP, ("Underwriter's Counsel"), to the effect that:

(i) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(ii) The Continuing Disclosure Agreement of Issuer, together with Section 10(o) of this Agreement and Section __ of the Bond Ordinance, satisfies the requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) for an undertaking by the City for the benefit of the holders of the Bonds to provide the information about the Bonds, the Trust Estate, the Assessments, and the Assessed Property at the times and in the manner required by said Rule; provided that, for purposes of this opinion, such counsel is not expressing any view regarding the content of the Preliminary Limited Offering Memorandum or the

Limited Offering Memorandum that is not expressly stated in the next paragraph below; and

(iii) Such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness, or fairness of any of the statements contained in the Preliminary Limited Offering Memorandum or in the Limited Offering Memorandum and makes no representation that it has independently verified the accuracy, completeness, or fairness of any such statements. In its capacity as counsel to the Underwriter, to assist the Underwriter in part of its responsibility with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, such counsel has participated in conferences with representatives of the Underwriter, representatives of the City, and its counsel, Messer Fort, PLLC, as city attorney, McCall, Parkhurst & Horton L.L.P., as bond counsel, Hilltop Securities, as financial advisor, P3Works, LLC, as public improvement district administrator, representatives of the Developer, its counsel Winstead PC, and its engineers, consultants and others, during which the contents of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum and related matters were discussed. Based on such counsel's participation in the above-mentioned conferences (which, with respect to the Preliminary Limited Offering Memorandum, did not extend beyond the date of this Agreement, and in reliance thereon, on oral and written statements and representations of the City, the Developers and others and on the records, documents, certificates, opinions and matters herein mentioned, such counsel advises the Underwriter as a matter of fact and not opinion that, during the course of such counsel's representation of the Underwriter on this matter, (a) no facts had come to the attention of the attorneys in such counsel's firm rendering legal services to the Underwriter in connection with the Preliminary Limited Offering Memorandum which caused such counsel to believe, as of the date of the Preliminary Limited Offering Memorandum and as of the date of this Agreement, based on the documents, drafts and facts in existence and received as of those dates, that the Preliminary Limited Offering Memorandum contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission ("SEC") Rule 15c2-12 or otherwise left blank and any other differences with the information in the Limited Offering Memorandum), and (b) no facts had come to the attention of the attorneys in such counsel's firm rendering legal service to the Underwriter in connection with the Limited Offering Memorandum which caused such counsel to believe that the Limited Offering Memorandum as of its date and as of the date thereof contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, such counsel expressly excludes from the scope of this paragraph and expresses no view, with respect to both the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, about any CUSIP numbers, financial, accounting, statistical,

economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about verification, feasibility, valuation, appraisals, absorption, real estate or environmental matters, relationship among the parties, Appendices, or any information about book-entry, DTC, Cede & Co., limitations applicable to initial purchasers, tax exemption, underwriters, or underwriting, included or referred to therein or omitted therefrom. No responsibility is undertaken or conclusion expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

j. Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

k. Delivery of City Documents and Developers' Documents. The City Documents and Developers' Documents shall have been executed and delivered in form and content satisfactory to the Underwriter.

l. Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

m. 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 Closing Date, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the 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.

n. 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.

o. Continuing Disclosure Agreements. The Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Developer shall have been executed by the parties thereto in substantially the forms attached to the Preliminary Limited Offering Memorandum as Appendix E-1 and Appendix E-2.

p. Letter of Representation of Administrator. Letter of Representation of the Administrator, substantially in the form of Appendix F hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter.

q. Letter of Representation of the Appraiser. (i) Letter of Representation of the Appraiser, substantially in the form of Appendix G hereto, addressed to the City, Bond Counsel, 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 dated June 11, 2025.

r. Evidence of Filing of Creation Resolution, and Assessment Ordinance with Service and Assessment Plan. Evidence that the Creation Resolution and the Assessment Ordinance, including the legal description of the property within the District and the Service and Assessment Plan, as updated in accordance with the issuance of the Bonds, have been filed of record in the real property records of Collin County, Texas.

s. Lender Consent Certificate. A Lender Consent Certificate of each holder of a lien, if any, on land in 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 Developers shall provide such certifications as may be reasonably requested by the Underwriter to confirm that no such liens exist as of the Closing Date.

t. Developer Organizational and Verification Documents. The Developers shall have delivered to the Underwriter and the City, (i) fully executed copies of the Developers' organizational documents, (ii) a Certificate of Status from the Texas Secretary of State for the Developers dated within 10 days of the Closing Date, (iii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Developers dated within 10 days of the Closing Date, and (iv) a copy of their Standing Letter to the Attorney General of Texas in compliance with the All Bond Counsel letter dated November 1, 2023, as last supplemented on December 29, 2023, or evidence of an exception to such requirement.

u. Rule 15c2-12 Certification. A resolution, ordinance, or certificate 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, which certification may be included in the City Certificate required by subsection 10(f) hereof or the Bond Ordinance.

v. Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the City and the Managing Developer have engaged a dissemination agent acceptable to the Underwriter for the Bonds, with the execution of the Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Developer by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

w. Reserved.

x. Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or counsel to the Underwriter may reasonably deem necessary.

11. City's Closing Conditions. The obligation of the City hereunder to deliver the Bonds shall be subject to receipt on or before the Closing Date of the purchase price set forth in

Section 1 hereof, the Attorney General Opinion, the opinion of Bond Counsel described in Section 10(a) hereof and all documents required to be delivered by the Developer.

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, 14, 16, and 22 hereof.

13. Term of Agreement. Except for surviving representations, warranties, and indemnities of the parties to this Agreement, the term of this Agreement terminates upon the “end of the underwriting period” (as defined in Rule 15c2-12) or, if earlier, exercise of a termination right (which may not be based on an existing or incipient breach of a verification).

14. 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 legal counsel and Financial Advisor, the Trustee’s counsel, Bond Counsel, 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 Developers, including but not limited to the fees and expenses of any Appraiser and the PID 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 limited 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 public 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.

15. 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 Manager.

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.

16. Parties in Interest; Survival of City Representations. This Agreement is made solely for the benefit of the City and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties, and covenants contained in this Agreement shall remain operative and in full force and effect and survive delivery of and payment for the Bonds and any termination, regardless of any investigations made by or on behalf of the Underwriter.

17. Survival of Representations and Warranties of Third Parties. All representations and warranties of the parties, other than the City and the Underwriter, made in, pursuant to, or in connection with this Agreement, including the appendices hereto, 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.

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.

19. State Law and Venue Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State and venue shall lie in Collin County, Texas.

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.

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.

22. Statutory Verifications. The Underwriter makes the following representation and covenants to enable the City to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

a. *Not a Sanctioned Company.* The Underwriter represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the 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.

b. *No Boycott of Israel.* The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

c. *No Discrimination Against Firearm Entities.* The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

d. *No Boycott of Energy Companies.* The 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. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

23. 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 thirtieth (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.

24. Underwriter Standing Letter and Bringdown Verification. The Underwriter represents that it has, or will have prior to the date of Closing, on file with the Texas Attorney

General a standing letter addressing the representation and verifications contained in Section 22 of this Agreement in a form accepted by the Texas Attorney General. In addition, if the Underwriter or the parent company, a wholly- or majority-owned subsidiary or another affiliate of the Underwriter receives or has received a letter from the Texas Comptroller of Public Accounts pursuant to Chapter 809, Texas Government Code seeking written verification that it does not boycott energy companies (a “Comptroller Request Letter”), such Underwriter shall promptly notify the City and Bond Counsel (if it has not already done so) and provide to the City or Bond Counsel, two Business Days prior to Closing and additionally upon request by the City or Bond Counsel, written verification to the effect that its standing letter described in the preceding sentence remains in effect and may be relied upon by the City and the Texas Attorney General (the “Bringdown Verification”). The Bringdown Verification shall also confirm that the Underwriter (or the parent company, a wholly- or majority-owned subsidiary or other affiliate of the Underwriter that received the Comptroller Request Letter) intends to timely respond or has timely responded to the Comptroller Request Letter. The Bringdown Verification may be in the form of an e-mail.

25. 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. The City and the Underwriter agree that electronic signatures to this Agreement may be regarded as original signatures.

Signature pages follow.

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

\$29,099,000

CITY OF LAVON, TEXAS,

(a municipal corporation of the State of Texas located in Collin County)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT PROJECTS)

Interest Accrues From: Date of Delivery

\$ _____ % Term Bonds, Due September 15, 20__, Priced to Yield _____% (a)(b)(c)
\$ _____ % Term Bonds, Due September 15, 20__, Priced to Yield _____% (a)(b)(c)
\$ _____ % Term Bonds, Due September 15, 20__, Priced to Yield _____% (a)(b)(c)

- (a) The Bonds maturing on and after September 15, 20__, may be redeemed before their scheduled maturity date, in whole or from time to time 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 of the Bonds to be redeemed, plus accrued and unpaid interest to the date of redemption.
- (b) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS – Redemption Provisions."
- (c) The Bonds are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installment Amounts as set forth in the following schedules.

\$ Bonds Maturing September 15, 20

**Mandatory Sinking Fund
Redemption Date**

**Sinking Fund
Installment**

[†] Stated Maturity

APPENDIX A-1

FORM OF MANAGING DEVELOPER'S LETTER OF REPRESENTATIONS

\$29,099,000

CITY OF LAVON, TEXAS,

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT PROJECTS)

MANAGING DEVELOPER'S LETTER OF REPRESENTATIONS

July 15, 2025

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 \$29,099,000 "City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2025 (Trails of Lavon Public Improvement District Projects)" (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, Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Managing Developer"), makes the representations, warranties, and covenants contained in this Managing Developer's Letter of Representations.

Unless the context clearly indicates otherwise, each capitalized term used in this Managing Developer's 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 Managing Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Managing 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 Managing Developer's 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 Managing 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 Managing Developer will notify the City and the Underwriter promptly (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 Managing Developer's Letter of Representations and any certificate delivered by the Managing Developer in accordance with the Bond Purchase Agreement, the Managing Developer makes no representations with respect to the information appearing in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum except for the information set forth in all of the maps included therein and under the captions and subcaptions "PLAN OF FINANCE" (except for the subcaption "- The Bonds"), "THE DISTRICT IMPROVEMENTS," "THE DEVELOPMENT" and "THE DEVELOPERS" and, to the Managing Developers' knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Managing Developer and its Affiliates, the District Improvements, and the Development (as defined in the Limited Offering Memorandum)), "LEGAL MATTERS – Litigation – The Managing Developer," "CONTINUING DISCLOSURE – The Managing Developer" and "- The Managing Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION – Source of Certain Information," and "APPENDIX E-2" (collectively, the "Managing Developer Disclosures") in accordance with subsection 4(f) herein.

3. Managing Developer Documents. The Managing Developer has executed and delivered each of the below listed documents (individually, a "Managing Developer Document" and collectively, the "Managing Developer Documents") in the capacity provided for in each such Managing Developer Document, and each such Managing Developer Document constitutes a valid and binding obligation of the Managing Developer, enforceable against the Managing Developer in accordance with its terms:

- a. this Managing Developer's Letter of Representations;
- b. the Development Agreement;
- c. the Landowner Agreements;
- d. the Reimbursement Agreements; and
- e. the Continuing Disclosure Agreement of Developer.

The Managing Developer has complied in all material respects with all of the Managing Developer's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Managing Developer under the Managing Developer Documents on or prior to the date hereof.

The representations and warranties of the Managing Developer contained in the Managing Developer Documents are true and correct in all material respects on and as of the date hereof.

4. Managing Developer Representations, Warranties and Covenants. The Managing Developer represents, warrants, and covenants to the City and the Underwriter that:

a. Due Organization and Existence. The Managing Developer is duly formed and validly existing as a limited liability company under the laws of the State of Arizona and authorized to do business in the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Managing Developer provided by the Managing Developer (the "Managing 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 since delivery to the City and the Underwriter and are in full force and effect as of the date hereof.

c. No Breach. The execution and delivery of the Managing Developer Documents by Managing Developer does not violate any judgment, order, writ, injunction or decree binding on Managing Developer or any indenture, agreement, or other instrument to which the Managing Developer is a party.

d. No Litigation. Other than as described in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Managing Developer that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Managing Developer to perform its obligations under the Managing Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

e. Information. The information prepared and submitted by the Managing 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.

f. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Managing Developer represents and warrants that the information set forth in the Managing Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is, as it relates to the Managing Developer, 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 Managing Developer agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this subsection (f) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

g. Events of Default. No “Event of Default” or “event of default” by the Managing Developer under any of the Managing Developer Documents, any documents to which the Managing Developer is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of the District Improvements to which the Managing 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 Managing Developer, has occurred and is continuing.

5. Indemnification.

a. The Managing 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 of 1933 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 Managing Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the aforementioned captions (as qualified above), or arise out of or are based upon the omission, untrue statement or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) 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 Managing Developer or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Managing Developer's 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 pursuant to the Bond Purchase Agreement, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Managing Developer's Letter of Representations will be binding upon the Managing 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 Managing Developer's Letter of Representations.

Signature page follows.

By: Meritage Homes of Texas, LLC, an
Arizona limited liability company

By: _____
Name: _____
Title: _____

APPENDIX A-1

FORM OF CO-DEVELOPER'S LETTER OF REPRESENTATIONS

\$29,099,000

CITY OF LAVON, TEXAS,

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT PROJECTS)

CO-DEVELOPER'S LETTER OF REPRESENTATIONS

July 15, 2025

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 \$29,099,000 "City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2025 (Trails of Lavon Public Improvement District Projects)" (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, GRBK Edgewood LLC, a Texas limited liability company (the "Co-Developer"), makes the representations, warranties, and covenants contained in this Co-Developer's Letter of Representations.

Unless the context clearly indicates otherwise, each capitalized term used in this Co-Developer's Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Updating of the Limited Offering Memorandum. If, after the date of this Co-Developer's 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 Co-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 Co-Developer will notify the City and the Underwriter promptly (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 Co-Developer’s Letter of Representations and any certificate delivered by the Co-Developer in accordance with the Bond Purchase Agreement, the Co-Developer makes no representations with respect to the information appearing in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum except for the information set forth in all of the maps included therein and under the captions and subcaptions “PLAN OF FINANCE” (except for the subcaption “– The Bonds”), “THE DISTRICT IMPROVEMENTS,” “THE DEVELOPMENT” and “THE DEVELOPERS” and, to the Co-Developers’ knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Co-Developer and its Affiliates, the District Improvements, and the Development), and “SOURCES OF INFORMATION – Source of Certain Information (collectively, the “Co-Developer Disclosures”) in accordance with subsection 4(f) herein.

2. Co-Developer Representations, Warranties and Covenants. The Co-Developer represents, warrants, and covenants to the City and the Underwriter that:

a. Due Organization and Existence. The Co-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 Co-Developer provided by the Co-Developer (the “Co-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 since delivery to the City and the Underwriter and are in full force and effect as of the date hereof.

c. No Litigation. Other than as described in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Co-Developer that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Co-Developer to perform its obligations under the Co-Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

d. Information. The information prepared and submitted by the Co-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.

e. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Co-Developer represents and warrants that the information set forth in the Co-Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is, as it relates to the Co-Developer, 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 Co-Developer agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this subsection (f) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

f. Events of Default. No “Event of Default” or “event of default” by the Co-Developer under any of the Co-Developer Documents, any documents to which the Co-Developer is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of the District Improvements to which the Co-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 Co-Developer, has occurred and is continuing.

3. Indemnification.

a. The Co-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 of 1933 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 Co-Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the aforementioned captions (as qualified above), or arise out of or are based upon the omission, untrue statement or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) 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 Co-Developer or the Underwriter.

4. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Co-Developer's 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 pursuant to the Bond Purchase Agreement, and (c) any termination of the Bond Purchase Agreement.

5. Binding on Successors and Assigns. This Co-Developer's Letter of Representations will be binding upon the Co-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 Co-Developer's Letter of Representations.

Signature page follows.

GRBK EDGEWOOD LLC,
A TEXAS LIMITED LIABILITY COMPANY

By: _____
Name: _____
Title: _____

APPENDIX B

ISSUE PRICE CERTIFICATE

\$29,099,000

CITY OF LAVON, TEXAS,

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT PROJECTS)

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 2025 (Trails of Lavon Public Improvement District Projects) (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 _____, 2025.

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]

August 13, 2025

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 200
Dallas, Texas 75248

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

McCall, Parkhurst & Horton L.L.P.
717 North Harwood, Suite 900
Dallas, Texas 75201

\$29,099,000

**CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT PROJECTS)**

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 \$29,099,000 “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2025 (Trails of Lavon Public Improvement District Projects)” (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 July 15, 2025 (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 an Indenture of Trust, dated as of August 1, 2025 (the “Indenture”), 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 July 15, 2025, between the City and FMSbonds, Inc. (the “Bond Purchase Agreement”). This opinion is being delivered pursuant to Section 10(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. 2021-10-03 (the “Creation Resolution”), enacted by the City Council on October 19, 2021;

(b) Ordinance No. 2023-07-01 approved by the City Council on July 18, 2023, Ordinance No. 2024-09-02 approved by the City Council on September 3, 2024, and Ordinance 6371 Preston Road, Suite 200, Frisco, TX 75034 ★ 972.668.6400 ★ Toll Free: 1.855.668.6400 ★ www.txmunicipallaw.com

No. 2024-10-03 approved by the City Council on October 15, 2024 (collectively, the “Assessment Ordinance”), and the Service and Assessment Plan attached as an exhibit to each (collectively, the “Service and Assessment Plan”);

(c) The Bond Ordinance;

(d) The Indenture;

(e) The Bond Purchase Agreement;

(f) The Development Agreement, effective October 19, 2021 (the “Development Agreement”), by and between the City and Meritage Homes of Texas, LLC (the “Managing Developer”);

(g) The Improvement Area #1 Landowner Agreement by and between the City and the Managing Developer, entered into as of July 18, 2023 (the “Improvement Area #1 Landowner Agreement”);

(h) The Improvement Area #2 Landowner Agreement by and between the City and the Managing Developer, entered into as of September 3, 2024 (the “Improvement Area #2 Landowner Agreement”);

(i) The Improvement Area #3 Landowner Agreement by and between the City and the Managing Developer, entered into as of October 15, 2024 (the “Improvement Area #3 Landowner Agreement” and, together with the Improvement Area #1 Landowner Agreement and the Improvement Area #2 Landowner Agreement, the “Landowner Agreements”);

(j) The Trails of Lavon Public Improvement District Improvement Area #1 Reimbursement Agreement by and between the City and the Managing Developer, effective as of July 18, 2023 (the “Improvement Area #1 Reimbursement Agreement”);

(k) The Trails of Lavon Public Improvement District Improvement Area #2 Reimbursement Agreement by and between the City and the Managing Developer, effective as of September 3, 2024 (the “Improvement Area #2 Reimbursement Agreement”); and

(l) The Trails of Lavon Public Improvement District Improvement Area #3 Reimbursement Agreement by and between the City and the Managing Developer, effective as of October 15, 2024 (the “Improvement Area #3 Reimbursement Agreement” and, together with the Improvement Area #1 Reimbursement Agreement and the Improvement Area #2 Reimbursement Agreement, the “Reimbursement Agreements”).

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 Managing Developer and the Co-Developer delivered pursuant to the Bond Purchase Agreement; (d) the Developers’ Letters of Representations delivered pursuant to the Bond Purchase Agreement; and (e) the legal opinion delivered pursuant to the Bond Purchase Agreement by Winstead PC as counsel to the Managing

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 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 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” (except for the subcaption “– Water and Wastewater”), “THE DISTRICT” (except for the subcaption “– Collection and Delinquency History of Improvement Area #1 and Improvement Area #2 of the District”), and “LEGAL MATTERS – Litigation – The City” 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 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 Managing 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) Winstead PC, counsel to the Developers; 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 WINSTEAD PC]

August 13, 2025

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Bracewell LLP
1445 Ross Avenue, Suite 3800
Dallas, Texas 75202-2724

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 200
Dallas, Texas 75248

\$29,099,000
CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT PROJECTS)

I. Introduction

We have acted as special counsel to Meritage Homes of Texas, LLC, an Arizona limited liability company (the “Managing Developer”), in connection with the issuance and sale by the City of Lavon, Texas (the “City”), of \$29,099,000 City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2025 (Trails of Lavon Public Improvement District Projects) (the “Bonds”), pursuant to the Indenture of Trust, dated as of August 1, 2025 (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 “Trails of Lavon” (the “Development”) located in the City.

The Bonds are being sold by FMSbonds, Inc. (the “Underwriter”), pursuant to that certain Bond Purchase Agreement, dated July 15, 2025 (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 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”):

- (i) the Development Agreement, effective October 19, 2021 (the “Development Agreement”), by and between the City and the Managing Developer;
 - (ii) the Improvement Area #1 Landowner Agreement by and between the City and the Managing Developer, entered into as of August 18, 2023 (the “Improvement Area #1 Landowner Agreement”);
 - (iii) the Improvement Area #2 Landowner Agreement by and between the City and the Managing Developer, entered into as of September 3, 2024 (the “Improvement Area #2 Landowner Agreement”);
 - (iv) the Improvement Area #3 Landowner Agreement by and between the City and the Managing Developer, entered into as of October 15, 2024 (the “Improvement Area #3 Landowner Agreement” and, together with the Improvement Area #1 Landowner Agreement and the Improvement Area #2 Landowner Agreement, the “Landowner Agreements”);
 - (v) the Trails of Lavon Public Improvement District Improvement Area #1 Reimbursement Agreement by and between the City and the Managing Developer, effective as of July 18, 2023 (the “Improvement Area #1 Reimbursement Agreement”);
 - (vi) the Trails of Lavon Public Improvement District Improvement Area #2 Reimbursement Agreement by and between the City and the Managing Developer, effective as of September 3, 2024 (the “Improvement Area #2 Reimbursement Agreement”);
 - (vii) the Trails of Lavon Public Improvement District Improvement Area #3 Reimbursement Agreement by and between the City and the Managing Developer, effective as of October 15, 2024 (the “Improvement Area #3 Reimbursement Agreement” and, together with the Improvement Area #1 Reimbursement Agreement and the Improvement Area #2 Reimbursement Agreement, the “Reimbursement Agreements”); and
 - (viii) the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of August 1, 2025 (the “Continuing Disclosure Agreement of Developer”), executed and delivered by the Managing Developer, P3Works, LLC, as PID Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent;
- (b) the Managing Developer’s Letter of Representations effective as of July 15, 2025, relating to the Bonds (the “Developer Letter of Representations”);
 - (c) the Closing Certificate of Managing Developer with respect to the Bonds, dated August 13, 2025 (the “Closing Certificate of Managing Developer”); and
 - (d) the General Certificate of the Managing Developer with respect to the Bonds, effective as of August 13, 2025 (the “Managing Developer’s Certificate”).

- (e) The Preliminary Limited Offering Memorandum, dated July 8, 2025, relating to the issuance of the Bonds (the “Preliminary Limited Offering Memorandum”);
- (f) The final Limited Offering Memorandum, dated August 13, 2025, relating to the issuance of the Bonds (the “Limited Offering Memorandum”); and
- (g) Such other documents, records, agreements, and certificates of the Managing Developer as we have deemed necessary or appropriate to render the opinions expressed below.

In basing the opinions and other matters set forth herein on “our knowledge,” the words “our knowledge” signify that, in the course of our representation of the Developer the principal attorneys in this firm involved in the current actual transaction do not have actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the documents, certificates, reports and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters. 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.

In rendering the opinions set forth herein, we have assumed, without independent investigation (other than the Managing Developer, as applicable), that: (i) the due authorization, execution, and delivery of each of the documents referred to in this opinion letter by all parties thereto (other than the authorization, execution, and delivery by the Managing Developer) and that each such document constitutes a valid, binding, and enforceable obligation of each party (other than the Managing Developer) 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 Managing Developer to execute, deliver, and perform its respective 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 Managing 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 City 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 Managing 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 Managing Developer) has full authority to close this transaction in accordance with the terms and provisions of the Material Documents.

We assume that neither the Underwriter nor the City nor their respective counsel has 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.

II. Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

(a) The Managing Developer is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Arizona, authorized to do business in the State of Texas.

(b) The Managing Developer has the power and authority to execute and deliver the Material Documents to which it is a party, and to perform its obligations thereunder.

(c) The execution and delivery by the Managing Developer of the Material Documents to which it is a party, and the performance by the Managing Developer of its respective 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 Managing Developer's 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 Managing Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Managing Developer to perform its respective obligations under the Material Documents to which it is a party.

(d) To our knowledge, no governmental approval which has not been obtained or taken is required to be obtained or taken by the Managing Developer on or before the date hereof as a condition to the performance by the Managing Developer of its respective 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).

(e) The Managing 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 Managing Developer, enforceable against the Managing Developer in accordance with their respective terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, (ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity), and (iii) the effect that enforceability of the indemnification provisions therein may be limited, in whole or in part. The execution, delivery, and performance by the Managing Developer of its respective obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the Managing Developer.

(f) There are no actions, suits or proceedings pending or, to our knowledge, threatened against the Managing Developer identified in the Managing Developer's 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 titles of the parties executing the Material Documents; (iv) the execution, delivery, validity or enforceability of the Material Documents on behalf of the Managing Developer; (v) the operations or financial condition of the Managing Developer that would materially adversely affect those operations or the financial condition of the Managing Developer; or (vi) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum the cost of which is to be funded or reimbursed, in whole or in part, by proceeds of the Bonds.

(g) 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 Managing Developer is a party or is otherwise subject and which have been identified in the Managing Developer's Certificate, which violation, breach or default would materially adversely affect the Managing Developer or its performance of its respective 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 Managing 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.

(h) The information set forth in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in the maps included therein, and under the captions "PLAN OF FINANCE" (except for the subcaption "- The Bonds"), "THE DISTRICT

IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPERS,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developers and their Affiliates, the District Improvements, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS – Litigation – The Managing Developer,” and “CONTINUING DISCLOSURE – The Managing Developer,” and “– The Managing Developer’s Compliance with Prior Undertakings” adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

(i) 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 Managing 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, 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 July 15, 2025, 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.

III. 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 Managing Developer’s Certificate, as well as the representations of the Managing 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 II(c) 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 Managing Developer is a party or by which the Managing 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, appraisement, 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,

APPENDIX E-1

MANAGING DEVELOPER'S CLOSING CERTIFICATE

Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Managing Developer"), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Offering Memorandum.

1. The Managing Developer is a limited liability company organized, validly existing, and in good standing under the laws of the State of Arizona and is authorized to do business in the State of Texas.

2. Representatives of the Managing Developer have provided information to the City of Lavon, Texas (the "City"), and FMSbonds, Inc. (the "Underwriter") to be used in connection with the offering by the City of its \$29,099,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Trails of Lavon Public Improvement District Projects) (the "Bonds"), pursuant to the Preliminary Limited Offering Memorandum, dated July 8, 2025 (the "Preliminary Limited Offering Memorandum"), and Limited Offering Memorandum dated July 15, 2025 (the "Limited Offering Memorandum").

3. The Managing Developer has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Managing Developer's organizational documents, including its Articles of Organization filed with the Secretary of State of the State of Texas, and such documents have not been amended or supplemented since delivery to the Underwriter and the City and are in full force and effect as of the date hereof.

4. The Managing 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 Managing Developer, both dated within 10 days of the date hereof.

5. The Managing Developer has executed and delivered each of the below listed documents (individually, a "Managing Developer Document" and collectively, the "Managing Developer Documents") in the capacity provided for in each such Managing Developer Document, and each such Managing Developer Document constitutes a valid and binding obligation of the Managing Developer, enforceable against the Managing Developer in accordance with its terms:

- (a) the Managing Developer's Letter of Representations dated July 15, 2025;
- (b) the Improvement Area #1 Landowner Agreement by and between the City and the Managing Developer, entered into as of July 18, 2023;
- (c) the Improvement Area #2 Landowner Agreement by and between the City and the Managing Developer, entered into as of September 3, 2024;
- (d) the Improvement Area #3 Landowner Agreement by and between the City and the Managing Developer, entered into as of October 15, 2024;

(e) the Trails of Lavon Public Improvement District Improvement Area #1 Reimbursement Agreement by and between the City and the Managing Developer, effective as of July 18, 2023;

(f) the Trails of Lavon Public Improvement District Improvement Area #2 Reimbursement Agreement by and between the City and the Managing Developer, effective as of September 3, 2024;

(g) the Trails of Lavon Public Improvement District Improvement Area #3 Reimbursement Agreement by and between the City and the Managing Developer, effective as of October 15, 2024; and

(h) the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of August 1, 2025 (the “Disclosure Agreement of Developer”), executed and delivered by the Managing Developer, P3Works, LLC, as PID Administrator, and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as dissemination agent.

6. The Managing Developer or other development entities affiliated with the Managing Developer owned all of the Assessed Property (as defined in the Service and Assessment Plan) located in the District on the date that the applicable Assessment Ordinance was adopted and such landowners are not entities that may claim a homestead right under Texas law.

7. The Managing Developer has complied in all material respects with all of the Managing Developer’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Managing Developer under the Managing Developer Documents on or prior to the date hereof.

8. The representations and warranties of the Managing Developer contained in the Managing Developer Documents are true and correct in all material respects on and as of the date hereof.

9. The execution and delivery of the Managing Developer Documents by the Managing Developer does not violate any judgment, order, writ, injunction or decree binding on the Managing Developer or any indenture, agreement, or other instrument to which the Managing Developer is a party. There are no proceedings pending or threatened in writing before any court or administrative agency against the Managing Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Managing Developer to perform its obligations under the Managing Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Limited Offering Memorandum.

10. The Managing Developer has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum in all of the maps included therein and under the captions and subcaptions “PLAN OF FINANCE” (except for the subcaption “– The Bonds”), “THE DISTRICT IMPROVEMENTS,” “THE DEVELOPMENT” and “THE DEVELOPERS”

and, to the Managing Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Managing Developer, the District Improvements, and the Development), "LEGAL MATTERS – Litigation – The Managing Developer" (only as it pertains to the Managing Developer), "CONTINUING DISCLOSURE – The Managing Developer" and "– The Managing Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION – Source of Certain Information," and "APPENDIX E-2" (collectively, the "Managing Developer Disclosures") and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum; 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 Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

11. The Managing Developer has reviewed and approved the information contained in the Managing Developer Disclosures in the Limited Offering Memorandum and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Limited Offering Memorandum and as of the date hereof; 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.

12. To the Managing Developer's knowledge, the Managing Developer is in compliance in all material respects with all provisions of applicable law relating to the Managing Developer in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) to the Managing Developer's knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon the Managing Developer or any portion of the Development that would materially and adversely affect the Managing Developer's ability to complete or cause to be completed the development of the property within the District as described in the Limited Offering Memorandum; and (b) the Managing Developer has no reason to believe that any additional permits, consents, and licenses required to complete the development of the property within the District as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

13. The Managing 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.

14. The levy of the Assessments on property in the District owned by the Managing Developer will not conflict with or constitute a breach of or default under any agreement, mortgage, deed of trust, indenture, or other instrument to which the Managing Developer is a party or to which the Managing Developer or any of its property or assets is subject.

15. The Managing 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 Managing Developer's ability to perform its obligations under the Managing Developer Documents.

16. The Managing Developer has no knowledge of any physical condition of the Development owned or to be developed by the Managing 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 follows.

Dated: August 13, 2025

MANAGING DEVELOPER:

MERITAGE HOMES OF TEXAS, LLC,
AN ARIZONA LIMITED LIABILITY COMPANY

By: _____

Name: _____

Title: _____

APPENDIX E-2

CO-DEVELOPER'S CLOSING CERTIFICATE

GRBK Edgewood LLC, a Texas limited liability company (the “Co-Developer”), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Offering Memorandum.

1. The Co-Developer is a limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Co-Developer have provided information to the City of Lavon, Texas (the “City”), and FMSbonds, Inc. (the “Underwriter”) to be used in connection with the offering by the City of its \$29,099,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Trails of Lavon Public Improvement District Projects) (the “Bonds”), pursuant to the Preliminary Limited Offering Memorandum, dated July 8, 2025 (the “Preliminary Limited Offering Memorandum”), and Limited Offering Memorandum dated July 15, 2025 (the “Limited Offering Memorandum”).

3. The Co-Developer has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum in all of the maps included therein and under the captions and subcaptions “PLAN OF FINANCE” (except for the subcaption “– The Bonds”), “THE DISTRICT IMPROVEMENTS,” “THE DEVELOPMENT” and “THE DEVELOPERS” and, to the Co-Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Co-Developer, the District Improvements, and the Development), and “SOURCES OF INFORMATION – Source of Certain Information” (collectively, the “Co-Developer Disclosures”) and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum; 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 Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

4. The Co-Developer has reviewed and approved the information contained in the Co-Developer Disclosures in the Limited Offering Memorandum and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Limited Offering Memorandum and as of the date hereof; 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.

5. The Co-Developer has no knowledge of any physical condition of the Development owned or to be developed by the Co-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 follows.

Dated: August 13, 2025

CO-DEVELOPER:

GRBK EDGEWOOD LLC,
A TEXAS LIMITED LIABILITY COMPANY

By: _____
Name: _____
Title: _____

APPENDIX F

[LETTERHEAD OF P3WORKS, LLC]

[_____], 2025

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Bracewell LLP
711 Louisiana Street, Suite 2300
Houston, Texas 77002

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 200
Dallas, Texas 75248

Re: City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2025 (Trails of Lavon Public Improvement District Projects) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, representative of P3Works, LLC (“P3Works”), consultant in connection with the creation by the City of Lavon, Texas (the “City”), of Trails of Lavon Public Improvement District (the “District”), does hereby represent the following:

1. P3Works has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated July 8, 2025, and the final Limited Offering Memorandum for the Bonds, dated July 15, 2025 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City, as described above. The information P3Works provided for the Limited Offering Memorandum is located (a) under the captions and subcaptions “ASSESSMENT PROCEDURES,” “THE DISTRICT – Collection and Delinquency History of Improvement Area #1 and Improvement Area #2 of the District,” and “THE 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. At the request of the City, P3Works has prepared the SAP and acknowledges and agrees that the SAP will be included in the Limited Offering Memorandum for the Bonds.

3. To the best of my professional knowledge and belief, the portions of the Limited Offering Memorandum described in paragraph 1 above do 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.

4. P3Works agrees to the inclusion of the SAP in the Limited Offering Memorandum and use of its name in the Limited Offering Memorandum for the Bonds.

5. P3Works agrees that, to the best of its ability, it will inform you immediately should it 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 August 13, 2025) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in a material fact or render any such information materially misleading.

6. The undersigned hereby represents that he or she has been duly authorized to execute this letter of representation.

Sincerely yours,

P3Works, LLC

By: _____
Its: _____

APPENDIX G

LETTERHEAD OF INTEGRA REALTY RESOURCES – DALLAS

July __, 2025

City of Lavon, Texas
120 School Road
Lavon, Texas 75166

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Bracewell LLP
1445 Ross Ave. #3800
Dallas, Texas 75202

Wilmington Trust, National Association, as
Trustee
15950 North Dallas Parkway, Suite 200
Dallas, Texas 75248

Re: City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2025 (Trails of
Lavon Public Improvement District Projects) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, an authorized representative of Integra Realty Resources – Dallas (the “Appraiser”), the appraiser of the property contained in the Trails of Lavon Public Improvement District (the “District”), does hereby represent the following:

1. The Appraiser has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated July 8, 2025, and the Limited Offering Memorandum for the Bonds, dated July 15, 2025 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City of Lavon, Texas, as described above. The information the Appraiser provided for the Limited Offering Memorandum is the real estate appraisal of the property in the District, located in APPENDIX G to the Limited Offering Memorandum, and the description thereof, set forth under the caption “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. Appraiser agrees to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of its name in the Limited Offering Memorandum for the Bonds.

4. Appraiser agrees that, to the best of its ability, it will inform you immediately should it 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 August 13, 2025) 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 or she has been duly authorized to execute this letter of representations.

Sincerely yours,

INTEGRA REALTY RESOURCES – DALLAS

By: _____
Its: _____

EXHIBIT C

CONTINUING DISCLOSURE AGREEMENT

**CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT PROJECTS)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer dated as of August 1, 2025 (this “Disclosure Agreement”), is executed and delivered by and among the City of Lavon, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2025 (Trails of Lavon Public Improvement District Projects)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust, dated as of August 1, 2025, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC, as the initial Administrator.

“Annual Collections Report” shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

“Annual Collections Report Filing Date” shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Annual Issuer Report Filing Date” shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer’s Fiscal Year, which Annual Issuer Report Filing Date is currently March 31.

“Collections Reporting Date” shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

“Delinquency Date” shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds dated as of August 1, 2025, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

“Disclosure Representative” shall mean the City Manager of the Issuer or his or her designee, or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Final Assessment Payment Date” shall mean the calendar day preceding the Delinquency Date.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the twelve-month period beginning October 1 and ending the following September 30.

“Listed Events” shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SAP Update” shall have the meaning assigned to such term in subsection 4(a)(iii) of this Disclosure Agreement.

“SEC” shall mean the United States Securities and Exchange Commission.

“Tax Year” means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2025, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Issuer Report Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement. The Annual Issuer Report may, but is not required to, include the audited financial statements and the failure to include the audited financial statements as a part of the Annual Issuer Report shall not violate the Issuer’s obligations under this Disclosure Agreement provided the Issuer provides its audited financial statements within 12 months of the most recently ended Fiscal Year or, if the audited financial statements are not available within such twelve-month period, the Issuer provides unaudited financial statements within such twelve-month period, and provides audited financial statements when and if available. In each case, the Annual Issuer Report 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 Annual Issuer Report Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than 10 days prior to the Annual Issuer Report Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent together with written direction to file such Annual Issuer Report with the MSRB. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than 10 days from receipt of such Annual Issuer Report from the Issuer, but in no event later than the Annual Issuer Report Filing Date for such Fiscal Year.

If by the fifth (5th) day before the Annual Issuer Report Filing Date the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Annual Issuer Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Annual Issuer Report Filing Date, state the date by which the Annual Issuer Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer

Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Issuer Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Issuer Report Filing Date.

(b) The Issuer shall or shall cause the Dissemination Agent pursuant to written direction to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and

(ii) file the Annual Issuer Report 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 Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer verifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Issuer Report Filing Date, the following:

(a) Annual Financial Information. The following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date(s), the interest rate(s), the original aggregate principal amount, the principal amount remaining Outstanding, and the total interest amount due on the aggregate principal amount Outstanding;

(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, and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the Fiscal Year to which the information being reported relates;

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (together, a “SAP Update”); and

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) Audited Financial Statements. The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant, *but only if* available by the Annual Issuer Report Filing Date. If the audited financial statements of the Issuer are not available within 12 months after the end of the Fiscal Year, the Issuer shall provide notice that the audited financial statements are not available, file unaudited financial statements within such 12-month period, and file audited financial statements when prepared and available.

A form for submitting the information described in subsection 4(a) above is attached as Exhibit B hereto.

(c) Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The 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 Issuer Reports under this Section 4.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Issuer Report, if such Annual Collections Report is available when the Annual Issuer Report is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than 10 days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than 10 days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall

contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1st) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the City shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within the District in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the issuance of Refunding Bonds without the filing of a corresponding official statement with the MSRB will

constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than three Business Days 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 10 Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

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 this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within 10 Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Administrator and 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 Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under subsection 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days' written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report, Annual Collection Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may (and the Dissemination Agent, at the written request of any Participating Underwriter or the Owners of at least 50% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction) take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer, and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to 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 indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs

collected from the property owners in 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 reasonable costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Issuer Report in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Issuer Report or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in 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 reasonable costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or

omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute 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, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each individually, make the following representation and verifications to enable the Issuer to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator, as the case may be, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification prior to the expiration or earlier termination of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) Not a Sanctioned Company. The Dissemination Agent and the Administrator, each individually, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

CITY OF LAVON, TEXAS

By: _____
Mayor

HTS CONTINUING DISCLOSURE SERVICES, a
division of Hilltop Securities Inc.
(solely in its capacity as Dissemination Agent)

By: _____
Authorized Officer

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER

S-3

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL ISSUER REPORT][ANNUAL COLLECTIONS REPORT]
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]**

Name of Issuer: City of Lavon, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Trails of Lavon
Public Improvement District Projects)
Date of Delivery: _____, 20__
CUSIP Numbers: [Insert CUSIP Numbers]

NOTICE IS HEREBY GIVEN that the City of Lavon, Texas (the “Issuer”), has not provided [an Annual Issuer Report] [an Annual Collections Report] [audited/unaudited financial statements] with respect to the above-named Bonds as required by the Continuing Disclosure Agreement of Issuer, dated as of August 1, 2025, among the Issuer, P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent. The Issuer anticipates that [the Annual Issuer Report] [the Annual Collections Report] [audited/unaudited financial statements] will be filed by _____.

Dated: _____

HTS CONTINUING DISCLOSURE SERVICES, a
division of Hilltop Securities Inc.,
on behalf of the City of 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 2025
(TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT PROJECTS)**

ANNUAL ISSUER REPORT *

Delivery Date: _____, 20__

CUSIP Numbers: [insert CUSIP Numbers]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.,
Address:
City:
Telephone:
Contact Person: Attn:

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 ⁽¹⁾	Book Value ⁽¹⁾	Market Value ⁽¹⁾

* Excluding Audited Financial Statements of the Issuer

⁽¹⁾ According to account balance statement dated as of [insert date] as provided by the Trustee.

Section 4(a)(i)(C)**ASSETS AND LIABILITIES OF TRUST ESTATE**

Cash Position of Trust Estate for statements dated September 30, 20[]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[] Trust Statements: ☐ Audited ☐ Unaudited

Accounting Type: ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>

Top Assessment Payers in the District ⁽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.

Assessed Value of the District

The [YEAR] certified total assessed value for the land in the District is approximately \$[AMOUNT] according to the Collin Central Appraisal District.

**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 for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Delinquent Assessment Amount not in Foreclosure <u>Proceedings</u>	Parcels in Foreclosure <u>Proceedings</u>	Delinquent Assessment Amount in Foreclosure <u>Proceedings</u>	<u>Foreclosure Sales</u>	Foreclosure Proceeds <u>Received</u>
20__	\$		\$		\$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Total Annual Installment <u>Billed</u>	Parcels <u>Levied</u> ⁽¹⁾	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Delinquent Amount as of [9/1]	Delinquent % as of [9/1]	Total Assessments <u>Collected</u> ⁽²⁾
20__	\$		\$	%	\$	%	\$
20__							
20__							
20__							
20__							

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ [Does/does not] include interest and penalties.

⁽³⁾ Collected as of February 1, 20__.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent % as of 9/1</u>	<u>Parcel Numbers</u>
20__	%	
20__		

History of Prepayment of Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Number of</u> <u>Prepayments</u>	<u>Amount of</u> <u>Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of</u> <u>Bonds</u> <u>Redeemed</u> \$
20__				
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)
[Insert a line item for each applicable listing]

EXHIBIT C

**CITY OF LAVON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT PROJECTS)**

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
Address: [_____]
City: [_____, Texas ____]
Telephone: (____) ____-____
Contact Person: Attn: _____

**SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO
THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH
THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL
YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN
COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE
AGREEMENT**

Foreclosure History Related To The Annual Installments⁽¹⁾

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure <u>Proceedings</u>	Parcels in Foreclosure <u>Proceedings</u>	Delinquent Annual Installment Amount in Foreclosure <u>Proceedings</u>	<u>Foreclosure</u> <u>Sales</u>	Foreclosure Proceeds <u>Received</u>
20__	\$		\$		\$

(i) Period covered includes October 1, 20__ through March 1, 20__.

Collection and Delinquency of Annual Installments ⁽¹⁾

Succeeding Fiscal Year 20__	Total Annual Installments <u>Levied</u> \$	Parcels <u>Levied</u> ⁽²⁾	Delinquent Amount as <u>of 3/1</u> \$	Delinquent % <u>as of 3/1</u> %	Total Annual Installments <u>Collected</u> ⁽³⁾ \$

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

⁽²⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽³⁾ [Does/does not] include interest and penalties.

Prepayment of Assessments ⁽¹⁾

Succeeding Fiscal Year	Number of <u>Prepayments</u>	Amount of <u>Prepayments</u> \$	<u>Bond Call Date</u>	Amount of Bonds <u>Redeemed</u> \$

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES*

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	Upon receipt, but no later than February 15, Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. Issuer and/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	Trustee pays bond interest payments to Owners.
April 1	59/60	At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of

* Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

July 1

152/153

If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full September payment, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Report.

Preliminary Foreclosure activity commences in accordance with the County Tax Assessor's procedures.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court as soon as practicable, in accordance with the County Tax Assessor's procedures.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Report.

A committee of not less than 50% of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

EXHIBIT D

2025 SERVICE AND ASSESSMENT PLAN



TRAILS OF LAVON
PUBLIC IMPROVEMENT DISTRICT
2025 AMENDED AND RESTATED SERVICE AND ASSESSMENT
PLAN

JULY 15, 2025

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INTRODUCTION

Capitalized terms used in this 2025 Amended and Restated Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this 2025 Amended and Restated 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 2025 Amended and Restated Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this 2025 Amended and Restated Service and Assessment Plan for all purposes.

On October 19, 2021, the City Council passed and approved Resolution No. 2021-10-03 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 190.774 acres located within the corporate limits of the City, as described by the legal description on **Exhibit L-1** and depicted on **Exhibit A-1**.

On July 18, 2023, the City Council approved the Service and Assessment Plan for the District by adopting Ordinance No. 2023-07-07, which approved the levy of Assessments for Assessed Property within the District and approved the Improvement Area #1 Assessment Roll.

On September 3, 2024, the City Council approved the September 2024 Amended and Restated Service and Assessment Plan for the District by adopting the 2024 Assessment Ordinance – Improvement Area #2, which served to amend and restate the Service and Assessment Plan, in its entirety for the purposes of (1) updating the Improvement Area #1 Assessment Roll; (2) identifying the Improvement Area #2 Authorized Improvements to be provided by the District; (3) identifying the costs of the Improvement Area #2 Authorized Improvements; (4) identifying the indebtedness to be incurred for the Improvement Area #2 Authorized Improvements, and the manner of assessing the Improvement Area #2 Assessed Property for the costs of the Improvement Area #2 Authorized Improvements; (5) levying the Improvement Area #2 Assessments for Improvement Area #2 Assessed Property; and (6) approving the Improvement Area #2 Assessment Roll.

On October 15, 2024, the City Council approved the October 2024 Amended and Restated Service and Assessment Plan by adopting the 2024 Assessment Ordinance – Improvement Area #3, which served to amend and restate the September 2024 Amended and Restated Service and Assessment Plan in its entirety for the purposes of (1) identifying the Improvement Area #3 Authorized Improvements to be provided by the District; (2) identifying the costs of the Improvement Area #3 Authorized Improvements; (3) identifying the indebtedness to be incurred

for the Improvement Area #3 Authorized Improvements, and the manner of assessing the Improvement Area #3 Assessed Property for the costs of the Improvement Area #3 Authorized Improvements; (4) levying the Improvement Area #3 Assessments for Improvement Area #2 Assessed Property; and (5) approving the Improvement Area #3 Assessment Roll.

On July 15, 2025, the City Council approved this 2025 Amended and Restated Service and Assessment Plan by adopting Ordinance No. 2025- , which serves to amend and restate the October 2024 Amended and Restated Service and Assessment Plan in its entirety for the purposes of (1) issuing the District Bonds; (2) updating the Improvement Area #1 Assessment Roll; (3) updating the Improvement Area #2 Assessment Roll; and (4) updating the Improvement Area #3 Assessment Roll.

The PID Act requires a service plan to (i) cover a period of at least five years; (ii) define the annual indebtedness and projected cost of the Authorized Improvements; and (iii) include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV** and the notice forms are attached as **Appendix A**.

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 Improvement Area #1 Assessment Roll is included as **Exhibit F-1**. The Improvement Area #2 Assessment Roll is included as **Exhibit G-1**. The Improvement Area #3 Assessment Roll is included as **Exhibit H-1**.

SECTION I: DEFINITIONS

“2023 Assessment Ordinance” means Ordinance No. 2023-07-07 approved and adopted by the City Council on July 18, 2023, which levied the Improvement Area #1 Assessment against Improvement Area #1, and approved the Service and Assessment Plan.

“2024 Assessment Ordinance – Improvement Area #2” means Ordinance No. 2024-09-02 approved and adopted by the City Council on September 3, 2024, which levied the Improvement Area #2 Assessment against Improvement Area #2, and amended and restated the Service and Assessment Plan.

“2024 Assessment Ordinance – Improvement Area #3” means Ordinance No. 2024-10-03 approved and adopted by the City Council on October 15, 2024, which levied the Improvement Area #3 Assessment against Improvement Area #3, and amended and restated the Service and Assessment Plan.

“2025 Amended and Restated Service and Assessment Plan” means this Trails of Lavon Public Improvement District Amended and Restated Service and Assessment Plan, which replaces in its entirety the October 2024 Amended and Restated Service Plan, as updated, amended, or supplemented from time to time.

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

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

“Additional Interest Rate” means the up to 0.50% additional interest rate that may be charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act.

“Administrator” means the City or independent firm designated by the City who shall have the responsibilities provided in this 2025 Amended and Restated 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 2025 Amended and Restated 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 2025 Amended and Restated Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

“Assessment” means an assessment levied against 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 Assessed Property or reduction according to the provisions herein and in the PID Act.

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

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

“Assessment Roll” means any assessment roll for the Assessed Property, including the Improvement Area #1 Assessment Roll, the Improvement Area #2 Assessment Roll, and the Improvement Area #3 Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in any Annual Service Plan Updates.

“Authorized Improvements” means the improvements authorized by Section 372.003 of the PID Act and described in **Section III**, as further depicted on **Exhibit I-1, Exhibit I-2, Exhibit I-3, and Exhibit I-4**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, 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 2025 Amended and Restated Service and Assessment Plan, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“Developer” means, collectively, Meritage Homes of Texas, LLC, GRBK Edgewood, LLC, 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.

“District” means the Trails of Lavon Public Improvement District containing approximately 190.774 acres located within the corporate limits of the City, and more specifically described in **Exhibit L-1** and depicted on **Exhibit A-1**.

“District Bonds” means those certain “City of Lavon, Texas Special Assessment Revenue Bonds, Series 2025 (Trails of Lavon Public Improvement District Projects)” that are secured by the Improvement Area #1 Assessments, the Improvement Area #2 Assessments, and the Improvement Area #3 Assessments.

“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 the report provided by a licensed professional engineer that describes the Authorized Improvements, including their costs, location, and benefit, as included in the 2023 Assessment Ordinance, 2024 Assessment Ordinance – Improvement Area #2, and 2024 Assessment Ordinance – Improvement Area #3, for Improvement Area #1, Improvement Area #2 and Improvement Area #3, respectively.

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

“Improvement Area #1” means approximately 96.956 acres located within the District, more specifically described in **Exhibit L-2** and depicted on **Exhibit A-2**.

“Improvement Area #1 Annual Installment” means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #1; and (4) Additional Interest related to the allocable portion of the District Bonds or any PID Bonds issued to refinance all or a portion of the Improvement Area #1 Assessments, 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 Improvement Area #1 Assessed Property, related to the Improvement Area #1 Projects, and imposed pursuant to the 2023 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

“Improvement Area #1 Assessment Roll” means the Assessment Roll for the Improvement Area #1 Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included in this 2025 Amended and Restated Service and Assessment Plan as **Exhibit F-1**.

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

“Improvement Area #1 Initial Parcel” means all of the Improvement Area #1 Assessed Property against which the entire Improvement Area #1 Assessment was levied at the time the City Council approved the 2023 Assessment Ordinance.

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

“Improvement Area #2” means approximately 67.729 acres located within the District, more specifically described in **Exhibit L-3** and depicted on **Exhibit A-3**.

“Improvement Area #2 Annual Installment” means the Annual Installment of the Improvement Area #2 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest related to the allocable portion of the District Bonds or any PID Bonds issued to refinance all or a portion of the Improvement Area #2 Assessment, if applicable, as shown on **Exhibit G-2**.

“Improvement Area #2 Assessed Property” means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied.

“Improvement Area #2 Assessment” means an Assessment levied against a Parcel within Improvement Area #2 and imposed pursuant to the 2024 Assessment Ordinance – Improvement Area #2 and the provisions herein, as shown on the Improvement Area #2 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 #2 Assessment Roll” means the Assessment Roll for the Improvement Area #2 Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection

with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #2 Assessment Roll is included in this 2025 Amended and Restated Service and Assessment Plan as **Exhibit G-1**.

“Improvement Area #2 Improvements” means the Authorized Improvements which only benefit the Improvement Area #2 Assessed Property, as further described in **Section III.C** and depicted on **Exhibit I-3**.

“Improvement Area #2 Initial Parcel” means all of the Improvement Area #2 Assessed Property against which the entire Improvement Area #2 Assessment was levied at the time the City Council approved the 2025 Assessment Ordinance – Improvement Area #2.

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

“Improvement Area #3” means approximately 26.059 acres located within the District, more specifically described in **Exhibit L-4** and depicted on **Exhibit A-4**.

“Improvement Area #3 Annual Installment” means the Annual Installment of the Improvement Area #3 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest related to the allocable portion of the District Bonds or any PID Bonds issued to refinance all or a portion of the Improvement Area #3 Assessment, if applicable, as shown on **Exhibit H-2**.

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

“Improvement Area #3 Assessment” means an Assessment levied against a Parcel within Improvement Area #3 and imposed pursuant to the 2024 Assessment Ordinance – Improvement Area #3 and the provisions herein, as shown on the Improvement Area #3 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 #3 Assessment Roll” means the Assessment Roll for the Improvement Area #3 Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #3 Assessment Roll is included in this 2025 Amended and Restated Service and Assessment Plan as **Exhibit H-1**.

“Improvement Area #3 Improvements” means the Authorized Improvements which only benefit the Improvement Area #3 Assessed Property, as further described in **Section III.D** and depicted on **Exhibit I-4**.

“Improvement Area #3 Initial Parcel” means all the Improvement Area #3 Assessed Property against which the entire Improvement Area #3 Assessment was levied at the time the City Council approved the 2025 Assessment Ordinance – Improvement Area #3.

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

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

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

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

“Lot Type 1” means a Lot within Improvement Area #1 marketed to homebuilders as a 40’ Lot. The buyer disclosure for Lot Type 1 is attached in **Appendix A**.

“Lot Type 2” means a Lot within Improvement Area #1 marketed to homebuilders as a 50’ or 60’ Lot. The buyer disclosure for Lot Type 2 is attached in **Appendix A**.

“Lot Type 3” means a Lot within Improvement Area #2 marketed to homebuilders as a 40’ Lot. The buyer disclosure for Lot Type 3 is attached in **Appendix A**.

“Lot Type 4” means a Lot within Improvement Area #2 marketed to homebuilders as a 50’ or 60’ Lot. The buyer disclosure for Lot Type 4 is attached in **Appendix A**.

“Lot Type 5” means a Lot within Improvement Area #3 marketed to homebuilders as a 40’ Lot. The buyer disclosure for Lot Type 5 is attached in **Appendix A**.

“Lot Type 6” means a Lot within Improvement Area #3 marketed to homebuilders as a 50’ or 60’ Lot. The buyer disclosure for Lot Type 6 is attached in **Appendix A**.

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

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

“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 J**.

“October 2024 Amended and Restated Service and Assessment Plan” means the Trails of Lavon Public Improvement District 2024 Amended and Restated Service Plan as approved on October 15, 2024, by the 2024 Assessment Ordinance – Improvement Area #3, which is to be replaced in its entirety by this 2025 Amended and Restated Service and Assessment Plan.

“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 Plat or the Official Public Records of the County, or by any other means determined by the City.

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

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

“Prepayment” means the payment of all or a portion of an Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an

Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

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

“September 2024 Amended and Restated Service and Assessment Plan” means the Trails of Lavon Public Improvement District 2024 Amended and Restated Service Plan as approved on September 3, 2024, by the 2024 Assessment Ordinance – Improvement Area #2, which was replaced in its entirety by the October 2024 Amended and Restated Service and Assessment Plan.

“Service and Assessment Plan” means the Trails of Lavon Public Improvement District Service and Assessment Plan approved on July 18, 2023, by the 2023 Assessment Ordinance, which was replaced in its entirety by the September 2024 Amended and Restated Service and Assessment Plan.

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

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

SECTION II: THE DISTRICT

The District includes approximately 190.774 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit L-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 651 Lots developed with single-family homes.

Improvement Area #1 includes approximately 96.956 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit L-2** and depicted on **Exhibit A-2**. Development of Improvement Area #1 is anticipated to include approximately 297 Lots developed with single-family homes (54 single-family homes that are on Lots classified as Lot Type 1, and 243 single-family homes that are on Lots classified as Lot Type 2).

Improvement Area #2 includes approximately 67.729 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described by the legal description on **Exhibit L-3** and depicted on **Exhibit A-3**. Development of Improvement Area #2 is anticipated to include approximately 250 Lots developed with single-family homes (114 single-family homes that are on Lots classified as Lot Type 3, and 136 single-family homes that are on Lots classified as Lot Type 4).

Improvement Area #3 includes approximately 26.059 acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit L-4** and depicted on **Exhibit A-4**. Development of Improvement Area #3 is anticipated to include approximately 104 Lots developed with single-family homes (59 single-family homes that are on Lots classified as Lot Type 5, and 45 single-family homes that are on Lots classified as Lot Type 6).

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Developer and their engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the City, or as otherwise noted below. The budget for the Authorized Improvements is shown on **Exhibit B**.

A. Major Improvements

- *Clearing and Excavation*

Improvements including all clearing and excavation associated with the public arterial road rights-of-way within the District.

- *Erosion Control*

Improvements including the installation of all erosion control measures associated with the public arterial road rights-of-way and major utility improvements within or serving the District.

- *Roadway*

Improvements including subgrade stabilization, paving, sidewalks, barrier free ramps, signage, striping, streetlights, testing and all other materials associated with the public arterial road rights-of-way within the District. The roadway improvements will be owned and operated by the City.

- *Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances required to provide sanitary sewer service to the District. The sanitary sewer improvements will be owned and operated by the City.

- *Water*

Improvements including trench excavation and embedment, trench safety, piping, valves, fire hydrant assemblies, testing, and all other necessary appurtenances required to provide water service to all Lots within the District. The water improvements will be owned and operated by Bear Creek Special Utility District.

- *Storm Sewer*

Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, all other necessary appurtenances required to provide adequate drainage for the arterial road rights-of-way within the District. The storm sewer improvements will be owned and operated by the City.

- *Soft Costs*

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

B. Improvement Area #1 Improvements

- *Clearing and Excavation*

Improvements including all clearing and excavation associated with the public residential road rights-of-way, detention ponds, swales and channels within Improvement Area #1.

- *Erosion Control*

Improvements including the installation of all erosion control measures associated with the public residential road rights-of-way and detention ponds within Improvement Area #1.

- *Roadway*

Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, testing, and all other materials associated with the public residential road rights-of-way within Improvement Area #1. The roadway improvements will be owned and operated by the City.

- *Sanitary Sewer*

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

- *Water*

Improvements including trench excavation and embedment, trench safety, piping, vales, fire hydrant assemblies, service connections, testing, and all other necessary appurtenances required to provide water service to each Lot within Improvement Area #1. The water improvements will be owned and operated by Bear Creek Special Utility District.

- *Storm Sewer*

Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances required to provide adequate drainage within Improvement Area #1. The storm sewer improvements will be owned and operated by the City.

- *Soft Costs*

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

C. Improvement Area #2 Improvements

- *Clearing and Excavation*

Improvements including all clearing and excavation associated with the public residential road rights-of-way, detention ponds, swales and channels within Improvement Area #2.

- *Erosion Control*

Improvements including the installation of all erosion control measures associated with the public residential road rights-of-way and detention ponds within Improvement Area #2.

- *Roadway*

Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, testing, and all other materials associated with the public residential road rights-of-way within Improvement Area #2. The roadway improvements will be owned and operated by the City.

- *Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances required to provide sanitary sewer service to each Lot within Improvement Area #2. The sanitary sewer improvements will be owned and operated by the City.

- *Water*

Improvements including trench excavation and embedment, trench safety, piping, vales, fire hydrant assemblies, service connections, testing, and all other necessary

appurtenances required to provide water service to each Lot within Improvement Area #2. The water improvements will be owned and operated by Bear Creek Special Utility District.

- *Storm Sewer*

Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances required to provide adequate drainage within Improvement Area #2. The storm sewer improvements will be owned and operated by the City.

- *Soft Costs*

Costs related to designing, constructing, and installing the Improvement Area #2 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, and consultant fees.

D. Improvement Area #3 Improvements

- *Clearing and Excavation*

Improvements including all clearing and excavation associated with the public residential road rights-of-way, detention ponds, swales and channels within Improvement Area #3.

- *Erosion Control*

Improvements including the installation of all erosion control measures associated with the public residential road rights-of-way and detention ponds within Improvement Area #3.

- *Roadway*

Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, testing, and all other materials associated with the public residential road rights-of-way within Improvement Area #3. The roadway improvements will be owned and operated by the City.

- *Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances required to provide sanitary sewer service to each Lot within Improvement Area #3. The sanitary sewer improvements will be owned and operated by the City.

- *Water*

Improvements including trench excavation and embedment, trench safety, piping, vales, fire hydrant assemblies, service connections, testing, and all other necessary appurtenances required to provide water service to each Lot within Improvement Area #3. The water improvements will be owned and operated by Bear Creek Special Utility District.

- *Storm Sewer*

Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances required to provide adequate drainage within Improvement Area #3. The storm sewer improvements will be owned and operated by the City.

- *Soft Costs*

Costs related to designing, constructing, and installing the Improvement Area #3 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, and consultant fees.

E. Bond Issuance Costs

- *Debt Service Reserve Fund*

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

- *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.

- *Cost of Issuance*

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

F. Other Costs

- *Initial Administrative Fund Deposit*

Equals the amount necessary to fund the first year's Annual Collection Costs for a

particular series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also required to include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the Service Plan for Improvement Area #1, Improvement Area #2, and Improvement Area #3. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this 2025 Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosure for the District. The buyer disclosures are attached hereto as **Appendix A**.

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated each year in an Annual Service Plan Update and as necessary to reflect any budget revisions at the time the PID Bonds are issued.

SECTION V: ASSESSMENT PLAN

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

This section of this 2025 Amended and Restated 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 Developer, and all future owners and developers of the Assessed Property.

A. Assessment Methodology

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

- The costs of the Major Improvements were allocated to Improvement Area #1, Improvement Area #2, and Improvement Area #3 based upon Estimated Buildout Value of each area to the Estimated Buildout Value of the District at the time the Service and Assessment Plan was approved. Currently, Improvement Area #1 is allocated 47.24% of the Major Improvements costs, Improvement Area #2 is allocated 37.53% of the Major Improvements costs, and Improvement Area #3 is allocated 15.23% of the Major Improvements costs. Improvement Area #1, Improvement Area #2, and Improvement Area #3's shares of the Major Improvement costs are illustrated in **Exhibit B**.
- The costs of the Improvement Area #1 Projects were 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.
- The costs of the Improvement Area #2 Projects were allocated to each Parcel within Improvement Area #2 based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #2 Assessed Property to the Estimated Buildout Value of all Improvement Area #2 Assessed Property.
- The costs of the Improvement Area #3 Projects shall be allocated to each Parcel within Improvement Area #3 based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #3 Assessed Property to the Estimated Buildout Value of all Improvement Area #3 Assessed Property. Currently, the Improvement Area #3 Initial Parcel is the only Parcel within Improvement Area #3, and as such, the Improvement Area #3 Initial Parcel is allocated 100% of the Improvement Area #3 Projects.

B. Assessments

The Improvement Area #1 Assessment was levied on the Improvement Area #1 Assessed Property as 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** and are subject to revisions made in any Annual Service Plan Update. Upon further division or subdivision of the Improvement Area #1 Assessed Property, the Improvement Area #1 Assessment will be reallocated pursuant to **Section VI**.

The Improvement Area #2 Assessment was levied on the Improvement Area #2 Assessed Property as shown on the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit G-1**. The projected Improvement Area #2 Annual Installments are shown on **Exhibit G-2** and are subject to revisions made in any Annual Service Plan Update. Upon further division or subdivision of the Improvement Area #2 Assessed Property, the Improvement Area #2 Assessment will be reallocated pursuant to **Section VI**.

The Improvement Area #3 Assessment was levied on the Improvement Area #3 Initial Parcel as shown on the Improvement Area #3 Assessment Roll, attached hereto as **Exhibit H-1**. The projected Improvement Area #3 Annual Installments are shown on **Exhibit H-2** and are subject to revisions made in any Annual Service Plan Update. Upon division or subdivision of the Improvement Area #3 Initial Parcel, the Improvement Area #3 Assessment will be reallocated pursuant to **Section VI**.

The Maximum Assessment for each Lot Type is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, or Lot Type 6, 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 its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has found and determined the following:

- *Improvement Area #1*
 - The costs of the Improvement Area #1 Projects equal \$16,981,873 as shown on **Exhibit B**; and
 - The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Projects equal to or greater than the Actual Cost of the Improvement Area #1 Projects; and

- The Improvement Area #1 Initial Parcel was allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Projects, which equaled \$14,365,000, of which \$14,090,000 is currently outstanding as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F-1**; and
 - The special benefit, determined at the time the Improvement Area #1 Assessment was levied ($\geq$ \$16,981,873) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Projects is equal to or greater than the amount of the Improvement Area #1 Assessment (\$14,365,000) levied on the Improvement Area #1 Assessed Property for the Improvement Area #1 Projects; and
 - At the time the City Council approved the Service and Assessment Plan, the Developer owned 100% of the Improvement Area #1 Initial Parcel. The Developer acknowledged that the Improvement Area #1 Projects conferred a special benefit on the Improvement Area #1 Initial Parcel and consented to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the 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.
- *Improvement Area #2*
 - The costs of the Improvement Area #2 Projects equal \$15,919,984 as shown on **Exhibit B**; and
 - The Improvement Area #2 Assessed Property receives special benefit from the Improvement Area #2 Projects equal to or greater than the Actual Cost of the Improvement Area #2 Projects; and
 - The Improvement Area #2 Initial Parcel was allocated 100% of the Improvement Area #2 Assessment levied for the Improvement Area #2 Projects, which equaled \$10,620,000, of which \$10,498,000 is currently outstanding as shown on the Improvement Area #2 Assessment Roll attached hereto as **Exhibit G-1**; and
 - The special benefit, determined at the time the Improvement Area #1 Assessment was levied ($\geq$ \$15,919,984) received by the Improvement Area #2 Initial Parcel from the Improvement Area #2 Projects is equal to or greater than the amount of

the Improvement Area #2 Assessment (\$10,620,000) levied on the Improvement Area #2 Initial Parcel for the Improvement Area #2 Projects; and

- At the time the City Council approved the September 2024 Amended and Restated Service Plan, the Developer owned 100% of the Improvement Area #2 Initial Parcel. The Developer acknowledged that the Improvement Area #2 Projects confer a special benefit on the Improvement Area #2 Initial Parcel and consented to the imposition of the Improvement Area #2 Assessment to pay for the Actual Costs associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2024 Assessment Ordinance – Improvement Area #2; (2) the September 2024 Amended and Restated Service and Assessment Plan and the 2024 Assessment Ordinance – Improvement Area #2; and (3) the levying of the Improvement Area #2 Assessment on the Improvement Area #2 Initial Parcel.
- *Improvement Area #3*
 - The costs of the Improvement Area #3 Projects equal \$5,404,464 as shown on **Exhibit B**; and
 - The Improvement Area #3 Assessed Property receives special benefit from the Improvement Area #3 Projects equal to or greater than the Actual Cost of the Improvement Area #3 Projects; and
 - The Improvement Area #3 Initial Parcel was allocated 100% of the Improvement Area #3 Assessment levied for the Improvement Area #3 Projects, which equaled \$4,183,000, of which \$4,123,000 is currently outstanding as shown on the Improvement Area #3 Assessment Roll attached hereto as **Exhibit H-1**; and
 - The special benefit determined at the time the Improvement Area #2 Assessment was levied ($\geq \$5,404,464$) received by the Improvement Area #3 Initial Parcel from the Improvement Area #3 Projects is equal to or greater than the amount of the Improvement Area #3 Assessment (\$4,183,000) levied on the Improvement Area #3 Initial Parcel for the Improvement Area #3 Projects; and
 - At the time the City Council approved the October 2024 Amended and Restated Service and Assessment Plan, the Developer owned 100% of the Improvement Area #3 Initial Parcel. The Developer acknowledged that the Improvement Area #3 Projects confer a special benefit on the Improvement Area #3 Initial Parcel and consented to the imposition of the Improvement Area #3 Assessment to pay for

the Actual Costs associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2024 Assessment Ordinance – Improvement Area #3; (2) the October 2024 Amended and Restated Service and Assessment Plan and the 2024 Assessment Ordinance – Improvement Area #3; and (3) the levying of the Improvement Area #3 Assessment on the Improvement Area #3 Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding 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.

SECTION VI: TERMS OF THE ASSESSMENTS

Any reallocation of Assessments as described in this Section VI shall be considered an administrative action of the City and will not be subject to the notice or public hearing requirements under the PID Act.

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, as provided by the Developer, relying on information from homebuilders, market studies, appraisals, Official Public Records of the County, and any other relevant information regarding the Assessed Property. The Estimated Buildout Values for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, and Lot Type 6 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates, but **Exhibit E** may be updated in future Annual Service Plan Updates to account for additional Lot Types. The calculation as confirmed by the City Council shall be conclusive and binding.

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

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Developer, homebuilders, third party consultants, and/or the Official Public Records of the County regarding the Lot. The Estimated Buildout Values for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5 and Lot Type 6 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

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

3. Upon Consolidation

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

B. Mandatory Prepayment of Assessments

If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-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 or concurrently with any such conveyance or act, and no such conveyance shall be effective until the City receives such payment. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of Assessment Termination," a form of which is attached hereto as **Exhibit J**.

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

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

D. Reduction of Assessments

If the Actual Costs of completed Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds as directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

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

E. Prepayment of Assessments

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

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced 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; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed Property.

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

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the estimated Improvement Area #1 Annual Installments, **Exhibit G-2** shows the estimated Improvement Area #2 Annual Installments, and **Exhibit H-2** shows the estimated Improvement Area #3 Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the Parcel not including any Non-Benefitted 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. To the extent permitted by the PID Act or other applicable law, the City Council may provide for other means of collecting Annual Installments, but in no case shall the City take any action, or fail to take any action, that would cause it to be in default under any Indenture. Assessments shall have the lien priority specified in the PID Act.

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

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

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

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

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

Subject to applicable law, if any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a "**Taking**"), the portion of the Assessed Property that was taken or transferred (the "**Taken Property**") shall be reclassified as Non-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, pursuant to the terms of this 2025 Amended and Restated Service and Assessment Plan, as updated, and the PID Act, the

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

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-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 \$90.

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

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

SECTION VII: ASSESSMENT ROLL

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

The Improvement Area #2 Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #3 Assessment Roll is attached as **Exhibit H-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #3 Assessment Roll and Improvement Area #3 Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this 2025 Amended and Restated 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 after receipt of such written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this 2025 Amended and Restated 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 2025 Amended and Restated 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 2025 Amended and Restated 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 2025 Amended and Restated Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this 2025 Amended and Restated 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 2025 Amended and Restated Service and Assessment Plan. Interpretations of this 2025 Amended and Restated Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners of Assessed Property and developers and their successors and assigns.

D. Form of Buyer Disclosure/Filing Requirements

Per Section 5.014 of the Texas Property Code, as amended, this 2025 Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the Lot types with the District. The buyer disclosures are attached hereto as **Appendix A**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance of this 2025 Amended and Restated Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this 2025 Amended and Restated Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

E. Severability

If any provision of this 2025 Amended and Restated Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

SECTION IX: ADDITIONAL INFORMATION

The following information will serve as the 2025 Annual SAP Update for Improvement Area #1, Improvement Area #2, and Improvement Area #3.

PARCEL SUBDIVISION

Improvement Area #1

The Final Plat of Trails of Lavon Phase 1 was filed and recorded with the County on 4/3/2024 and consists of 209 residential Lots and 7 Lots of Non-Benefitted Property.

The Final Plat of Trails of Lavon Phase 2A was filed and recorded with the County on 4/3/2024 and consists of 88 residential Lots and 3 Lots of Non-Benefitted Property.

A Replat of Trail of Lavon Phase 2A was filed and recorded with the County on 7/29/2024 and splits 1 existing Lot of Non-Benefitted Property into 2 Lots of Non-Benefitted Property.

See the Lot Type classification summary within Improvement Area #1 below:

Improvement Area #1	
Lot Type	Number of Lots
1	54
2	243
Total	297

See **Exhibit A-5** for the Improvement Area #1 Lot Type classification map.

Improvement Area #2

The Final Plat of Trails of Lavon Phase 3 was filed and recorded with the County on 10/21/2024 and consists of 250 residential Lots and 8 Lots of Non-Benefitted Property.

See the Lot Type classification summary within Improvement Area #2 below:

Improvement Area #2	
Lot Type	Number of Lots
3	114
4	136
Total	250

See **Exhibit A-6** for the Improvement Area #2 Lot Type classification map.

Improvement Area #3

There have not been any recorded plats in Improvement Area #3.

See the Lot Type classification summary within Improvement Area #3 below:

Improvement Area #3	
Lot Type	Number of Lots
5	59
6	45
Total	104

See **Exhibit A-7** for the Improvement Area #2 Lot Type classification map.

LOT AND HOME SALES

Improvement Area #1

Per the Developer, the lot ownership composition is provided below:

- Developer Owned:
 - Lot Type 1: 0
 - Lot Type 2: 62
- Homebuilder Owned:
 - Lot Type 1: 0
 - Lot Type 2: 0
- End-User Owned:
 - Lot Type 1: 54
 - Lot Type 2: 181

Improvement Area #2

Per the Developer, the lot ownership composition is provided below:

- Developer Owned:
 - Lot Type 3: 57
 - Lot Type 4: 126
- Homebuilder Owned:

- o Lot Type 3: 0
- o Lot Type 4: 0
- End-User Owned:
 - o Lot Type 3: 57
 - o Lot Type 4: 10

Improvement Area #3

Per the Developer, the lot ownership composition is provided below:

- Developer Owned:
 - o Lot Type 5: 59
 - o Lot Type 6: 45
- Homebuilder Owned:
 - o Lot Type 5: 0
 - o Lot Type 6: 0
- End-User Owned:
 - o Lot Type 5: 0
 - o Lot Type 6: 0

See **Appendix A** for the buyer disclosures.

AUTHORIZED IMPROVEMENTS

Improvement Area #1

The Developer has completed the Authorized Improvements listed in the Service and Assessment Plan and they were dedicated to the City on March 19, 2024.

Improvement Area #2

The Developer has completed the Authorized Improvements listed in the September 2024 Amended and Restated Service and Assessment Plan and they were dedicated to the City on October 15, 2024.

Improvement Area #3

The Developer has completed the Authorized Improvements listed in the October 2024 Amended and Restated Service and Assessment Plan and they were dedicated to the City on

July 15, 2025.

OUTSTANDING ASSESSMENT

Improvement Area #1

Net of the principal bond payment due September 15, Improvement Area #1 has an outstanding Assessment of \$14,090,000.00.

Improvement Area #2

Net of the principal bond payment due September 15, Improvement Area #2 has an outstanding Assessment of \$10,498,000.00

Improvement Area #3

Net of the principal bond payment due September 15, Improvement Area #3 has an outstanding Assessment of \$4,123,000.00.

ANNUAL INSTALLMENT DUE 1/31/2026

Improvement Area #1

- **Principal and Interest** – The total principal and interest required for the Annual Installment is \$1,050,400.00.
- **Additional Interest** – The total Additional Interest Reserve Requirement, as defined in the Indenture, is equal to \$774,950.00 and has not been met. As such, the Additional Interest Account will be funded with Additional Interest on the outstanding Assessments, resulting in an Additional Interest amount due of \$70,450.00.
- **Annual Collection Costs** – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Annual Installment is \$48,492.22

Improvement Area #1		
Administrative Expenses Breakdown		
P3Works Administration	\$	30,073.20
City Auditor	\$	491.30
City Administration	\$	3,000.00
Filing Fees	\$	491.30
County Collection	\$	1,391.00
Pid Trustee Fees	\$	1,719.54
Dissemination Agent	\$	1,719.54
Draw Request Review	\$	10,000.00
CDA Review	\$	3,500.00
Collection Cost Maintenance Balance	\$	10,000.00
Less CCMB Credit from Prior Years	\$	(15,121.90)
Arbitrage Calculation	\$	1,228.24
Total	\$	48,492.22

Improvement Area #1		
Due January 31, 2026		
Principal	\$	205,000.00
Interest		845,400.00
Additional Interest		70,450.00
Annual Collection Costs		48,492.22
Total Annual Installment	\$	1,169,342.22

Please contact P3Works for the pay period for Improvement Area #1. See **Exhibit K** for the debt service schedule for the District Bonds.

Improvement Area #2

- **Principal and Interest** – The total principal and interest required for the Annual Installment is \$778,880.00.
- **Additional Interest** – The total Additional Interest Reserve Requirement, as defined in the Indenture, is equal to \$577,390.00 and has not been met. As such, the Additional Interest Account will be funded with Additional Interest on the outstanding Assessments, resulting in an Additional Interest amount due of \$52,490.00.
- **Annual Collection Costs** – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Annual Installment is \$34,286.65.

Improvement Area #2		
Administrative Expenses Breakdown		
P3Works Administration	\$	22,339.66
City Auditor	\$	364.96
City Administration	\$	3,000.00
Filing Fees	\$	364.96
County Collection	\$	1,250.00
Pid Trustee Fees	\$	1,277.34
Dissemination Agent	\$	1,277.34
Draw Request Review	\$	10,000.00
CDA Review	\$	3,500.00
Collection Cost Maintenance Balance	\$	10,000.00
Less CCMB Credit from Prior Years	\$	(20,000.00)
Arbitrage Calculation	\$	912.39
Total	\$	34,286.65

Improvement Area #2		
Due January 31, 2026		
Principal	\$	149,000.00
Interest		629,880.00
Additional Interest		52,490.00
Annual Collection Costs		34,286.65
Total Annual Installment	\$	865,656.65

Please contact P3Works for the pay period for Improvement Area #2. See **Exhibit K** for the debt service schedule for the District Bonds.

Improvement Area #3

- **Principal and Interest** – The total principal and interest required for the Annual Installment is \$303,320.00
- **Additional Interest** – The total Additional Interest Reserve Requirement, as defined in the Indenture, is equal to \$226,765.00 and has not been met. As such, the Additional Interest Account will be funded with Additional Interest on the outstanding Assessments, resulting in an Additional Interest amount due of \$20,615.00
- **Annual Collection Costs** – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Annual Installment is \$17,764.25.

Improvement Area #3		
Administrative Expenses Breakdown		
P3Works Administration	\$	8,799.14
City Auditor	\$	143.75
City Administration	\$	3,000.00
Filing Fees	\$	143.75
County Collection	\$	812.00
Pid Trustee Fees	\$	503.12
Dissemination Agent	\$	503.12
Draw Request Review	\$	10,000.00
CDA Review	\$	3,500.00
Collection Cost Maintenance Balance	\$	10,000.00
Less CCMB Credit from Prior Years	\$	(20,000.00)
Arbitrage Calculation	\$	359.37
Total	\$	17,764.25

Improvement Area #3		
Due January 31, 2026		
Principal	\$	67,000.00
Interest		247,380.00
Additional Interest		20,615.00
Annual Collection Costs		17,764.25
Total Annual Installment	\$	352,759.25

Please contact P3Works for the pay period for Improvement Area #3. See **Exhibit K** for the debt service schedule for the District Bonds.

PREPAYMENT OF ASSESSMENTS IN FULL

Improvement Area #1

No full prepayments of Assessments have occurred within Improvement Area #1.

Improvement Area #2

No full prepayments of Assessments have occurred within Improvement Area #2.

Improvement Area #3

No full prepayments of Assessments have occurred within Improvement Area #3.

PARTIAL PREPAYMENT OF ASSESSMENTS

Improvement Area #1

No partial prepayments of Assessments have occurred within Improvement Area #1.

Improvement Area #2

No partial prepayments of Assessments have occurred within Improvement Area #2.

Improvement Area #3

No partial prepayments of Assessments have occurred within Improvement Area #3.

EXHIBITS

The following Exhibits are attached to and made a part of this 2025 Amended and Restated Service and Assessment Plan for all purposes:

Exhibit A-1	Map of the District
Exhibit A-2	Map of Improvement Area #1
Exhibit A-3	Map of Improvement Area #2
Exhibit A-4	Map of Improvement Area #3
Exhibit A-5	Improvement Area #1 Lot Type Classification Map
Exhibit A-6	Improvement Area #2 Lot Type Classification Map
Exhibit A-7	Improvement Area #3 Lot Type Classification Map
Exhibit B	Project Costs
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E	Maximum Assessment and Tax Rate Equivalent
Exhibit F-1	Improvement Area #1 Assessment Roll
Exhibit F-2	Improvement Area #1 Annual Installments
Exhibit G-1	Improvement Area #2 Assessment Roll
Exhibit G-2	Improvement Area #2 Annual Installments
Exhibit H-1	Improvement Area #3 Assessment Roll
Exhibit H-2	Improvement Area #3 Annual Installments
Exhibit I-1	Maps of Major Improvements
Exhibit I-2	Maps of Improvement Area #1 Improvements
Exhibit I-3	Maps of Improvement Area #2 Improvements
Exhibit I-4	Maps of Improvement Area #3 Improvements
Exhibit J	Form of Notice of Assessment Termination
Exhibit K	District Bonds Debt Service Schedule
Exhibit L-1	District Legal Description
Exhibit L-2	Improvement Area #1 Legal Description
Exhibit L-3	Improvement Area #2 Legal Description
Exhibit L-4	Improvement Area #3 Final Plat

APPENDICES

The following Appendices are attached to and made a part of this 2025 Amended and Restated Service and Assessment Plan for all purposes:

Appendix A Buyer Disclosures

EXHIBIT A-1 – MAP OF THE DISTRICT

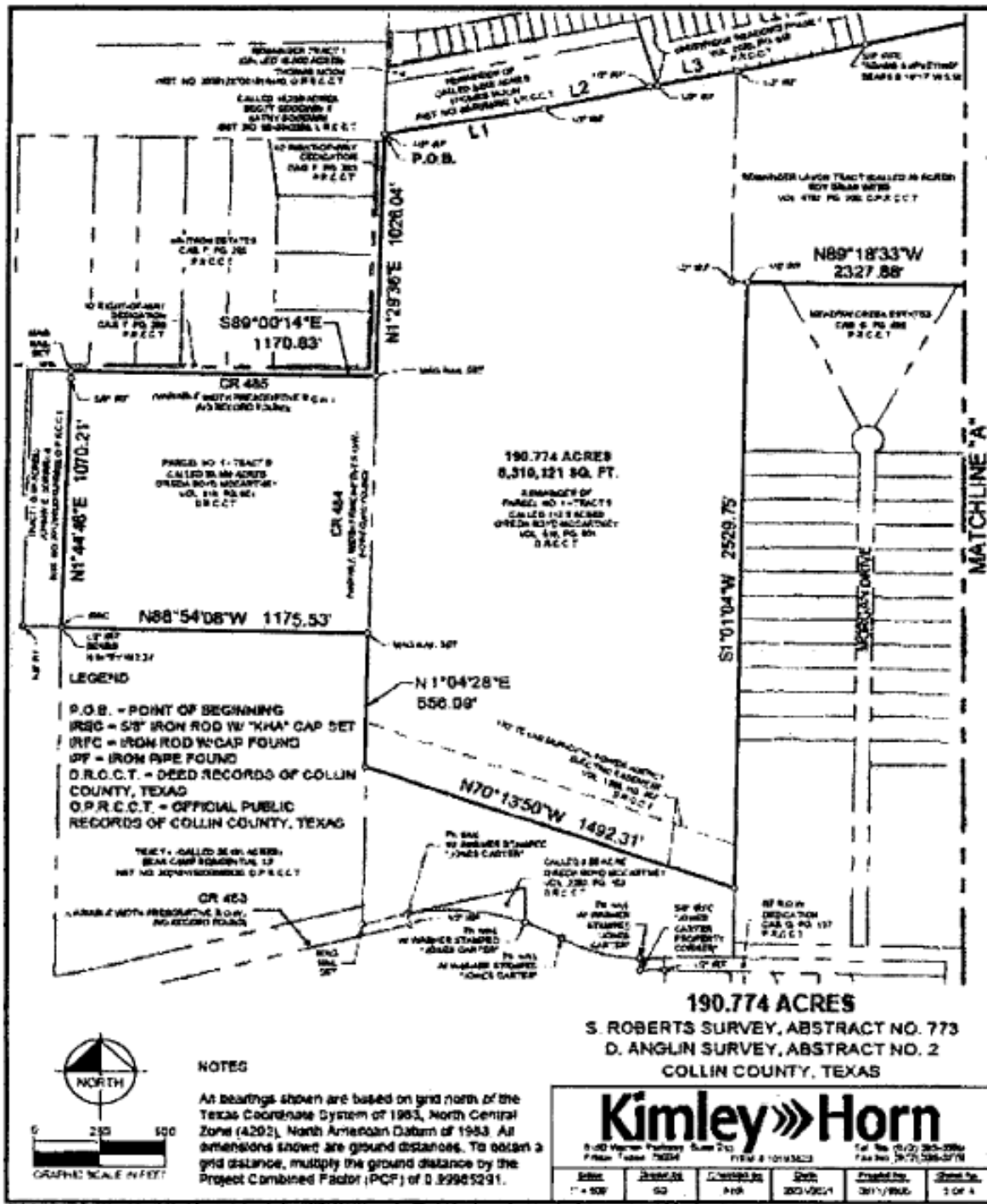


EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1



EXHIBIT A-3 – MAP OF IMPROVEMENT AREA #2

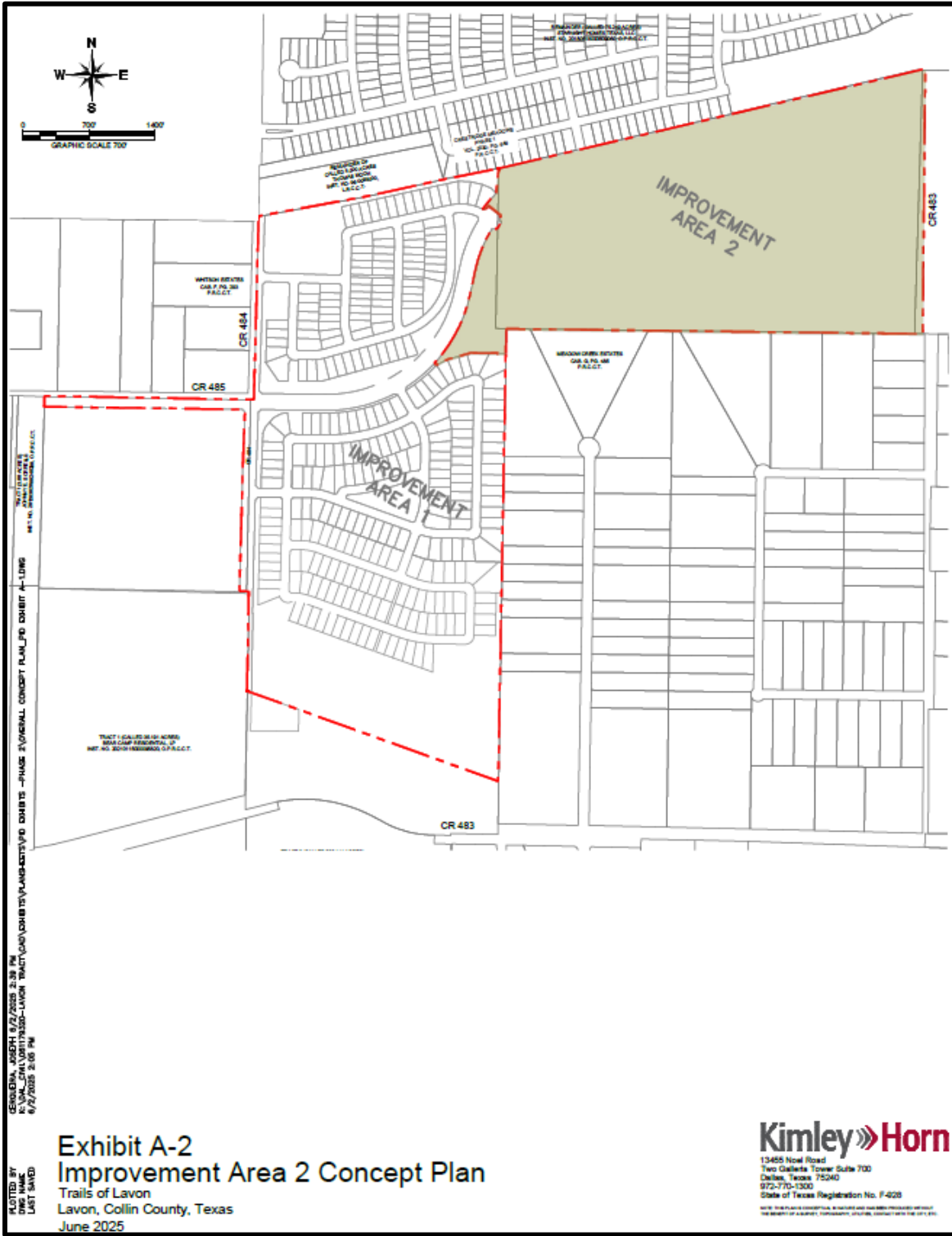


EXHIBIT A-4 – MAP OF IMPROVEMENT AREA #3

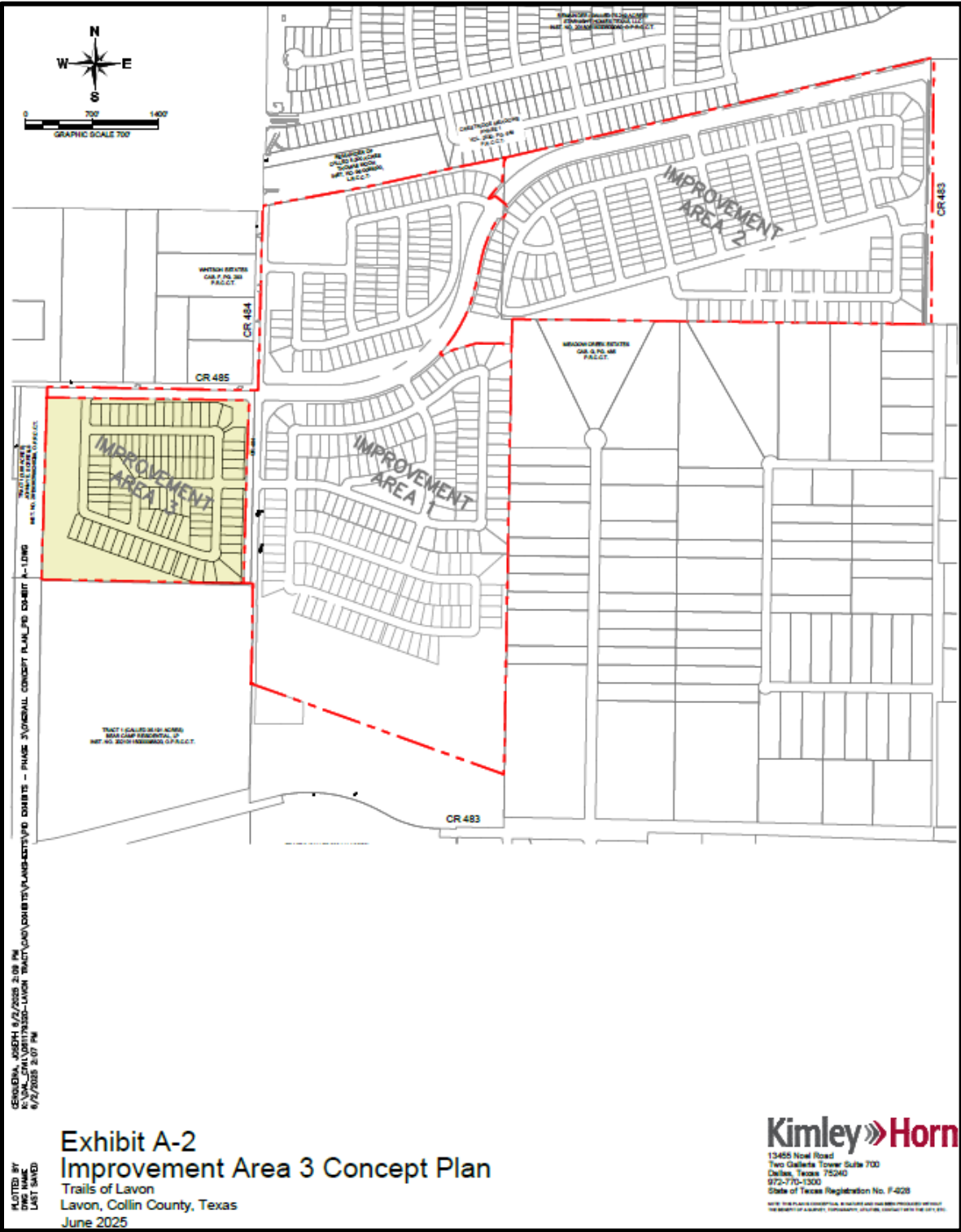


EXHIBIT A-5 – IMPROVEMENT AREA #1 LOT TYPE CLASSIFICATION MAP

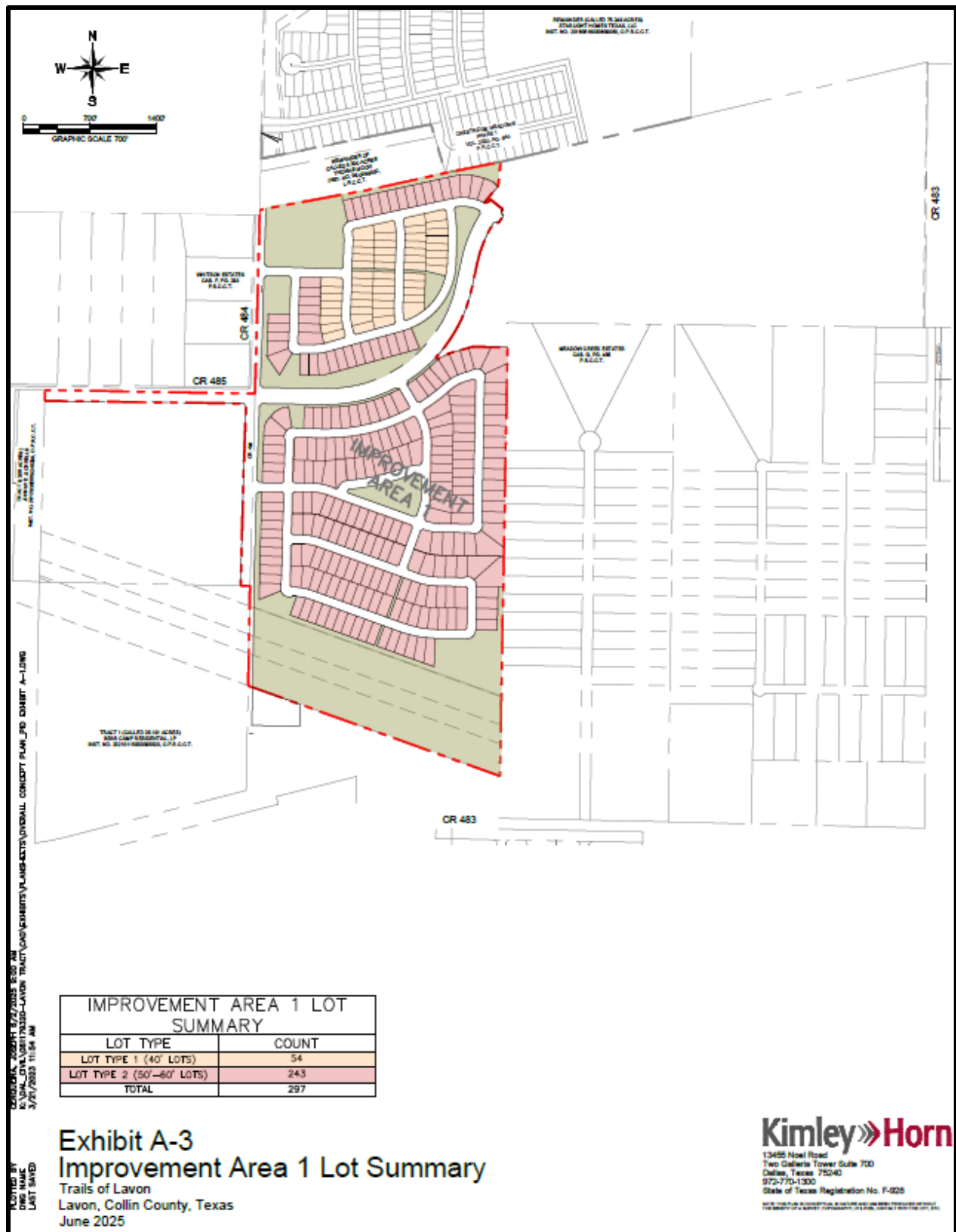


EXHIBIT A-6 - IMPROVEMENT AREA #2 LOT TYPE CLASSIFICATION MAP

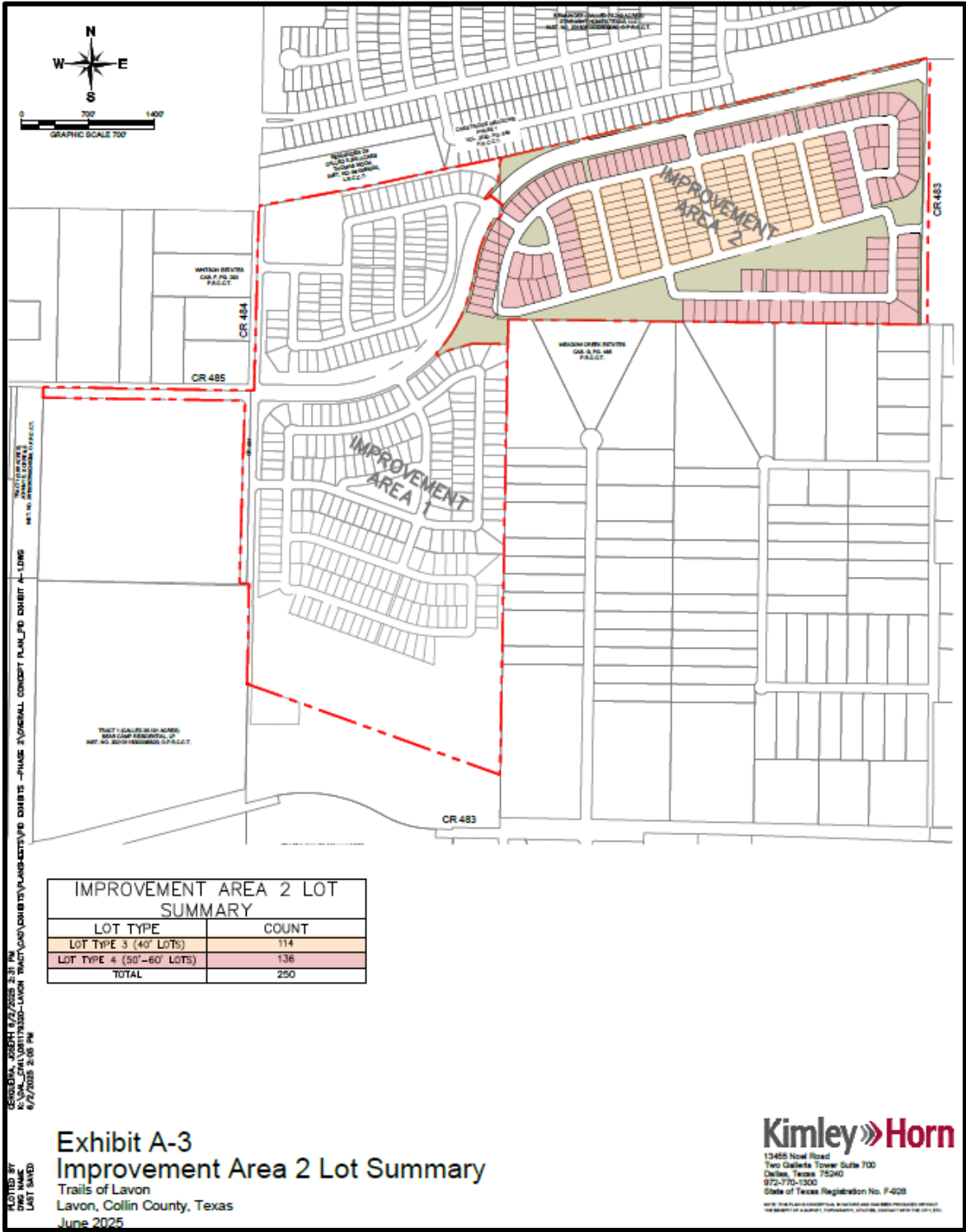


EXHIBIT A-7 - IMPROVEMENT AREA #3 LOT TYPE CLASSIFICATION MAP

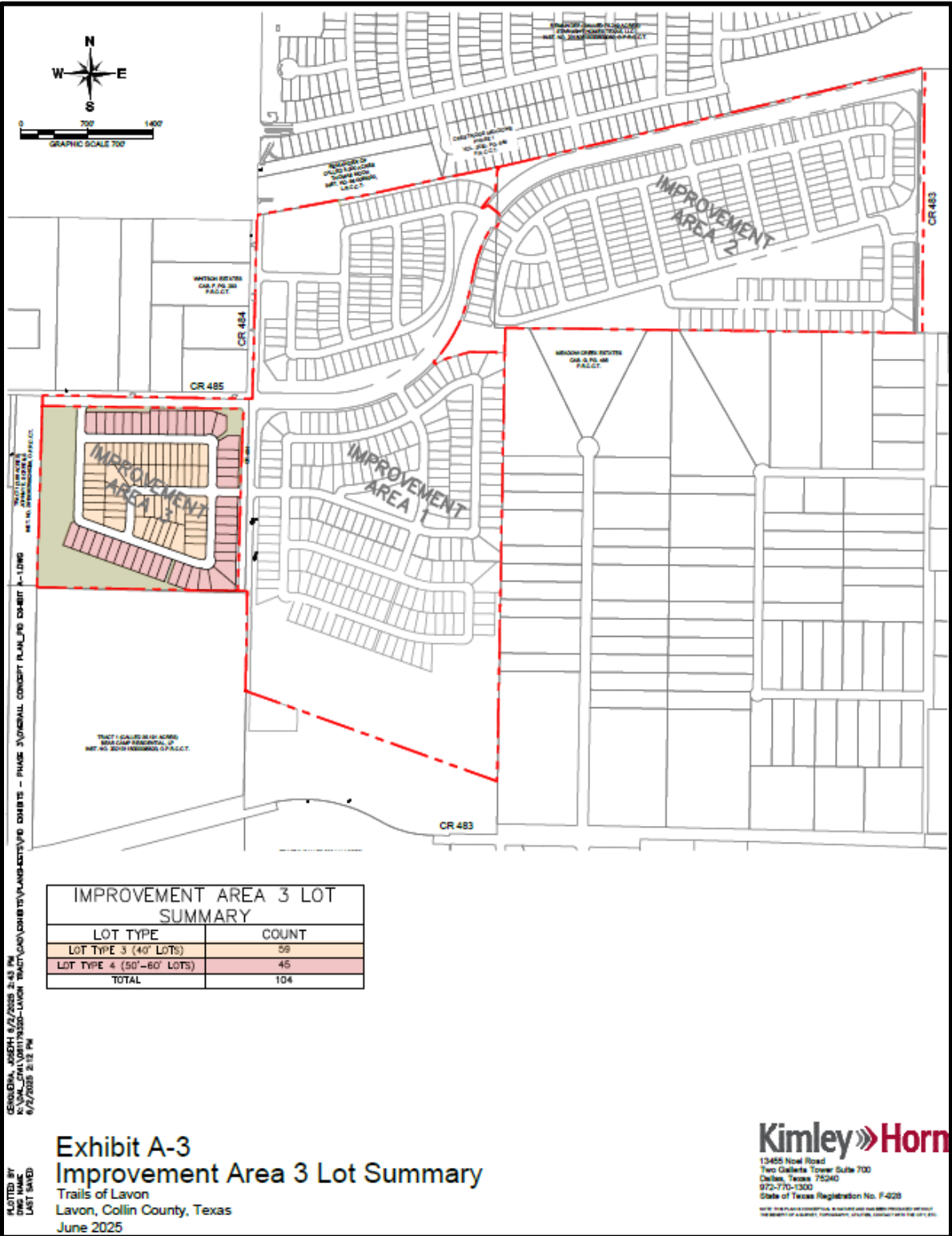


EXHIBIT B – PROJECT COSTS

	Total	Private	Improvement Area #1		Improvement Area #2		Improvement Area #3	
			%	Cost	%	Cost	%	Cost
<i>Major Improvements ^{[a], [b]}</i>								
Clearing & Excavation	\$ 88,172	\$ -	47.24%	\$ 41,649	37.53%	\$ 33,090	15.23%	\$ 13,433
Erosion Control	19,570	-	47.24%	9,244	37.53%	7,344	15.23%	2,981
Roadway	2,309,689	-	47.24%	1,091,017	37.53%	866,794	15.23%	351,877
Sanitary Sewer	2,288,643	-	47.24%	1,081,076	37.53%	858,896	15.23%	348,671
Water ^[c]	324,554	-	47.24%	153,308	37.53%	121,801	15.23%	49,445
Storm Sewer	184,951	-	47.24%	87,365	37.53%	69,410	15.23%	28,177
Soft Costs ^[d]	1,354,595	-	47.24%	639,864	37.53%	508,361	15.23%	206,370
	<u>\$ 6,570,173</u>	<u>\$ -</u>		<u>\$ 3,103,524</u>		<u>\$ 2,465,695</u>		<u>\$ 1,000,955</u>
<i>Improvement Area #1 Improvements ^[a]</i>								
Clearing & Excavation	\$ 399,730	\$ -	100.00%	\$ 399,730	0.00%	\$ -	0.00%	\$ -
Erosion Control	83,102	-	100.00%	83,102	0.00%	-	0.00%	-
Roadway	2,449,190	-	100.00%	2,449,190	0.00%	-	0.00%	-
Sanitary Sewer	1,339,395	-	100.00%	1,339,395	0.00%	-	0.00%	-
Water ^[c]	1,835,811	-	100.00%	1,835,811	0.00%	-	0.00%	-
Storm Sewer	2,957,013	-	100.00%	2,957,013	0.00%	-	0.00%	-
Soft Costs ^[d]	2,354,085	-	100.00%	2,354,085	0.00%	-	0.00%	-
	<u>\$ 11,418,326</u>	<u>\$ -</u>		<u>\$ 11,418,326</u>		<u>\$ -</u>		<u>\$ -</u>
<i>Improvement Area #2 Improvements ^[e]</i>								
Clearing & Excavation	\$ 198,788	\$ -	0.00%	\$ -	100.00%	\$ 198,788	0.00%	\$ -
Erosion Control	55,145	-	0.00%	-	100.00%	55,145	0.00%	-
Roadway	4,081,705	-	0.00%	-	100.00%	4,081,705	0.00%	-
Sanitary Sewer	1,036,233	-	0.00%	-	100.00%	1,036,233	0.00%	-
Water ^[c]	1,676,616	-	0.00%	-	100.00%	1,676,616	0.00%	-
Storm Sewer	2,163,422	-	0.00%	-	100.00%	2,163,422	0.00%	-
Soft Costs ^[d]	2,403,602	-	0.00%	-	100.00%	2,403,602	0.00%	-
	<u>\$ 11,615,511</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ 11,615,511</u>		<u>\$ -</u>
<i>Improvement Area #3 Improvements ^[f]</i>								
Clearing & Excavation	\$ 174,118	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 174,118
Erosion Control	39,381	-	0.00%	-	0.00%	-	100.00%	39,381
Roadway	1,110,346	-	0.00%	-	0.00%	-	100.00%	1,110,346
Sanitary Sewer	432,823	-	0.00%	-	0.00%	-	100.00%	432,823
Water ^[c]	469,477	-	0.00%	-	0.00%	-	100.00%	469,477
Storm Sewer	678,644	-	0.00%	-	0.00%	-	100.00%	678,644
Soft Costs ^[d]	750,612	-	0.00%	-	0.00%	-	100.00%	750,612
	<u>\$ 3,655,401</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 3,655,401</u>
<i>Private Improvements ^[a]</i>								
Clearing & Excavation	\$ 2,530,237	\$ 2,530,237	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Erosion Control	228,647	228,647	0.00%	-	0.00%	-	0.00%	-
Retaining Walls	652,213	652,213	0.00%	-	0.00%	-	0.00%	-
Landscape/Hardscape & Miscellaneous	8,568,982	8,568,982	0.00%	-	0.00%	-	0.00%	-
Soft Costs ^[d]	2,446,621	2,446,621	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 14,426,700</u>	<u>\$ 14,426,700</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
<i>Bond Issuance Costs ^[h]</i>								
Debt Service Reserve Fund	\$ 2,161,504	\$ -		\$ 1,061,903		\$ 788,878		\$ 310,723
Underwriter's Discount ^[i]	873,970	-		428,880		319,600		125,490
Cost of Issuance	1,891,435	-		929,240		690,300		271,895
	<u>\$ 4,926,909</u>	<u>\$ -</u>		<u>\$ 2,420,023</u>		<u>\$ 1,798,778</u>		<u>\$ 708,108</u>
<i>Other Costs ^[h]</i>								
Initial Administrative Fund Deposit	\$ 120,000	\$ -		\$ 40,000		\$ 40,000		\$ 40,000
	<u>\$ 120,000</u>	<u>\$ -</u>		<u>\$ 40,000</u>		<u>\$ 40,000</u>		<u>\$ 40,000</u>
Total	\$ 52,733,021	\$ 14,426,700		\$ 16,981,873		\$ 15,919,984		\$ 5,404,464

Footnotes:

[a] Costs per Engineer's Report dated April 19, 2023.

[b] The Major Improvement costs were allocated to Improvement Area #1 at the time of the Service and Assessment Plan. The remainder of such costs shall be allocated to Improvement Area #2 and Improvement Area #3 based on Estimated Buildout Value.

[c] Water improvements are to be owned and maintained by Bear Creek SUD.

[d] Soft Costs include planning, surveying, platting, engineering, staking, city inspection fees, Bear Creek SUD inspection fees, construction materials testing, miscellaneous, and contingency.

[e] Costs per Engineer's Report dated February 29, 2024.

[f] Costs per Engineer's Report dated September 16, 2024.

[g] Not reimbursable to the Developer from Assessments or PID Bonds.

[h] Preliminary estimates only and subject to change upon PID Bond issuance.

[i] Includes fee to counsel to the Underwriter.

EXHIBIT C – SERVICE PLAN

Improvement Area #1						
Annual Installments Due		1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
Principal		\$ 205,000.00	\$ 213,000.00	\$ 226,000.00	\$ 240,000.00	\$ 254,000.00
Interest		845,400.00	833,100.00	820,320.00	806,760.00	792,360.00
	(1)	\$ 1,050,400.00	\$ 1,046,100.00	\$ 1,046,320.00	\$ 1,046,760.00	\$ 1,046,360.00
Annual Collection Costs	(2)	\$ 48,492.22	\$ 53,433.60	\$ 54,502.27	\$ 55,592.31	\$ 56,704.16
Additional Interest	(3)	\$ 70,450.00	\$ 69,425.00	\$ 68,360.00	\$ 67,230.00	\$ 66,030.00
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 1,169,342.22	\$ 1,168,958.60	\$ 1,169,182.27	\$ 1,169,582.31	\$ 1,169,094.16

Improvement Area #2						
Annual Installments Due		1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
Principal		\$ 149,000.00	\$ 149,000.00	\$ 158,000.00	\$ 167,000.00	\$ 177,000.00
Interest		629,880.00	620,940.00	612,000.00	602,520.00	592,500.00
	(1)	\$ 778,880.00	\$ 769,940.00	\$ 770,000.00	\$ 769,520.00	\$ 769,500.00
Annual Collection Costs	(2)	\$ 34,286.65	\$ 44,241.75	\$ 45,126.58	\$ 46,029.11	\$ 46,949.69
Additional Interest	(3)	\$ 52,490.00	\$ 51,745.00	\$ 51,000.00	\$ 50,210.00	\$ 49,375.00
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 865,656.65	\$ 865,926.75	\$ 866,126.58	\$ 865,759.11	\$ 865,824.69

Improvement Area #3						
Annual Installments Due		1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
Principal		\$ 67,000.00	\$ 61,000.00	\$ 64,000.00	\$ 68,000.00	\$ 72,000.00
Interest		247,380.00	243,360.00	239,700.00	235,860.00	231,780.00
	(1)	\$ 314,380.00	\$ 304,360.00	\$ 303,700.00	\$ 303,860.00	\$ 303,780.00
Annual Collection Costs	(2)	\$ 17,764.25	\$ 27,952.98	\$ 28,512.04	\$ 29,082.28	\$ 29,663.92
Additional Interest	(3)	\$ 20,615.00	\$ 20,280.00	\$ 19,975.00	\$ 19,655.00	\$ 19,315.00
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 352,759.25	\$ 352,592.98	\$ 352,187.04	\$ 352,597.28	\$ 352,758.92

EXHIBIT D – SOURCES AND USES OF FUNDS

	Private	Improvement Area #1	Improvement Area #2	Improvement Area #3	Total
Sources of Funds					
District Bonds ^[a]	\$ -	\$ 14,296,000	\$ 10,620,000	\$ 4,183,000	\$ 29,099,000
Improvement Area #1 Reimbursement Obligation ^[b]	-	68,572	-	-	68,572
Improvement Area #1 Interest Earnings ^[c]	-	1,821,857	-	-	1,821,857
Improvement Area #2 Interest Earnings ^[c]	-	-	632,842	-	632,842
Improvement Area #3 Interest Earnings ^[c]	-	-	-	196,907	196,907
Developer Contribution - Improvement Area #1 ^[d]	-	795,443	-	-	795,443
Developer Contribution - Improvement Area #2 ^[d]	-	-	4,667,142	-	4,667,142
Developer Contribution - Improvement Area #3 ^[d]	-	-	-	1,024,557	1,024,557
Developer Contribution - Private Improvements ^[d]	14,426,700	-	-	-	14,426,700
Total Sources	\$ 14,426,700	\$ 16,981,873	\$ 15,919,984	\$ 5,404,464	\$ 52,733,021
Uses of Funds					
Major Improvements	\$ -	\$ 3,103,524	\$ 2,465,695	\$ 1,000,955	\$ 6,570,173
Improvement Area #1 Improvements	-	11,418,326	-	-	11,418,326
Improvement Area #2 Improvements	-	-	11,615,511	-	11,615,511
Improvement Area #3 Improvements	-	-	-	3,655,401	3,655,401
Private Improvements ^[d]	14,426,700	-	-	-	14,426,700
	\$ 14,426,700	\$ 14,521,850	\$ 14,081,207	\$ 4,656,356	\$ 47,686,113
Bond Issuance Costs^[e]					
Debt Service Reserve Fund	\$ -	\$ 1,061,903	\$ 788,878	\$ 310,723	\$ 2,161,504
Underwriter's Discount ^[f]	-	428,880	319,600	125,490	873,970
Cost of Issuance	-	929,240	690,300	271,895	1,891,435
	\$ -	\$ 2,420,023	\$ 1,798,778	\$ 708,108	\$ 4,926,909
Other Costs^[e]					
Initial Administrative Fund Deposit	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ 120,000
	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ 120,000
Total Uses	\$ 14,426,700	\$ 16,981,873	\$ 15,919,984	\$ 5,404,464	\$ 52,733,021

Footnotes:

[a] Includes the principal portion of Annual Installments collected in 2025 prior to the issuance of District Bonds, which shall be used to pay principal on the 9/15/2025 debt service payment.

[b] Includes the principal portion of Annual Installments collected in 2024 prior to the issuance of the District Bonds and will not be funded from the proceeds of PID Bonds or future Annual Installments. The outstanding balance of the Reimbursement Obligation is reduced to \$0, due to the issuance of the District Bonds.

[c] Interest collected on the 2024 and 2025 Annual Installments to be used to pay interest on the September 2025 debt service payment. The remainder shall be deposited into the respective Project Fund.

[d] Not reimbursable to the Developer through Assessments or PID Bonds.

[e] Preliminary estimates only and subject to change upon PID Bond issuance.

[f] Includes fee to counsel to the Underwriter.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units ^[a]	Estimated Buildout Value ^[a]		Assessment ^[b]		Average Annual Installment		PID Assessment TRE ^[c]	PID Bond TRE ^[d]	Total Tax Stack
		Per Unit	Total	Per Unit	Total	Per Unit	Total			
Improvement Area #1										
Lot Type 1	54	\$ 340,615	\$ 18,393,210	\$ 39,491	\$ 2,132,532	\$ 3,277	\$ 176,960	\$ 0.867	\$ 0.962	\$ 2.868
Lot Type 2	243	\$ 424,419	\$ 103,133,817	\$ 49,208	\$ 11,957,468	\$ 4,083	\$ 992,243	\$ 0.867	\$ 0.962	\$ 2.868
IA#1 Subtotal	297	\$ 121,527,027		\$ 14,090,000		\$ 1,169,202			\$ 0.962	\$ 2.868
Improvement Area #2										
Lot Type 3	114	\$ 354,376	\$ 40,398,846	\$ 37,035	\$ 4,221,998	\$ 3,055	\$ 348,274	\$ 0.770	\$ 0.862	\$ 2.768
Lot Type 4	136	\$ 441,566	\$ 60,052,912	\$ 46,147	\$ 6,276,002	\$ 3,807	\$ 517,709	\$ 0.770	\$ 0.862	\$ 2.768
IA#2 Subtotal	250	\$ 100,451,758		\$ 10,498,000		\$ 865,983			\$ 0.862	\$ 2.768
Improvement Area #3										
Lot Type 5	59	\$ 330,000	\$ 19,470,000	\$ 35,253	\$ 2,079,928	\$ 3,013	\$ 177,748	\$ 0.784	\$ 0.913	\$ 2.819
Lot Type 6	45	\$ 425,000	\$ 19,125,000	\$ 45,402	\$ 2,043,072	\$ 3,880	\$ 174,598	\$ 0.784	\$ 0.913	\$ 2.819
IA#3 Subtotal	104	\$ 38,595,000		\$ 4,123,000		\$ 352,346			\$ 0.913	\$ 2.819
Total	651	\$ 260,573,785		\$ 28,711,000						

Footnotes:

[a] Per information provided by the Developer on September 20, 2024.

[b] Does not include Annual Installment due 1/31/2025 which will be used to make the September 2025 debt service payment on the District Bonds.

[c] Does not include Annual Collection Costs and Additional Interest.

[d] Includes Annual Collection Costs and Additional Interest.

EXHIBIT F-1 –IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment due 1/31/2026
2911171	Non-Benefitted	\$ -	\$ -
2911173	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911175	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911176	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911177	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911178	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911179	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911180	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911181	Non-Benefitted	\$ -	\$ -
2911182	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911183	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911184	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911185	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911186	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911187	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911188	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911189	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911190	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911191	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911192	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911193	Non-Benefitted	\$ -	\$ -
2911194	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911195	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911196	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911197	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911198	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911199	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911200	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911201	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911202	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911203	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911204	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911205	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911206	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911207	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911208	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911209	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911210	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911211	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911212	Lot Type 2	\$ 49,927.12	\$ 4,114.87

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment due 1/31/2026
2911213	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911214	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911215	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911216	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911217	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911218	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911219	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911220	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911221	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911222	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2911223	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912153	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912154	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912155	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912156	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912157	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912158	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912159	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912160	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912161	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912162	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912163	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912164	Non-Benefitted	\$ -	\$ -
2912165	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912166	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912167	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912168	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912169	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912170	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912171	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912172	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912173	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912174	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912175	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912176	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912177	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912178	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912179	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912180	Lot Type 2	\$ 49,927.12	\$ 4,114.87
2912181	Lot Type 2	\$ 49,927.12	\$ 4,114.87

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment due 1/31/2026
2912182	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912183	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912184	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912185	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912186	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912187	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912188	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912189	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912190	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912191	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912193	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912194	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912195	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912197	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912198	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912199	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912200	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912201	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912202	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912203	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912204	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912205	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912206	Non-Benefitted	\$ -	\$ -
2912207	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912208	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912209	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912210	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912211	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912212	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912213	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912214	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912215	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912216	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912217	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912218	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912219	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912220	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912221	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912222	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912223	Lot Type 2	\$ 49,207.69	\$ 4,083.79

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment due 1/31/2026
2912224	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912225	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912226	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912227	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912228	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912229	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912230	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912231	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912232	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911224	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911225	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911226	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911227	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911228	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911229	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911230	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911231	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911232	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911233	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911234	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911235	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911236	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912233	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912234	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912235	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912236	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912237	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912238	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912239	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912240	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912241	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912242	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912243	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2912244	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911237	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911238	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911239	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911240	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911241	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911242	Lot Type 2	\$ 49,207.69	\$ 4,083.79

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment due 1/31/2026
2911243	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911244	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911245	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911246	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911247	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911248	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911249	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911250	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911251	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911252	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911253	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911254	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911255	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911256	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911257	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911258	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911259	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911260	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911261	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911262	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911263	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911264	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911265	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911266	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911267	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911268	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911269	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911270	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911271	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911272	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911273	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911274	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911275	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911276	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911277	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911278	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911279	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911280	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911281	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911282	Lot Type 2	\$ 49,207.69	\$ 4,083.79

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment due 1/31/2026
2911283	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911284	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911285	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911286	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911287	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911288	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911289	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911290	Non-Benefitted	\$ -	\$ -
2911291	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911292	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911293	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911294	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911295	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911296	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911297	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911298	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911299	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911300	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911301	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911302	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911303	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911304	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911305	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911306	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911307	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911308	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911309	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911310	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911311	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911312	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911313	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911314	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911315	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911316	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911317	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911318	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911319	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911320	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911321	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911322	Lot Type 2	\$ 49,207.69	\$ 4,083.79

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment due 1/31/2026
2911323	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911324	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911325	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911326	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911327	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911328	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911329	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911330	Non-Benefitted	\$ -	\$ -
2911331	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911332	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911333	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911334	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911335	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911336	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911337	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911338	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911339	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911340	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911342	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911343	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911344	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911345	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911346	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911347	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911348	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911349	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911350	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911351	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911352	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911353	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911354	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911355	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911356	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911357	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911358	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911359	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911360	Non-Benefitted	\$ -	\$ -
2911361	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911362	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911363	Lot Type 1	\$ 39,491.34	\$ 3,277.42

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment due 1/31/2026
2911364	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911365	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911366	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911367	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911368	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911369	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911370	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911371	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911372	Lot Type 1	\$ 39,491.34	\$ 3,277.42
2911373	Non-Benefitted	\$ -	\$ -
2911374	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911375	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911376	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911377	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911378	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911379	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911380	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911381	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911382	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911383	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911384	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911385	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911386	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911387	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911388	Lot Type 2	\$ 49,207.69	\$ 4,083.79
2911389	Lot Type 2	\$ 49,207.69	\$ 4,083.79
Total^[b]		\$ 14,090,001.03	\$ 1,169,341.65

Footnotes:

[a] Subject to change based on final certified rolls provided by the County.

[b] Totals may not match Service Plan or Annual Installment schedule due to rounding.

EXHIBIT F-2 –IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Annual Installment Due 1/31 ^[a]	Principal	Interest ^[b]	Additional Interest	Reserve Fund ^[c]	Annual Collection Costs	Annual Installment ^[d]
2025	\$ 206,000.00	\$ 78,628.00	\$ -	\$ -	\$ 33,995.50	\$ 318,623.50
2026	\$ 205,000.00	\$ 845,400.00	\$ 70,450.00	\$ -	\$ 48,492.22	\$ 1,169,342.22
2027	\$ 213,000.00	\$ 833,100.00	\$ 69,425.00	\$ -	\$ 53,433.60	\$ 1,168,958.60
2028	\$ 226,000.00	\$ 820,320.00	\$ 68,360.00	\$ -	\$ 54,502.27	\$ 1,169,182.27
2029	\$ 240,000.00	\$ 806,760.00	\$ 67,230.00	\$ -	\$ 55,592.31	\$ 1,169,582.31
2030	\$ 254,000.00	\$ 792,360.00	\$ 66,030.00	\$ -	\$ 56,704.16	\$ 1,169,094.16
2031	\$ 269,000.00	\$ 777,120.00	\$ 64,760.00	\$ -	\$ 57,838.24	\$ 1,168,718.24
2032	\$ 286,000.00	\$ 760,980.00	\$ 63,415.00	\$ -	\$ 58,995.01	\$ 1,169,390.01
2033	\$ 303,000.00	\$ 743,820.00	\$ 61,985.00	\$ -	\$ 60,174.91	\$ 1,168,979.91
2034	\$ 322,000.00	\$ 725,640.00	\$ 60,470.00	\$ -	\$ 61,378.41	\$ 1,169,488.41
2035	\$ 341,000.00	\$ 706,320.00	\$ 58,860.00	\$ -	\$ 62,605.98	\$ 1,168,785.98
2036	\$ 362,000.00	\$ 685,860.00	\$ 57,155.00	\$ -	\$ 63,858.10	\$ 1,168,873.10
2037	\$ 385,000.00	\$ 664,140.00	\$ 55,345.00	\$ -	\$ 65,135.26	\$ 1,169,620.26
2038	\$ 408,000.00	\$ 641,040.00	\$ 53,420.00	\$ -	\$ 66,437.96	\$ 1,168,897.96
2039	\$ 433,000.00	\$ 616,560.00	\$ 51,380.00	\$ -	\$ 67,766.72	\$ 1,168,706.72
2040	\$ 460,000.00	\$ 590,580.00	\$ 49,215.00	\$ -	\$ 69,122.06	\$ 1,168,917.06
2041	\$ 489,000.00	\$ 562,980.00	\$ 46,915.00	\$ -	\$ 70,504.50	\$ 1,169,399.50
2042	\$ 519,000.00	\$ 533,640.00	\$ 44,470.00	\$ -	\$ 71,914.59	\$ 1,169,024.59
2043	\$ 552,000.00	\$ 502,500.00	\$ 41,875.00	\$ -	\$ 73,352.88	\$ 1,169,727.88
2044	\$ 586,000.00	\$ 469,380.00	\$ 39,115.00	\$ -	\$ 74,819.94	\$ 1,169,314.94
2045	\$ 623,000.00	\$ 434,220.00	\$ 36,185.00	\$ -	\$ 76,316.34	\$ 1,169,721.34
2046	\$ 661,000.00	\$ 396,840.00	\$ 33,070.00	\$ -	\$ 77,842.66	\$ 1,168,752.66
2047	\$ 703,000.00	\$ 357,180.00	\$ 29,765.00	\$ -	\$ 79,399.52	\$ 1,169,344.52
2048	\$ 747,000.00	\$ 315,000.00	\$ 26,250.00	\$ -	\$ 80,987.51	\$ 1,169,237.51
2049	\$ 794,000.00	\$ 270,180.00	\$ 22,515.00	\$ -	\$ 82,607.26	\$ 1,169,302.26
2050	\$ 844,000.00	\$ 222,540.00	\$ 18,545.00	\$ -	\$ 84,259.40	\$ 1,169,344.40
2051	\$ 897,000.00	\$ 171,900.00	\$ 14,325.00	\$ -	\$ 85,944.59	\$ 1,169,169.59
2052	\$ 954,000.00	\$ 118,080.00	\$ 9,840.00	\$ -	\$ 87,663.48	\$ 1,169,583.48
2053	\$ 1,014,000.00	\$ 60,840.00	\$ 5,070.00	\$ (1,061,902.95)	\$ 89,416.75	\$ 107,423.80
Total	\$ 14,296,000.00	\$ 15,503,908.00	\$ 1,285,440.00	\$ (1,061,902.95)	\$ 1,971,062.10	\$ 31,994,507.15

Footnotes:

[a] Annual Installments collected 1/31/2025 on the Improvement Area #1 Reimbursement Obligation shall be used for the 9/15/2025 debt service payment on the District Bonds.

[b] Interest on District Bonds is calculated at 6.00% and is subject to change upon final pricing. Interest collected on the 2024 and 2025 Annual Installments prior to the issuance of District Bonds to be used to pay interest on the September 2025 debt service payment. The remainder shall be deposited into the respective Project Fund.

[c] Assumes Reserve Fund is fully funded and available to reduce the Improvement Area #1 Annual Installments at maturity of the District Bonds.

[d] Estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 - IMPROVEMENT AREA #2 ASSESSMENT ROLL

Property ID ^[a]	Lot Type	Notes	Outstanding Assessment	Annual Installment due 1/31/2026
2932785	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932786	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932787	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932788	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932789	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932790	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932791	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932792	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932793	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932794	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932795	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932796	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932797	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932798	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932799	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932800	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932801	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932802	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932803	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932804	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932805	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932806	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932807	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932811	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932812	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932813	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932814	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932815	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932816	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932817	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932820	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932821	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932822	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932823	Non-Benefitted		\$ -	\$ -
2932824	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932827	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932828	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932829	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932830	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932831	Lot Type 4		\$ 46,147.08	\$ 3,805.25

Property ID ^[a]	Lot Type	Notes	Outstanding Assessment	Annual Installment due 1/31/2026
2932832	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932833	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932834	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932835	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932836	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932837	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932838	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932839	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932840	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932841	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932842	Non-Benefitted		\$ -	\$ -
2932843	Non-Benefitted		\$ -	\$ -
2932844	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932848	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932849	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932850	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932851	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932852	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932853	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932855	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932856	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932857	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932858	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932859	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932860	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932861	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932862	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932863	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932864	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932865	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932866	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932867	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932868	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932869	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932870	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932871	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932872	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932873	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932874	Non-Benefitted		\$ -	\$ -
2932875	Lot Type 4		\$ 46,147.08	\$ 3,805.25

Property ID ^[a]	Lot Type	Notes	Outstanding Assessment	Annual Installment due 1/31/2026
2932882	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932883	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932884	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932885	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932890	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932891	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932892	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932893	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932894	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932895	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932896	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932897	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932898	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932899	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932900	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932901	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932902	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932903	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932904	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932905	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932906	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932907	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932908	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932909	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932910	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932911	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932912	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932913	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932914	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2932915	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932916	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932917	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932918	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932919	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932920	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932921	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932922	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932923	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932924	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932925	Lot Type 3		\$ 37,035.07	\$ 3,053.88

Property ID ^[a]	Lot Type	Notes	Outstanding Assessment	Annual Installment due 1/31/2026
2932926	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932927	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932928	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932929	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932930	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932931	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932932	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932933	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932934	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932935	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932936	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932937	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932938	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932939	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932951	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932952	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932953	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932954	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932955	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932956	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932957	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932958	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932959	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932960	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932961	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932962	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932963	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932964	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932965	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932966	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932967	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932968	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932969	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932970	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932971	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932972	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932973	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932974	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932975	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932976	Lot Type 3		\$ 37,035.07	\$ 3,053.88

Property ID ^[a]	Lot Type	Notes	Outstanding Assessment	Annual Installment due 1/31/2026
2932977	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932978	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932979	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932980	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932981	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932982	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932983	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932984	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932985	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932986	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932987	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932988	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932989	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932990	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932991	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932992	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932993	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932994	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932995	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932996	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932997	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932998	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2932999	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933000	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933001	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933002	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933003	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933004	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933005	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933006	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933007	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933008	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933009	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933010	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933011	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933012	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933013	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933014	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933015	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933016	Lot Type 3		\$ 37,035.07	\$ 3,053.88

Property ID ^[a]	Lot Type	Notes	Outstanding Assessment	Annual Installment due 1/31/2026
2933017	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933019	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933020	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933021	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933022	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933023	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933024	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933025	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933026	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933030	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933031	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933032	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933033	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933034	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933035	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933036	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933037	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933038	Lot Type 3	[c]	\$ 18,517.53	\$ 1,526.94
2933039	Lot Type 3		\$ 37,035.07	\$ 3,053.88
2933040	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933044	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933045	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933046	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933047	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933048	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933050	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933051	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933052	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933052	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933054	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933055	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933056	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933057	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933058	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933059	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933060	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933061	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933062	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933063	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933064	Lot Type 4		\$ 46,147.08	\$ 3,805.25

Property ID ^[a]	Lot Type	Notes	Outstanding Assessment	Annual Installment due 1/31/2026
2933065	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933066	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933067	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933068	Non-Benefitted		\$ -	\$ -
2933069	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933070	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933071	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933072	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933073	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933074	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933075	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933076	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933077	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933078	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933079	Lot Type 4		\$ 46,147.08	\$ 3,805.25
2933081	Non-Benefitted		\$ -	\$ -
2933082	Non-Benefitted		\$ -	\$ -
2933080	Non-Benefitted		\$ -	\$ -
2941099	Lot Type 3	[c]	\$ 18,517.53	\$ 1,526.94
Total^[b]			\$ 10,498,000.85	\$ 865,656.32

Footnotes:

[a] Subject to change based on final certified rolls provided by the County.

[b] Totals may not match Service Plan or Annual Installment schedule due to rounding.

[c] Undivided interest of parent Property ID 2941098 located at 908 Tulip Trail, billed 50% to Property ID 2933038 and 50% to Property ID 2941099.

EXHIBIT G-2 - IMPROVEMENT AREA #2 ANNUAL INSTALLMENTS

Annual Installment Due 1/31 ^[a]	Principal	Interest ^[b]	Additional Interest	Reserve Fund	Annual Collection Costs	Annual Installment ^[d]
2025	\$ 122,000.00	\$ 58,410.00	\$ -	\$ -	\$ 40,000.00	\$ 220,410.00
2026	\$ 149,000.00	\$ 629,880.00	\$ 52,490.00	\$ -	\$ 34,286.65	\$ 865,656.65
2027	\$ 149,000.00	\$ 620,940.00	\$ 51,745.00	\$ -	\$ 44,241.75	\$ 865,926.75
2028	\$ 158,000.00	\$ 612,000.00	\$ 51,000.00	\$ -	\$ 45,126.58	\$ 866,126.58
2029	\$ 167,000.00	\$ 602,520.00	\$ 50,210.00	\$ -	\$ 46,029.11	\$ 865,759.11
2030	\$ 177,000.00	\$ 592,500.00	\$ 49,375.00	\$ -	\$ 46,949.69	\$ 865,824.69
2031	\$ 188,000.00	\$ 581,880.00	\$ 48,490.00	\$ -	\$ 47,888.69	\$ 866,258.69
2032	\$ 199,000.00	\$ 570,600.00	\$ 47,550.00	\$ -	\$ 48,846.46	\$ 865,996.46
2033	\$ 211,000.00	\$ 558,660.00	\$ 46,555.00	\$ -	\$ 49,823.39	\$ 866,038.39
2034	\$ 224,000.00	\$ 546,000.00	\$ 45,500.00	\$ -	\$ 50,819.86	\$ 866,319.86
2035	\$ 237,000.00	\$ 532,560.00	\$ 44,380.00	\$ -	\$ 51,836.26	\$ 865,776.26
2036	\$ 252,000.00	\$ 518,340.00	\$ 43,195.00	\$ -	\$ 52,872.98	\$ 866,407.98
2037	\$ 267,000.00	\$ 503,220.00	\$ 41,935.00	\$ -	\$ 53,930.44	\$ 866,085.44
2038	\$ 283,000.00	\$ 487,200.00	\$ 40,600.00	\$ -	\$ 55,009.05	\$ 865,809.05
2039	\$ 301,000.00	\$ 470,220.00	\$ 39,185.00	\$ -	\$ 56,109.23	\$ 866,514.23
2040	\$ 319,000.00	\$ 452,160.00	\$ 37,680.00	\$ -	\$ 57,231.41	\$ 866,071.41
2041	\$ 339,000.00	\$ 433,020.00	\$ 36,085.00	\$ -	\$ 58,376.04	\$ 866,481.04
2042	\$ 359,000.00	\$ 412,680.00	\$ 34,390.00	\$ -	\$ 59,543.56	\$ 865,613.56
2043	\$ 382,000.00	\$ 391,140.00	\$ 32,595.00	\$ -	\$ 60,734.44	\$ 866,469.44
2044	\$ 405,000.00	\$ 368,220.00	\$ 30,685.00	\$ -	\$ 61,949.12	\$ 865,854.12
2045	\$ 430,000.00	\$ 343,920.00	\$ 28,660.00	\$ -	\$ 63,188.11	\$ 865,768.11
2046	\$ 457,000.00	\$ 318,120.00	\$ 26,510.00	\$ -	\$ 64,451.87	\$ 866,081.87
2047	\$ 485,000.00	\$ 290,700.00	\$ 24,225.00	\$ -	\$ 65,740.91	\$ 865,665.91
2048	\$ 515,000.00	\$ 261,600.00	\$ 21,800.00	\$ -	\$ 67,055.72	\$ 865,455.72
2049	\$ 548,000.00	\$ 230,700.00	\$ 19,225.00	\$ -	\$ 68,396.84	\$ 866,321.84
2050	\$ 582,000.00	\$ 197,820.00	\$ 16,485.00	\$ -	\$ 69,764.78	\$ 866,069.78
2051	\$ 618,000.00	\$ 162,900.00	\$ 13,575.00	\$ -	\$ 71,160.07	\$ 865,635.07
2052	\$ 657,000.00	\$ 125,820.00	\$ 10,485.00	\$ -	\$ 72,583.27	\$ 865,888.27
2053	\$ 698,000.00	\$ 86,400.00	\$ 7,200.00	\$ -	\$ 74,034.94	\$ 865,634.94
2054	\$ 742,000.00	\$ 44,520.00	\$ 3,710.00	\$ (788,877.79)	\$ 75,515.64	\$ 76,867.85
Total	\$ 10,620,000.00	\$ 12,004,650.00	\$ 995,520.00	\$ (788,877.79)	\$ 1,713,496.86	\$ 24,544,789.07

Footnotes:

[a] Annual Installments collected 1/31/2025 on the Improvement Area #2 Reimbursement Obligation shall be used for the 9/15/2025 debt service payment on the District Bonds.

[b] Interest on District Bonds is calculated at 6.00% and is subject to change upon final pricing. Interest collected on the 2024 and 2025 Annual Installments prior to the issuance of District Bonds to be used to pay interest on the September 2025 debt service payment. The remainder shall be deposited into the respective Project Fund.

[c] Assumes Reserve Fund is fully funded and available to reduce the Improvement Area #2 Annual Installments at maturity of the District Bonds.

[d] 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 H-1 - IMPROVEMENT AREA #3 ASSESSMENT ROLL

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2026
1291872	Improvement Area #3 Initial Parcel	\$ 4,183,000.00	\$ 352,759.25
Total		\$ 4,183,000.00	\$ 352,759.25

Footnotes:

[a] The entire Improvement Area #3 Initial Parcel is contained within Property ID 1291872. For billing purposes, the Annual Installment due 1/31/2025 shall be allocated pro rata based on acreage. Subject to change based on final certified rolls provided by the County.

EXHIBIT H-2 - IMPROVEMENT AREA #3 ANNUAL INSTALLMENT

Annual Installment Due 1/31 ^[a]	Principal	Interest ^[b]	Additional Interest	Reserve Fund ^[c]	Annual Collection Costs	Annual Installment ^[d]
2025	\$ 60,000.00	\$ 23,006.50	\$ -	\$ -	\$ 40,000.00	\$ 123,006.50
2026	\$ 67,000.00	\$ 247,380.00	\$ 20,615.00	\$ -	\$ 17,764.25	\$ 352,759.25
2027	\$ 61,000.00	\$ 243,360.00	\$ 20,280.00	\$ -	\$ 27,952.98	\$ 352,592.98
2028	\$ 64,000.00	\$ 239,700.00	\$ 19,975.00	\$ -	\$ 28,512.04	\$ 352,187.04
2029	\$ 68,000.00	\$ 235,860.00	\$ 19,655.00	\$ -	\$ 29,082.28	\$ 352,597.28
2030	\$ 72,000.00	\$ 231,780.00	\$ 19,315.00	\$ -	\$ 29,663.92	\$ 352,758.92
2031	\$ 76,000.00	\$ 227,460.00	\$ 18,955.00	\$ -	\$ 30,257.20	\$ 352,672.20
2032	\$ 80,000.00	\$ 222,900.00	\$ 18,575.00	\$ -	\$ 30,862.35	\$ 352,337.35
2033	\$ 85,000.00	\$ 218,100.00	\$ 18,175.00	\$ -	\$ 31,479.59	\$ 352,754.59
2034	\$ 89,000.00	\$ 213,000.00	\$ 17,750.00	\$ -	\$ 32,109.18	\$ 351,859.18
2035	\$ 95,000.00	\$ 207,660.00	\$ 17,305.00	\$ -	\$ 32,751.37	\$ 352,716.37
2036	\$ 100,000.00	\$ 201,960.00	\$ 16,830.00	\$ -	\$ 33,406.40	\$ 352,196.40
2037	\$ 106,000.00	\$ 195,960.00	\$ 16,330.00	\$ -	\$ 34,074.52	\$ 352,364.52
2038	\$ 112,000.00	\$ 189,600.00	\$ 15,800.00	\$ -	\$ 34,756.01	\$ 352,156.01
2039	\$ 119,000.00	\$ 182,880.00	\$ 15,240.00	\$ -	\$ 35,451.13	\$ 352,571.13
2040	\$ 126,000.00	\$ 175,740.00	\$ 14,645.00	\$ -	\$ 36,160.16	\$ 352,545.16
2041	\$ 133,000.00	\$ 168,180.00	\$ 14,015.00	\$ -	\$ 36,883.36	\$ 352,078.36
2042	\$ 141,000.00	\$ 160,200.00	\$ 13,350.00	\$ -	\$ 37,621.03	\$ 352,171.03
2043	\$ 150,000.00	\$ 151,740.00	\$ 12,645.00	\$ -	\$ 38,373.45	\$ 352,758.45
2044	\$ 158,000.00	\$ 142,740.00	\$ 11,895.00	\$ -	\$ 39,140.92	\$ 351,775.92
2045	\$ 168,000.00	\$ 133,260.00	\$ 11,105.00	\$ -	\$ 39,923.74	\$ 352,288.74
2046	\$ 178,000.00	\$ 123,180.00	\$ 10,265.00	\$ -	\$ 40,722.21	\$ 352,167.21
2047	\$ 189,000.00	\$ 112,500.00	\$ 9,375.00	\$ -	\$ 41,536.65	\$ 352,411.65
2048	\$ 200,000.00	\$ 101,160.00	\$ 8,430.00	\$ -	\$ 42,367.39	\$ 351,957.39
2049	\$ 213,000.00	\$ 89,160.00	\$ 7,430.00	\$ -	\$ 43,214.74	\$ 352,804.74
2050	\$ 225,000.00	\$ 76,380.00	\$ 6,365.00	\$ -	\$ 44,079.03	\$ 351,824.03
2051	\$ 239,000.00	\$ 62,880.00	\$ 5,240.00	\$ -	\$ 44,960.61	\$ 352,080.61
2052	\$ 254,000.00	\$ 48,540.00	\$ 4,045.00	\$ -	\$ 45,859.82	\$ 352,444.82
2053	\$ 269,000.00	\$ 33,300.00	\$ 2,775.00	\$ -	\$ 46,777.02	\$ 351,852.02
2054	\$ 286,000.00	\$ 17,160.00	\$ 1,430.00	\$ (310,722.77)	\$ 47,712.56	\$ 41,579.79
Total	\$ 4,183,000.00	\$ 4,676,726.50	\$ 387,810.00	\$ (310,722.77)	\$ 1,093,455.90	\$ 10,030,269.63

Footnotes:

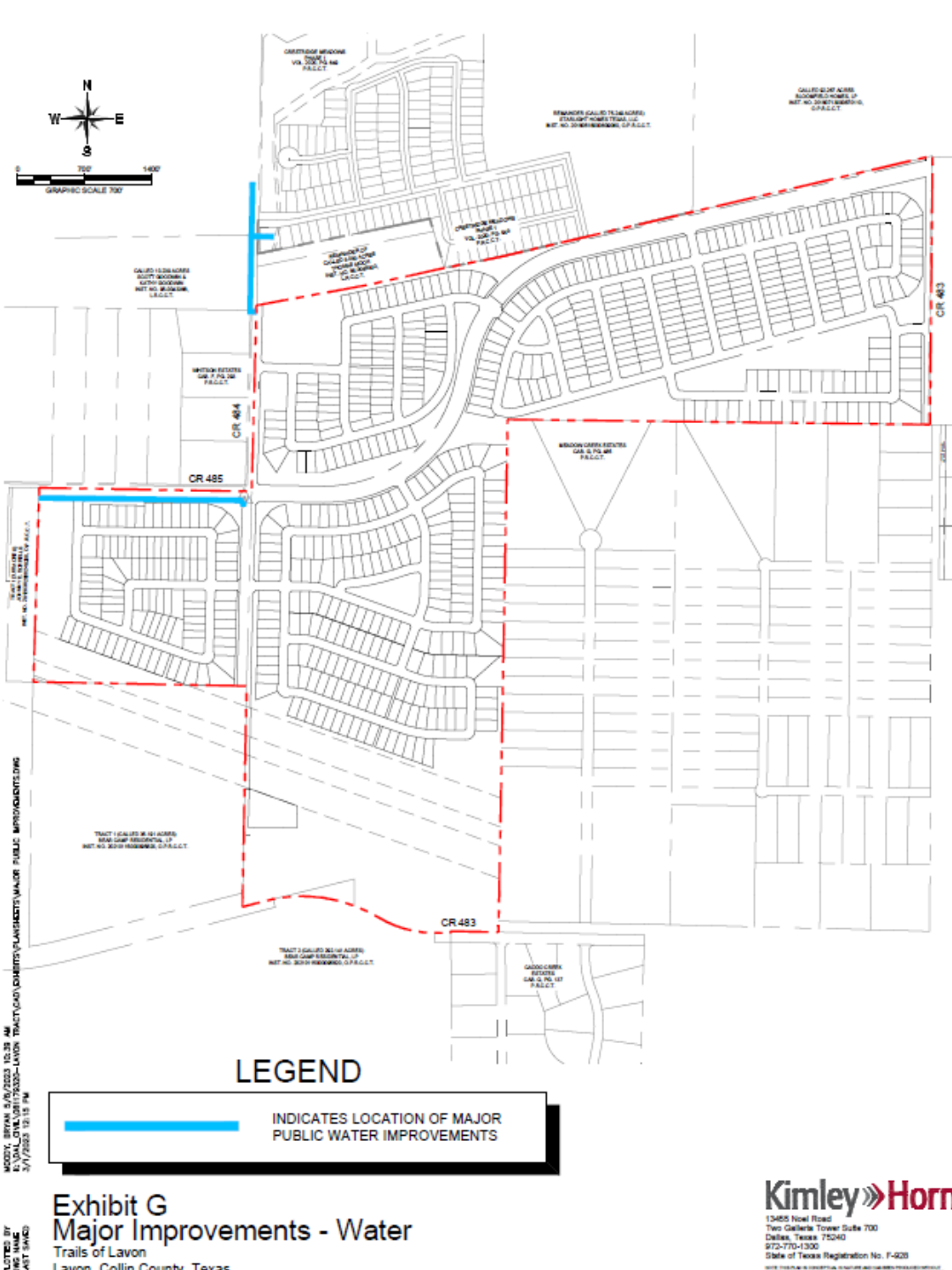
[a] Annual Installments collected 1/31/2025 on the Improvement Area #3 Reimbursement Obligation shall be used for the 9/15/2025 debt service payment on the District Bonds.

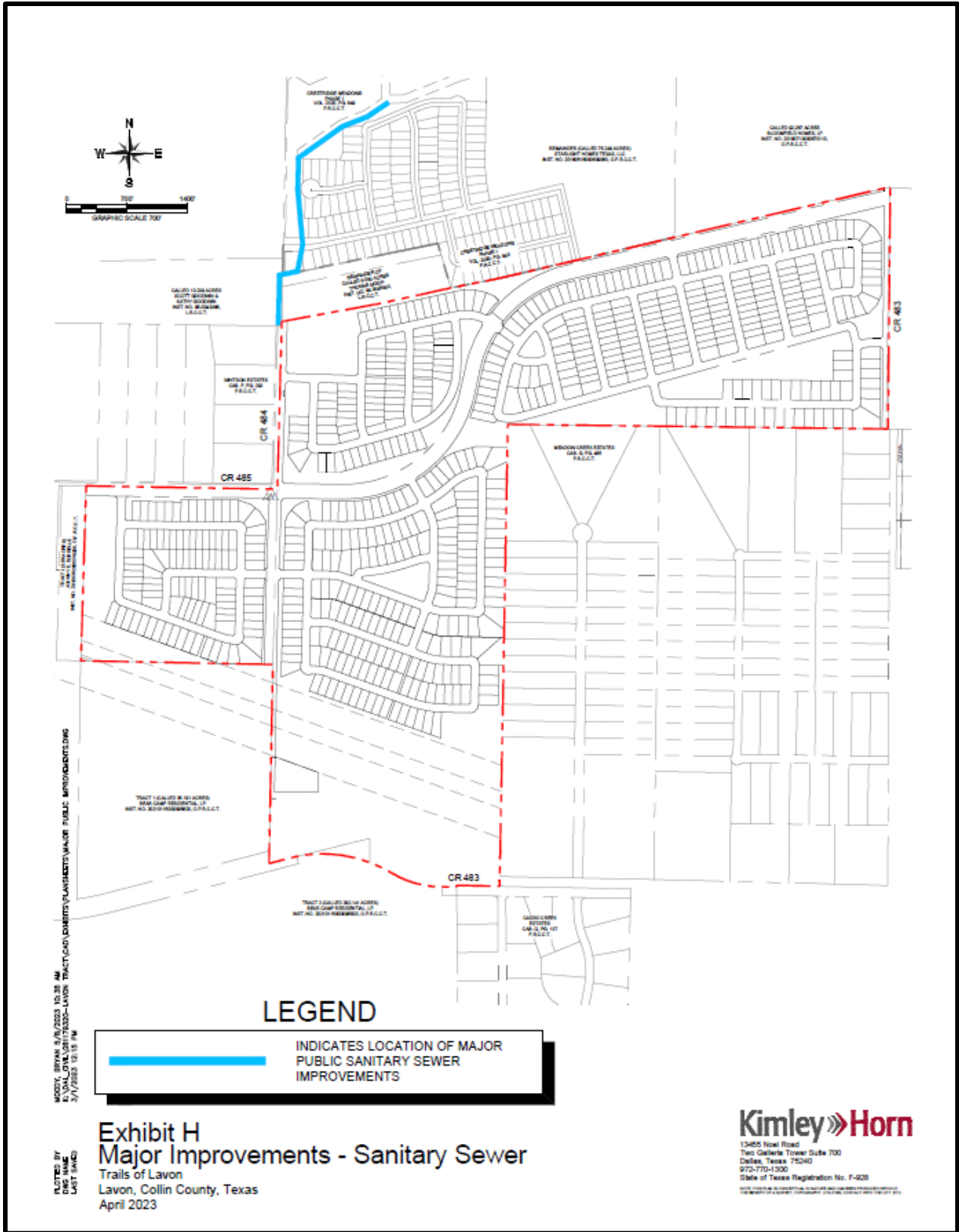
[b] Interest on District Bonds is calculated at 6.00% and is subject to change upon final pricing. Interest collected on the 2024 and 2025 Annual Installments prior to the issuance of District Bonds to be used to pay interest on the September 2025 debt service payment. The remainder shall be deposited into the respective Project Fund.

[c] Assumes Reserve Fund is fully funded and available to reduce the Improvement Area #1 Annual Installments at maturity of the District Bonds.

[d] 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 I-1 – MAPS OF MAJOR IMPROVEMENTS





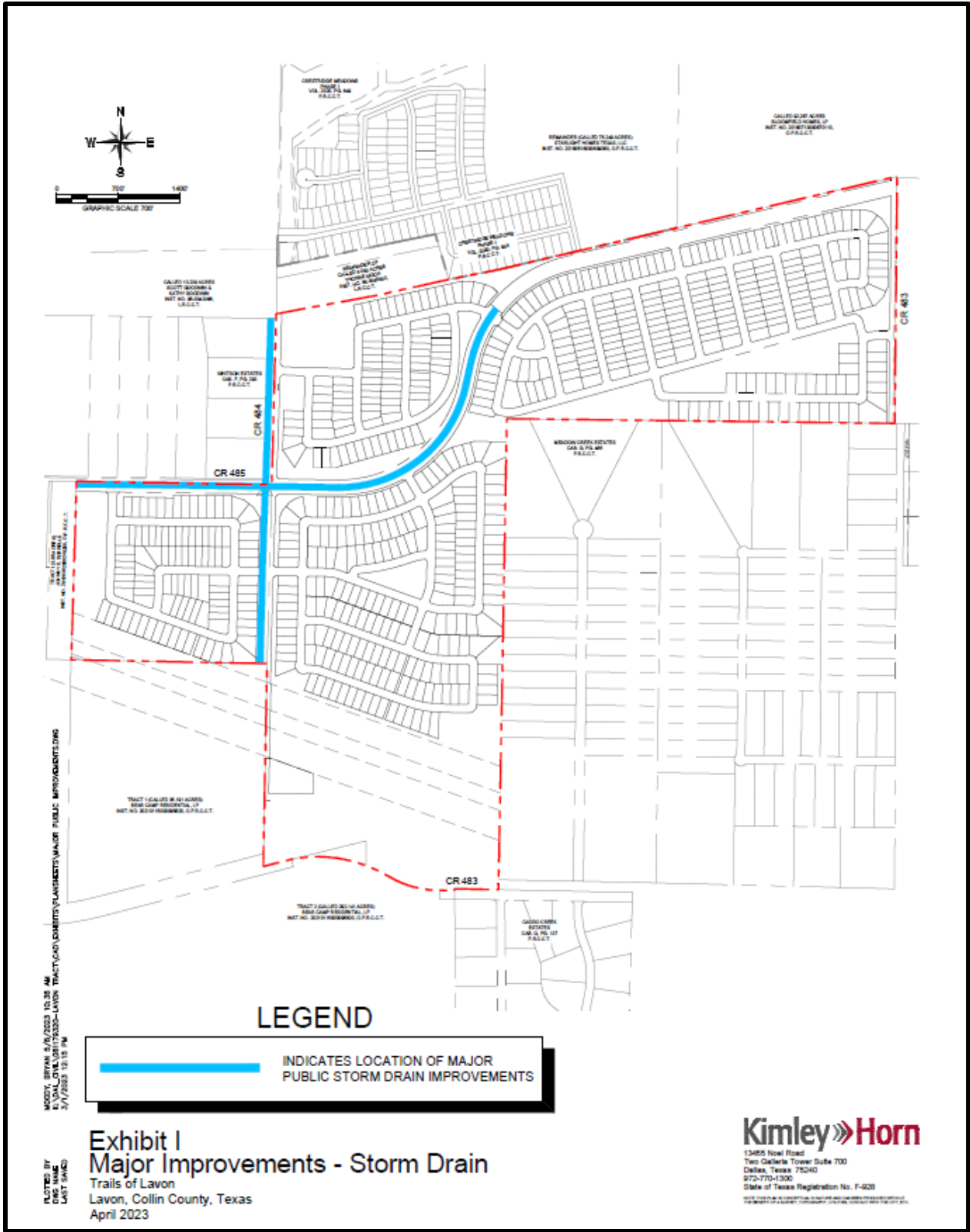
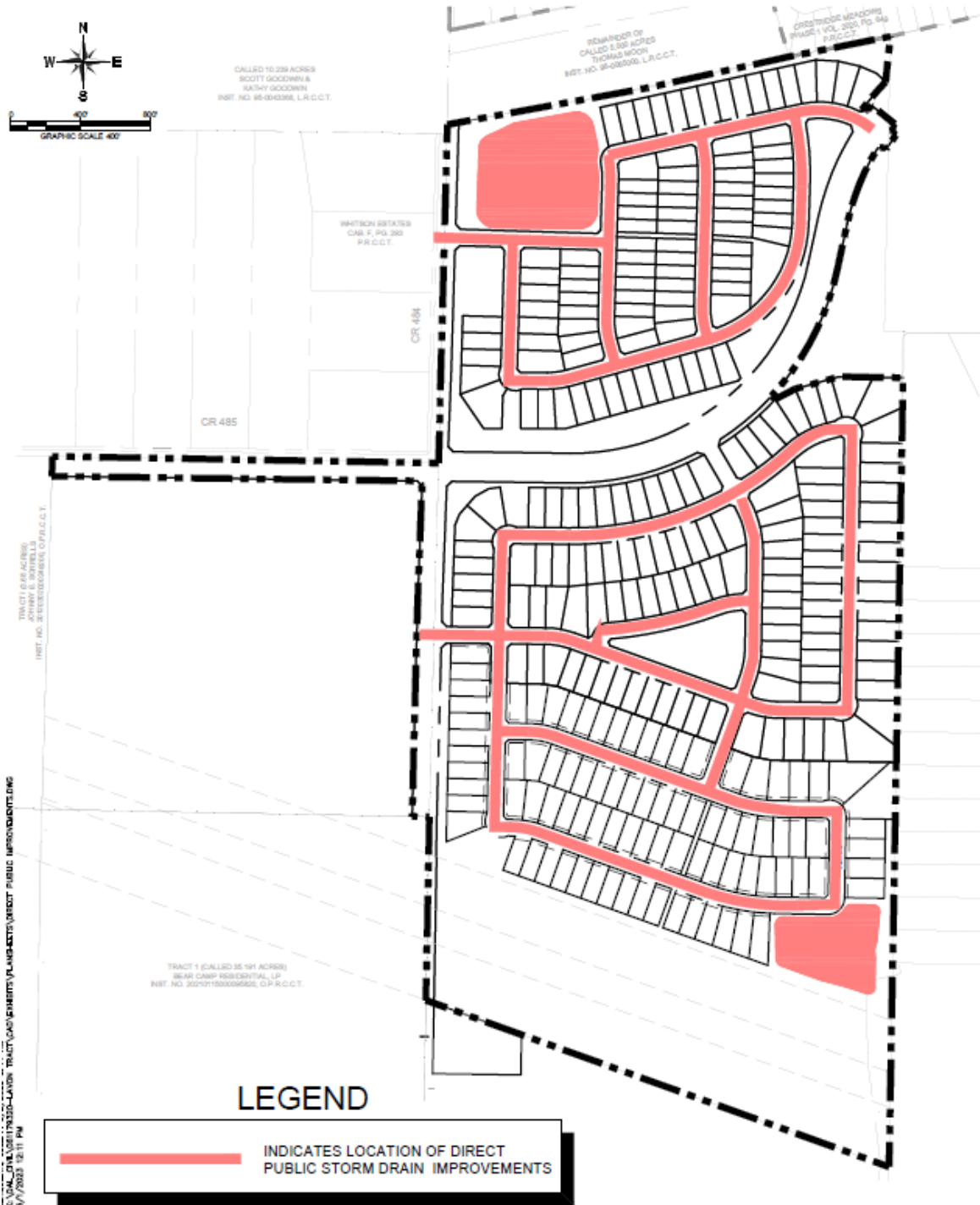




EXHIBIT I-2 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS





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 3/7/2025 12:31 PM

DATE MADE
 LAST SAVED

Exhibit E

Improvement Area 1 - Storm Drain

Trails of Lavon
 Lavon, Collin County, Texas
 June 2025

Kimley»Horn
 13495 Nowl Road
 Two Galleria Tower Suite 700
 Dallas, Texas 75240
 972-770-1300
 State of Texas Registration No. F-0028

NOT FOR CONSTRUCTION. A PROFESSIONAL ENGINEER'S SEAL AND SIGNATURE ARE REQUIRED BEFORE THE MAP IS USED FOR ANY PURPOSE. THE USER OF THIS MAP ASSUMES ALL LIABILITY FOR ANY AND ALL DAMAGES, INCLUDING BUT NOT LIMITED TO, THE USER'S NEGLIGENCE.

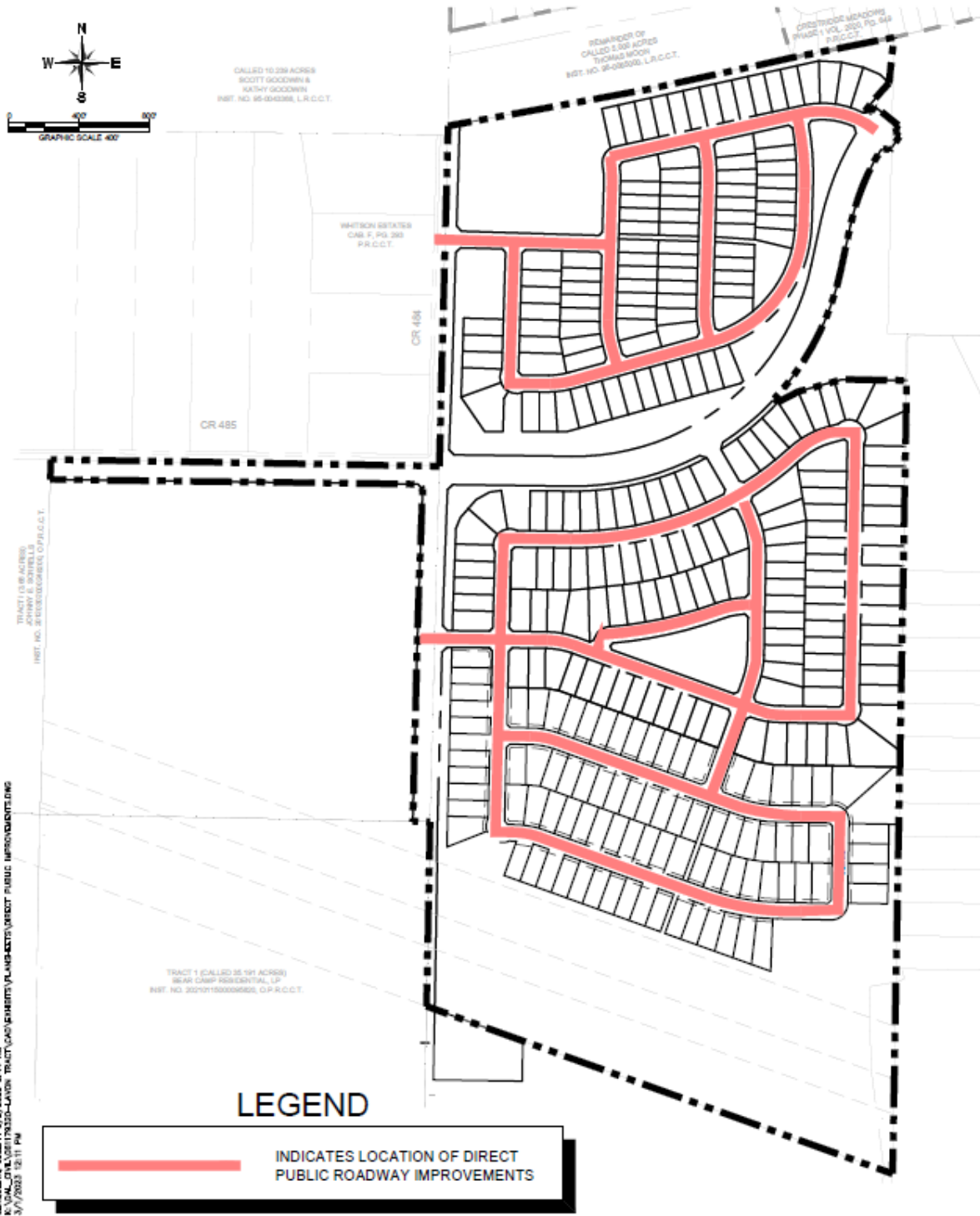
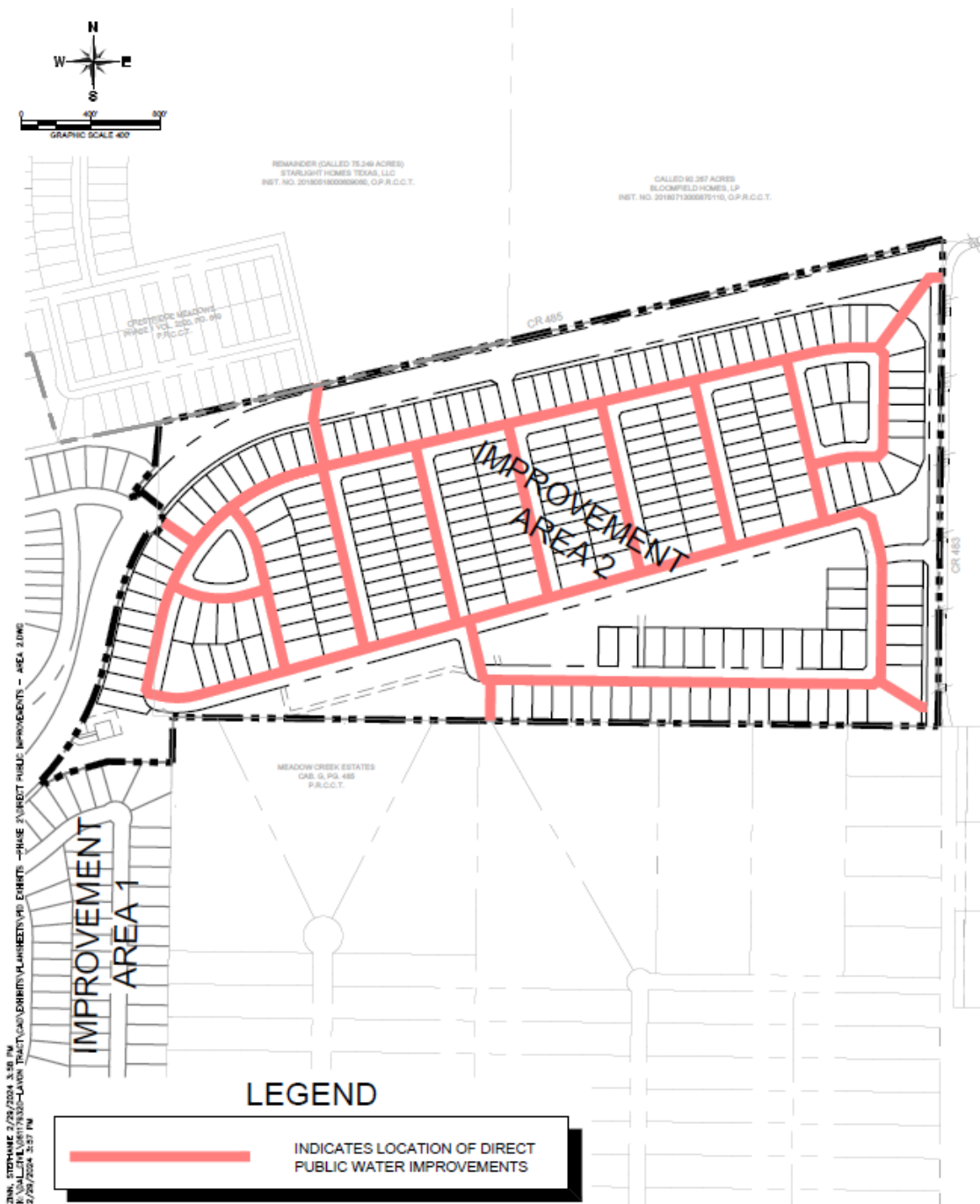


Exhibit F
Improvement Area 1 - Roadway
 Trails of Lavon
 Lavon, Collin County, Texas
 June 2025

Kimley»Horn
 13455 Nowell Road
 Two Galleria Towers Suite 700
 Dallas, Texas 75240
 972-770-1300
 State of Texas Registration No. F-4228
Kimley-Horn and Associates, Inc. is an Equal Opportunity Employer. Minorities and women are encouraged to apply.

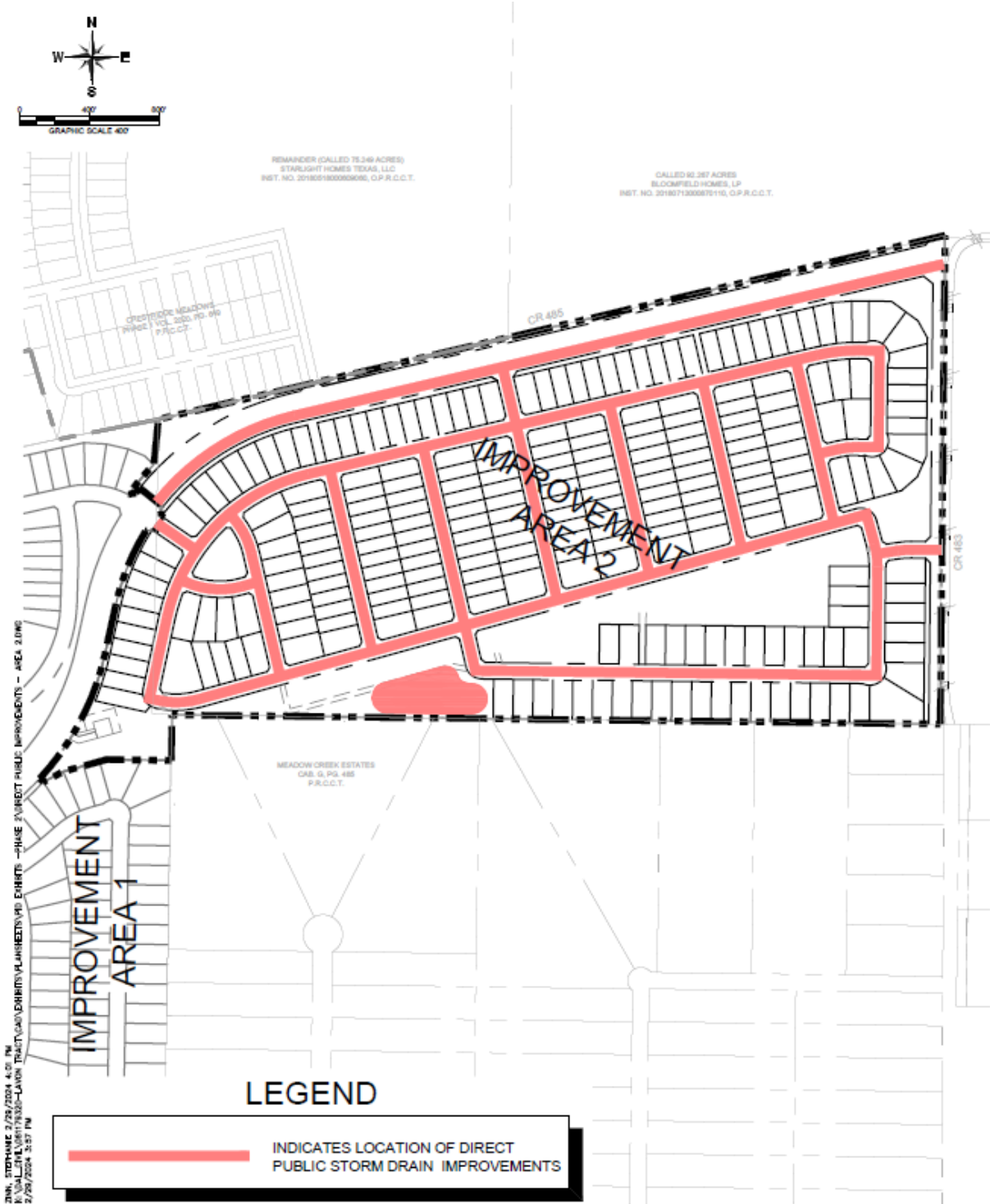
EXHIBIT I-3 – MAPS OF IMPROVEMENT AREA #2 IMPROVEMENTS



PLOTTED BY
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Exhibit C
Improvement Area 2 - Water
Trails of Lavon
Lavon, Collin County, Texas
February 2024

Kimley»Horn
13455 Noel Road
Two Galleria Tower Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-625



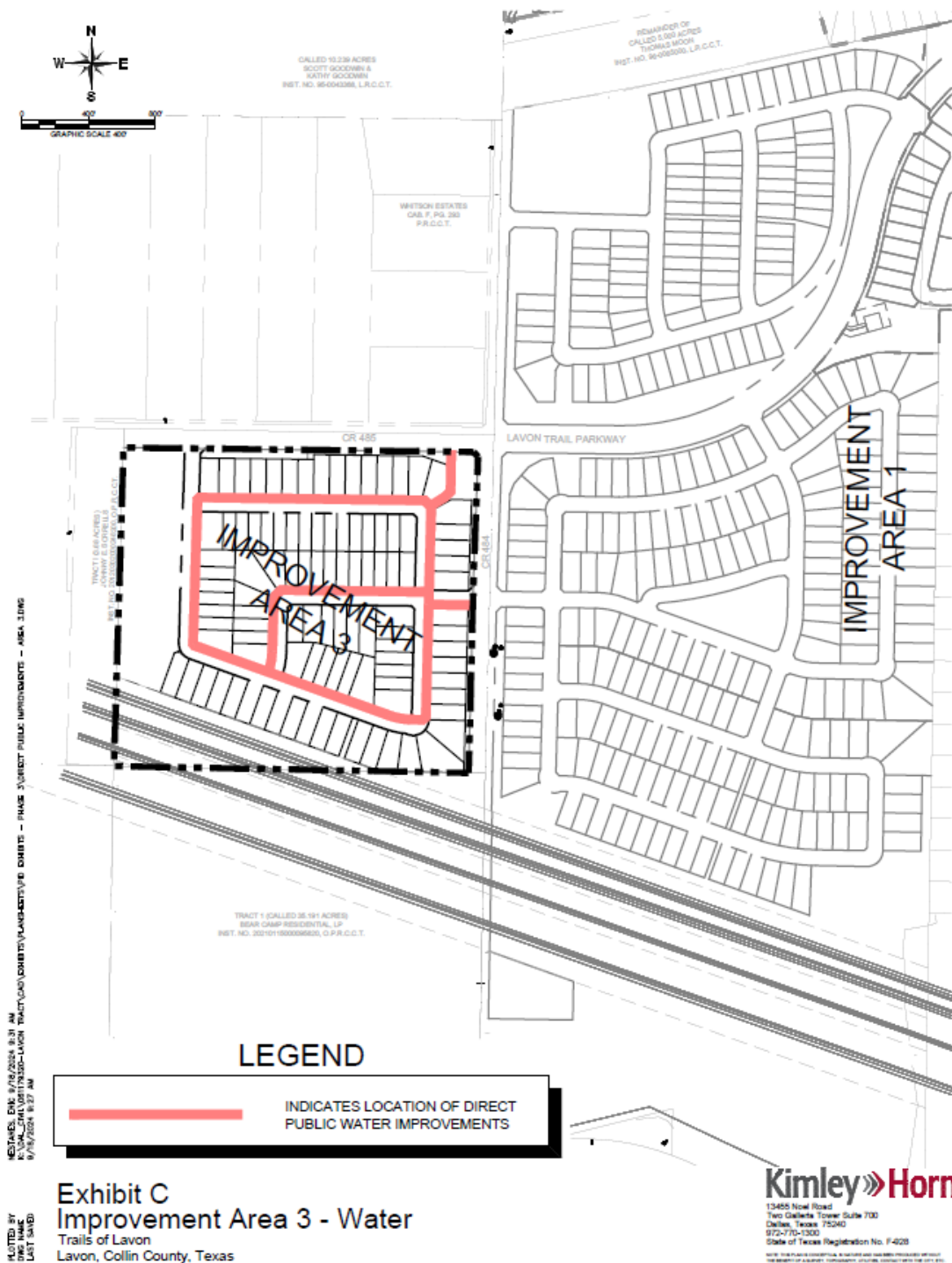
DRAWN: STEPHANIE 2/29/2024 4:02 PM
K:\VALLEY\2021\78326-LAVON TRACT\LAND EXHIBITS\PLAN SHEETS\PHASE 2\DIRECT PUBLIC IMPROVEMENTS - AREA 2.DWG
2/29/2024 3:57 PM

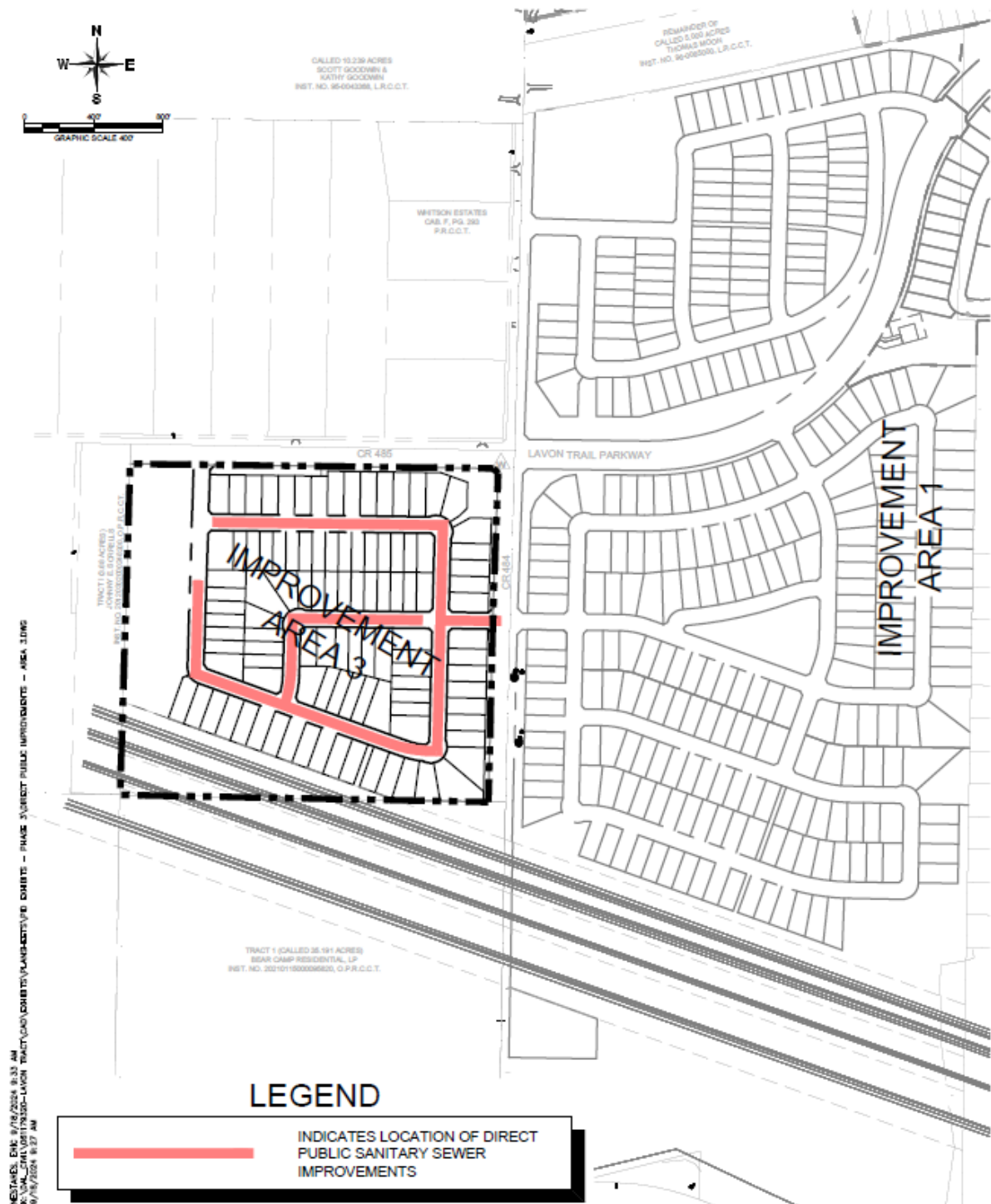
PLOTTED BY:
DWG NAME:
LAST SAVED:

Exhibit E **Improvement Area 2 - Storm Drain** Trails of Lavon Lavon, Collin County, Texas February 2024

Kimley»Horn
 13455 Nowl Road
 Two Galleria Tower Suite 700
 Dallas, Texas 75240
 972-770-1300
 State of Texas Registration No. F-428
THIS REPORT IS A PROFESSIONAL SERVICE. IT IS THE PROPERTY OF KIMLEY-HORN AND SHOULD NOT BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF KIMLEY-HORN.

EXHIBIT I-4 - MAPS OF IMPROVEMENT AREA #3 IMPROVEMENTS



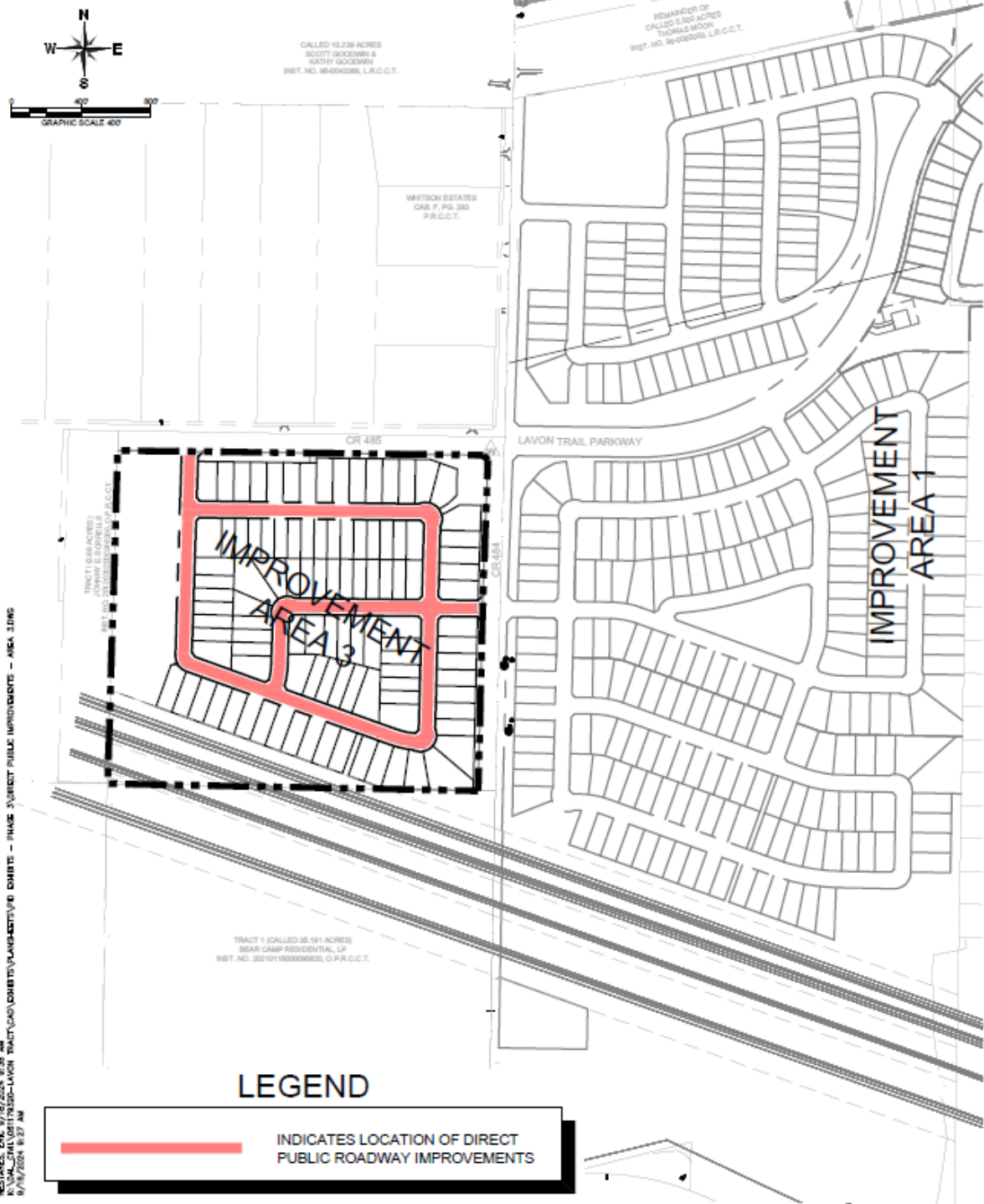


REVISIONS: EDC 9/18/2024 9:33 AM
 K:\NAI_STAFF\108178320-LAVON TRACT\CD\CONTRIBUTOR\LANDSCAPE\IMPROVEMENTS - AREA 1.DWG
 9/18/2024 9:37 AM

PLOTTED BY
 DWG NAME
 LAST SAVED

Exhibit D Improvement Area 3 - Sanitary Sewer Trails of Lavon Lavon, Collin County, Texas September 2024

Kimley»Horn
 13455 Nowell Road
 Two Galleria Tower Suite 700
 Dallas, Texas 75240
 972-770-1300
 State of Texas Registration No. F-4028
WE AND OUR CONSULTANTS AND SERVICES ARE NOT PROVIDING ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND, INCLUDING BUT NOT LIMITED TO, THE ACCURACY, COMPLETENESS, OR QUALITY OF THE INFORMATION PROVIDED.



NESTABLE, ENG. 9/18/2024 9:38 AM
K:\LAVON\LAVAL\081719250-LAVON TRACT\CAO\EXHIBITS\PLAN\ASSETS\VE\CHIMTS - PHASE 3\DIRECT PUBLIC IMPROVEMENTS - AREA 3.DWG
9/18/2024 9:37 AM

PLOTTED BY
DWG NAME
LAST SAVED

Exhibit F Improvement Area 3 - Roadway

Trails of Lavon
Lavon, Collin County, Texas
September 2024

Kimley»Horn
13455 Nopel Road
Two Gallies Tower Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-4028
NOTE: THIS PLAN IS PRELIMINARY. IT IS NOT TO BE USED FOR CONSTRUCTION OR AS A BASIS FOR A LEGAL OPINION. CONTACT WITH THE CITY OF LAVON FOR MORE INFORMATION.

EXHIBIT J – 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
Suite 2106
McKinney, TX 75071

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

[City Secretary Name]
[City Secretary Address]

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF COLLIN §

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Lavon, Texas, a Texas general law municipality (the "City").

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City, Texas is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits of the City; and

WHEREAS, on October 19, 2021, the City Council of the City approved Resolution No. 2021-10-03 creating the Trails of Lavon Public Improvement District (the “District”); and

WHEREAS, the District consists of approximately 190.774 contiguous acres within the corporate limits of the City; and

WHEREAS, on _____, the City Council, approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the real property located with the District, the Assessment Ordinance being recorded on _____, as Instrument No. _____ in the Official Public Records of Collin County, Texas; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") and further imposed a lien to secure the payment of the Lien Amount (the "Lien") against the following property located within the District, to wit:

EXHIBIT K – DISTRICT BONDS DEBT SERVICE SCHEDULE

Preliminary

Lavon

Special Assessment Revenue Bonds, Series 2025

(Trails of Lavon PID)

Combined Issue

Debt Service

Date	Principal	Coupon	Interest	Total P+I
09/30/2025	388,000.00	6.000%	160,044.50	548,044.50
09/30/2026	421,000.00	6.000%	1,722,660.00	2,143,660.00
09/30/2027	423,000.00	6.000%	1,697,400.00	2,120,400.00
09/30/2028	448,000.00	6.000%	1,672,020.00	2,120,020.00
09/30/2029	475,000.00	6.000%	1,645,140.00	2,120,140.00
09/30/2030	503,000.00	6.000%	1,616,640.00	2,119,640.00
09/30/2031	533,000.00	6.000%	1,586,460.00	2,119,460.00
09/30/2032	565,000.00	6.000%	1,554,480.00	2,119,480.00
09/30/2033	599,000.00	6.000%	1,520,580.00	2,119,580.00
09/30/2034	635,000.00	6.000%	1,484,640.00	2,119,640.00
09/30/2035	673,000.00	6.000%	1,446,540.00	2,119,540.00
09/30/2036	714,000.00	6.000%	1,406,160.00	2,120,160.00
09/30/2037	758,000.00	6.000%	1,363,320.00	2,121,320.00
09/30/2038	803,000.00	6.000%	1,317,840.00	2,120,840.00
09/30/2039	853,000.00	6.000%	1,269,660.00	2,122,660.00
09/30/2040	905,000.00	6.000%	1,218,480.00	2,123,480.00
09/30/2041	961,000.00	6.000%	1,164,180.00	2,125,180.00
09/30/2042	1,019,000.00	6.000%	1,106,520.00	2,125,520.00
09/30/2043	1,084,000.00	6.000%	1,045,380.00	2,129,380.00
09/30/2044	1,149,000.00	6.000%	980,340.00	2,129,340.00
09/30/2045	1,221,000.00	6.000%	911,400.00	2,132,400.00
09/30/2046	1,296,000.00	6.000%	838,140.00	2,134,140.00
09/30/2047	1,377,000.00	6.000%	760,380.00	2,137,380.00
09/30/2048	1,462,000.00	6.000%	677,760.00	2,139,760.00
09/30/2049	1,555,000.00	6.000%	590,040.00	2,145,040.00
09/30/2050	1,651,000.00	6.000%	496,740.00	2,147,740.00
09/30/2051	1,754,000.00	6.000%	397,680.00	2,151,680.00
09/30/2052	1,865,000.00	6.000%	292,440.00	2,157,440.00
09/30/2053	1,981,000.00	6.000%	180,540.00	2,161,540.00
09/30/2054	1,028,000.00	6.000%	61,680.00	1,089,680.00
Total	\$29,099,000.00	-	\$32,185,284.50	\$61,284,284.50

Yield Statistics

Bond Year Dollars	\$536,421.41
Average Life	18.434 Years
Average Coupon	6.0000000%
Net Interest Cost (NIC)	6.1627396%
True Interest Cost (TIC)	6.2974911%
Bond Yield for Arbitrage Purposes	6.0006357%
All Inclusive Cost (AIC)	6.9940606%

IRS Form 8038

Net Interest Cost	6.0000000%
Weighted Average Maturity	18.434 Years

Trails of Lavon | Issue Summary | 6/30/2025 | 6:58 PM

HilltopSecurities
Public Finance

EXHIBIT L-1 – DISTRICT LEGAL DESCRIPTION

EXHIBIT B

Boundaries

METES AND BOUNDS DESCRIPTION OF THE PROPERTY

BEING a tract of land situated in the S. Roberts Survey, Abstract No. 773 and the D. Anglin Survey, Abstract No. 2, Collin County, Texas and being all of a called 30.000 acre tract of land described as Parcel No. 1 – Tract 5 – Monkey Run West and portion of a called 112.5 acre tract of land described as Parcel No. 1 – Tract 6 – Monkey Run East in a Partition Deed to O'Reda Boyd McCartney, as recorded in Volume 816, Page 651 of the Deed Records of Collin County, Texas, and also being the remainder of a called 90 acre tract of land described as Tract 1 (Lavon Place) in a Special Warranty Deed to Roy Brian Webb and Andrea Kay Campbell, as recorded in Volume 4761, Page 200 of the Land Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod found for the northwest corner of said Tract 6, common to the southwest corner of a called 5.000 acre tract of land described in a deed to Thomas Moon, as recorded in Instrument No. 96-0085000 of the Official Public Records of Collin County, Texas, being on the easterly line of a called 10.239 acre tract of land described in a deed to Scott Goodwin and Kathy Goodwin, as recorded in Instrument No. 95-0043368 of the Land Records of Collin County, Texas, and in County Road No. 484, a variable width right-of-way, no record found;

THENCE North 79°37'10" East, departing said County Road No. 484 and the easterly line of said 10.239 acre tract, along the northerly line of said Tract 6 and the southerly line of said 5.000 acre tract, a distance of 614.28 feet to a 1/2 inch iron rod found for corner;

THENCE North 77°36'57" East, continuing along the northerly line of said Tract 6 and the southerly line of said 5.000 acre tract, a distance of 441.96 feet to a 1/2 inch iron rod found for the southeast corner of said 5.000 acre tract, common to the southwest corner of a called 75.249 acre tract of land described in a deed to Starlight Homes of Texas, LLC, as recorded in Instrument No. 20180518000609060 of the Official Public Records of Collin County, Texas;

THENCE North 78°41'41" East, continuing along the northerly line of said Tract 6 and the southerly line of said 75.249 acre tract, a distance of 313.41 feet to a 1/2 inch iron rod found for the northerly northeast corner of said Tract 6, same being on northerly line of said 90 acre tract;

THENCE North 76°51'00" East, along the northerly line of said 90 acre tract and the southerly line of said 75.249 acre tract, a distance of 1088.75 feet to a 1/2 inch iron rod found for the southeast corner of said 75.249 acre tract, common to the southwest corner of a called 92.267 acre tract of land described in a deed to Bloomfield Homes, LP, as recorded in Instrument No. 20180713000870110 of the Official Public Records of Collin County, Texas;

THENCE North 76°50'07" East, continuing along the northerly line of said 90 acre tract and along the southerly line of said 92.267 acre tract, a distance of 1358.12 feet to a 1/2 inch iron rod found for the northeast corner of said 90 acre tract, common to an ell corner of said 92.267 acre tract;

THENCE South 2°49'59" East, along the easterly line of said 90 acre tract and the southerly line of said 92.267 acre tract, a distance of 7.53 feet to a 1/2 inch iron rod found for an exterior corner

of said 92.267 acre tract, common to the northwest corner of a called 57.075 acre tract of land described as Tract 1 in a deed to Bloomfield Homes, LP, as recorded in Instrument No. 2018050000655680 of the Official Public Records of Collin County, Texas, same being on the westerly right-of-way line of County Road No. 483, a variable width right-of-way, no record found;

THENCE South 0°33'28" West, continuing along the easterly line of said 90 acre tract, along the westerly line of said 57.075 acre tract and the westerly right-of-way line of said County Road No. 483, a distance of 1473.51 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the southeast corner of said 90 acre tract, common to the northerly southwest corner of said 57.075 acre tract, being on the northerly line of Meadow Creek Estates, according to the plat thereof recorded in Cabinet G, Page 485 of the Plat Records of Collin County, Texas;

THENCE North 89°18'33" West, departing the westerly right-of-way line of said County Road No. 483, along the southerly line of said 90 acre tract and the northerly line of said Meadow Creek Estates, a distance of 2327.88 feet to a 1/2 inch iron rod found for the northwest corner of said Meadow Creek Estates, common to the southerly northeast corner of aforesaid 112.5 acre tract;

THENCE South 1°01'04" West, departing the southerly line of said 90 acres, along the easterly line of said Tract 6 and the westerly line of said Meadow Creek Estates, a distance of 2529.75 feet to a point for corner on the southerly line of a 170 foot wide Texas Municipal Power Agency Electric Easement, as recorded in Volume 1365, Page 407 of the Deed Records of Collin County, Texas;

THENCE North 70°13'50" West, departing the easterly line of said Tract 6 and the westerly line of said Meadow Creek Estates, and crossing said Tract 6 and along the southerly line of said easement, a distance of 1492.31 feet to a point for corner on the westerly line of said Tract 6, the easterly line of a called 35.191 acre tract of land described as Tract 1 in a deed to Bear Camp Residential, LP, as recorded in Instrument No. 20210115000095820 of the Official Public Records of Collin County, Texas, and in the approximate centerline of aforesaid County Road No. 484;

THENCE North 1°04'28" East, departing the southerly line of said easement, along the westerly line of said Tract 6, the easterly line of said 35.191 acre tract, and said County Road No. 484, a distance of 556.09 feet to a mag nail set for the northeast corner of said Tract 1, common to the southeast corner of aforesaid Tract 5;

THENCE North 88°54'08" West, departing the approximate centerline of said County Road No. 483 and the westerly line of said Tract 6, along the southerly line of said Tract 5 and the northerly line of said Tract 1, a distance of 1175.53 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the southwest corner of said Tract 5;

THENCE North 1°44'46" East, departing the northerly line of said Tract 1, along the westerly line of said Tract 5, passing at a distance of 0.68 feet the southeast corner of a called 3.68 acre tract of land described as Tract I in a deed to Johnny E. Sorrells, as recorded in Instrument No. 20120302000248200 of the Official Public Records of Collin County, Texas, and continuing

along the same course and along the easterly line of said Tract I, passing at a distance of 1040.21 feet a 5/8 inch iron rod found for witness, and continuing along the same course, for a total distance of 1070.21 feet to a mag nail set for the northwest corner of said Tract 5, common to the northeast corner of said Tract I, being in the centerline of County Road No. 485, a variable width right-of-way, no record found;

THENCE South 89°00'14" East, along the northerly line of said Tract 5 and the centerline of said County Road No. 485, a distance of 1170.83 feet to a mag nail set for the northeast corner of said Tract 5, being on the westerly line of said Tract 6 and in the centerline of said County Road No. 484;

THENCE North 1°29'36" East, along the westerly line of said Tract 6 and the centerline of said County Road No. 484, a distance of 1026.04 feet to the **POINT OF BEGINNING** and containing 190.774 acres (8,310,121 square feet) of land, more or less.

EXHIBIT L-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

BEING a tract of land situated in the S. Roberts Survey, Abstract No. 773 and the D. Anglin Survey, Abstract No. 2, Collin County, Texas, and being a portion of a called 140.551 acre tract of land described in a Special Warranty Deed to Meritage Homes of Texas, LLC and GRBK Edgewood, LLC, as recorded in Instrument No. 20211101002229130 of the Official Public Records of Collin County, Texas, and a portion of a called 64.952 acre tract of land described in a Special Warranty Deed to Meritage Homes of Texas, LLC and GRBK Edgewood, LLC, as recorded in Instrument No. 20211030002223420 of the Official Public Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod found for the northernmost northwest corner of said 140.551 acre tract, common to the southwest corner of a called 5.000 acre tract of land described in a deed to Thomas Moon, as recorded in Instrument No. 96-0085000 of the Official Public Records of Collin County, Texas, being on the easterly line of a called 10.239 acre tract of land described in a deed to Scott Goodwin and Kathy Goodwin, as recorded in Instrument No. 95-0043368 of the Land Records of Collin County, Texas, and in County Road No. 484, a variable width right-of-way, no record found;

THENCE North 79°37'10" East, departing said County Road No. 484 and the easterly line of said 10.239 acre tract, along the northerly line of said 140.551 acre tract and along the southerly line of said 5.000 acre tract, a distance of 614.28 feet to a 1/2 inch iron rod found for corner;

THENCE North 77°36'57" East, continuing along the northerly line of said 140.551 acre tract and the southerly line of said 5.000 acre tract, a distance of 441.96 feet to a 1/2 inch iron rod found for the southeast corner of said 5.000 acre tract, common to the southwest corner of Crestridge Meadows Phase 1, according to the plat thereof recorded in Volume 2020, Page 649 of the Plat Records of Collin County, Texas;

THENCE North 78°41'41" East, continuing along the northerly line of said 140.551 acre tract and along the southerly line of said Crestridge Meadows Phase 1, a distance of 313.41 feet to a 1/2 inch iron rod found for the northeast corner of said 140.551 acre tract, common to the northwest corner of said 64.952 acre tract;

THENCE departing the southerly line of said Crestridge Meadows Phase 1 and crossing said 140.551 acre tract, the following courses and distances:

South 06°01'53" West, a distance of 138.68 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 835.00 feet, a central angle of 08°06'04", and a chord bearing and distance of South 40°15'52" West, 117.96 feet;

In a southwesterly direction, with said non-tangent curve to the left, an arc distance of 118.06 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 77°54'12" East, a distance of 22.82 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right with a radius of 820.00 feet, a central angle of 01°17'26", and a chord bearing and distance of North 38°03'00" East, 18.47 feet;

In a northeasterly direction, with said non-tangent curve to the right, an arc distance of 18.47 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 51°18'17" East, passing en route the easterly line of said 140.551 acre tract and the westerly line of said 64.952 acre tract, and continuing along the same course and crossing said 64.952 acre tract, for a total distance of 90.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 730.00 feet, a central angle of 00°52'59", and a chord bearing and distance of South 38°15'13" West, 11.25 feet;

THENCE in a southwesterly direction, continuing across said 64.952 acre tract, with said non-tangent curve to the left, an arc distance of 11.25 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

THENCE South 09°03'10" East, continuing across said 64.952 acre tract, a distance of 20.74 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

THENCE South 55°19'40" East, continuing across said 64.952 acre tract, a distance of 8.72 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

THENCE South 34°40'20" West, continuing across said 64.952 acre tract, passing en route the westerly line of said 64.952 acre tract and the easterly line of said 140.551 acre tract, and continuing along the same course and crossing said 140.551 acre tract, for a total distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

THENCE continuing across said 140.551 acre tract, the following courses and distances:

North 55°19'40" West, a distance of 8.72 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 78°23'50" West, a distance of 20.74 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 730.00 feet, a central angle of 19°16'37", and a chord bearing and distance of South 21°53'38" West, 244.45 feet;

In a southwesterly direction, with said non-tangent curve to the left, an arc distance of 245.60 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 12°15'20" West, a distance of 143.92 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a tangent curve to the right with a radius of 820.00 feet, a central angle of 30°28'38", and a chord bearing and distance of South 27°29'39" West, 431.06 feet;

In a southwesterly direction, with said tangent curve to the right, an arc distance of 436.18 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 47°16'02" East, a distance of 15.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 62°28'34" East, a distance of 68.37 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 74°31'15" East, a distance of 138.19 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 88°58'56" East, a distance of 193.72 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner on the easterly line of said 140.551 acre tract, common to the westerly line of Meadow Creek Estates, according to the plat thereof recorded in Cabinet G, Page 485 of the Plat Records of Collin County, Texas;

THENCE South 01°01'04" West, along the common line of said 140.551 acre tract and said Meadow Creek Estates, a distance of 2,391.16 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

THENCE North 70°13'50" West, departing the common line of said 140.551 acre tract and said Meadow Creek Estates, and crossing said 140.551 acre tract, a distance of 1,492.31 feet to point for corner on the westerly line of said 140.551 acre tract, common to the easterly line of a called 35.191 acre tract of land described as Tract 1 in a deed to Bear Camp Residential, LP., as recorded in Instrument No. 2021015000095820 of the Official Public Records of Collin County, Texas, same also being in the centerline of said County Road No. 484;

THENCE North 01°04'28" East, along the centerline of said County Road No. 484, the westerly line of said 140.551 acre tract and the easterly line of said Tract 1, a distance of 556.09 feet to a Mag Nail set for the northeast corner of said Tract 1, common to an ell corner of said 140.551 acre tract;

THENCE North 88°54'08" West, along the southerly line of said 140.551 acre tract and the northerly line of said Tract 1, a distance of 52.33 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

THENCE departing the southerly line of said 140.551 acre tract and the northerly line of said Tract 1, and crossing said 140.551 acre tract, the following courses and distances:

North 01°04'37" East, a distance of 5.40 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 01°28'41" East, a distance of 647.75 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 02°11'31" East, a distance of 348.78 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 43°32'04" West, a distance of 20.94 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°15'39" West, a distance of 1,108.04 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner on the westerly line of said 140.551 acre tract, common to the easterly line of a called 3.68 acre tract of land described as Tract 1 in a deed to Jonny E. Sorrells, as recorded in Instrument No. 20120302000248200 of the Official Public Records of Collin County, Texas;

THENCE North 01°44'46" East, along the westerly line of said 140.551 acre tract and along the easterly line of said 3.68 acre tract, a distance of 60.33 feet to a Mag Nail set for the westernmost northwest corner of said 140.551 acre tract, common to the northeast corner of said 3.68 acre tract, being in the centerline of County Road No. 485, a variable width right-of-way, no record found;

THENCE South 89°00'14" East, along the centerline of said County Road No. 485 and along the northerly line of said 140.551 acre tract, a distance of 1,170.83 feet to a Mag Nail set at an ell corner of said 140.551 acre tract, same being the intersection of the centerline of said County Road No. 485 with the centerline of said County Road No. 484;

THENCE North 01°29'36" East, departing the centerline of said County Road No. 485, along the centerline of said County Road No. 484 and along the westerly line of said 140.551 acre tract, a distance of 1,026.04 feet to the **POINT OF BEGINNING** and containing 96.956 acres (4,223,394 square feet) of land, more or less.

EXHIBIT L-3 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

BEING a tract of land situated in the D. Anglin Survey, Abstract No. 2, Collin County, Texas, and being a portion of a called 64.952 acre tract of land described in a deed to Meritage Homes of Texas, LLC and GRBK Edgewood, LLC, as recorded in Instrument No. 20211030002223420 of the Official Public Records of Collin County, Texas and a portion of a called 140.551 acre tract of land described in a Special Warranty Deed to Meritage Homes of Texas, LLC and GRBK Edgewood, LLC, as recorded in Instrument No. 20211101002229130 of the Official Public Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING a 1/2 inch iron rod found for the northwest corner of Meadow Creek Estates, according to the plat thereof recorded in Cabinet G, Page 485 of the Plat Records of Collin County, Texas, same being on the southerly line of said 64.952 acre tract;

THENCE South 01°01'04" West, departing the southerly line of said 64.952 acre tract, along the westerly line of said Meadow Creek Estates and the easterly line of said 140.551 acre tract, a distance of 138.58 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

THENCE departing the westerly line of said Meadow Creek Estates and crossing said 140.551 acre tract and said 64.952 acre tract, the following:

North 88°58'56" West, a distance of 193.72 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 74°31'15" West, a distance of 138.19 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 62°28'34" West, a distance of 68.37 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 47°16'02" West, a distance of 15.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 820.00 feet, a central angle of 30°28'38", and a chord bearing and distance of North 27°29'39" East, 431.06 feet;

In a northeasterly direction, with said non-tangent curve to the left, an arc distance of 436.18 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 12°15'20" East, a distance of 143.92 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a tangent curve to the right with a radius of 730.00 feet, a central angle of 19°16'37", and a chord bearing and distance of North 21°53'38" East, 244.45 feet;

In a northeasterly direction, with said tangent curve to the right, an arc distance of 245.60 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 78°23'50" East, a distance of 20.74 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 55°19'40" East, a distance of 8.72 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 34°40'20" East, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 55°19'40" West, a distance of 8.72 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 09°03'10" West, a distance of 20.74 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right with a radius of 730.00 feet, a central angle of 00°52'59", and a chord bearing and distance of North 38°15'13" East, 11.25 feet;

In a northerly direction, with said non-tangent curve to the right, an arc distance of 11.25 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 51°18'17" West, a distance of 90.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 820.00 feet, a central angle of 01°17'26", and a chord bearing and distance of South 38°03'00" West, 18.47 feet;

In a southwesterly direction, with said non-tangent curve to the left, an arc distance of 18.47 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 77°40'36" West, a distance of 22.71 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 275.27 feet, a central angle of 00°01'47", and a chord bearing and distance of North 63°05'57" West, 0.14 feet;

In a westerly direction, with said non-tangent curve to the left, an arc distance of 0.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right with a radius of 835.00 feet, a central angle of 08°06'04", and a chord bearing and distance of North 40°15'52" East, 117.96 feet;

In a northerly direction, with said non-tangent curve to the right, an arc distance of 118.06 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 06°01'53" East, a distance of 138.68 feet to a 1/2 inch iron rod found for corner the northeast corner of said 140.551 acre tract, common to the northwest corner of said 64.952 acre tract, same being on the southerly line of Crestridge Meadows, Phase 1, according to the plat thereof recorded in Volume 2020, Page 649 of the Plat Records of Collin County, Texas;

THENCE North 76°51'00" East, along the northerly line of said 64.952 acre tract, the southerly line of said Crestridge Meadows, Phase 1, and the southerly line of a called 75.249 acre tract of land described in a deed to Starlight Homes Texas, LLC, as recorded in Instrument No. 20180518000609060 of the Official Public Records of Collin County, Texas, a distance of 1,088.75 feet to a 1/2 inch iron rod found for the southeast corner of said 75.249 acre tract, common to the southwest corner of a called 92.267 acre tract of land described in a deed to Bloomfield Homes, LP, as recorded in Instrument No. 20180713000870110 of the Official Public Records of Collin County, Texas;

THENCE North 76°50'07" East, continuing along the northerly line of said 64.952 acre tract and along the southerly line of said 92.267 acre tract a distance of 1,358.12 feet a 1/2 inch iron rod found for the northeast corner of said 64.952 acre tract, common to an ell corner of said 92.267 acre tract;

THENCE South 02°49'59" East, along the easterly line of said 64.952 acre tract, and the southerly line of said 92.267 acre tract, a distance of 7.53 feet to a 1/2 inch iron rod found for a southwest corner of said 92.267 acre tract, common to the northwest corner of a called 57.075 acre tract of land described as Tract 1 in a deed to Bloomfield Homes, LP, as recorded in Instrument No. 2018050000655680 of the Official Public Records of Collin County, Texas;

THENCE South 00°33'28" West, along the easterly line of said 64.952 acre tract and the westerly line of said Tract 1, a distance of 1,473.51 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the southeast corner of said 64.952 acre tract, common to the southwest corner of said Tract 1, same being on the northerly line of aforesaid Meadow Creek Estates;

THENCE North 89°18'33" West, along the southerly line of said 64.952 acre tract and the northerly line of said Meadow Creek Estates, a distance of 2,327.88 feet to the **POINT OF BEGINNING** and containing 67.729 acres (2,950,296 square feet) of land, more or less.

EXHIBIT L-4 – IMPROVEMENT AREA #3 FINAL PLAT



APPENDIX A – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this appendix:

Improvement Area #1

- Lot Type 1
- Lot Type 2

Improvement Area #2

- Lot Type 3
- Lot Type 4

Improvement Area #3

- Improvement Area #3 Initial Parcel
- Lot Type 5
- Lot Type 6

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**TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT – BUYER DISCLOSURE -
IMPROVEMENT AREA #1 - LOT TYPE 1**

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: \$39,941.34

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 the ***Trails of Lavon Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City 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 the 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

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 574.57	\$ 2,369.48	\$ 197.46	\$ 135.91	\$ 3,277.42
2027	\$ 596.99	\$ 2,335.01	\$ 194.58	\$ 149.76	\$ 3,276.35
2028	\$ 633.43	\$ 2,299.19	\$ 191.60	\$ 152.76	\$ 3,276.97
2029	\$ 672.67	\$ 2,261.18	\$ 188.43	\$ 155.81	\$ 3,278.10
2030	\$ 711.91	\$ 2,220.82	\$ 185.07	\$ 158.93	\$ 3,276.73
2031	\$ 753.95	\$ 2,178.11	\$ 181.51	\$ 162.11	\$ 3,275.67
2032	\$ 801.60	\$ 2,132.87	\$ 177.74	\$ 165.35	\$ 3,277.56
2033	\$ 849.25	\$ 2,084.77	\$ 173.73	\$ 168.66	\$ 3,276.41
2034	\$ 902.50	\$ 2,033.82	\$ 169.48	\$ 172.03	\$ 3,277.83
2035	\$ 955.75	\$ 1,979.67	\$ 164.97	\$ 175.47	\$ 3,275.86
2036	\$ 1,014.61	\$ 1,922.32	\$ 160.19	\$ 178.98	\$ 3,276.11
2037	\$ 1,079.07	\$ 1,861.45	\$ 155.12	\$ 182.56	\$ 3,278.20
2038	\$ 1,143.54	\$ 1,796.70	\$ 149.73	\$ 186.21	\$ 3,276.18
2039	\$ 1,213.61	\$ 1,728.09	\$ 144.01	\$ 189.94	\$ 3,275.64
2040	\$ 1,289.28	\$ 1,655.27	\$ 137.94	\$ 193.73	\$ 3,276.23
2041	\$ 1,370.57	\$ 1,577.92	\$ 131.49	\$ 197.61	\$ 3,277.58
2042	\$ 1,454.65	\$ 1,495.68	\$ 124.64	\$ 201.56	\$ 3,276.53
2043	\$ 1,547.14	\$ 1,408.40	\$ 117.37	\$ 205.59	\$ 3,278.50
2044	\$ 1,642.44	\$ 1,315.57	\$ 109.63	\$ 209.70	\$ 3,277.35
2045	\$ 1,746.14	\$ 1,217.03	\$ 101.42	\$ 213.90	\$ 3,278.49
2046	\$ 1,852.65	\$ 1,112.26	\$ 92.69	\$ 218.18	\$ 3,275.77
2047	\$ 1,970.36	\$ 1,001.10	\$ 83.43	\$ 222.54	\$ 3,277.43
2048	\$ 2,093.69	\$ 882.88	\$ 73.57	\$ 226.99	\$ 3,277.13
2049	\$ 2,225.42	\$ 757.26	\$ 63.10	\$ 231.53	\$ 3,277.31
2050	\$ 2,365.56	\$ 623.73	\$ 51.98	\$ 236.16	\$ 3,277.43
2051	\$ 2,514.10	\$ 481.80	\$ 40.15	\$ 240.88	\$ 3,276.94
2052	\$ 2,673.86	\$ 330.95	\$ 27.58	\$ 245.70	\$ 3,278.10
2053	\$ 2,842.03	\$ 170.52	\$ 14.21	\$ 250.62	\$ 3,277.38
Total	\$ 39,491.34	\$ 43,233.85	\$ 3,602.82	\$ 5,429.20	\$ 91,757.21

Footnotes:

[a] Interest on District Bonds is calculated at 6.00% and is subject to change upon final pricing.

[b] 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.

**TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT – BUYER DISCLOSURE -
IMPROVEMENT AREA #1 - LOT TYPE 2**

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: \$49,207.69

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 the ***Trails of Lavon Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City 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 the 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

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 715.94	\$ 2,952.46	\$ 246.04	\$ 169.35	\$ 4,083.79
2026	\$ 743.88	\$ 2,909.50	\$ 242.46	\$ 186.61	\$ 4,082.45
2027	\$ 789.28	\$ 2,864.87	\$ 238.74	\$ 190.34	\$ 4,083.23
2028	\$ 838.17	\$ 2,817.52	\$ 234.79	\$ 194.15	\$ 4,084.63
2029	\$ 887.07	\$ 2,767.23	\$ 230.60	\$ 198.03	\$ 4,082.93
2030	\$ 939.45	\$ 2,714.00	\$ 226.17	\$ 201.99	\$ 4,081.61
2031	\$ 998.82	\$ 2,657.63	\$ 221.47	\$ 206.03	\$ 4,083.96
2032	\$ 1,058.19	\$ 2,597.70	\$ 216.48	\$ 210.15	\$ 4,082.53
2033	\$ 1,124.55	\$ 2,534.21	\$ 211.18	\$ 214.36	\$ 4,084.30
2034	\$ 1,190.90	\$ 2,466.74	\$ 205.56	\$ 218.64	\$ 4,081.85
2035	\$ 1,264.24	\$ 2,395.29	\$ 199.61	\$ 223.02	\$ 4,082.15
2036	\$ 1,344.57	\$ 2,319.43	\$ 193.29	\$ 227.48	\$ 4,084.76
2037	\$ 1,424.89	\$ 2,238.76	\$ 186.56	\$ 232.03	\$ 4,082.24
2038	\$ 1,512.20	\$ 2,153.26	\$ 179.44	\$ 236.67	\$ 4,081.57
2039	\$ 1,606.50	\$ 2,062.53	\$ 171.88	\$ 241.40	\$ 4,082.31
2040	\$ 1,707.78	\$ 1,966.14	\$ 163.85	\$ 246.23	\$ 4,083.99
2041	\$ 1,812.55	\$ 1,863.68	\$ 155.31	\$ 251.15	\$ 4,082.68
2042	\$ 1,927.80	\$ 1,754.92	\$ 146.24	\$ 256.18	\$ 4,085.14
2043	\$ 2,046.54	\$ 1,639.26	\$ 136.60	\$ 261.30	\$ 4,083.70
2044	\$ 2,175.76	\$ 1,516.46	\$ 126.37	\$ 266.53	\$ 4,085.12
2045	\$ 2,308.47	\$ 1,385.92	\$ 115.49	\$ 271.86	\$ 4,081.73
2046	\$ 2,455.15	\$ 1,247.41	\$ 103.95	\$ 277.29	\$ 4,083.80
2047	\$ 2,608.81	\$ 1,100.10	\$ 91.68	\$ 282.84	\$ 4,083.43
2048	\$ 2,772.95	\$ 943.57	\$ 78.63	\$ 288.50	\$ 4,083.65
2049	\$ 2,947.57	\$ 777.20	\$ 64.77	\$ 294.27	\$ 4,083.80
2050	\$ 3,132.67	\$ 600.34	\$ 50.03	\$ 300.15	\$ 4,083.19
2051	\$ 3,331.73	\$ 412.38	\$ 34.37	\$ 306.15	\$ 4,084.63
2052	\$ 3,541.28	\$ 212.48	\$ 17.71	\$ 312.28	\$ 4,083.74
Total	\$ 49,207.69	\$ 53,871.00	\$ 4,489.25	\$ 6,764.98	\$ 114,332.91

Footnotes:

[a] Interest on District Bonds is calculated at 6.00% and is subject to change upon final pricing.

[b] 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.

**TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT – BUYER DISCLOSURE -
IMPROVEMENT AREA #2 - LOT TYPE 3**

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 #2 LOT TYPE 3 PRINCIPAL ASSESSMENT: \$37,035.07

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 the ***Trails of Lavon Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City 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 the 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 #2 LOT TYPE 3

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 525.65	\$ 2,222.10	\$ 185.18	\$ 120.96	\$ 3,053.88
2027	\$ 525.65	\$ 2,190.57	\$ 182.55	\$ 156.08	\$ 3,054.83
2028	\$ 557.40	\$ 2,159.03	\$ 179.92	\$ 159.20	\$ 3,055.54
2029	\$ 589.15	\$ 2,125.58	\$ 177.13	\$ 162.38	\$ 3,054.24
2030	\$ 624.42	\$ 2,090.23	\$ 174.19	\$ 165.63	\$ 3,054.47
2031	\$ 663.23	\$ 2,052.77	\$ 171.06	\$ 168.94	\$ 3,056.01
2032	\$ 702.04	\$ 2,012.97	\$ 167.75	\$ 172.32	\$ 3,055.08
2033	\$ 744.37	\$ 1,970.85	\$ 164.24	\$ 175.77	\$ 3,055.23
2034	\$ 790.23	\$ 1,926.19	\$ 160.52	\$ 179.28	\$ 3,056.22
2035	\$ 836.09	\$ 1,878.78	\$ 156.56	\$ 182.87	\$ 3,054.30
2036	\$ 889.01	\$ 1,828.61	\$ 152.38	\$ 186.53	\$ 3,056.53
2037	\$ 941.93	\$ 1,775.27	\$ 147.94	\$ 190.26	\$ 3,055.39
2038	\$ 998.37	\$ 1,718.75	\$ 143.23	\$ 194.06	\$ 3,054.42
2039	\$ 1,061.87	\$ 1,658.85	\$ 138.24	\$ 197.94	\$ 3,056.91
2040	\$ 1,125.37	\$ 1,595.14	\$ 132.93	\$ 201.90	\$ 3,055.35
2041	\$ 1,195.93	\$ 1,527.62	\$ 127.30	\$ 205.94	\$ 3,056.79
2042	\$ 1,266.49	\$ 1,455.86	\$ 121.32	\$ 210.06	\$ 3,053.73
2043	\$ 1,347.63	\$ 1,379.87	\$ 114.99	\$ 214.26	\$ 3,056.75
2044	\$ 1,428.77	\$ 1,299.01	\$ 108.25	\$ 218.55	\$ 3,054.58
2045	\$ 1,516.96	\$ 1,213.29	\$ 101.11	\$ 222.92	\$ 3,054.28
2046	\$ 1,612.21	\$ 1,122.27	\$ 93.52	\$ 227.37	\$ 3,055.38
2047	\$ 1,710.99	\$ 1,025.54	\$ 85.46	\$ 231.92	\$ 3,053.91
2048	\$ 1,816.83	\$ 922.88	\$ 76.91	\$ 236.56	\$ 3,053.17
2049	\$ 1,933.25	\$ 813.87	\$ 67.82	\$ 241.29	\$ 3,056.23
2050	\$ 2,053.19	\$ 697.87	\$ 58.16	\$ 246.12	\$ 3,055.34
2051	\$ 2,180.19	\$ 574.68	\$ 47.89	\$ 251.04	\$ 3,053.81
2052	\$ 2,317.78	\$ 443.87	\$ 36.99	\$ 256.06	\$ 3,054.70
2053	\$ 2,462.42	\$ 304.80	\$ 25.40	\$ 261.18	\$ 3,053.81
2054	\$ 2,617.64	\$ 157.06	\$ 13.09	\$ 266.41	\$ 3,054.20
Total	\$ 37,035.07	\$ 42,144.20	\$ 3,512.02	\$ 5,903.80	\$ 88,595.08

Footnotes:

[a] Interest on District Bonds is calculated at 6.00% and is subject to change upon final pricing.

[b] 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.

**TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT – BUYER DISCLOSURE -
IMPROVEMENT AREA #2 - LOT TYPE 4**

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 #2 LOT TYPE 4 PRINCIPAL ASSESSMENT: \$46,147.08

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 the ***Trails of Lavon Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City 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 the 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 #2 LOT TYPE 4

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 654.97	\$ 2,768.82	\$ 230.74	\$ 150.72	\$ 3,805.25
2027	\$ 654.97	\$ 2,729.53	\$ 227.46	\$ 194.48	\$ 3,806.44
2028	\$ 694.54	\$ 2,690.23	\$ 224.19	\$ 198.37	\$ 3,807.32
2029	\$ 734.10	\$ 2,648.56	\$ 220.71	\$ 202.33	\$ 3,805.70
2030	\$ 778.06	\$ 2,604.51	\$ 217.04	\$ 206.38	\$ 3,805.99
2031	\$ 826.41	\$ 2,557.83	\$ 213.15	\$ 210.51	\$ 3,807.90
2032	\$ 874.76	\$ 2,508.24	\$ 209.02	\$ 214.72	\$ 3,806.74
2033	\$ 927.51	\$ 2,455.76	\$ 204.65	\$ 219.01	\$ 3,806.93
2034	\$ 984.66	\$ 2,400.11	\$ 200.01	\$ 223.39	\$ 3,808.17
2035	\$ 1,041.80	\$ 2,341.03	\$ 195.09	\$ 227.86	\$ 3,805.78
2036	\$ 1,107.74	\$ 2,278.52	\$ 189.88	\$ 232.42	\$ 3,808.55
2037	\$ 1,173.68	\$ 2,212.05	\$ 184.34	\$ 237.07	\$ 3,807.14
2038	\$ 1,244.01	\$ 2,141.63	\$ 178.47	\$ 241.81	\$ 3,805.92
2039	\$ 1,323.13	\$ 2,066.99	\$ 172.25	\$ 246.64	\$ 3,809.02
2040	\$ 1,402.26	\$ 1,987.60	\$ 165.63	\$ 251.58	\$ 3,807.07
2041	\$ 1,490.18	\$ 1,903.47	\$ 158.62	\$ 256.61	\$ 3,808.87
2042	\$ 1,578.09	\$ 1,814.06	\$ 151.17	\$ 261.74	\$ 3,805.06
2043	\$ 1,679.19	\$ 1,719.37	\$ 143.28	\$ 266.98	\$ 3,808.82
2044	\$ 1,780.30	\$ 1,618.62	\$ 134.89	\$ 272.32	\$ 3,806.12
2045	\$ 1,890.19	\$ 1,511.80	\$ 125.98	\$ 277.76	\$ 3,805.74
2046	\$ 2,008.88	\$ 1,398.39	\$ 116.53	\$ 283.32	\$ 3,807.12
2047	\$ 2,131.96	\$ 1,277.86	\$ 106.49	\$ 288.98	\$ 3,805.29
2048	\$ 2,263.84	\$ 1,149.94	\$ 95.83	\$ 294.76	\$ 3,804.37
2049	\$ 2,408.90	\$ 1,014.11	\$ 84.51	\$ 300.66	\$ 3,808.17
2050	\$ 2,558.35	\$ 869.58	\$ 72.46	\$ 306.67	\$ 3,807.07
2051	\$ 2,716.60	\$ 716.08	\$ 59.67	\$ 312.81	\$ 3,805.16
2052	\$ 2,888.04	\$ 553.08	\$ 46.09	\$ 319.06	\$ 3,806.27
2053	\$ 3,068.27	\$ 379.80	\$ 31.65	\$ 325.44	\$ 3,805.16
2054	\$ 3,261.68	\$ 195.70	\$ 16.31	\$ 331.95	\$ 3,805.64
Total	\$ 46,147.08	\$ 52,513.25	\$ 4,376.10	\$ 7,356.35	\$ 110,392.78

Footnotes:

[a] Interest on District Bonds is calculated at 6.00% and is subject to change upon final pricing.

[b] 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.

**TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT – BUYER DISCLOSURE –
IMPROVEMENT AREA #3 INITIAL PARCEL**

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 #3 INITIAL PARCEL PRINCIPAL ASSESSMENT:
\$4,123,000.00

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 the ***Trails of Lavon Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City 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 the 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 #3 INITIAL PARCEL

Annual Installment Due 1/31 ^[a]	Principal	Interest ^[b]	Additional Interest	Annual Collection Costs	Annual Installment ^[d]
2026	\$ 67,000.00	\$ 247,380.00	\$ 20,615.00	\$ 17,764.25	\$ 352,759.25
2027	\$ 61,000.00	\$ 243,360.00	\$ 20,280.00	\$ 27,952.98	\$ 352,592.98
2028	\$ 64,000.00	\$ 239,700.00	\$ 19,975.00	\$ 28,512.04	\$ 352,187.04
2029	\$ 68,000.00	\$ 235,860.00	\$ 19,655.00	\$ 29,082.28	\$ 352,597.28
2030	\$ 72,000.00	\$ 231,780.00	\$ 19,315.00	\$ 29,663.92	\$ 352,758.92
2031	\$ 76,000.00	\$ 227,460.00	\$ 18,955.00	\$ 30,257.20	\$ 352,672.20
2032	\$ 80,000.00	\$ 222,900.00	\$ 18,575.00	\$ 30,862.35	\$ 352,337.35
2033	\$ 85,000.00	\$ 218,100.00	\$ 18,175.00	\$ 31,479.59	\$ 352,754.59
2034	\$ 89,000.00	\$ 213,000.00	\$ 17,750.00	\$ 32,109.18	\$ 351,859.18
2035	\$ 95,000.00	\$ 207,660.00	\$ 17,305.00	\$ 32,751.37	\$ 352,716.37
2036	\$ 100,000.00	\$ 201,960.00	\$ 16,830.00	\$ 33,406.40	\$ 352,196.40
2037	\$ 106,000.00	\$ 195,960.00	\$ 16,330.00	\$ 34,074.52	\$ 352,364.52
2038	\$ 112,000.00	\$ 189,600.00	\$ 15,800.00	\$ 34,756.01	\$ 352,156.01
2039	\$ 119,000.00	\$ 182,880.00	\$ 15,240.00	\$ 35,451.13	\$ 352,571.13
2040	\$ 126,000.00	\$ 175,740.00	\$ 14,645.00	\$ 36,160.16	\$ 352,545.16
2041	\$ 133,000.00	\$ 168,180.00	\$ 14,015.00	\$ 36,883.36	\$ 352,078.36
2042	\$ 141,000.00	\$ 160,200.00	\$ 13,350.00	\$ 37,621.03	\$ 352,171.03
2043	\$ 150,000.00	\$ 151,740.00	\$ 12,645.00	\$ 38,373.45	\$ 352,758.45
2044	\$ 158,000.00	\$ 142,740.00	\$ 11,895.00	\$ 39,140.92	\$ 351,775.92
2045	\$ 168,000.00	\$ 133,260.00	\$ 11,105.00	\$ 39,923.74	\$ 352,288.74
2046	\$ 178,000.00	\$ 123,180.00	\$ 10,265.00	\$ 40,722.21	\$ 352,167.21
2047	\$ 189,000.00	\$ 112,500.00	\$ 9,375.00	\$ 41,536.65	\$ 352,411.65
2048	\$ 200,000.00	\$ 101,160.00	\$ 8,430.00	\$ 42,367.39	\$ 351,957.39
2049	\$ 213,000.00	\$ 89,160.00	\$ 7,430.00	\$ 43,214.74	\$ 352,804.74
2050	\$ 225,000.00	\$ 76,380.00	\$ 6,365.00	\$ 44,079.03	\$ 351,824.03
2051	\$ 239,000.00	\$ 62,880.00	\$ 5,240.00	\$ 44,960.61	\$ 352,080.61
2052	\$ 254,000.00	\$ 48,540.00	\$ 4,045.00	\$ 45,859.82	\$ 352,444.82
2053	\$ 269,000.00	\$ 33,300.00	\$ 2,775.00	\$ 46,777.02	\$ 351,852.02
2054	\$ 286,000.00	\$ 17,160.00	\$ 1,430.00	\$ 47,712.56	\$ 352,302.56
Total	\$ 4,123,000.00	\$ 4,653,720.00	\$ 387,810.00	\$ 1,053,455.90	\$ 10,217,985.90

Footnotes:

[a] Annual Installments collected 1/31/2025 on the Improvement Area #3 Reimbursement Obligation shall be used for the 9/15/2025 debt service payment on the District Bonds.

[b] Interest on District Bonds is calculated at 6.00% and is subject to change upon final pricing.

[c] Assumes Reserve Fund is fully funded and available to reduce the Improvement Area #1 Annual Installments at maturity of the District Bonds.

[d] 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

TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT – BUYER DISCLOSURE – IMPROVEMENT AREA #3 - LOT TYPE 5

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 #3 LOT TYPE 5 PRINCIPAL ASSESSMENT: \$35,523.01

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 the ***Trails of Lavon Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City 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 the 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

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§

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

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COUNTY OF _____

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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 #3 LOT TYPE 5

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 572.87	\$ 2,115.18	\$ 176.27	\$ 151.89	\$ 3,016.21
2027	\$ 521.57	\$ 2,080.81	\$ 173.40	\$ 239.01	\$ 3,014.79
2028	\$ 547.22	\$ 2,049.51	\$ 170.79	\$ 243.79	\$ 3,011.32
2029	\$ 581.42	\$ 2,016.68	\$ 168.06	\$ 248.66	\$ 3,014.82
2030	\$ 615.62	\$ 1,981.80	\$ 165.15	\$ 253.64	\$ 3,016.21
2031	\$ 649.83	\$ 1,944.86	\$ 162.07	\$ 258.71	\$ 3,015.46
2032	\$ 684.03	\$ 1,905.87	\$ 158.82	\$ 263.88	\$ 3,012.60
2033	\$ 726.78	\$ 1,864.83	\$ 155.40	\$ 269.16	\$ 3,016.17
2034	\$ 760.98	\$ 1,821.22	\$ 151.77	\$ 274.54	\$ 3,008.51
2035	\$ 812.28	\$ 1,775.56	\$ 147.96	\$ 280.04	\$ 3,015.84
2036	\$ 855.03	\$ 1,726.82	\$ 143.90	\$ 285.64	\$ 3,011.40
2037	\$ 906.34	\$ 1,675.52	\$ 139.63	\$ 291.35	\$ 3,012.83
2038	\$ 957.64	\$ 1,621.14	\$ 135.10	\$ 297.18	\$ 3,011.05
2039	\$ 1,017.49	\$ 1,563.68	\$ 130.31	\$ 303.12	\$ 3,014.60
2040	\$ 1,077.34	\$ 1,502.64	\$ 125.22	\$ 309.18	\$ 3,014.38
2041	\$ 1,137.19	\$ 1,437.99	\$ 119.83	\$ 315.36	\$ 3,010.39
2042	\$ 1,205.60	\$ 1,369.76	\$ 114.15	\$ 321.67	\$ 3,011.18
2043	\$ 1,282.55	\$ 1,297.43	\$ 108.12	\$ 328.11	\$ 3,016.20
2044	\$ 1,350.95	\$ 1,220.47	\$ 101.71	\$ 334.67	\$ 3,007.80
2045	\$ 1,436.46	\$ 1,139.42	\$ 94.95	\$ 341.36	\$ 3,012.19
2046	\$ 1,521.96	\$ 1,053.23	\$ 87.77	\$ 348.19	\$ 3,011.15
2047	\$ 1,616.01	\$ 961.91	\$ 80.16	\$ 355.15	\$ 3,013.24
2048	\$ 1,710.07	\$ 864.95	\$ 72.08	\$ 362.26	\$ 3,009.35
2049	\$ 1,821.22	\$ 762.35	\$ 63.53	\$ 369.50	\$ 3,016.60
2050	\$ 1,923.82	\$ 653.07	\$ 54.42	\$ 376.89	\$ 3,008.21
2051	\$ 2,043.53	\$ 537.64	\$ 44.80	\$ 384.43	\$ 3,010.41
2052	\$ 2,171.78	\$ 415.03	\$ 34.59	\$ 392.12	\$ 3,013.52
2053	\$ 2,300.04	\$ 284.73	\$ 23.73	\$ 399.96	\$ 3,008.45
2054	\$ 2,445.39	\$ 146.72	\$ 12.23	\$ 407.96	\$ 3,012.30
Total	\$ 35,253.01	\$ 39,790.84	\$ 3,315.90	\$ 9,007.40	\$ 87,367.16

Footnotes:

[a] Interest on District Bonds is calculated at 6.00% and is subject to change upon final pricing.

[b] 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.

**TRAILS OF LAVON PUBLIC IMPROVEMENT DISTRICT – BUYER DISCLOSURE –
IMPROVEMENT AREA #3 – LOT TYPE 6**

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 #3 LOT TYPE 6 PRINCIPAL ASSESSMENT: \$45,401.61

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 the ***Trails of Lavon Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City 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 the 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

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§

COUNTY OF _____

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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

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COUNTY OF _____

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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 #3 LOT TYPE 6

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 737.79	\$ 2,724.10	\$ 227.01	\$ 195.62	\$ 3,884.51
2027	\$ 671.72	\$ 2,679.83	\$ 223.32	\$ 307.81	\$ 3,882.68
2028	\$ 704.75	\$ 2,639.53	\$ 219.96	\$ 313.97	\$ 3,878.21
2029	\$ 748.80	\$ 2,597.24	\$ 216.44	\$ 320.25	\$ 3,882.73
2030	\$ 792.85	\$ 2,552.31	\$ 212.69	\$ 326.65	\$ 3,884.51
2031	\$ 836.90	\$ 2,504.74	\$ 208.73	\$ 333.19	\$ 3,883.55
2032	\$ 880.94	\$ 2,454.53	\$ 204.54	\$ 339.85	\$ 3,879.86
2033	\$ 936.00	\$ 2,401.67	\$ 200.14	\$ 346.65	\$ 3,884.46
2034	\$ 980.05	\$ 2,345.51	\$ 195.46	\$ 353.58	\$ 3,874.60
2035	\$ 1,046.12	\$ 2,286.71	\$ 190.56	\$ 360.65	\$ 3,884.04
2036	\$ 1,101.18	\$ 2,223.94	\$ 185.33	\$ 367.86	\$ 3,878.31
2037	\$ 1,167.25	\$ 2,157.87	\$ 179.82	\$ 375.22	\$ 3,880.16
2038	\$ 1,233.32	\$ 2,087.84	\$ 173.99	\$ 382.73	\$ 3,877.87
2039	\$ 1,310.40	\$ 2,013.84	\$ 167.82	\$ 390.38	\$ 3,882.44
2040	\$ 1,387.49	\$ 1,935.21	\$ 161.27	\$ 398.19	\$ 3,882.15
2041	\$ 1,464.57	\$ 1,851.96	\$ 154.33	\$ 406.15	\$ 3,877.01
2042	\$ 1,552.66	\$ 1,764.09	\$ 147.01	\$ 414.27	\$ 3,878.03
2043	\$ 1,651.77	\$ 1,670.93	\$ 139.24	\$ 422.56	\$ 3,884.50
2044	\$ 1,739.86	\$ 1,571.82	\$ 130.99	\$ 431.01	\$ 3,873.68
2045	\$ 1,849.98	\$ 1,467.43	\$ 122.29	\$ 439.63	\$ 3,879.33
2046	\$ 1,960.10	\$ 1,356.43	\$ 113.04	\$ 448.42	\$ 3,877.99
2047	\$ 2,081.23	\$ 1,238.83	\$ 103.24	\$ 457.39	\$ 3,880.68
2048	\$ 2,202.36	\$ 1,113.95	\$ 92.83	\$ 466.54	\$ 3,875.68
2049	\$ 2,345.51	\$ 981.81	\$ 81.82	\$ 475.87	\$ 3,885.01
2050	\$ 2,477.65	\$ 841.08	\$ 70.09	\$ 485.39	\$ 3,874.21
2051	\$ 2,631.82	\$ 692.42	\$ 57.70	\$ 495.10	\$ 3,877.04
2052	\$ 2,796.99	\$ 534.51	\$ 44.54	\$ 505.00	\$ 3,881.05
2053	\$ 2,962.17	\$ 366.69	\$ 30.56	\$ 515.10	\$ 3,874.52
2054	\$ 3,149.37	\$ 188.96	\$ 15.75	\$ 525.40	\$ 3,879.48
Total	\$ 45,401.61	\$ 51,245.78	\$ 4,270.48	\$ 11,600.43	\$ 112,518.31

Footnotes:

[a] Interest on District Bonds is calculated at 6.00% and is subject to change upon final pricing.

[b] 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.