AGENDA
CITY COUNCIL MEETING
JULY 14, 2026
1371 WEST FM 550 - McLENDON-CHISHOLM, TEXAS 75032 6:30 PM

1. CALL TO ORDER

2. INVOCATION AND PLEDGE

3. RULES OF DECORUM

4. PRESENTATION

   4.1. Rockwall Historical Society will make a presentation to the City of McLendon-Chisholm.

5. PUBLIC HEARING

   5.1. Conduct a public hearing and consider the adoption of an ordinance accepting and approving a service and assessment plan and assessment rolls for Sonoma Verde North Public Improvement District, levying special assessments against certain property in Zone A Improvement Area #1 and Zone B Improvement Area #1 of the District and making certain findings and determinations relating to the District

6. CITIZEN COMMENTS

7. CONSENT AGENDA

   7.1. Consider approval of the minutes from the June 23, 2026 City Council Meeting

   7.2. Consider appointing the following members to the Planning and Zoning Commission: Chris Freeze , Adam Bailey and Jaxson Fox as regular members and Diana Lambert as alternate.

   7.3. Consider approving the following appointments to the Board of Adjustments: Melody Osorio and Stanley Brothers as regular members.

8. ITEMS FOR DISCUSSION

   The City Council for the City of McLendon-Chisholm, Texas, reserves the right to convene into executive session at any time during the course of this meeting to discuss any of the matters listed, as authorized by Texas Government Code, Chapter 551,§551.071 - Consultation with attorney

   8.1. Review and discuss the proposed standardized Development Agreement

templates for use in future development projects.

8.2. Discuss and consider the adoption of an ordinance accepting and approving a service and assessment plan and assessment rolls for Sonoma Verde North Public Improvement District, levying special assessments against certain property in Zone A Improvement Area #1 and Zone B Improvement Area #1 of the District and making certain findings and determinations relating to the District

8.3. Discuss and consider the adoption of an ordinance approving the issuance and sale of "City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects)" and approving various documents related to such bonds

8.4. Discuss and consider the adoption of a resolution accepting a petition requesting annexation by the landowners, Pulte Homes of Texas, L.P and DRP TX 6, LLC of approximately 208.787 acres of land located in the City's extraterritorial jurisdiction, setting a public hearing for July 28, 2026, authorizing publication and notice of the public hearing as required by law, authorizing negotiation of a written services agreement, and providing an effective date.

8.5. Discuss and consider an ordinance amending Chapter 12, “Traffic and Vehicles,” of the Code of Ordinances by adding Section 12-01-007 “Restrictions on commercial vehicles and designation of truck routes”; prohibiting commercial vehicles from utilizing certain streets and roads within the city limits; designating truck routes; and providing exceptions.

9. EXECUTIVE SESSION

10. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS

The City Council will have an opportunity to address items of community interest including: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the City of McLendon-Chisholm; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the City of McLendon-Chisholm that was attended or is scheduled to be attended by a member of the City Council or an official or employee of the City of McLendon-Chisholm; and announcements involving an imminent threat to the public health and safety of people in the City of McLendon-Chisholm that has arisen after posting the agenda.

11. ADJOURN

I, Angela Jennings, do hereby certify that the above Notice of Meeting of the City Council of McLendon-Chisholm, Texas was posted or before 5:00 p.m., July 7, 2026 on the outside bulletin board at City Hall, a place convenient and readily accessible to the public at all times.

City of McLendon-Chisholm

Staff Report

Date: June 14, 2026

Agenda Item: Review and discuss the proposed standardized Development Agreement templates for use in future development projects.

Background:

The purpose of these templates is to establish a comprehensive and consistent baseline for future negotiations while protecting the City's long-term interests, ensuring quality development, promoting transparency, operational standards, and ongoing compliance requirements.

While the templates establish a standard framework, they are intended to serve as a starting point for future negotiations. Individual development agreements may be modified as appropriate to address the unique circumstances of a particular development, subject to City Council approval.

This item is presented for workshop discussion only. Staff requests that the City Council review the proposed standardized Development Agreement templates, provide policy direction and feedback on the overall framework and provisions, and identify any revisions or additional provisions the Council would like incorporated prior to implementation.

City Council will receive a presentation from the City’s planning consultant, Verdunity.

City of McLendon-Chisholm

Staff Report

Date: July 14, 2026

Agenda Item: Discuss and consider the adoption of an ordinance accepting and approving a service and assessment plan and assessment rolls for Sonoma Verde North Public Improvement District, levying special assessments against certain property in Zone A Improvement Area #1 and Zone B Improvement Area #1 of the District and making certain findings and determinations relating to the District.

Background:

On April 22, 2025, the City Council established the Sonoma Verde North Public Improvement District (PID) pursuant to Chapter 372 of the Texas Local Government Code to finance eligible public infrastructure improvements associated with the Sonoma Verde North development.

At its June 23, 2026 meeting, the City Council approved the Preliminary Service and Assessment Plan and Preliminary Assessment Rolls for Zone A Improvement Area #1 and Zone B Improvement Area #1 and called a public hearing for July 14, 2026, to receive public comments regarding the proposed assessments. Required notices were published and mailed to affected property owners in accordance with Chapter 372 of the Texas Local Government Code.

Following the public hearing, City Council may consider adopting the attached ordinance to finalize the Service and Assessment Plan and Assessment Rolls for Zone A Improvement Area #1 and Zone B Improvement Area #1. Approval of the ordinance will levy the special assessments on the benefitted properties, establish assessment liens, and authorize the collection of those assessments to help fund the public improvements identified in the Service and Assessment Plan, in accordance with Chapter 372 of the Texas Local Government Code.

Fiscal Impact:

The proposed assessments will be paid by property owners within the PID and are not expected to have a direct financial impact on the City's General Fund.

Options/Alternatives:

1. City Council may approve the Ordinance, as presented.
2. City Council may deny the Ordinance.

Recommendation:

Staff recommends approval of the Ordinance, as presented.

Attachments:

- Ordinance
- Exhibit A – Sonoma Verde North Public Improvement District Service and Assessment Plan

Presenter: Fabrice Kabona, City Manager

ORDINANCE NO. 2026-___

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, ACCEPTING AND APPROVING THE SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT SERVICE AND ASSESSMENT PLAN AND THE ZONE A IMPROVEMENT AREA #1 ASSESSMENT ROLL AND ZONE B IMPROVEMENT AREA #1 ASSESSMENT ROLL FOR THE SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO CERTAIN PROPERTY IN ZONE A IMPROVEMENT AREA #1 AND ZONE B IMPROVEMENT AREA #1; LEVYING SPECIAL ASSESSMENTS AGAINST CERTAIN PROPERTY WITHIN ZONE A IMPROVEMENT AREA #1 AND ZONE B IMPROVEMENT AREA #1 AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "Act"), authorizes the City Council (the "Council") of the City of McLendon-Chisholm, Texas (the "City"), to create a public improvement district within the City and within the extraterritorial jurisdiction of the City; and

WHEREAS, on April 22, 2025, the Council approved Resolution No. 2025-06 authorizing, establishing and creating the Sonoma Verde North Public Improvement District (the "District"); and

WHEREAS, on June 23, 2026, the Council adopted a resolution (i) determining the total costs of certain authorized public improvements to be undertaken in Zone A Improvement Area #1and Zone B Improvement Area #1, (ii) approving a preliminary service and assessment plan, including proposed Assessment Rolls (defined below), and (iii) directing the City Secretary of the City (the "City Secretary") to publish and mail notice of a public hearing (the "Assessment Hearing") to consider an ordinance levying assessments (the "Zone A Improvement Area #1 Assessment" and "Zone B Improvement Area #1 Assessment", respectively, and collectively, the "Assessments") on certain benefitted property within Zone A Improvement Area #1 and Zone B Improvement Area #1 (the "Zone A Improvement Area #1 Assessed Property" and "Zone B Improvement Area #1 Assessed Property", respectively, and collectively, the "Assessed Property"); and

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

WHEREAS, the City Secretary (i) published notice of the Assessment Hearing on June __, 2026 in _____, which is a newspaper of general circulation in the City and in the extraterritorial jurisdiction of the City in which the District is located, pursuant to Section 372.016(b) of the Act, and (ii) mailed notice of the Assessment Hearing to the last known

address of the owners of the property liable for the Assessments on June __, 2026, pursuant to Section 372.016(c) of the Act; and

WHEREAS, the Council convened the Assessment Hearing on July 14, 2026, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Assessment Rolls and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the costs of the authorized public improvements to be undertaken for the benefit of certain property within Zone A Improvement Area #1 and Zone B Improvement Area #1 (the "Zone A Improvement Area #1 Authorized Improvements" and "Zone B Improvement Area #1 Authorized Improvements", respectively, and collectively, the "Authorized Improvements"), the purposes of the Assessments, the special benefits of the Authorized Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the Council finds and determines that (i) the Assessment Rolls and the Sonoma Verde North Public Improvement District Service and Assessment Plan (the "Service and Assessment Plan"), attached hereto as **Exhibit A** and incorporated as a part of this Ordinance for all purposes, should be approved, and (ii) the Assessments should be levied as provided in this Ordinance and in the Service and Assessment Plan, including the Assessment Rolls attached thereto as Exhibits F-1 and G-1 (individually, the "Zone A Improvement Area #1 Assessment Roll" and "Zone B Improvement Area #1 Assessment Roll", and collectively, the "Assessment Rolls"); and

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

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

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and 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 MCLENDON-CHISHOLM, TEXAS:

Section 1. **Terms**. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Service and Assessment Plan.

Section 2. **Findings**. The Council hereby finds, determines and ordains, as follows:

(a) The recitals set forth in the WHEREAS clauses of this Ordinance are true

and correct and are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section and constitute findings of the Council acting in its discretionary, legislative capacity.

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

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

(d) The Service and Assessment Plan covers a period of at least five years and defines the annual indebtedness and projected costs for the Authorized Improvements.

(e) The Service and Assessment Plan apportions the costs of the (i) Zone A Improvement Area #1 Authorized Improvements to be assessed against the Zone A Improvement Area #1 Assessed Property and (ii) Zone B Improvement Area #1 Authorized Improvements to be assessed against the Zone B Improvement Area #1 Assessed Property, and such apportionment is made on the basis of special benefits accruing to such property because of the Zone A Improvement Area #1 Authorized Improvements and the Zone B Improvement Area #1 Authorized Improvements, respectively.

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

(g) All of the Zone B Improvement Area #1 Assessed Property being assessed in the amounts shown on the Zone B Improvement Area #1 Assessment Roll will be benefitted by the Zone B Improvement Area #1 Authorized Improvements as described in the Service and Assessment Plan, and each assessed Parcel of Zone B Improvement Area #1 Assessed Property will receive special benefits equal to or greater than the total amount assessed for the Zone B Improvement Area #1 Authorized Improvements.

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

formula for the apportionment of the costs.

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

(j) The Assessment Rolls should be approved as the assessment rolls for the Assessed Property.

(k) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Assessments, interest on the Annual Installments, interest and penalties on delinquent Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Assessments should be approved and will expedite collection of the Assessments in a timely manner in order to provide the services and improvements needed and required for the area within Zone A Improvement Area #1 and Zone B Improvement Area #1.

Section 3. **Service and Assessment Plan**. The Service and Assessment Plan is hereby accepted and approved as the service plan and the assessment plan for the District. The Service and Assessment Plan shall be updated by the Council no less frequently than annually as required by the Act and more frequently as may be required by the Service and Assessment Plan or as deemed necessary or appropriate by the City.

Section 4. **Assessment Rolls**. The Assessment Rolls are hereby accepted and approved pursuant to Section 372.016 of the Act as the assessment rolls for the Assessed Property for all purposes.

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

(a) The Council hereby levies the Assessments on each Assessed Property, as shown and described in the Service and Assessment Plan and the Assessment Rolls, in the respective amounts shown in the Service and Assessment Plan, as special assessments as set forth in the Assessment Rolls.

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

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

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

(e) The Annual Installments shall be collected each year in the manner set forth in the Service and Assessment Plan.

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

Section 6. **Method of Assessment**. The method of apportioning the costs of the Authorized Improvements and Annual Collection Costs is set forth in the Service and Assessment Plan.

Section 7. **Penalties and Interest on Delinquent Assessments**. Delinquent Assessments shall be subject to the penalties, interest, procedures and foreclosure sales set forth in the Service and Assessment Plan and as allowed by law.

Section 8. **Prepayments of Assessments**. As provided in the Service and Assessment Plan, the owner of any Assessed Property may prepay the Assessments levied by this Ordinance.

Section 9. **Lien Priority**. The Council and the owners of the Assessed Property intend for the obligations, covenants and burdens on the Assessed Property, including without limitation such landowners' obligations related to payment of the Assessments and Annual Installments, to constitute covenants that shall run with the land. The Assessments and the Annual Installments which are levied hereby shall be binding upon the owners of the Assessed Property, and their respective transferees, legal representatives, heirs, devisees, successors and assigns, regardless of whether such owners are named, in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Assessments shall have lien priority as specified in the Service and Assessment Plan and the Act.

Section 10. **Applicability of Tax Code**. To the extent not inconsistent with this Ordinance, and not inconsistent with the Act or any other laws governing public improvement districts, the provisions of the Texas Tax Code, as amended, shall be applicable to the imposition and collection of Assessments by the City.

Section 11. **Filing in Land Records; Posting on City Website; Filing with Appraisal District**.

(a) The City Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan, to be recorded in the real property records of Rockwall County, Texas, on or before July 21, 2026. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the Council, with each such filing to occur within seven (7) days of the date each respective Annual Service Plan Update is approved.

(b) The City Secretary is directed to cause a copy of the Service and Assessment Plan to be posted on the City's Internet website on or before July 21, 2026. The City Secretary is further directed to similarly post each Annual Service Plan Update approved by the Council, with each such posting to occur within seven (7) days of the date each respective Annual Service Plan Update is approved.

(c) The City Secretary is directed to cause a copy of the Assessment Rolls to be submitted to the Rockwall Central Appraisal District in an electronic format on or before July 21, 2026.

Section 12. **Severability**. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity or any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

Section 13. **Effective Date**. This Ordinance shall take effect, and the levy of the Assessments and the provisions and terms of the Service and Assessment Plan, shall be and become effective upon the adoption hereof.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, THIS THE 14TH DAY OF JULY, 2026.

CITY OF MCLENDON-CHISHOLM, TEXAS

_____
Mayor
City of McLendon-Chisholm, Texas

ATTEST:

_____
City Secretary
City of McLendon-Chisholm, Texas

(City Seal)

STATE OF TEXAS §
§
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on the ___ day of July, 2026 by Jerry Brewer and Angela Jennings, the Mayor and City Secretary, respectively, of the City of McLendon-Chisholm, Texas on behalf of said City.

_____
Notary Public, State of Texas

(Notary Seal)

Exhibit A

Service and Assessment Plan

Sonoma Verde North Public Improvement District

SERVICE AND ASSESSMENT PLAN

JULY 14, 2026

AUSTIN, TX | NORTH RICHLAND HILLS, TX | HOUSTON, TX

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INTRODUCTION

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

On April 22, 2025, the City Council passed and approved Resolution No. 2025-06 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 314.7 acres located partially within the corporate limits of the City and partially within the extraterritorial jurisdiction of the City, as described by the legal description on **Exhibit K-1** and depicted on **Exhibit A-1.**

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

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

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

SECTION I: DEFINITIONS

"2026 Assessment Ordinance" means the Ordinance No. _____ approved and adopted by the City Council on July 14, 2026, which levied the Zone A Improvement Area #1 Assessment against Zone A Improvement Area #1 Assessed Property, levied the Zone B Improvement Area #1 Assessment against Zone B Improvement Area #1 Assessed Property, and approved this Service and Assessment Plan.

"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 and including, without limitation, any such costs initially paid or incurred by or on behalf of a land banker for the Developer), 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, 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 Service and Assessment Plan, any Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and

other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this Service and Assessment Plan, the PID Act, and any Indenture, with respect to the PID Bonds, including the City's continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

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

"Apportioned Property" means any Parcel within the District against which the costs of the Authorized Improvements are apportioned based on special conferred benefit and against which an Assessment is anticipated to be levied, but not yet levied.

"Apportionment of Costs" means an amount allocated by this Service and Assessment Plan to a Parcel within the District for future Authorized Improvement costs subject to a future levy of Assessments by the City and also subject to reallocation or reduction according to the provisions herein and in the PID Act.

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

"Assessment" means an assessment levied against a Parcel of Assessed Property to pay the costs of certain Authorized Improvements as specified herein, which Assessment is imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

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

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

"Assessment Roll" means any assessment roll for the Assessed Property, including the Zone A Improvement Area #1 Assessment Roll and the Zone B Improvement Area #1 Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including in any Annual Service Plan Update. The Zone A Improvement Area #1 Assessment Roll and Zone B Improvement Area #1 Assessment Roll are included in this Service and Assessment Plan as **Exhibit F-1** and **Exhibit G-1**, respectively.

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

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

"City" means the City of McLendon-Chisholm, Texas.

"**City Council**" means the governing body of the City.

"County" means Rockwall County, Texas.

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

"Developer" means Pulte Homes of Texas, L.P. 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 Sonoma Verde North Public Improvement District containing approximately 314.7 acres currently located partially within the corporate limits and partially within the extraterritorial jurisdiction of the City, and more specifically described in **Exhibit K-1** and depicted on **Exhibit A-1**. Annexation will occur on a phase-by-phase basis following levy of Assessments for the applicable phase and the issuance of PID Bonds to finance the Authorized Improvements serving that phase.

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

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

"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 Type within Zone A Improvement Area #1 generally marketed to homebuilders as a 50' lot. The buyer disclosure for Lot Type 1 is attached as **Appendix B.**

"Lot Type 2" means a Lot Type within Zone A Improvement Area #1 generally marketed to homebuilders as a 65' lot. The buyer disclosure for Lot Type 2 is attached as **Appendix B.**

"Lot Type 3" means a Lot Type within Zone B Improvement Area #1 generally marketed to homebuilders as a 60' lot. The buyer disclosure for Lot Type 3 is attached as **Appendix B.**

"Major Improvements" means those Authorized Improvements that confer a special benefit to the Zone A Remainder Area Apportioned Property and all of the Assessed Property within the District, as further described in **Section III.A** and depicted on **Exhibit H-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-Benefited Property" means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

"Notice of Assessment Termination" means a document that shall be recorded in the official public records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit I.**

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

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

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

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

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

"Private Improvements" means improvements required to be constructed, or caused to be constructed, by the Developer that are not Authorized Improvements. Costs of the Private Improvements will not be paid nor reimbursed from the proceeds of PID Bonds or otherwise from revenues received from the collection of Annual Installments.

"Series 2026 Bonds" means those certain "City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone

A Improvement Area #1 and Zone B Improvement Area #1 Projects)" that are secured by Zone A Improvement Area #1 Assessments and Zone B Improvement Area #1 Assessments.

"Service and Assessment Plan" means this Sonoma Verde North Public Improvement District Service and Assessment Plan as updated, amended, or supplemented from time to time.

"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.

"Zone A" means approximately 279.662 acres located within the District, as more specifically described on **Exhibit K-2** and depicted on **Exhibit A-2.**

"Zone A Improvement Area #1" means approximately 173.723 acres located within the District, as more specifically described in **Exhibit K-3** and depicted on **Exhibit A-3.**

"Zone A Improvement Area #1 Annual Installment" means the Annual Installment of the Zone A 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 Zone A Improvement Area #1; and (4) Additional Interest related to the Series 2026 Bonds, as shown on **Exhibit F-2.**

"Zone A Improvement Area #1 Assessed Property" means any Parcel within Zone A Improvement Area #1 against which a Zone A Improvement Area #1 Assessment is levied.

"Zone A Improvement Area #1 Assessment" means an Assessment levied against a Parcel of Zone A Improvement Area #1 Assessed Property to pay for a portion of the Actual Costs of the Zone A Improvement Area #1 Authorized Improvements, and imposed pursuant to the 2026 Assessment Ordinance and the provisions herein, as shown on the Zone A 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.

"Zone A Improvement Area #1 Assessment Roll" means the Assessment Roll for the Zone A 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 Zone A Improvement Area #1 Assessment Roll is included in this Service and Assessment Plan as **Exhibit F-1**.

"Zone A Improvement Area #1 Authorized Improvements" means collectively, (1) the pro rata portion of the Major Improvements allocable to Zone A Improvement Area #1; (2) the pro rata

portion of the Zone A Improvements allocable to Zone A Improvement Area #1; (3) the Zone A Improvement Area #1 Improvements; (4) Zone A Improvement Area #1's allocable share of the first year's Annual Collection Costs related to the Series 2026 Bonds; and (5) Zone A Improvement Area #1's allocable share of the Bond Issuance Costs incurred in connection with the issuance of the Series 2026 Bonds.

"Zone A Improvement Area #1 Improvements" means the Authorized Improvements which only benefit the Zone A Improvement Area #1 Assessed Property, as further described in **Section III.C** and depicted on **Exhibit H-3.**

"Zone A Improvement Area #1 Initial Parcel" means all of the Zone A Improvement Area #1 Assessed Property against which the entire Zone A Improvement Area #1 Assessment will be levied by the adoption of the 2026 Assessment Ordinance, as shown on the Zone A Improvement Area #1 Assessment Roll.

"Zone A Improvements" means those Authorized Improvements that confer a special benefit to the Zone A Remainder Area Apportioned Property and the Zone A Improvement Area #1 Assessed Property as further described in **Section III.B** and depicted on **Exhibit H-2.**

"Zone A Remainder Area" means approximately 105.939 acres located within the Zone A and entirely outside of Zone A Improvement Area #1, to be developed as one or more future improvement areas.

"Zone A Remainder Area Apportioned Property" means any Parcel within the Zone A Remainder Area against which a portion of the Actual Costs of the Zone A Improvements and Major Improvements are apportioned based on special conferred benefit, and against which an Assessment is expected to be levied, but not yet levied.

"Zone A Remainder Area Apportionment of Costs" means an Apportionment of Costs against a Parcel within the Zone A Remainder Area for the Major Improvements and Zone A Improvements allocable to the Zone A Remainder Area, as shown on **Exhibit B-2**, subject to reallocation or reduction according to the provisions herein and in the PID Act.

"Zone B Improvement Area #1" means approximately 35.064 acres located within the District, as more specifically described in **Exhibit K-4** and depicted on **Exhibit A-4.**

"Zone B Improvement Area #1 Annual Installment" means the Annual Installment of the Zone B 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 Zone B Improvement Area #1; and (4) Additional Interest related to the Series 2026 Bonds, as shown on **Exhibit G-2.**

"Zone B Improvement Area #1 Assessed Property" means any Parcel within Zone B Improvement Area #1 against which a Zone B Improvement Area #1 Assessment is levied.

"Zone B Improvement Area #1 Assessment" means an Assessment levied against a Parcel of Zone B Improvement Area #1 Assessed Property to pay for a portion of the Actual Costs of the Zone B Improvement Area #1 Authorized Improvements, and imposed pursuant to the 2026 Assessment Ordinance and the provisions herein, as shown on the Zone B 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.

"Zone B Improvement Area #1 Assessment Roll" means the Assessment Roll for the Zone B 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 Zone B Improvement Area #1 Assessment Roll is included in this Service and Assessment Plan as **Exhibit G-1**.

"Zone B Improvement Area #1 Authorized Improvements" means collectively, (1) the pro rata portion of the Major Improvements allocable to Zone B Improvement Area #1; (2) the Zone B Improvement Area #1 Improvements; (3) Zone B Improvement Area #1's allocable share of the first year's Annual Collection Costs related to the Series 2026 Bonds; and (4) Zone B Improvement Area #1's allocable share of the Bond Issuance Costs incurred in connection with the issuance of the Series 2026 Bonds.

"Zone B Improvement Area #1 Improvements" means the Authorized Improvements which only benefit the Zone B Improvement Area #1 Assessed Property, as further described in **Section III.D** and depicted on **Exhibit H-3.**

"Zone B Improvement Area #1 Initial Parcel" means all of the Zone B Improvement Area #1 Assessed Property against which the entire Zone B Improvement Area #1 Assessment will be levied by the adoption of the 2026 Assessment Ordinance, as shown on the Zone B Improvement Area #1 Assessment Roll.

SECTION II: THE DISTRICT

The District includes approximately 314.7 contiguous acres located partially within the corporate limits of the City and partially within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described on **Exhibit K-1** and depicted on **Exhibit A-1.** Annexation will occur on a phase-by-phase basis following the levy of Assessments for the applicable phase and issuance of PID Bonds to finance the Authorized Improvements serving that phase. Development of the District is anticipated to include approximately 690 Lots developed with single-family homes.

Zone A Improvement Area #1 includes approximately 173.723 contiguous acres located partially within the corporate limits of the City and partially within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described on **Exhibit K-3** and depicted on **Exhibit A-3**. Development of Zone A Improvement Area #1 is anticipated to include approximately 235 Lots developed with single-family homes (167 single-family homes that are on Lots classified as Lot Type 1 and 68 single-family homes that are on Lots classified as Lot Type 2).

Zone B Improvement Area #1 includes approximately 35.064 contiguous acres located wholly within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described on **Exhibit K-4** and depicted on **Exhibit A-4**. Development of Zone B Improvement Area #1 is anticipated to include approximately 121 Lots developed with single-family homes (121 single-family homes that are on Lots classified as Lot Type 3)

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information in the Engineer's Report provided by the Developer and their engineers and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property and the Apportioned Property. Authorized Improvements will be designed and constructed in accordance with the City's standards, regulations, requirements, and specifications and will be owned and operated by the City. The budget for the Authorized Improvements is shown on **Exhibit B-1**. The Apportionment of Costs is shown on **Exhibit B-2**.

A. Major Improvements

- *Streets*

  Improvements to Edwards Road from the western property line to League Road (including the intersection with League Road) and Benedetto Way (extension from existing Sonoma

Verde to the newly realigned Edwards Road). These improvements include subgrade stabilization, concrete and reinforcing steel for roadways, testing, and handicapped ramps. The street improvements will provide benefit to each Lot within the District.

- *Right-of-Way*

  Improvements include right-of-way acquisition required to provide street improvements for all lots within the District. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included.

- *Sewer*

  Improvements include the extension of a gravity sewer main from Edwards Road through the existing Sonoma Verde development to the existing Sonoma Verde Lift Station and upgrades to the force main system (parallel force main, meter installation, etc.) from the existing Sonoma Verde Lift Station. These improvements include trench excavation and embedment, trench safety, PVC piping, lift station upgrades, pump upgrades, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District.

- *Storm Drainage*

  The improvements include the required storm drainage along the Edwards Road and Benedetto Way extensions as well as the removal/replacement of the existing culverts at the Berry Creek and Hackberry Creek crossings with Edwards Road. The improvements include earthen channels/grade to drains, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within the District.

- *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, legal fees, and consultant fees.

B. Zone A Improvements

- *Streets*

  Improvements including subgrade stabilization, concrete and reinforcing steel for

roadways, testing, and handicapped ramps. The street improvements will provide benefit to each Lot within Zone A.

- *Right-of-Way*

  Improvements include right-of-way acquisition required to provide street improvements for all lots within Zone A. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included.

- *Sewer*

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

C. Zone A Improvement Area #1 Improvements

- *Streets*

  Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, and handicapped ramps. The street improvements will provide benefit to each Lot within Zone A Improvement Area #1.

- *Right-of-Way*

  Improvements include right-of-way acquisition required to provide street improvements for all lots within Zone A Improvement Area #1. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included.

- *Sewer*

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

- *Storm Drainage*

  Improvements including earthen channels, valley storage, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary

appurtenances required to provide storm drainage for all Lots within Zone A Improvement Area #1.

- *Soft Costs*

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

D. Zone B Improvement Area #1 Improvements

- *Streets*

  Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, and handicapped ramps. The street improvements will provide benefit to each Lot within Zone B Improvement Area #1.

- *Right-of-Way*

  Improvements include right-of-way acquisition required to provide street improvements for all lots within Zone B Improvement Area #1. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included.

- *Sewer*

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

- *Storm Drainage*

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

- *Soft Costs*

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

E. Bond Issuance Costs

- *Debt Service Reserve Fund*

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

- *Capitalized Interest*

  Equals the amount required to be deposited for the purpose of paying capitalized interest on a series of PID Bonds under an applicable Indenture in connection with the issuance of such 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, including the fee of counsel to the underwriter.

- *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

- *Deposit to Administrative Fund*

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

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan 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 D** summarizes the initial Service Plan for the District. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosure for the District. The buyer disclosures are attached hereto as **Appendix B.**

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements and Private Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property and Apportioned 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 reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

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

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

A. Assessment Methodology

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

- The costs of the Major Improvements shall be allocated to Zone A Improvement Area #1 and Zone B Improvement Area #1 and apportioned to the Zone A Remainder Area based on Estimated Buildout Value of each Parcel of Apportioned Property or Assessed Property to the Estimated Buildout Value of the District. Currently, Zone A Improvement Area #1 is allocated 34.57% of the Major Improvements costs, Zone B Improvement Area #1 is

allocated 15.00% of the Major Improvements costs, and Zone A Remainder Area is apportioned 50.43% of the Major Improvements costs. Zone A Improvement Area #1, Zone B Improvement Area #1, and Zone A Remainder Area's shares of the Major Improvements costs are illustrated in **Exhibit B-2.**

- The costs of the Zone A Improvements shall be allocated to Zone A Improvement Area #1 and apportioned to the Zone A Remainder Area based upon Estimated Buildout Value of each Parcel of Apportioned Property or Assessed Property to the Estimated Buildout Value of Zone A. Currently, Zone A Improvement Area #1 is allocated 40.67% of the Zone A Improvements costs and Zone A Remainder Area is apportioned 59.33% of the Zone A Improvements costs. Zone A Improvement Area #1 and Zone A Remainder Area's shares of the Zone A Improvements costs are illustrated in **Exhibit B-2.**

- Upon the adoption of the 2026 Assessment Ordinance, the costs of the Zone A Improvement Area #1 Authorized Improvements will be allocated to each Parcel of Assessed Property within Zone A Improvement Area #1 based on the ratio of the Estimated Buildout Value of each Parcel designated as Zone A Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Zone A Improvement Area #1 Assessed Property. The Zone A Improvement Area #1 Initial Parcel is the only Parcel within Zone A Improvement Area #1, and as such, the Zone A Improvement Area #1 Initial Parcel is allocated 100% of the Zone A Improvement Area #1 Authorized Improvements.

- Upon the adoption of the 2026 Assessment Ordinance, the costs of the Zone B Improvement Area #1 Authorized Improvements will be allocated to each Parcel of Assessed Property within Zone B Improvement Area #1 based on the ratio of the Estimated Buildout Value of each Parcel designated as Zone B Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Zone B Improvement Area #1 Assessed Property. The Zone B Improvement Area #1 Initial Parcel is the only Parcel within Zone B Improvement Area #1, and as such, the Zone B Improvement Area #1 Initial Parcel is allocated 100% of the Zone B Improvement Area #1 Authorized Improvements.

B. Assessments

The Zone A Improvement Area #1 Assessment will be levied on the Zone A Improvement Area #1 Assessed Property in the amount shown on the Zone A Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F-1**. The projected Zone A Improvement Area #1 Annual Installments are shown on **Exhibit F-2**, subject to revisions made during any Annual Service Plan Update. Upon

division, subdivision, or consolidation of the Zone A Improvement Area #1 Initial Parcel, the Zone A Improvement Area #1 Assessment will be reallocated pursuant to **Section VI**.

The Zone B Improvement Area #1 Assessment will be levied on the Zone B Improvement Area #1 Assessed Property in the amount shown on the Zone B Improvement Area #1 Assessment Roll, attached hereto as **Exhibit G-1**. The projected Zone B Improvement Area #1 Annual Installments are shown on **Exhibit G-2**, subject to revisions made during any Annual Service Plan Update. Upon division, subdivision or consolidation of the Zone B Improvement Area #1 Initial Parcel, the Zone B Improvement Area #1 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, and Lot Type 3, respectively, exceed the corresponding Maximum Assessment for each Lot Type classification.

C. Findings of Special Benefit

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

- *Zone A Improvement Area #1*
    - The costs of the Zone A Improvement Area #1 Authorized Improvements equal $19,381,279 as shown on **Exhibit B-1**;
    - The Zone A Improvement Area #1 Assessed Property receives special benefit from the Zone A Improvement Area #1 Authorized Improvements equal to or greater than the Actual Cost of the Zone A Improvement Area #1 Authorized Improvements;
    - Upon the adoption of the 2026 Assessment Ordinance, the Zone A Improvement Area #1 Initial Parcel will be allocated 100% of the Zone A Improvement Area #1 Assessment levied for the Zone A Improvement Area #1 Authorized Improvements, which equals $13,144,000 as shown on the Zone A Improvement Area #1 Assessment Roll attached hereto as **Exhibit F-1**;
    - The special benefit (≥$19,381,279) received by the Zone A Improvement Area #1 Initial Parcel from the Zone A Improvement Area #1 Authorized Improvements is equal to or greater than the amount of the Zone A Improvement Area #1 Assessment ($13,144,000) levied on the Zone A Improvement Area #1 Initial Parcel for the Zone A Improvement Area #1 Authorized Improvements; and

- At the time the City Council adopts the 2026 Assessment Ordinance, DRP TX 6, LLC will own 100% of the Zone A Improvement Area #1 Assessed Property, and prior to or concurrently with the adoption of the 2026 Assessment Ordinance, DRP TX 6, LLC will acknowledge that the Zone A Improvement Area #1 Authorized Improvements confer a special benefit on the Zone A Improvement Area #1 Assessed Property and will consent to the imposition of the Zone A Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. In addition, prior to or concurrently with the adoption of the 2026 Assessment Ordinance, DRP TX 6, LLC will ratify, confirm, agree to, and approve: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2026 Assessment Ordinance; (2) this Service and Assessment Plan and the 2026 Assessment Ordinance; and (3) the levying of the Zone A Improvement Area #1 Assessment on the Zone A Improvement Area #1 Assessed Property.

- *Zone B Improvement Area #1*

  - The costs of the Zone B Improvement Area #1 Authorized Improvements equal $9,137,103 as shown on **Exhibit B-1**;

  - The Zone B Improvement Area #1 Assessed Property receives special benefit from the Zone B Improvement Area #1 Authorized Improvements equal to or greater than the Actual Cost of the Zone B Improvement Area #1 Authorized Improvements;

  - By the adoption of the 2026 Assessment Ordinance, the Zone B Improvement Area #1 Initial Parcel is allocated 100% of the Zone B Improvement Area #1 Assessment levied for the Zone B Improvement Area #1 Authorized Improvements, which equals $4,826,000 as shown on the Zone B Improvement Area #1 Assessment Roll attached hereto as **Exhibit G-1**;

  - The special benefit (≥$9,137,103) received by the Zone B Improvement Area #1 Initial Parcel from the Zone B Improvement Area #1 Authorized Improvements is equal to or greater than the amount of the Zone B Improvement Area #1 Assessment ($4,826,000) levied on the Zone B Improvement Area #1 Initial Parcel for the Zone B Improvement Area #1 Authorized Improvements; and

  - At the time the City Council adopts the 2026 Assessment Ordinance, the Developer will own 100% of the Zone B Improvement Area #1 Initial Parcel, and prior to or concurrently with the adoption of the 2026 Assessment Ordinance, the Developer will acknowledge that the Zone B Improvement Area #1 Authorized

Improvements confer a special benefit on the Zone B Improvement Area #1 Initial Parcel and will consent to the imposition of the Zone B Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. In addition, prior to or concurrently with the adoption of the 2026 Assessment Ordinance, the Developer will ratify, confirm, accept, agree to, and approve: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2026 Assessment Ordinance; (2) this Service and Assessment Plan and the 2026 Assessment Ordinance; and (3) the levying of the Zone B Improvement Area #1 Assessment on the Zone B Improvement Area #1 Initial Parcel.

- *Zone A Remainder Area*
  - The costs of the Major Improvements and Zone A Improvements allocable to the Zone A Remainder Area equal $6,150,311 as shown on **Exhibit B-2**; and
  - The Zone A Remainder Area receives special benefit from the Major Improvements and Zone A Improvements equal to or greater than the Actual Cost of such improvements allocable to the Zone A Remainder Area Apportioned Property; and
  - By the approval of this Service and Assessment Plan by the City Council, the Zone A Remainder Area Apportioned Property is apportioned 50.43% of the Major Improvements, which equals $5,039,763 as shown on **Exhibit B-2**, of which all or a portion is anticipated to be levied at a later date; and
  - By the approval of this Service and Assessment Plan by the City Council, the Zone A Remainder Area Apportioned Property is apportioned 59.33% of the Zone A Improvements, which equals $1,110,547 as shown on **Exhibit B-2**, of which all or a portion is anticipated to be financed by Assessments expected to be levied at a later date.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Parcel of Assessed Property 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 respective 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 related to a series of PID Bonds and shall be deposited pursuant to the applicable Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

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

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

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

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, 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, and such calculation shall be approved by the City Council in the next Annual Service Plan Update. The calculation as confirmed by the City Council shall be conclusive and binding. The Estimated Buildout Values for Lot Type 1, Lot Type 2, and Lot Type 3 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 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-Benefited 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 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, and such calculation shall be approved by the City Council in the next Annual Service Plan Update. The calculation as confirmed by the City Council shall be conclusive and binding. The Estimated Buildout Values for Lot Type 1, Lot Type 2, and Lot Type 3 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates.

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

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single 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 calculation as confirmed by the City Council shall be conclusive and binding. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C.**

B. Mandatory Prepayment of Assessments

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

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

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City, or cause to be paid to the City, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the

obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

D. Reduction of Assessments

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

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

E. Prepayment of Assessments

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

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

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

F. Payment of Assessment in Annual Installments

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

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the Parcel not including any Non-Benefited Property as shown by the Rockwall 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 of Assessed Property 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, or cause to be recalculated, the principal and interest of the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Zone A Improvement Area #1 Assessments and Zone B Improvement Area #1 Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2027.

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

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

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the "**Remaining Property**"), following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay, pursuant to the terms of this Service and Assessment Plan, as updated, and the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable

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

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

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

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

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

SECTION VII: ASSESSMENT ROLL

The Zone A 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

Zone A Improvement Area #1 Assessment Roll and Zone A Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Zone B Improvement Area #1 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 Zone B Improvement Area #1 Assessment Roll and Zone B Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, said 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, said owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner, the Administrator shall provide a written response to the City Council and the owner not later than 30 days after receipt of such written notice of error 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 Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

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

C. Administration and Interpretation

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

D. Form of Buyer Disclosure/Filing and Posting Requirements

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B.** Within seven days of approval by the City Council, the City shall (1) post a copy of this Service and Assessment Plan or any future Annual Service Plan Updates on the City's internet website and (2) file and record in the real property records of the County this Service and Assessment Plan, or any future Annual Service Plan Updates. This 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 Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

EXHIBITS

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

Exhibit A-1	Map of the District
Exhibit A-2	Map of Zone A
Exhibit A-3	Map of Zone A Improvement Area #1
Exhibit A-4	Map of Zone B Improvement Area #1
Exhibit A-5	Zone A Improvement Area #1 Lot Type Classification Map
Exhibit A-6	Zone B Improvement Area #1 Lot Type Classification Map
Exhibit B-1	Project Costs
Exhibit B-2	Apportionment of Costs
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E	Maximum Assessment and Tax Rate Equivalent
Exhibit F-1	Zone A Improvement Area #1 Assessment Roll
Exhibit F-2	Zone A Improvement Area #1 Annual Installments
Exhibit G-1	Zone B Improvement Area #1 Assessment Roll
Exhibit G-2	Zone B Improvement Area #1 Annual Installments
Exhibit H-1	Maps of Major Improvements
Exhibit H-2	Maps of Zone A Improvements
Exhibit H-3	Maps of Zone A Improvement Area #1 Improvements and Zone B Improvement Area #1 Improvements
Exhibit I	Form of Notice of Assessment Termination
Exhibit J-1	Debt Service Schedules for Series 2026 Bonds
Exhibit K-1	District Legal Description
Exhibit K-2	Zone A Legal Description
Exhibit K-3	Zone A Improvement Area #1 Legal Description
Exhibit K-4	Zone B Improvement Area #1 Legal Description

APPENDICES

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

Appendix A	Engineer's Report
Appendix B	Buyer Disclosures

EXHIBIT A-1 – MAP OF THE DISTRICT

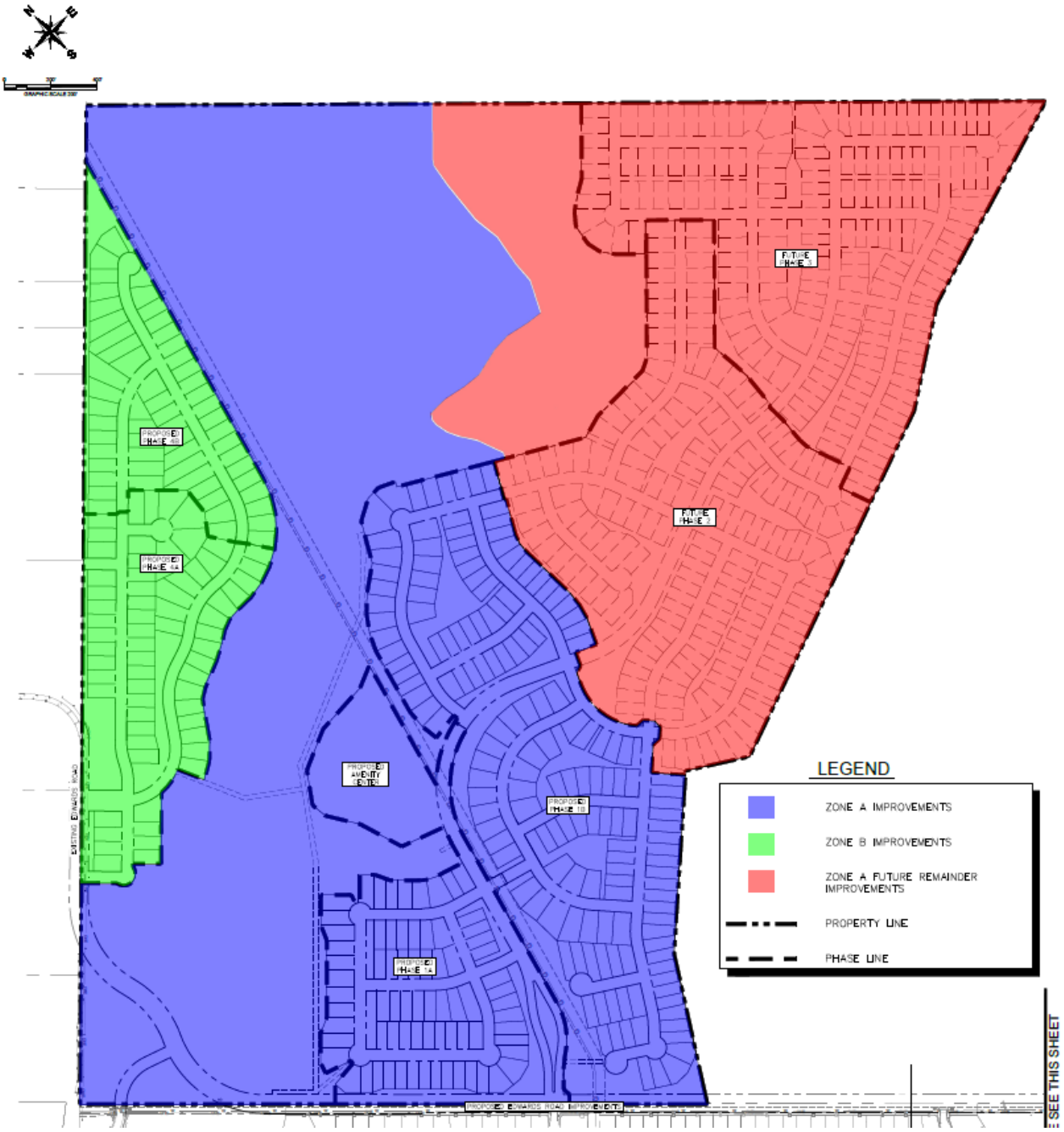


EXHIBIT A-2 – MAP OF ZONE A

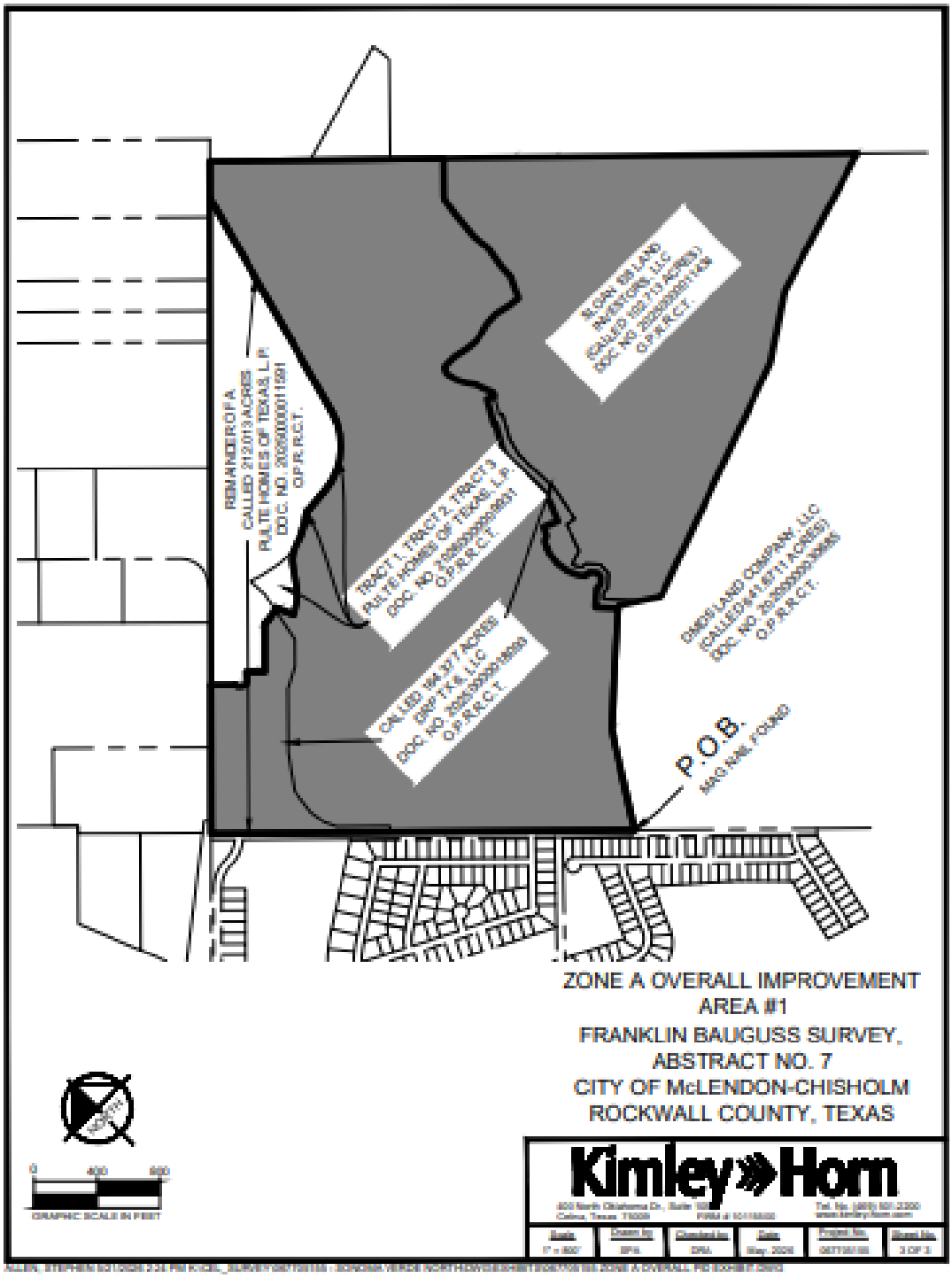


EXHIBIT A-3 – MAP OF ZONE A IMPROVEMENT AREA #1

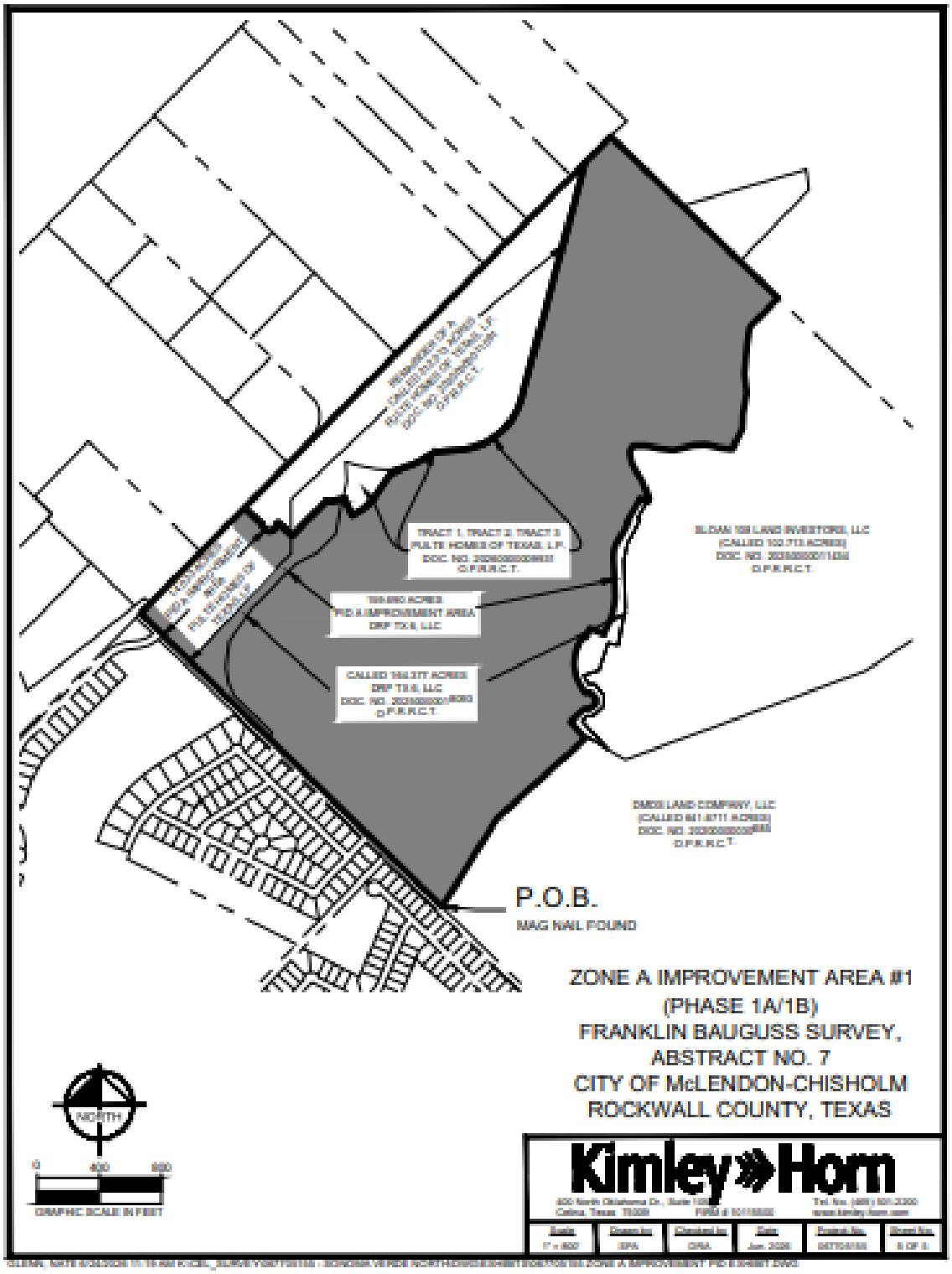


EXHIBIT A-4 – MAP OF ZONE B IMPROVEMENT AREA #1

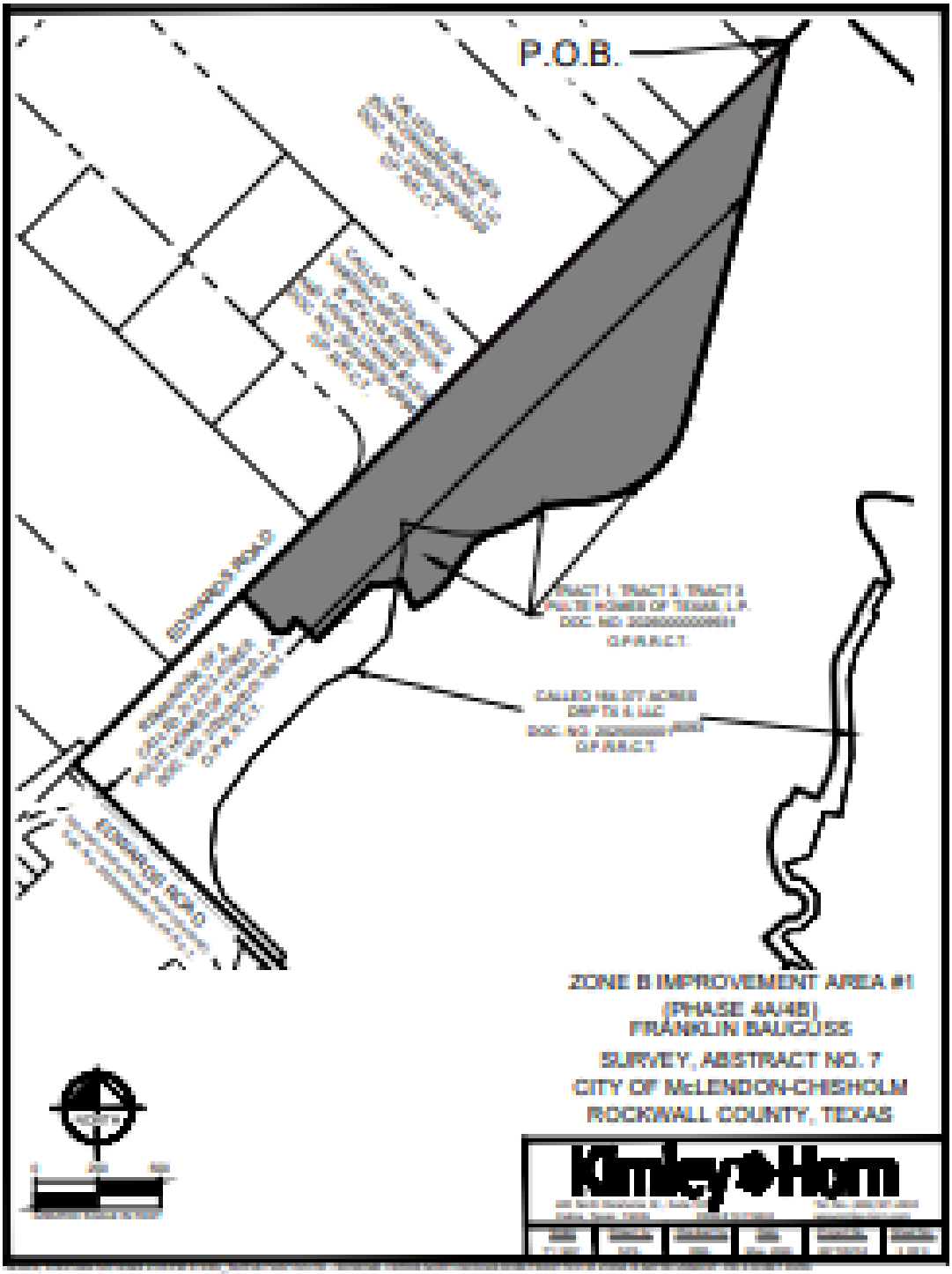


EXHIBIT A-5 – ZONE A IMPROVEMENT AREA #1 LOT TYPE CLASSIFICATION MAP

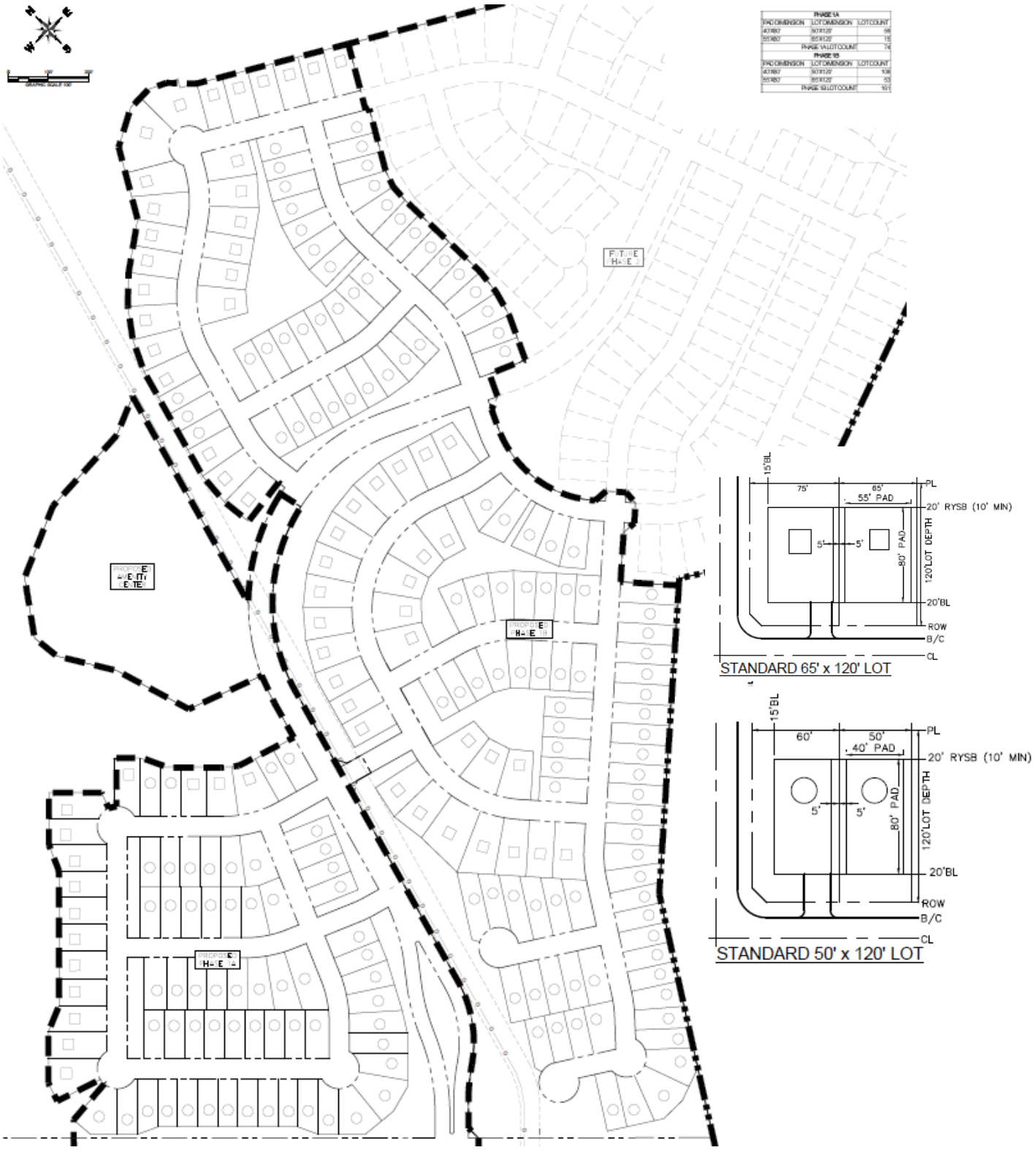


EXHIBIT A-6 – ZONE B IMPROVEMENT AREA #1 LOT TYPE CLASSIFICATION MAP

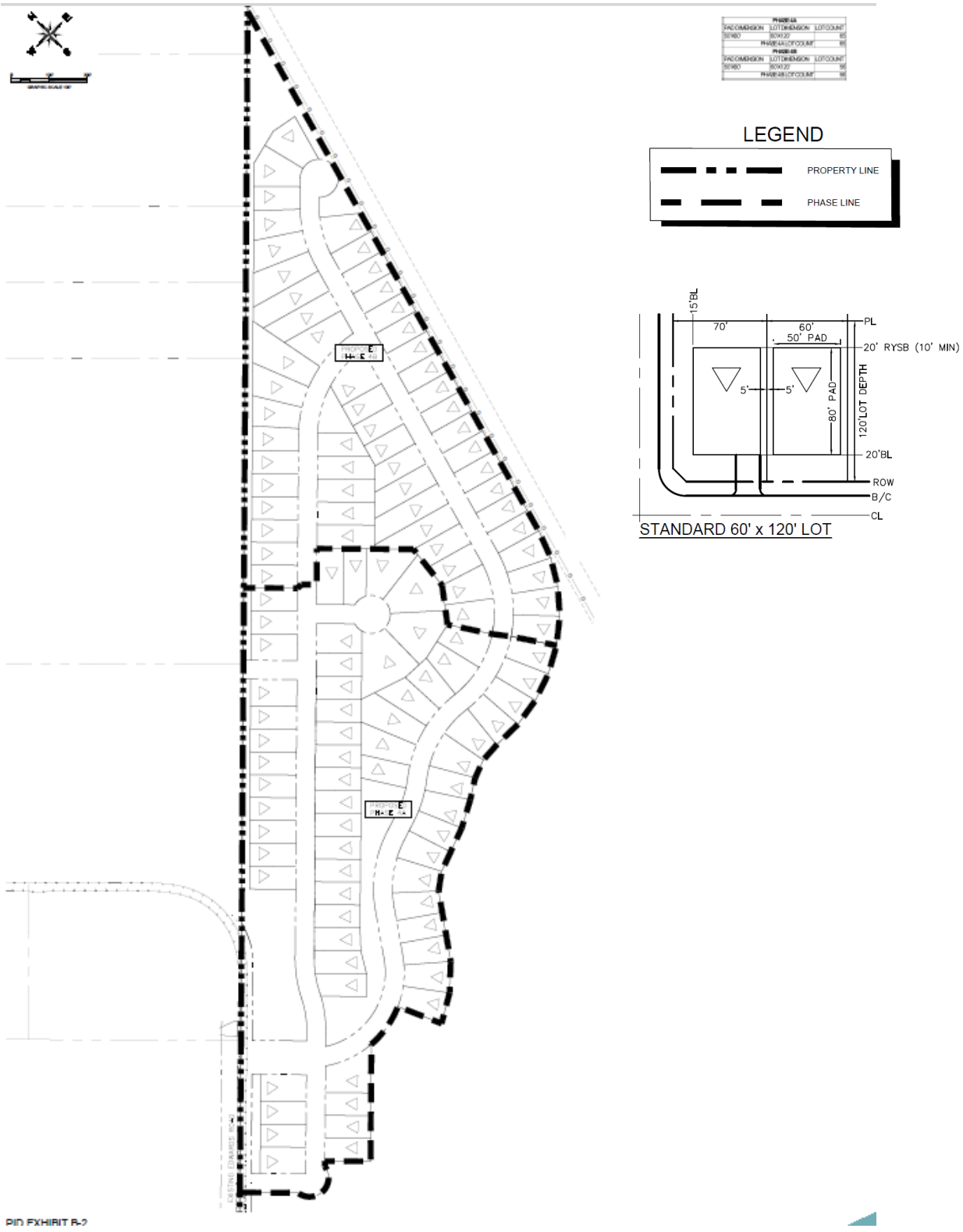


EXHIBIT B-1 – PROJECT COSTS

	Total Costs[a]	Privately Funded[d]	District Eligible Costs	Zone A				Zone B	
				Improvement Area #1		Remainder Area		Improvement Area #1	
				%	Cost	%	Cost	%	Cost
Major Improvements [b]									
Street	$ 2,543,370	$ -	$ 2,543,370	34.57%	$ 879,168	50.43%	$ 1,282,687	15.00%	$ 381,515
Sewer	3,407,799	-	3,407,799	34.57%	1,177,975	50.43%	1,718,641	15.00%	511,182
Storm Drainage	1,715,904	-	1,715,904	34.57%	593,137	50.43%	865,375	15.00%	257,392
Right-of-Way[h]	674,113	-	674,113	34.57%	233,021	50.43%	339,973	15.00%	101,119
Soft Costs[c]	1,651,883	-	1,651,883	34.57%	571,007	50.43%	833,087	15.00%	247,788
	$ 9,993,069	$ -	$ 9,993,069		$ 3,454,308		$ 5,039,763		$ 1,498,997
Zone A Improvements [g]									
Street	$ 1,166,442	$ -	$ 1,166,442	40.67%	$ 474,360	59.33%	$ 692,082	0.00%	$ -
Sewer	176,088	-	176,088	40.67%	71,610	59.33%	104,478	0.00%	-
Right-of-Way[h]	529,198	-	529,198	40.67%	215,211	59.33%	313,988	0.00%	-
	$ 1,871,728	$ -	$ 1,871,728		$ 761,181		$ 1,110,547		$ -
Zone A Improvement Area #1 Improvements									
Street	$ 3,003,017	$ -	$ 3,003,017	100.00%	$ 3,003,017	0.00%	$ -	0.00%	$ -
Sewer	1,762,326	-	1,762,326	100.00%	1,762,326	0.00%	-	0.00%	-
Storm Drainage	2,857,865	-	2,857,865	100.00%	2,857,865	0.00%	-	0.00%	-
Right-of-Way[h]	1,897,450	-	1,897,450	100.00%	1,897,450	0.00%	-	0.00%	-
Soft Costs[c]	2,531,132	-	2,531,132	100.00%	2,531,132	0.00%	-	0.00%	-
	$ 12,051,789	$ -	$ 12,051,789		$ 12,051,789		$ -		$ -
Zone B Improvement Area #1 Improvements									
Street	$ 1,670,175	$ -	$ 1,670,175	0.00%	$ -	0.00%	$ -	100.00%	$ 1,670,175
Sewer	808,923	-	808,923	0.00%	-	0.00%	-	100.00%	808,923
Storm Drainage	1,552,637	-	1,552,637	0.00%	-	0.00%	-	100.00%	1,552,637
Right-of-Way[h]	1,080,000	-	1,080,000	0.00%	-	0.00%	-	100.00%	1,080,000
Soft Costs[c]	1,359,371	-	1,359,371	0.00%	-	0.00%	-	100.00%	1,359,371
	$ 6,471,106	$ -	$ 6,471,106		$ -		$ -		$ 6,471,106
Private Improvements [d],[i]									
Private Improvements	$ 3,689,747	$ 3,689,747	$ -	0.0%	$ -	0.0%	$ -	0.00%	$ -
	$ 3,689,747	$ 3,689,747	$ -		$ -		$ -		$ -
Bond Issuance Costs [e]									
Debt Service Reserve Fund	$ 1,315,740	$ -	$ 1,315,740		$ 964,187		$ -		$ 351,553
Capitalized Interest	1,177,035	-	1,177,035		860,932		-		316,103
Underwriter Discount[f]	539,100	-	539,100		394,320		-		144,780
Cost of Issuance	1,169,125	-	1,169,125		854,561		-		314,564
	$ 4,201,000	$ -	$ 4,201,000		$ 3,074,000		$ -		$ 1,127,000
Other Costs [e]									
Deposit to Administrative Fund	$ 80,000	$ -	$ 80,000		$ 40,000		$ -		$ 40,000
	$ 80,000	$ -	$ 80,000		$ 40,000		$ -		$ 40,000
Total	**$ 38,358,439**	**$ 3,689,747**	**$ 34,668,692**		**$ 19,381,279**		**$ 6,150,311**		**$ 9,137,103**

Footnotes:

[a] Per Engineer's Report dated 03/17/2026.

[b] The Major Improvements are apportioned pro rata between Zone A Improvement Area #1, Zone B Improvement Area #1, and the Zone A Remainder Area based on the ratio of Estimated Buildout Value of each area to the Estimated Buildout Value of the District.

[c] Soft costs include engineering, staking, surveying, flood study, construction staking, city inspection fees, geotechnical and material testing, general contractor fees, and contingency.

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

[e] Preliminary estimates only and subject to change upon the issuance of PID Bonds.

[f] Includes the fee of counsel to the Underwriter.

[g] The Zone A Improvements are apportioned pro rata between Zone A Improvement Area #1 and the Zone A Remainder Area based on the ratio of Estimated Buildout Value of each area to the Estimated Buildout Value of Zone A.

[h] Based on draft right-of-way appraisal dated 05/22/2026 and subject to change based on final right-of-way appraisal.

[i] Private Improvements include the costs associated with the force main and gravity sewer improvements allocable to the Sonoma Verde East development, the water distribution system, and the FM 550 water distribution system, all of which are necessary to deliver final completed lots, as shown in the Engineer's Report attached as **Appendix A.**

EXHIBIT B-2 – APPORTIONMENT OF COSTS

Improvement Area	Units	Estimated Buildout Value	Major Improvements[a]		Zone A Improvements[b]		Total Apportionment for Future Funding[c]
			%	Costs	%	Costs	
Zone A Improvement Area #1	235	$ 135,940,490.00	34.57%	$ 3,454,308.27	40.67%	$ 761,181.10	
Zone B Improvement Area #1	121	$ 58,991,372.00	15.00%	$ 1,498,996.98	NA	NA	
Zone A Remainder Area	334	$ 198,334,325.00	50.43%	$ 5,039,763.35	59.33%	$ 1,110,547.26	$ 6,150,310.62
Total	**690**	**$ 393,266,187.00**		**$ 9,993,068.61**		**$ 1,871,728.36**	

Footnotes:

[a] The costs of the Major Improvements apportioned pro rata based on Estimated Buildout Value between Zone A Improvement Area #1, Zone B Improvement Area #1, and Zone A Remainder Area.

[b] The costs of the Zone A Improvements apportioned pro rata based on Estimated Buildout Value between Zone A Improvement Area #1 and Zone A Remainder Area.

[c] Reimbursable in part or in full from future Assessments levied on the Remainder Area.

EXHIBIT C – SERVICE PLAN

Zone A Improvement Area #1						
Annual Installment Due		**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**	**1/31/2031**
Principal		$ -	$ 173,000.00	$ 184,000.00	$ 195,000.00	$ 207,000.00
Interest		860,932.00	788,640.00	778,260.00	767,220.00	755,520.00
Capitalized Interest		(860,932.00)	-	-	-	-
	(1)	$ -	$ 961,640.00	$ 962,260.00	$ 962,220.00	$ 962,520.00
Additional Interest	(2)	$ 65,720.00	$ 65,720.00	$ 64,855.00	$ 63,935.00	$ 62,960.00
Annual Collection Costs	(3)	$ 40,000.00	$ 40,800.00	$ 41,616.00	$ 42,448.32	$ 43,297.29
Total Annual Installment Due	**(4) = (1) + (2) + (3)**	**$ 105,720.00**	**$ 1,068,160.00**	**$ 1,068,731.00**	**$ 1,068,603.32**	**$ 1,068,777.29**

Zone B Improvement Area #1						
Annual Installment Due		**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**	**1/31/2031**
Principal		$ -	$ 70,000.00	$ 73,000.00	$ 77,000.00	$ 81,000.00
Interest		316,103.00	289,560.00	285,360.00	280,980.00	276,360.00
Capitalized Interest		(316,103.00)	-	-	-	-
	(1)	$ -	$ 359,560.00	$ 358,360.00	$ 357,980.00	$ 357,360.00
Additional Interest	(2)	$ 24,130.00	$ 24,130.00	$ 23,780.00	$ 23,415.00	$ 23,030.00
Annual Collection Costs	(3)	$ 40,000.00	$ 40,800.00	$ 41,616.00	$ 42,448.32	$ 43,297.29
Total Annual Installment Due	**(4) = (1) + (2) + (3)**	**$ 64,130.00**	**$ 424,490.00**	**$ 423,756.00**	**$ 423,843.32**	**$ 423,687.29**

EXHIBIT D – SOURCES AND USES OF FUNDS

		Zone A		Zone B	
	Privately Funded	Zone A Improvement Area #1	Zone A Remainder Area	Zone B Improvement Area #1	Total
Sources of Funds					
Series 2026 Bonds	$ -	$ 13,144,000	$ -	$ 4,826,000	$ 17,970,000
Developer Contribution - Private Improvements[a]	3,689,747	-	-	-	3,689,747
Zone A Remainder Area - Apportionment of Costs[f]	-	-	6,150,311	-	6,150,311
Developer Contribution - Zone A Improvement Area #1[a]	-	6,237,279	-	-	6,237,279
Developer Contribution - Zone B Improvement Area #1[a]	-	-	-	4,311,103	4,311,103
Total Sources of Funds	**$ 3,689,747**	**$ 19,381,279**	**$ 6,150,311**	**$ 9,137,103**	**$ 38,358,439**
Uses of Funds					
Major Improvements[d]	$ -	$ 3,454,308	$ 5,039,763	$ 1,498,997	$ 9,993,069
Zone A Improvements[e]	-	761,181	1,110,547	-	1,871,728
Zone A Improvement Area #1 Improvements	-	12,051,789	-	-	12,051,789
Zone B Improvement Area #1 Improvements	-	-	-	6,471,106	6,471,106
Private Improvements[a]	3,689,747	-	-	-	3,689,747
	$ 3,689,747	$ 16,267,279	$ 6,150,311	$ 7,970,103	$ 34,077,439
Bond Issuance Costs[b]					
Debt Service Reserve Fund	$ -	$ 964,187	$ -	$ 351,553	$ 1,315,740
Capitalized Interest	-	860,932	-	316,103	1,177,035
Underwriter Discount[c]	-	394,320	-	144,780	539,100
Cost of Issuance	-	854,561	-	314,564	1,169,125
	$ -	$ 3,074,000	$ -	$ 1,127,000	$ 4,201,000
Other Costs[b]					
Deposit to Administrative Fund	$ -	$ 40,000	$ -	$ 40,000	$ 80,000
	$ -	$ 40,000	$ -	$ 40,000	$ 80,000
Total Uses of Funds	**$ 3,689,747**	**$ 19,381,279**	**$ 6,150,311**	**$ 9,137,103**	**$ 38,358,439**

Footnotes:

[a] Not reimbursable to the Developer through Assessments or the issuance of PID Bonds.

[b] Preliminary estimates only and subject to change upon the issuance of PID Bonds.

[c] Includes the fee of counsel to the Underwriter.

[d] The Major Improvements are apportioned pro rata between Zone A Improvement Area #1, Zone B Improvement Area #1, and the Zone A Remainder Area as shown in **Exhibit B-2**.

[e] Zone A Improvements apportioned pro rata between Zone A Improvement Area #1 and Zone A Remainder Area as shown in **Exhibit B-2**.

[f] Reimbursable in part or in full from future Assessments levied on the Remainder Area.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units[b]	Appraised Value[a]		Estimated Buildout Value[c]		Assessment		Average Annual Installment		PID TRE
		Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	
Zone A Improvement Area #1										
Lot Type 1	167	$ 115,000	$ 19,205,000	$ 529,610	$ 88,444,870	$ 51,208	$ 8,551,679	$ 4,163	$ 695,180	0.786004
Lot Type 2	68	149,500	10,166,000	698,465	47,495,620	$ 67,534	4,592,321	$ 5,490	373,317	0.786004
Zone A Improvement Area #1 Subtotal	**235**		**$ 29,371,000**		**$ 135,940,490**		**$ 13,144,000**		**$ 1,068,498**	**0.786004**
Zone B Improvement Area #1										
Lot Type 3	121	$ 138,000	$ 16,698,000	$ 487,532	$ 58,991,372	$ 39,884	$ 4,826,000	$ 3,505	$ 424,091	0.718904
Zone B Improvement Area #1 Subtotal	**121**		**$ 16,698,000**		**$ 58,991,372**		**$ 4,826,000**		**$ 424,091**	**0.718904**

Footnotes:

[a] Based on the final appraisal dated 06/24/2026.
[b] As provided by the Developer on 03/17/2026.
[c] As provided by the Developer on 02/24/2026.

EXHIBIT F-1 – ZONE A IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
339457	Zone A Improvement Area #1 Initial Parcel	$ 13,144,000.00	$ 105,720.00
10076	Non-Benefited Property	$ -	$ -
Total		**$ 13,144,000.00**	**$ 105,720.00**

Footnotes:

[a] The Assessment and Annual Installment have initially been allocated between all Property IDs within Zone A Improvement Area #1 pro rata based on acreage as reported by Rockwall Central Appraisal District. Future allocation of the Assessment will be done in accordance with Section VI of this Service and Assessment Plan.

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

EXHIBIT F-2 – ZONE A IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Reserve Fund[c]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ -	$ 860,932	$ (860,932)	$ -	$ 65,720	$ 40,000	$ 105,720
2028	$ 173,000	$ 788,640	$ -	$ -	$ 65,720	$ 40,800	$ 1,068,160
2029	$ 184,000	$ 778,260	$ -	$ -	$ 64,855	$ 41,616	$ 1,068,731
2030	$ 195,000	$ 767,220	$ -	$ -	$ 63,935	$ 42,448	$ 1,068,603
2031	$ 207,000	$ 755,520	$ -	$ -	$ 62,960	$ 43,297	$ 1,068,777
2032	$ 219,000	$ 743,100	$ -	$ -	$ 61,925	$ 44,163	$ 1,068,188
2033	$ 233,000	$ 729,960	$ -	$ -	$ 60,830	$ 45,046	$ 1,068,836
2034	$ 247,000	$ 715,980	$ -	$ -	$ 59,665	$ 45,947	$ 1,068,592
2035	$ 262,000	$ 701,160	$ -	$ -	$ 58,430	$ 46,866	$ 1,068,456
2036	$ 278,000	$ 685,440	$ -	$ -	$ 57,120	$ 47,804	$ 1,068,364
2037	$ 295,000	$ 668,760	$ -	$ -	$ 55,730	$ 48,760	$ 1,068,250
2038	$ 313,000	$ 651,060	$ -	$ -	$ 54,255	$ 49,735	$ 1,068,050
2039	$ 333,000	$ 632,280	$ -	$ -	$ 52,690	$ 50,730	$ 1,068,700
2040	$ 353,000	$ 612,300	$ -	$ -	$ 51,025	$ 51,744	$ 1,068,069
2041	$ 375,000	$ 591,120	$ -	$ -	$ 49,260	$ 52,779	$ 1,068,159
2042	$ 399,000	$ 568,620	$ -	$ -	$ 47,385	$ 53,835	$ 1,068,840
2043	$ 423,000	$ 544,680	$ -	$ -	$ 45,390	$ 54,911	$ 1,067,981
2044	$ 450,000	$ 519,300	$ -	$ -	$ 43,275	$ 56,010	$ 1,068,585
2045	$ 478,000	$ 492,300	$ -	$ -	$ 41,025	$ 57,130	$ 1,068,455
2046	$ 508,000	$ 463,620	$ -	$ -	$ 38,635	$ 58,272	$ 1,068,527
2047	$ 540,000	$ 433,140	$ -	$ -	$ 36,095	$ 59,438	$ 1,068,673
2048	$ 574,000	$ 400,740	$ -	$ -	$ 33,395	$ 60,627	$ 1,068,762
2049	$ 610,000	$ 366,300	$ -	$ -	$ 30,525	$ 61,839	$ 1,068,664
2050	$ 648,000	$ 329,700	$ -	$ -	$ 27,475	$ 63,076	$ 1,068,251
2051	$ 689,000	$ 290,820	$ -	$ -	$ 24,235	$ 64,337	$ 1,068,392
2052	$ 733,000	$ 249,480	$ -	$ -	$ 20,790	$ 65,624	$ 1,068,894
2053	$ 779,000	$ 205,500	$ -	$ -	$ 17,125	$ 66,937	$ 1,068,562
2054	$ 828,000	$ 158,760	$ -	$ -	$ 13,230	$ 68,275	$ 1,068,265
2055	$ 881,000	$ 109,080	$ -	$ -	$ 9,090	$ 69,641	$ 1,068,811
2056	$ 937,000	$ 56,220	$ -	$ 964,187	$ 4,685	$ 71,034	$ 2,033,126
Total	**$ 13,144,000**	**$ 15,869,992**	**$ (860,932)**	**$ 964,187**	**$ 1,316,475**	**$ 1,622,723**	**$ 32,056,445**

Footnotes:

[a] Interest is calculated at a 6.0% rate for illustrative purposes.

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

[c] Assumes Reserve Fund is fully funded and available to reduce Annual Installments in the final year.

EXHIBIT G-1 – ZONE B IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
10076	Zone B Improvement Area #1 Initial Parcel	$ 4,826,000.00	$ 64,130.00
Total		**$ 4,826,000.00**	**$ 64,130.00**

Footnotes:

[a] The Assessment and Annual Installment have initially been allocated between all Property IDs within Zone B Improvement Area #1 pro rata based on acreage as reported by Rockwall Central Appraisal District. Future allocation of the Assessment will be done in accordance with Section VI of this Service and Assessment Plan.

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

EXHIBIT G-2 – ZONE B IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Reserve Fund[c]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ -	$ 316,103	$ (316,103)	$ -	$ 24,130	$ 40,000	$ 64,130
2028	$ 70,000	$ 289,560	$ -	$ -	$ 24,130	$ 40,800	$ 424,490
2029	$ 73,000	$ 285,360	$ -	$ -	$ 23,780	$ 41,616	$ 423,756
2030	$ 77,000	$ 280,980	$ -	$ -	$ 23,415	$ 42,448	$ 423,843
2031	$ 81,000	$ 276,360	$ -	$ -	$ 23,030	$ 43,297	$ 423,687
2032	$ 86,000	$ 271,500	$ -	$ -	$ 22,625	$ 44,163	$ 424,288
2033	$ 90,000	$ 266,340	$ -	$ -	$ 22,195	$ 45,046	$ 423,581
2034	$ 95,000	$ 260,940	$ -	$ -	$ 21,745	$ 45,947	$ 423,632
2035	$ 101,000	$ 255,240	$ -	$ -	$ 21,270	$ 46,866	$ 424,376
2036	$ 106,000	$ 249,180	$ -	$ -	$ 20,765	$ 47,804	$ 423,749
2037	$ 112,000	$ 242,820	$ -	$ -	$ 20,235	$ 48,760	$ 423,815
2038	$ 119,000	$ 236,100	$ -	$ -	$ 19,675	$ 49,735	$ 424,510
2039	$ 125,000	$ 228,960	$ -	$ -	$ 19,080	$ 50,730	$ 423,770
2040	$ 133,000	$ 221,460	$ -	$ -	$ 18,455	$ 51,744	$ 424,659
2041	$ 140,000	$ 213,480	$ -	$ -	$ 17,790	$ 52,779	$ 424,049
2042	$ 148,000	$ 205,080	$ -	$ -	$ 17,090	$ 53,835	$ 424,005
2043	$ 157,000	$ 196,200	$ -	$ -	$ 16,350	$ 54,911	$ 424,461
2044	$ 166,000	$ 186,780	$ -	$ -	$ 15,565	$ 56,010	$ 424,355
2045	$ 175,000	$ 176,820	$ -	$ -	$ 14,735	$ 57,130	$ 423,685
2046	$ 186,000	$ 166,320	$ -	$ -	$ 13,860	$ 58,272	$ 424,452
2047	$ 197,000	$ 155,160	$ -	$ -	$ 12,930	$ 59,438	$ 424,528
2048	$ 208,000	$ 143,340	$ -	$ -	$ 11,945	$ 60,627	$ 423,912
2049	$ 220,000	$ 130,860	$ -	$ -	$ 10,905	$ 61,839	$ 423,604
2050	$ 234,000	$ 117,660	$ -	$ -	$ 9,805	$ 63,076	$ 424,541
2051	$ 248,000	$ 103,620	$ -	$ -	$ 8,635	$ 64,337	$ 424,592
2052	$ 262,000	$ 88,740	$ -	$ -	$ 7,395	$ 65,624	$ 423,759
2053	$ 278,000	$ 73,020	$ -	$ -	$ 6,085	$ 66,937	$ 424,042
2054	$ 295,000	$ 56,340	$ -	$ -	$ 4,695	$ 68,275	$ 424,310
2055	$ 313,000	$ 38,640	$ -	$ -	$ 3,220	$ 69,641	$ 424,501
2056	$ 331,000	$ 19,860	$ -	$ 351,553	$ 1,655	$ 71,034	$ 775,102
Total	**$ 4,826,000**	**$ 5,752,823**	**$ (316,103)**	**$ 351,553**	**$ 477,190**	**$ 1,622,723**	**$ 12,714,186**

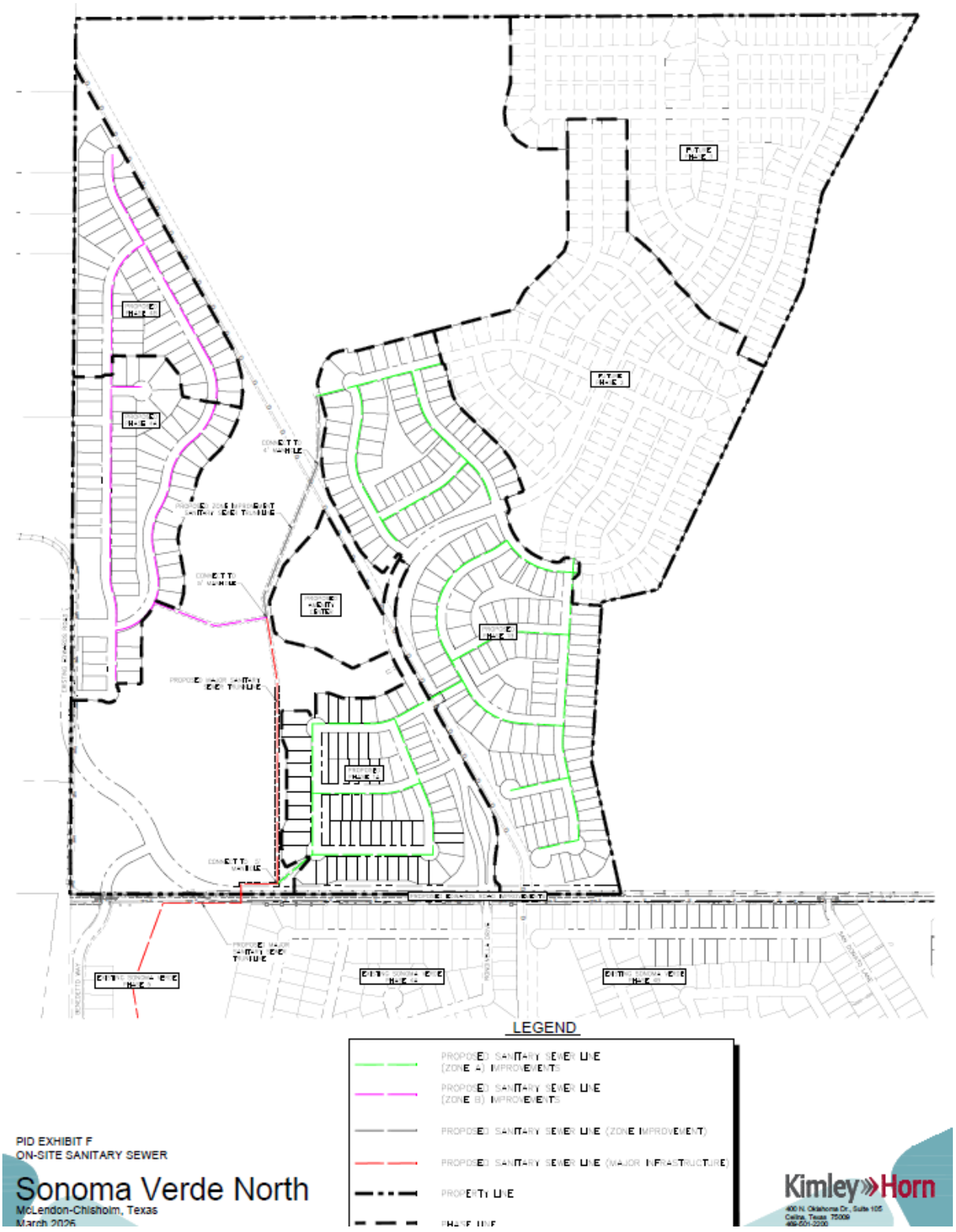
Footnotes:

[a] Interest is calculated at a 6.0% rate for illustrative purposes.

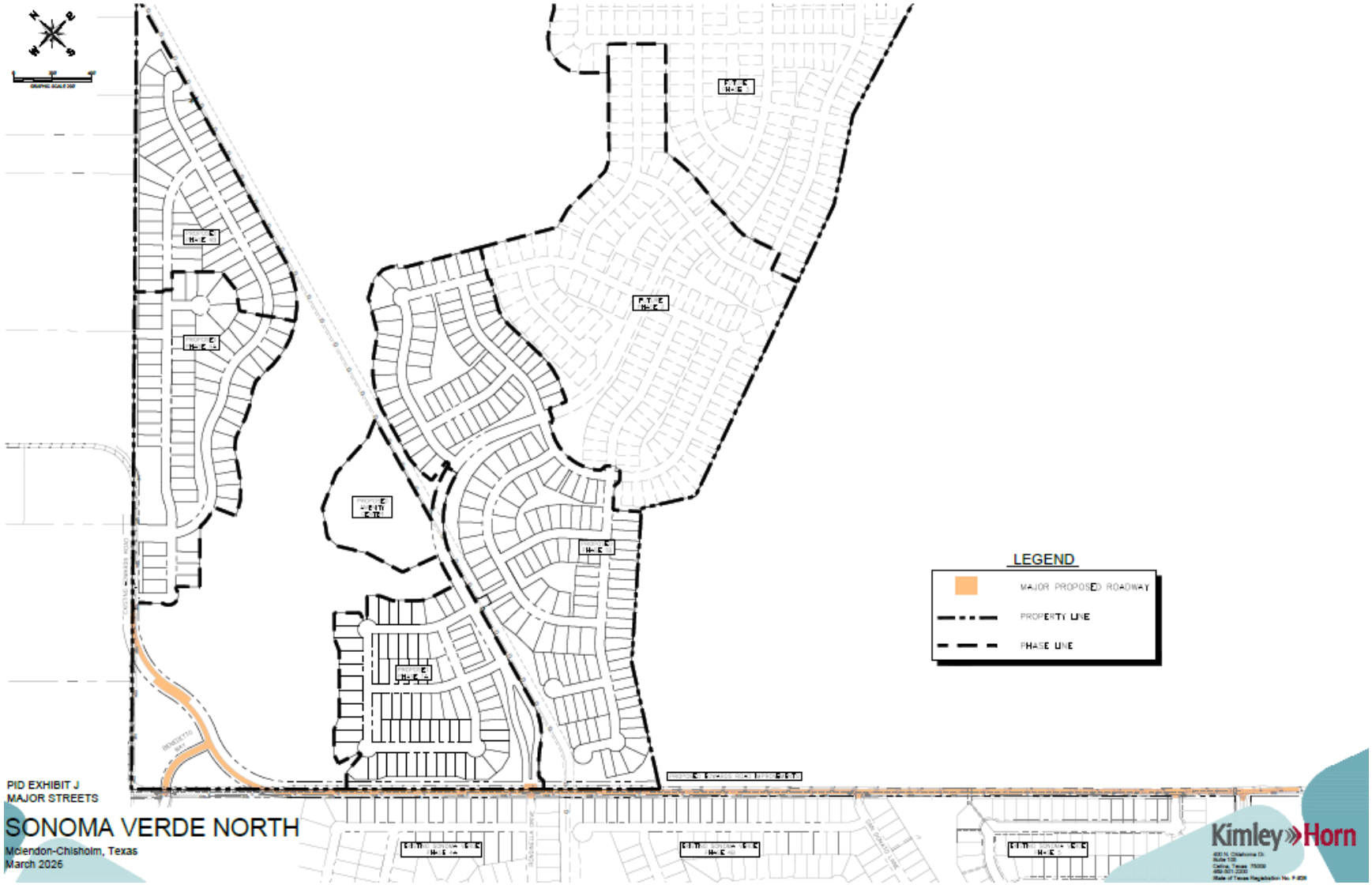
[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

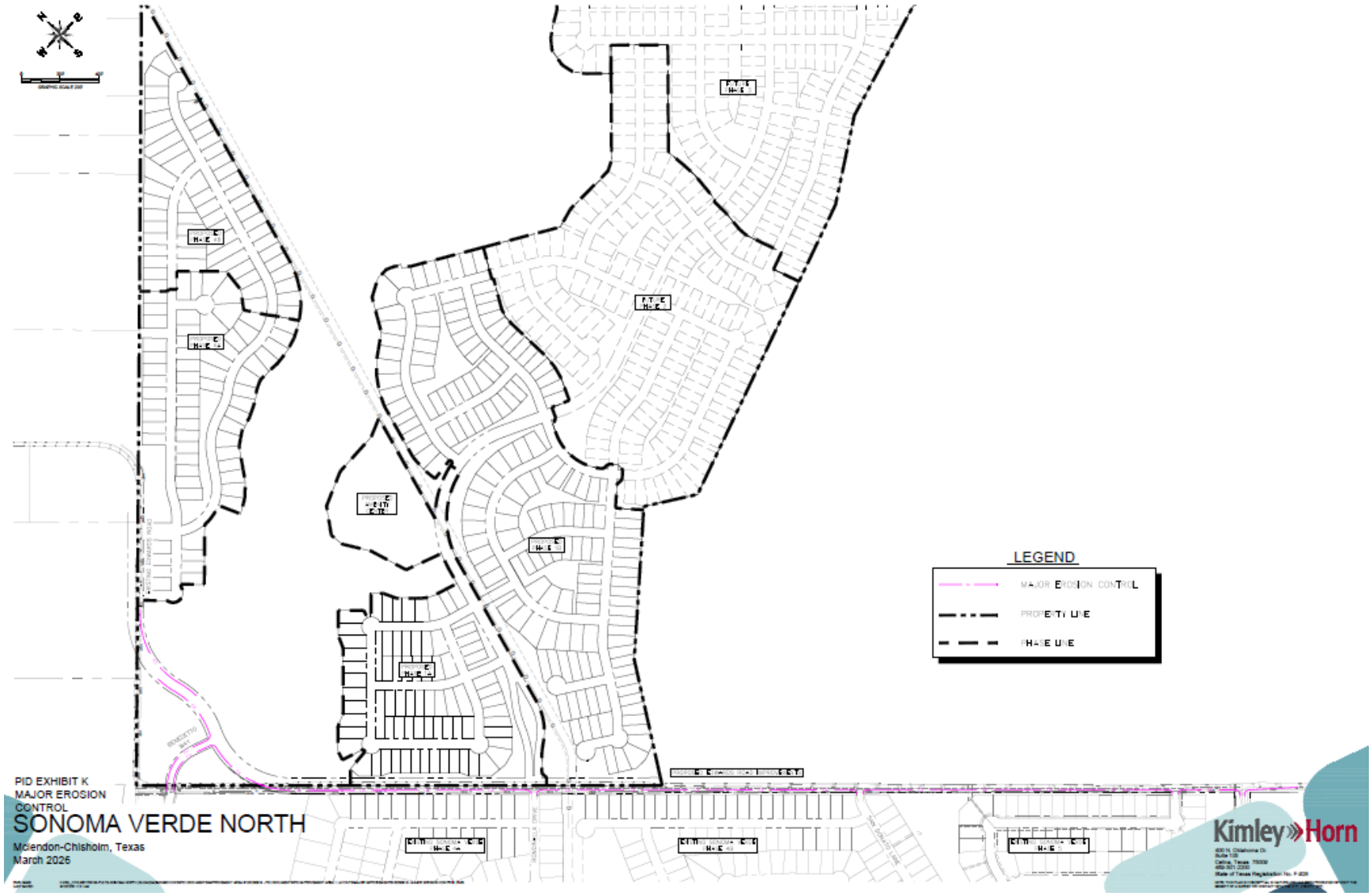
[c] Assumes Reserve Fund is fully funded and available to reduce Annual Installments in the final year.

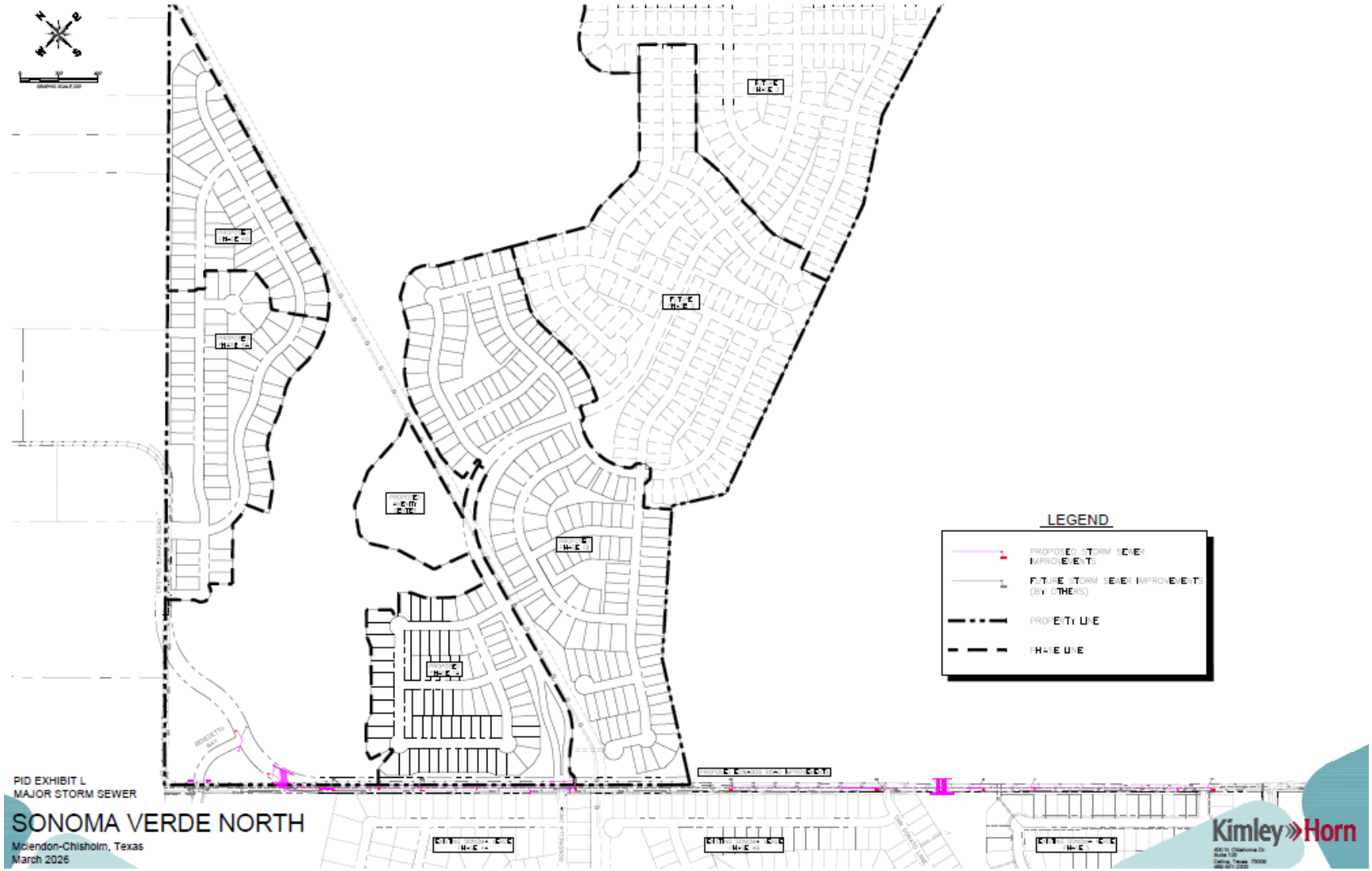
EXHIBIT H-1 – MAPS OF MAJOR IMPROVEMENTS




LEGEND
MAJOR ROW DEDICATION
PROPERTY LINE
PHASE LINE
PID EXHIBIT H
MAJOR ROW DEDICATION
SONOMA VERDE NORTH
Mclendon-Chisholm, Texas
March 2026
Kimley»Horn


LEGEND
MAJOR PROPOSED ROADWAY
PROPERTY LINE
PHASE LINE
PID EXHIBIT J
MAJOR STREETS
SONOMA VERDE NORTH
Mclendon-Chisholm, Texas
March 2026
Kimley»Horn


LEGEND
MAJOR EROSION CONTROL
PROPERTY LINE
PHASE LINE
PID EXHIBIT K
MAJOR EROSION CONTROL
SONOMA VERDE NORTH
Mclendon-Chisholm, Texas
March 2026
Kimley»Horn


LEGEND
PROPERTY LINE
PHASE LINE
PID EXHIBIT L
MAJOR STORM SEWER
SONOMA VERDE NORTH
Molendon-Chisholm, Texas
March 2026
Kimley»Horn

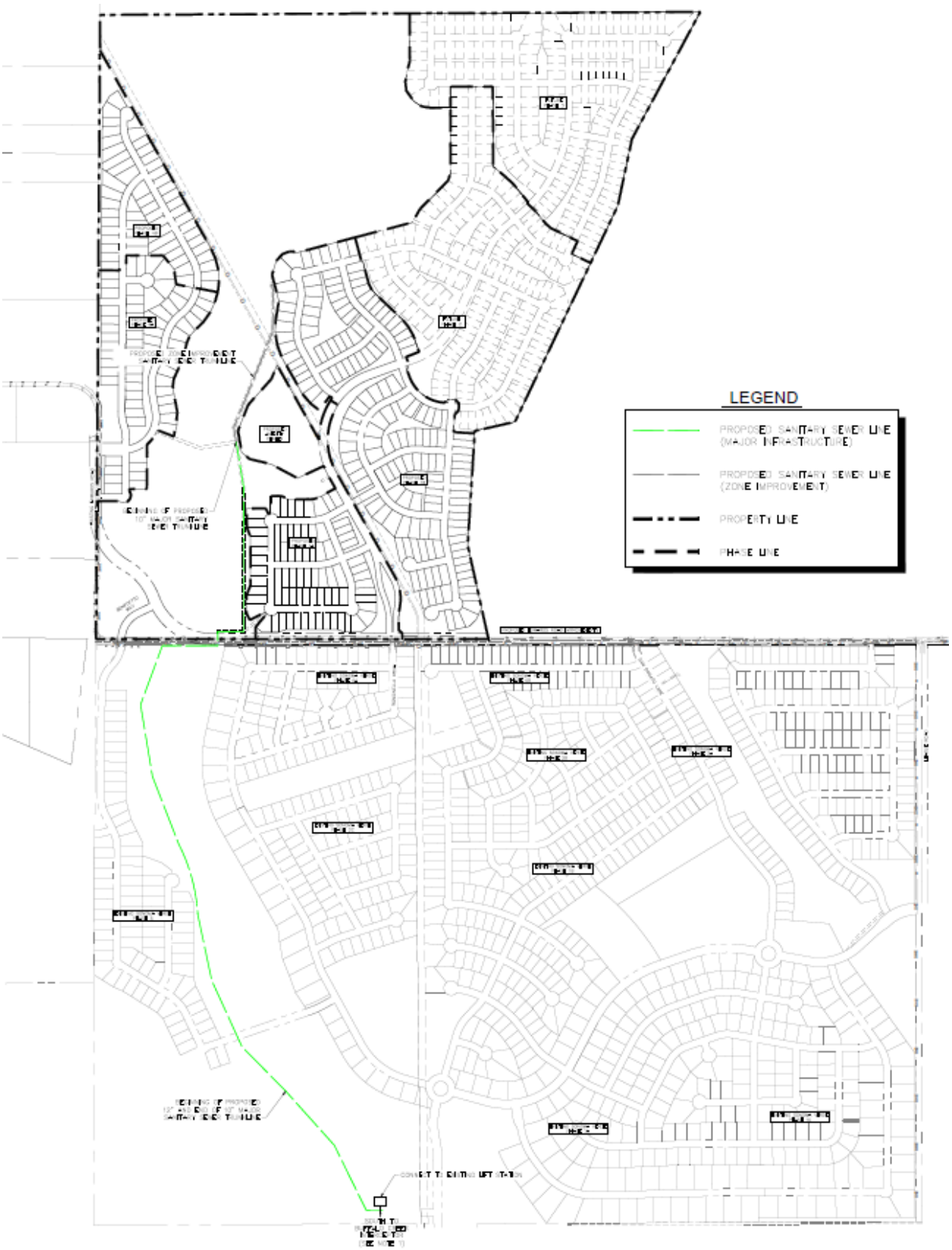
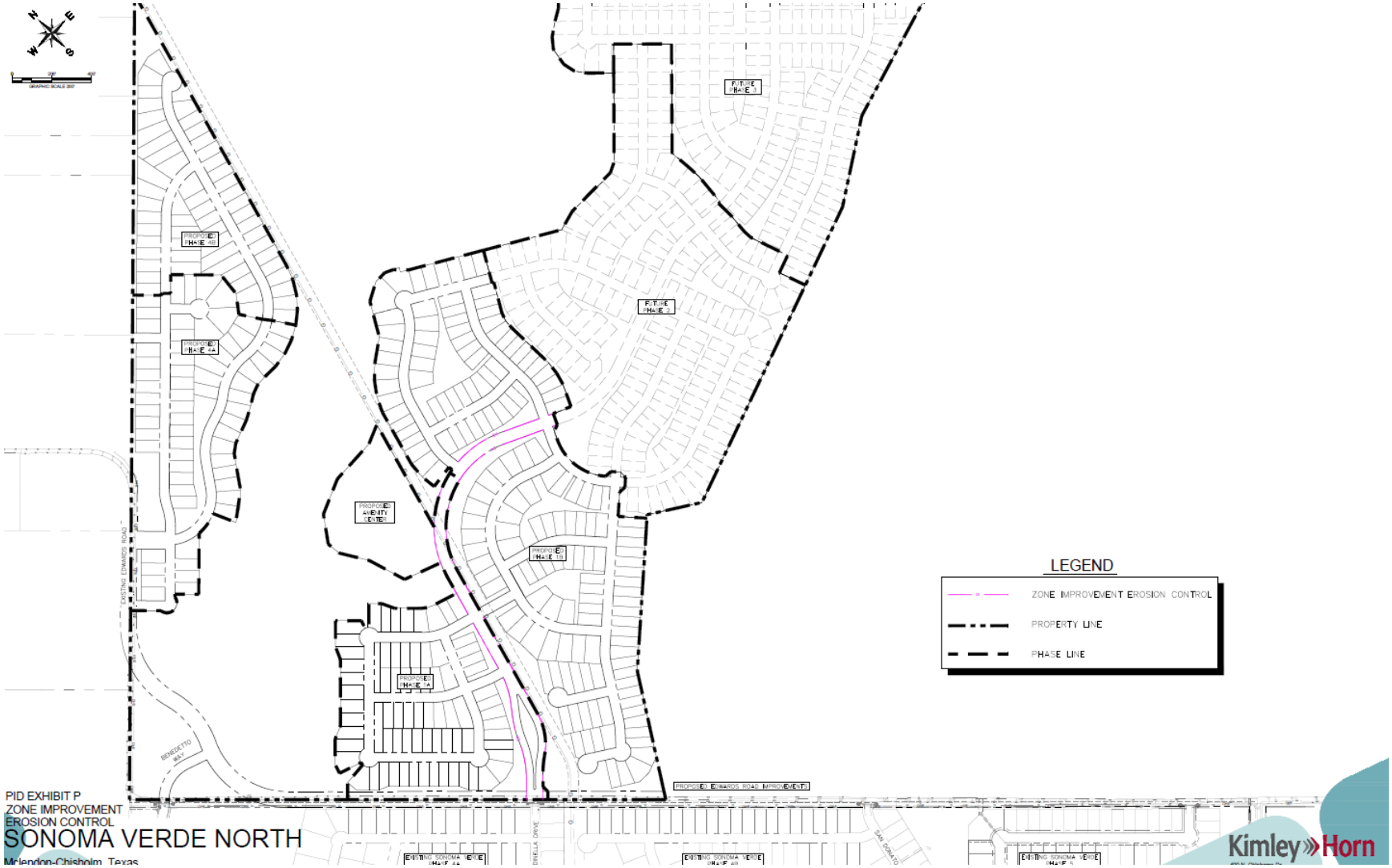
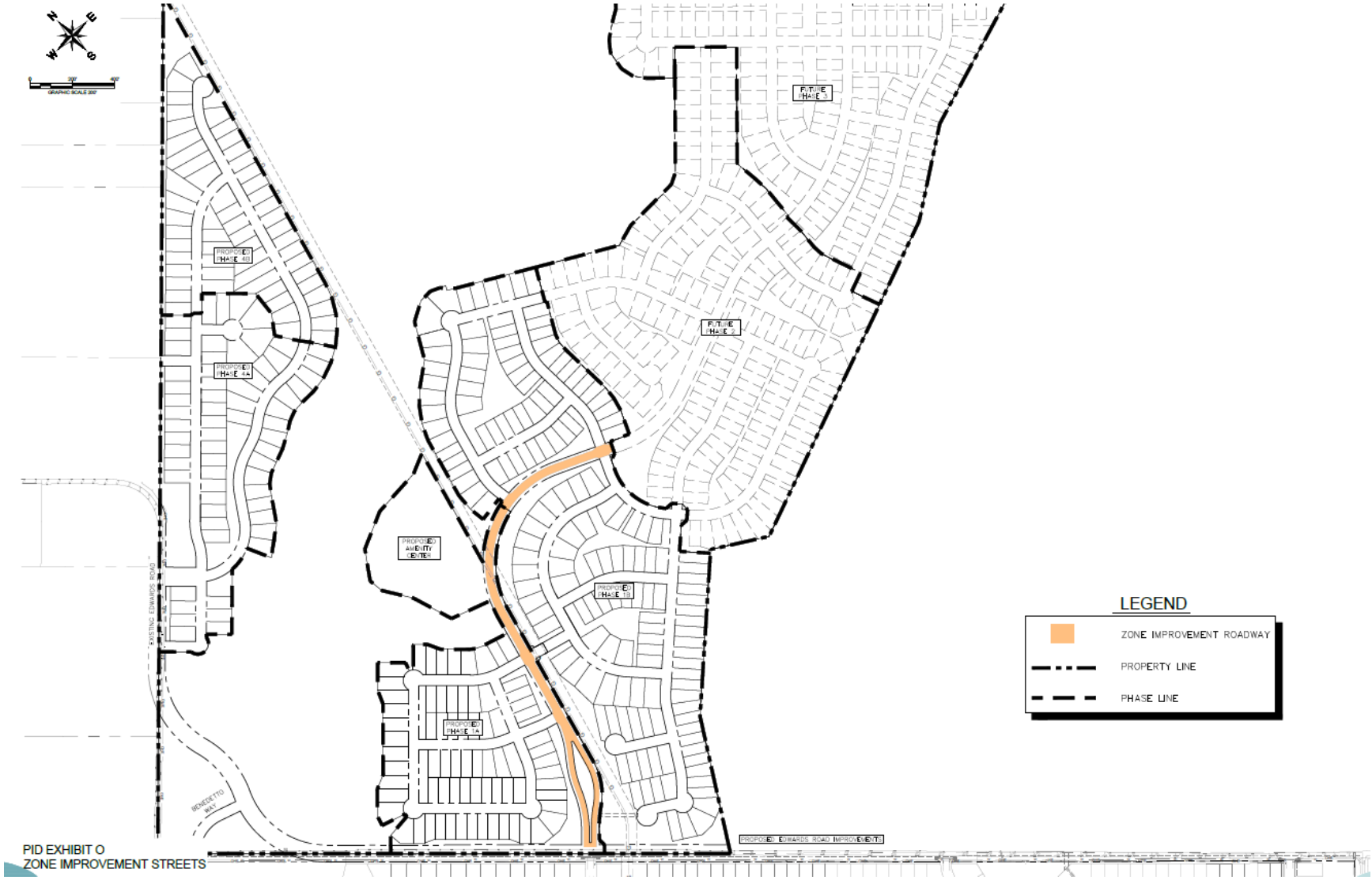
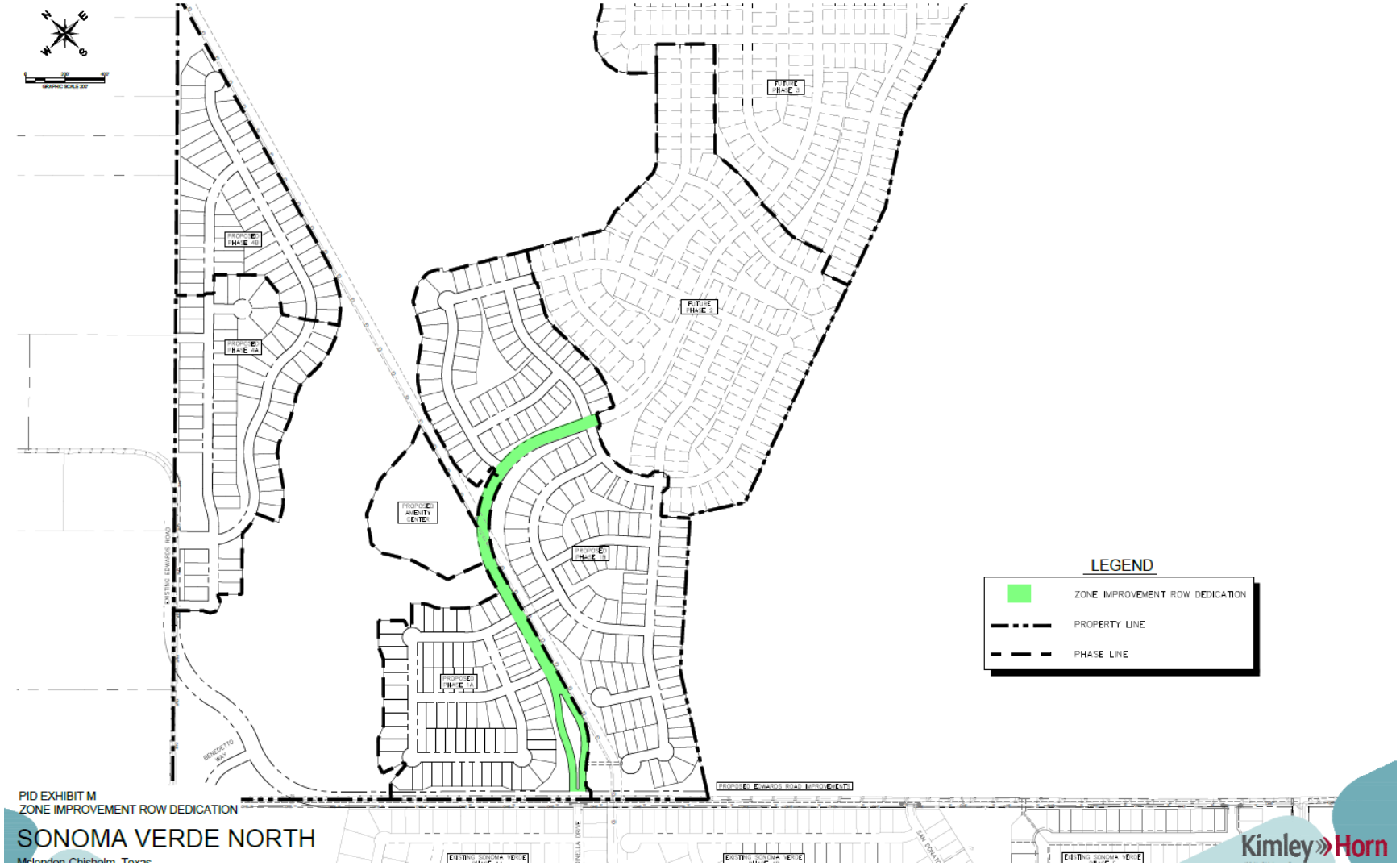

LEGEND
PROPOSED SANITARY SEWER LINE (MAJOR INFRASTRUCTURE)
PROPOSED SANITARY SEWER LINE (ZONE IMPROVEMENT)
PROPERTY LINE
PHASE LINE

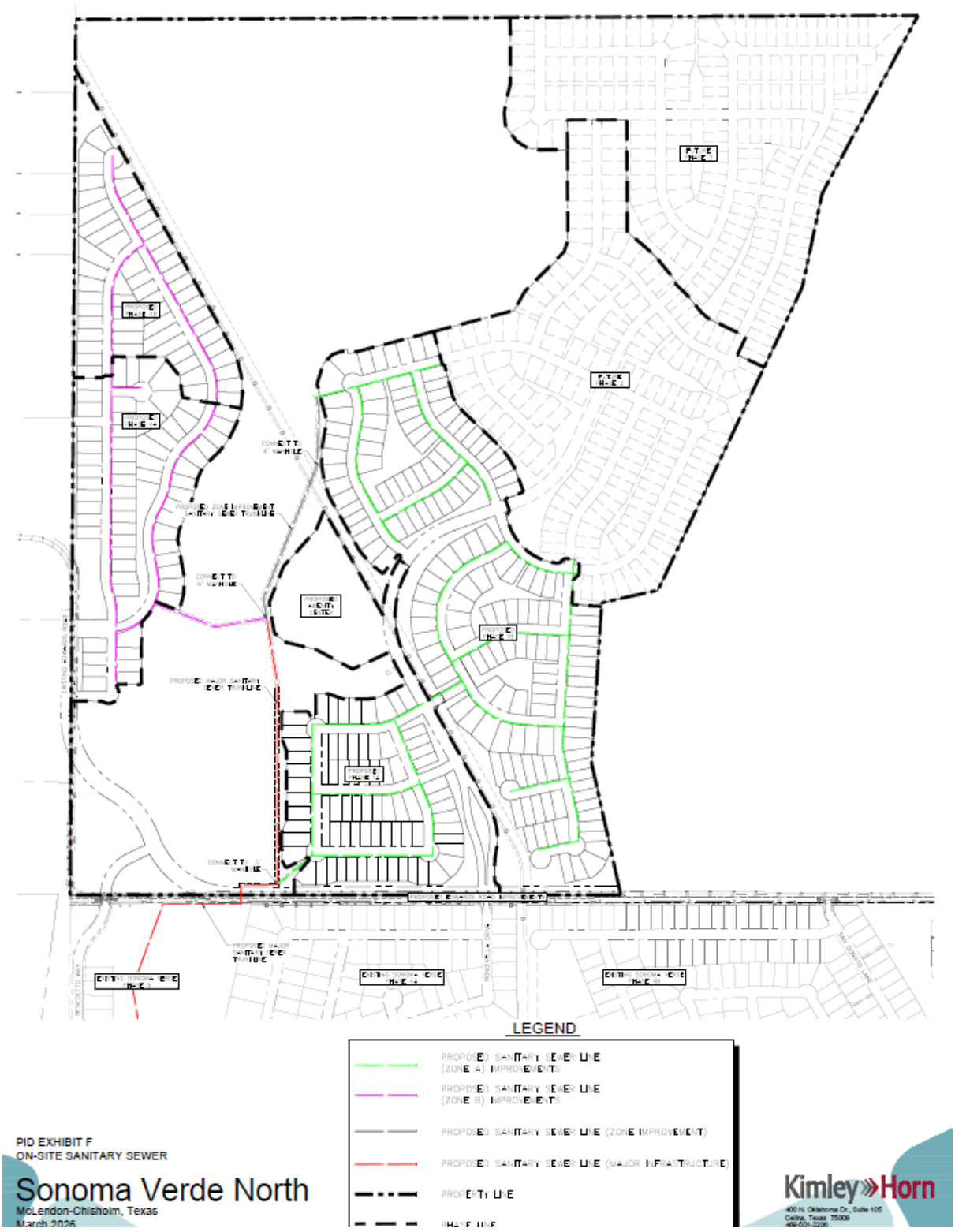
EXHIBIT H-2 – MAPS OF ZONE A IMPROVEMENTS





PID EXHIBIT O
ZONE IMPROVEMENT STREETS


LEGEND
ZONE IMPROVEMENT ROW DEDICATION
PROPERTY LINE
PHASE LINE
PROPOSED EDWARDS ROAD IMPROVEMENTS
PID EXHIBIT M
ZONE IMPROVEMENT ROW DEDICATION
SONOMA VERDE NORTH
Kimley»Horn


LEGEND
PROPOSED SANITARY SEWER LINE (ZONE A) IMPROVEMENTS
PROPOSED SANITARY SEWER LINE (ZONE B) IMPROVEMENTS
PROPOSED SANITARY SEWER LINE (ZONE IMPROVEMENT)
PROPOSED SANITARY SEWER LINE (MAJOR INFRASTRUCTURE)
PROPERTY LINE
PHASE LINE
PID EXHIBIT F
ON-SITE SANITARY SEWER
Sonoma Verde North
McLendon-Chisholm, Texas
March 2026
Kimley»Horn

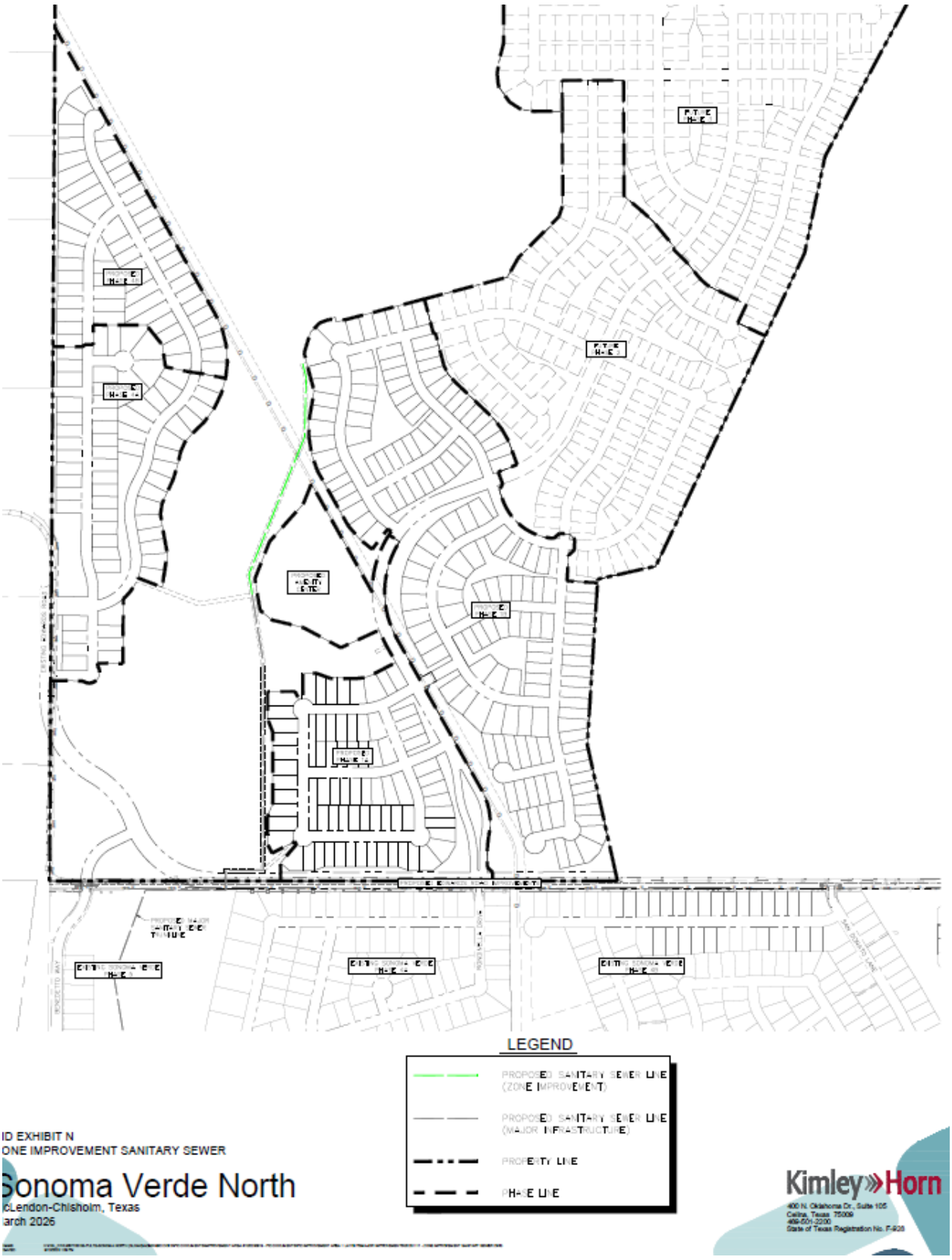
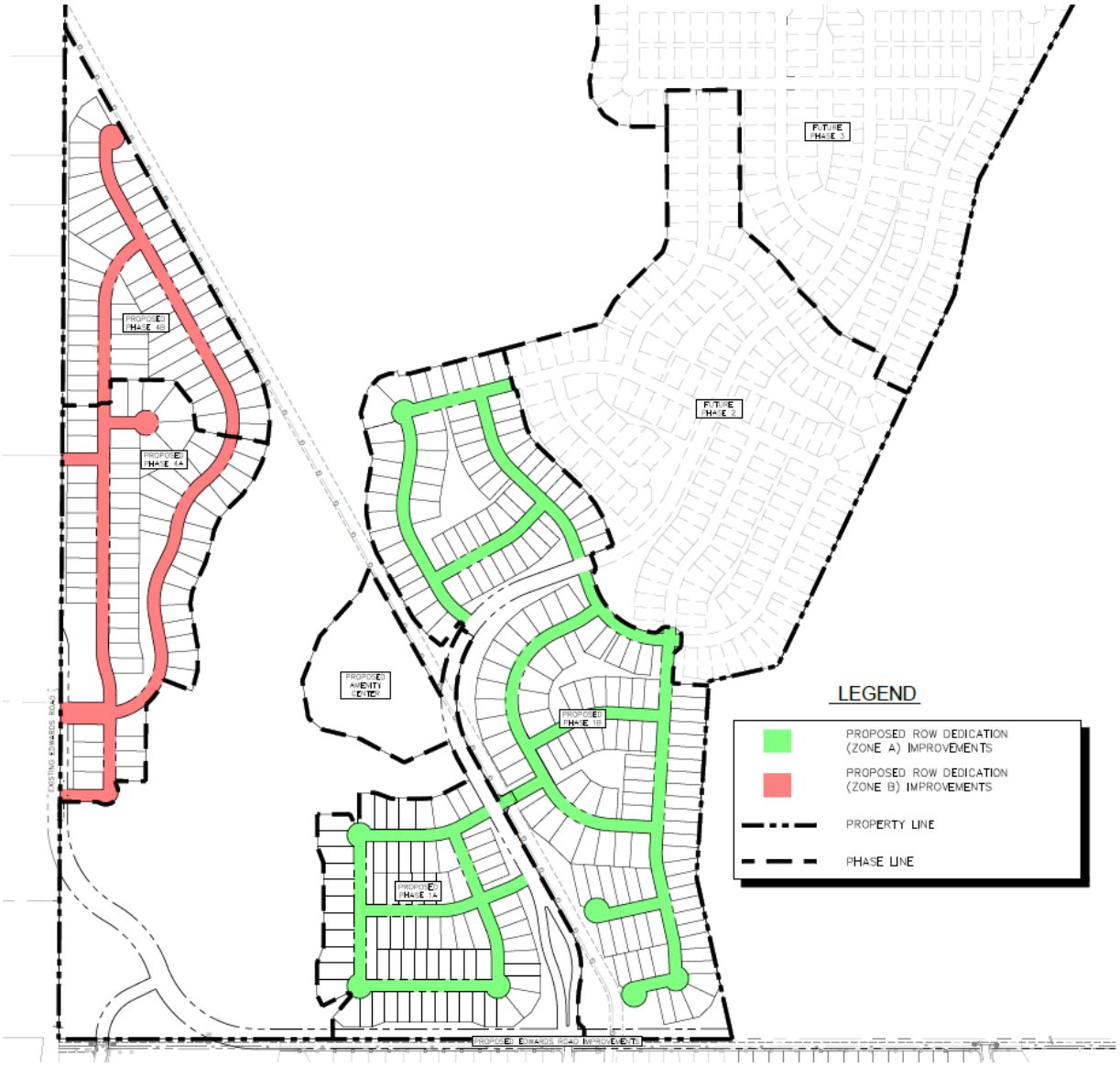
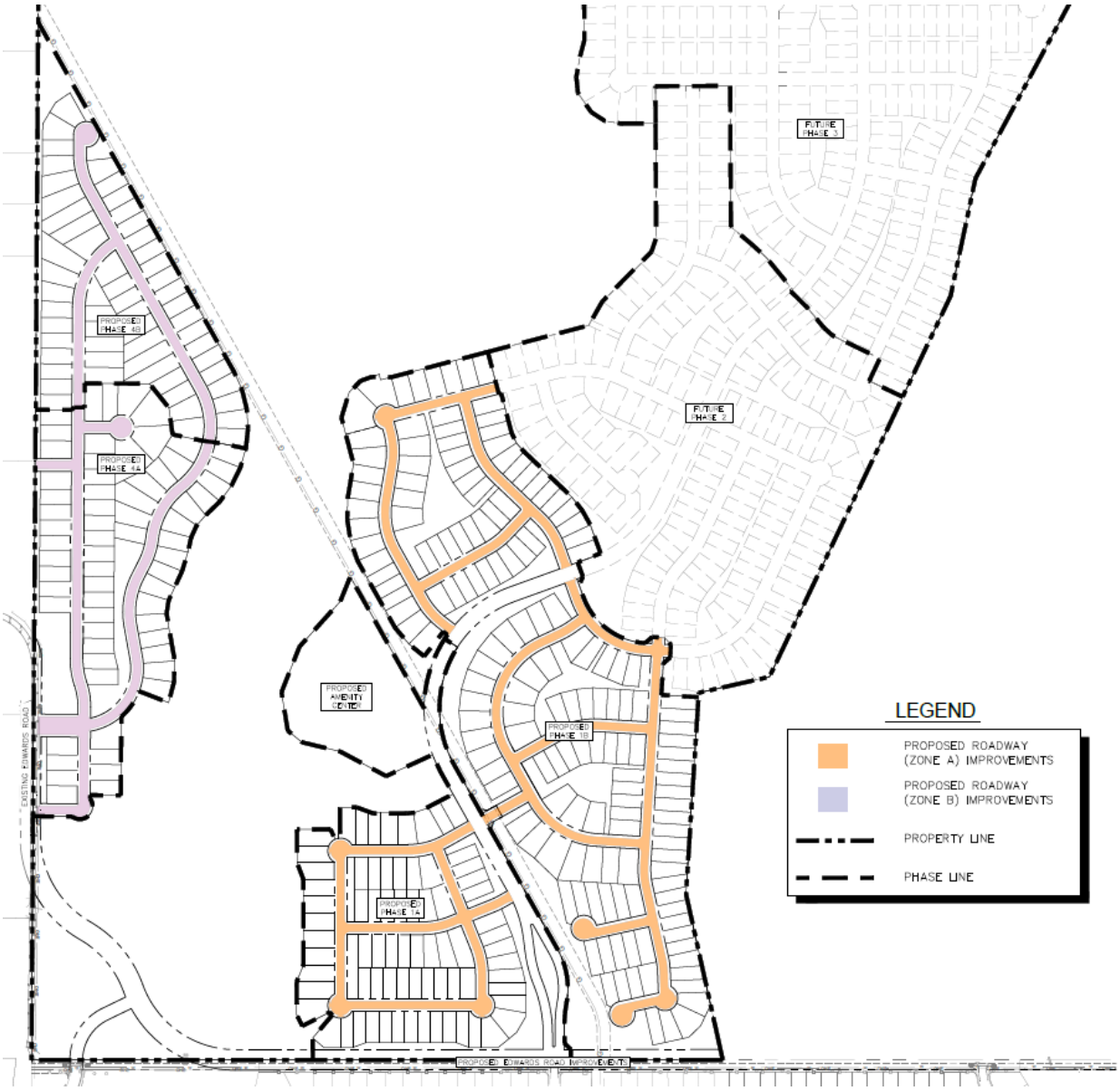
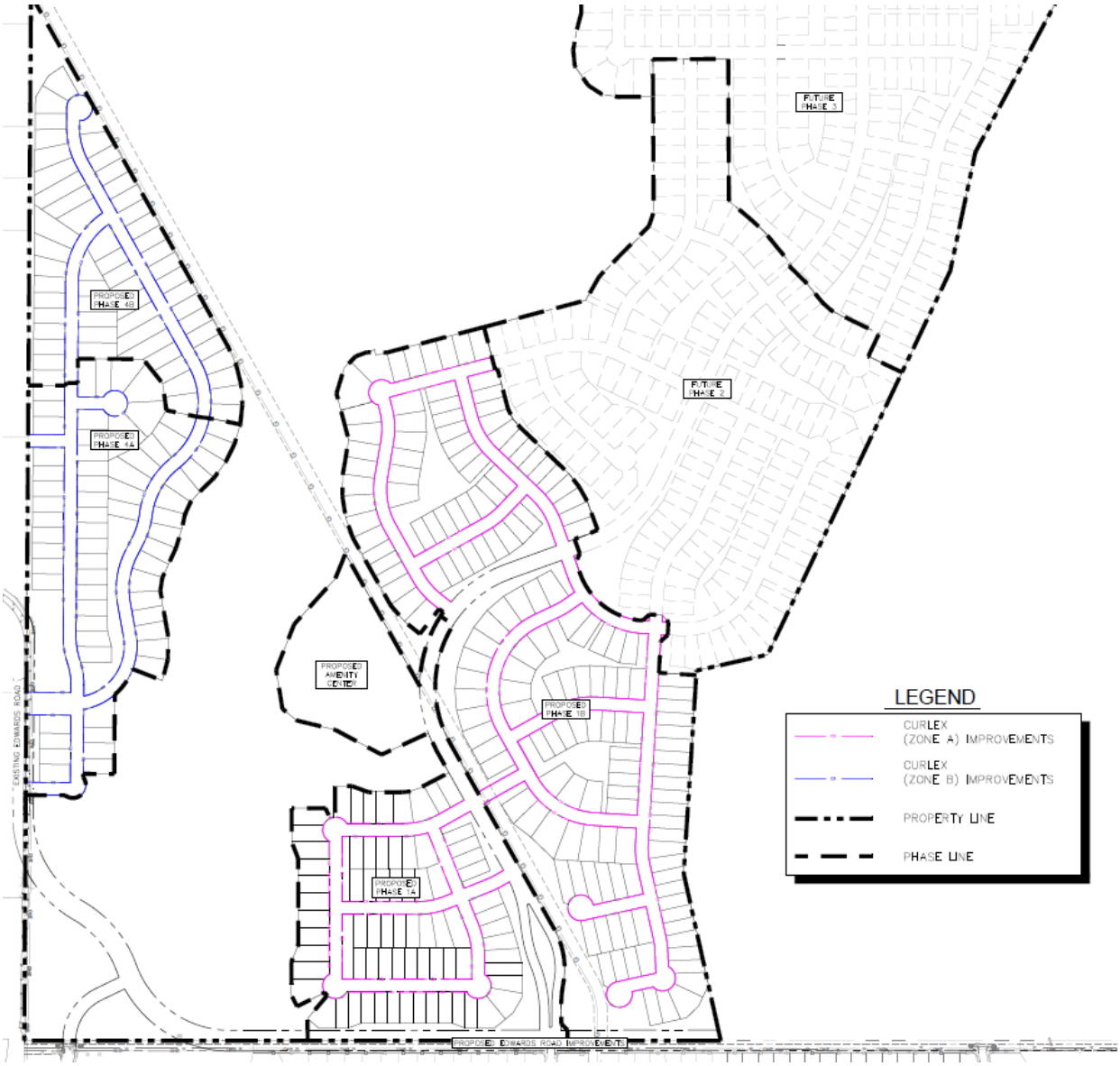
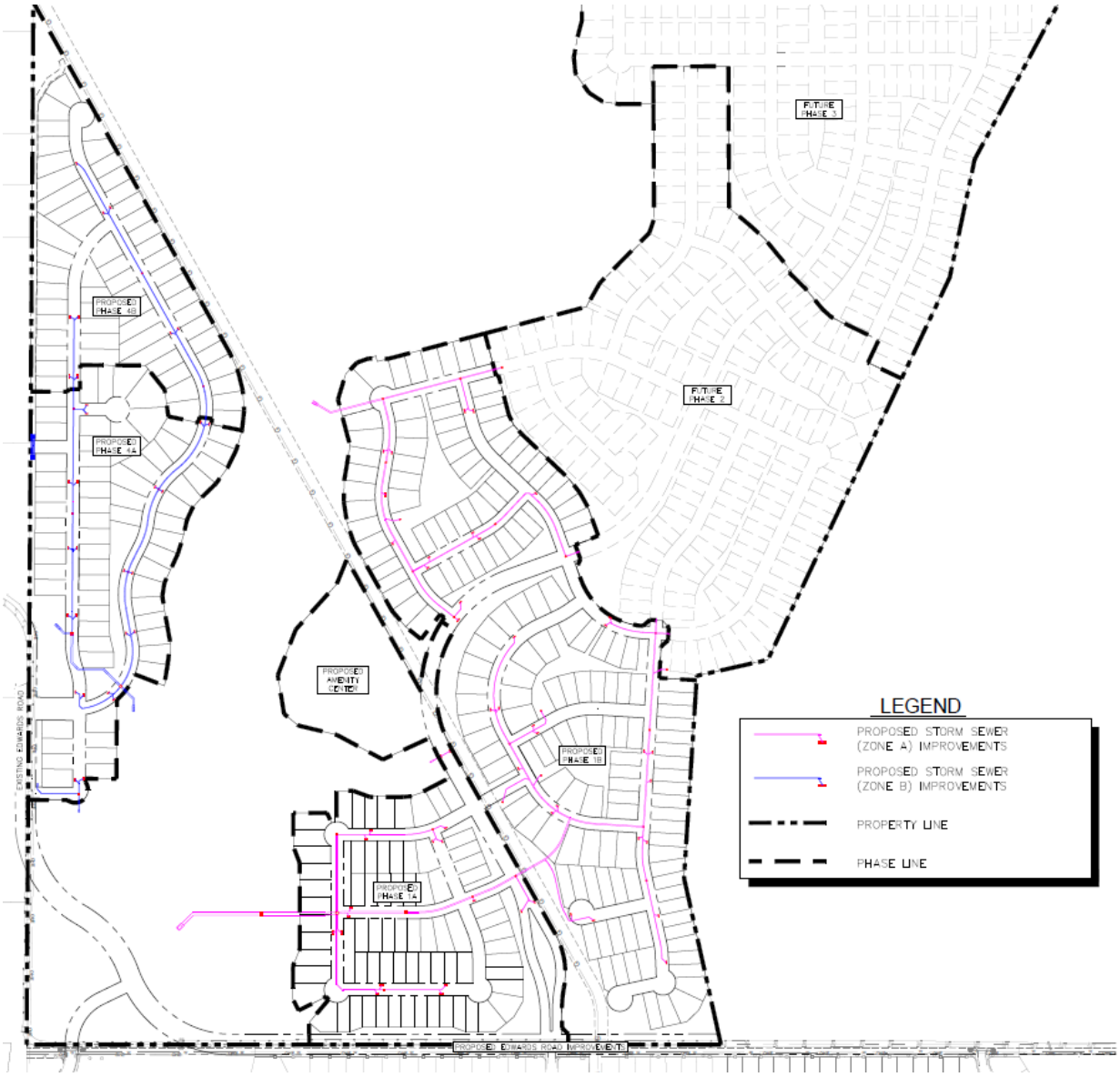

LEGEND
PROPOSED SANITARY SEWER LINE (ZONE IMPROVEMENT)
PROPOSED SANITARY SEWER LINE (MAJOR INFRASTRUCTURE)
PROPERTY LINE
PHASE LINE
ID EXHIBIT N
ONE IMPROVEMENT SANITARY SEWER
Sonoma Verde North
cLendon-Chisholm, Texas
arch 2026
Kimley»Horn

EXHIBIT H-3 – MAPS OF ZONE A IMPROVEMENT AREA #1 IMPROVEMENTS AND ZONE B IMPROVEMENT AREA #1 IMPROVEMENTS




FUTURE PHASE 3
FUTURE PHASE 2
PROPOSED PHASE 4B
PROPOSED PHASE 4A
PROPOSED AMENITY CENTER
PROPOSED PHASE 1B
PROPOSED PHASE 1A
EXISTING EDWARDS ROAD
PROPOSED EDWARDS ROAD IMPROVEMENTS
LEGEND
PROPOSED ROADWAY (ZONE A) IMPROVEMENTS
PROPOSED ROADWAY (ZONE B) IMPROVEMENTS
PROPERTY LINE
PHASE LINE


FUTURE PHASE 3
FUTURE PHASE 2
PROPOSED PHASE 4B
PROPOSED PHASE 4A
PROPOSED AMENITY CENTER
PROPOSED PHASE 1B
PROPOSED PHASE 1A
EXISTING EDWARDS ROAD
PROPOSED EDWARDS ROAD IMPROVEMENTS
LEGEND
CURLEX (ZONE A) IMPROVEMENTS
CURLEX (ZONE B) IMPROVEMENTS
PROPERTY LINE
PHASE LINE


FUTURE PHASE 3
FUTURE PHASE 2
PROPOSED PHASE 4B
PROPOSED PHASE 4A
PROPOSED AMENITY CENTER
PROPOSED PHASE 1B
PROPOSED PHASE 1A
PROPOSED EDWARDS ROAD IMPROVEMENTS
EXISTING EDWARDS ROAD
LEGEND
PROPOSED STORM SEWER (ZONE A) IMPROVEMENTS
PROPOSED STORM SEWER (ZONE B) IMPROVEMENTS
PROPERTY LINE
PHASE LINE

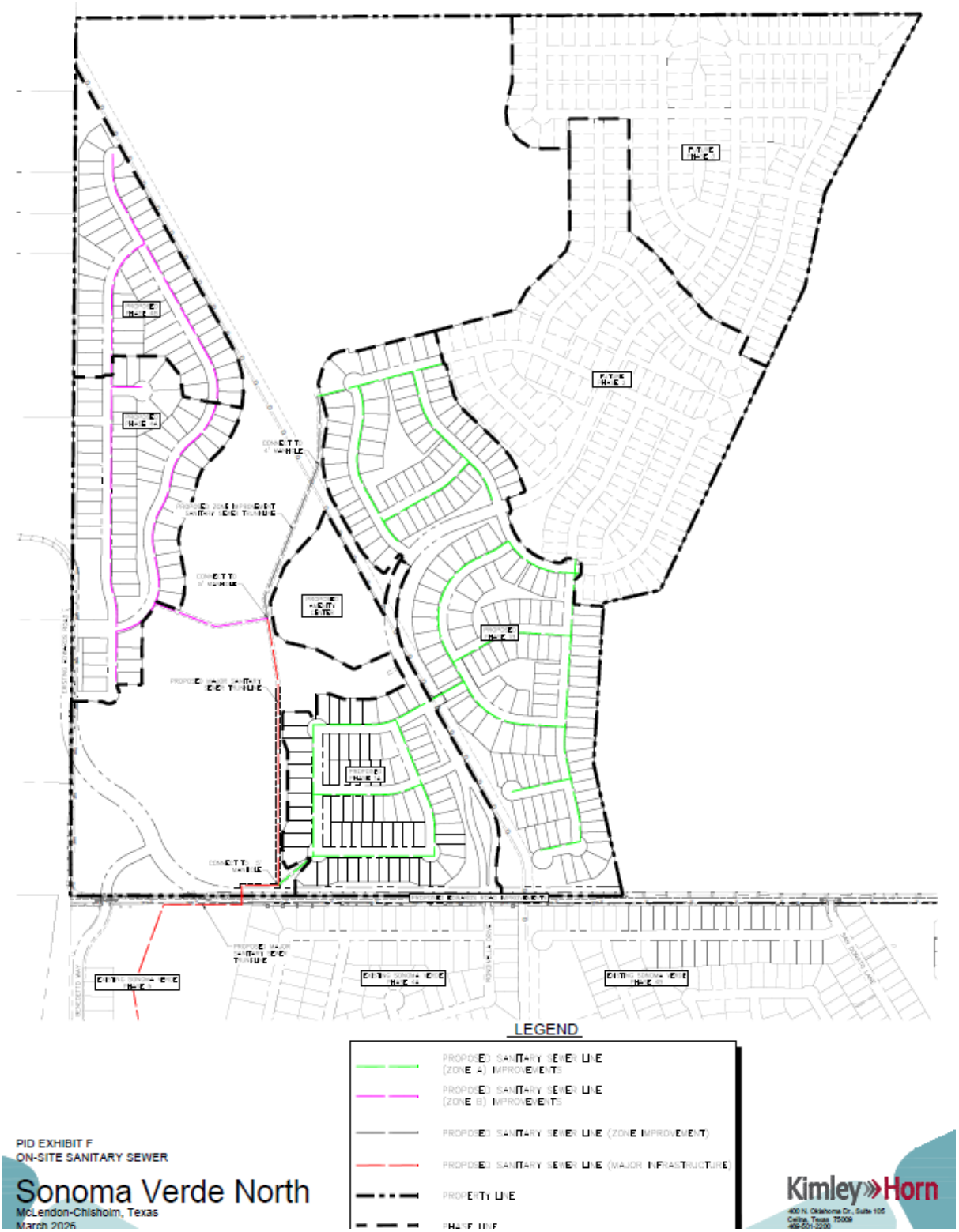

LEGEND
PROPOSED SANITARY SEWER LINE (ZONE A) IMPROVEMENTS
PROPOSED SANITARY SEWER LINE (ZONE B) IMPROVEMENTS
PROPOSED SANITARY SEWER LINE (ZONE I IMPROVEMENT)
PROPOSED SANITARY SEWER LINE (MAJOR INFRASTRUCTURE)
PROPERTY LINE
PHASE LINE
PID EXHIBIT F
ON-SITE SANITARY SEWER
Sonoma Verde North
McLendon-Chisholm, Texas
March 2026
Kimley»Horn

EXHIBIT I – FORM OF NOTICE OF ASSESSMENT TERMINATION

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

[Date]
Rockwall County Clerk's Office
Honorable [County Clerk]
1111 E Yellow Jacket Ln #100
Rockwall, TX 75087

Re: City of McLendon-Chisholm Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of McLendon-Chisholm 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 McLendon-Chisholm
Attn: City Secretary
1371 West FM 550,
McLendon-Chisholm, Texas 75032

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

Sincerely,
[Signature]

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

AFTER RECORDING RETURN TO:

[City Secretary Name]
1371 West FM 550,
McLendon-Chisholm, Texas 75032

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	**§**	
	§	**KNOWN ALL MEN BY THESE PRESENTS:**
COUNTY OF ROCKWALL	**§**	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of McLendon-Chisholm, Texas, a Texas home rule municipality (the “City”).

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council”) of McLendon-Chisholm, 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 or extraterritorial jurisdiction of the City; and

WHEREAS, on April 22, 2025, the City Council of McLendon-Chisholm approved Resolution No. 2025-06 creating the Sonoma Verde North Public Improvement District (the “District”); and

WHEREAS, the District consists of approximately 314.7 contiguous acres within the corporate limits and extraterritorial jurisdiction 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 within the District, the Assessment Ordinance being recorded on _____, as Instrument No. _____ in the official public records of Rockwall 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:

[legal description], an addition to the City of McLendon-Chisholm, Rockwall, Texas, according to the map or plat thereof recorded as Instrument No. _____ in the Map Records of Rockwall County, Texas (the "Property");

and

WHEREAS, the Lien Amount has been paid in full.

RELEASE

NOW THEREFORE, for and in consideration of the full payment of the Lien Amount, the City hereby releases and discharges, and by these presents does hereby release and discharge, the Lien to the extent that is affects and encumbers the Property.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

CITY OF MCLENDON-CHISHOLM, TEXAS,
A Texas home rule municipality,

By: _____
[Manager Name], City Manager

ATTEST:

_____
[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on the ____ day of _____, 20__, by the City Manager for the City of McLendon-Chisholm, Texas, a Texas home rule municipality, on behalf of said municipality.

_____
Notary Public, State of Texas

EXHIBIT J-1 – DEBT SERVICE SCHEDULE FOR SERIES 2026 BONDS

[To be Provided]

EXHIBIT K-1 – DISTRICT LEGAL DESCRIPTION

LEGAL DESCRIPTION
(Approximately 314.7 acres)

BEING a tract of land situated in the Franklin Bauguss Survey, Abstract No. 7, Rockwall County, Texas and being all of a called 316.9-acre tract of land described in deed to Sue H. Sloan, Trustee as recorded in Volume 7054, Page 155, Official Public Records of Rockwall County, Texas and being further described as follows:

BEGINNING at a 1/2" iron rod found in the southeast line of a called 26.01 acre tract of land described in deed to B&F and Son 3 LP, as recorded in Volume 1451, Page 100, Official Public Records of Rockwall County, Texas, at the east corner of a 1225.7210-acre tract of land described in deed to DMDS Land Company, LLC as recorded in Document Number 20200000003529, Official Public Records of Rockwall County, Texas, same being the north corner of said called 316.9-acre tract;

THENCE South 46°01'04" East, with the common line of said 316.9-acre tract and said 1225.7210 acre tract, a distance of 4,129.87 feet to a point for corner at the easterly corner of said 316.9-acre tract and at the northernmost corner of a called 641.6711-acre tract of land described in deed to DMDS Land Company, LLC as recorded in Document Number 20200000030685, Official Public Records of Rockwall County, Texas;

THENCE with the common line of said 316.9-acre tract and said 641.6711-acre tract, the following courses and distances:

South 72°33'32" West, a distance of 991.29 feet to a 5/8" iron rod found for corner;

South 56°10'31" West, a distance of 469.91 feet to a 5/8" iron rod with plastic cap stamped "PELETON" found for corner;

South 69°41'38" West, a distance of 959.85 feet to a 5/8" iron rod with plastic cap stamped "PELETON" found for corner;

South 69°45'40" West, a distance of 686.39 feet to a cross tie fence post for corner;

North 58°21'47" West, a distance of 282.59 feet to a 5/8" iron rod with plastic cap stamped "PELETON" found for corner;

South 48°02'26" West, a distance of 401.54 feet to a 1/2" iron rod found for corner;

South 47°44'21" West, a distance of 385.24 feet to a 3/8" iron rod found for corner;

South 31°45'56" West, a distance of 664.19 feet to a point for corner in Edwars Road (a variable width right-of-way) at the southernmost corner of said 316.9-acre tract and at the westernmost corner of said 641.6711-acre tract;

THENCE North 45°44'37" West, with the southwest line of said 316.9-acre tract and along Edwards Road, a distance of 2,700.80 feet to a 5/8" iron rod with plastic cap stamped "KHA" found for corner in the southeast line of a called 333.01-acre tract of land described in the deed to Maria A. Pratt, recorded in Volume 1201, Page 125, Official Public Records of Rockwall County, Texas, at the westernmost corner of said 316.9-acre tract and at the northernmost corner of a called 249.214-acre tract of land described in the deed to Land Solutions SV, LLC, recorded in Document No. 20180000014913, Official Public Records of Rockwall County, Texas;

THENCE North 44°36'47" East, with the north line of said 316.9-acre tract, and along said Edwards Road, and with the southeast line of a called 12.39-acre tract of land described in the deed to Steven and Megin Danna, Peter Danna and Kenneth Pearce, recorded in Volume 3282, Page 270, Official Public Records of Rockwall County, Texas, the southeast line of a called 40.00-acre tract of land described in the deed to Denise Wang, recorded in Volume 2219, Page 16, Official Public Records of Rockwall County, Texas, the southeast line of a called 5.00-acre tract of land described in the deed to Samuel G. Hafertepe and Lisa A. Hafertepe, recorded in Document No. 20170000020082, Official Public Records of Rockwall County, Texas, and the southeast line of a called 10.00-acre tract of land described in the deed to Laura Lynn Bjeles, recorded in Document No. 20220000009449, Official Public Records of Rockwall County, Texas, a distance of 2,337.90 feet to a 1/2" iron rod found for corner at the easternmost corner of said 10.00 acre tract and at the southernmost corner of a called 40.00-acre tract of land described in the deed to Atasin Avowal, LLC, recorded in Volume 7106, Page 260, Official Public Records of Rockwall County, Texas;

THENCE North 44°38'47" East, with the northwest line of said 316.9-acre tract and the southeast line of said 40.00-acre tract, and the southeast line of a called 10-acre tract of land described in the deed to Corey Smith and Wife, Destiny Smith, recorded in Document No. 20230000016924, Official Public Records of Rockwall County, Texas, the southeast line of a called 10-acre tract of land described in the deed to Victoria Purcell, recorded in Volume 5997, Page 176, Official Public Records of Rockwall County, Texas, the southeast line of a called 20.00-acre tract of land described in the deed to S. Mark Olmstead and wife Alyce A. Olmstead, recorded in Volume 1451, Page 100, Official Public Records of Rockwall County, Texas, and the southeast line of said 26.01-acre tract, a distance of 1,956.70 feet to the **POINT OF BEGINNING** and containing 13,709,489 square feet or 314.727 acres of land.

EXHIBIT K-2 – ZONE A LEGAL DESCRIPTION

ZONE A OVERALL PROPERTY DESCRIPTION

BEING a tract of land situated in the Franklin Bauguss Survey, Abstract No. 7, City of McLendon-Chisholm, Rockwall County, Texas and being all of the called 102.713 acre tract of land described in deed to Sloan 108 Land Investors, LLC as recorded in Document No. 20250000011434, Official Public Records of Rockwall County, Texas (O.P.R.R.C.T.), and a portion of a called 212.013 acre tract of land described in deed to Pulte Homes of Texas, L.P. as recorded in Document No. 20250000011591, O.P.R.R.C.T., also being all of a called 164.377 acre tract of land conveyed to DRP TX 6, LLC, recorded in Document No. 20250000018093, O.P.R.R.C.T., and being further described as follows:

BEGINNING at a mag-nail found at the southernmost corner of said 212.013 acre and 164.377 acre tract and at the westernmost corner of a called 641.6711 acre tract of land described in deed to DMDS Land Company, LLC as recorded in Document No. 20200000030685, O.P.R.R.C.T., in Edwards Road (a variable width right-of-way);

THENCE North 45°44'37" West, with the southwest line of said 212.013 acre and said 164.377 acre tract and along Edwards Road, a distance of 2,700.80 feet to a 5/8" iron rod with plastic cap stamped "KHA" found for corner in the southeast line of a called 333.01 acre tract of land described in the deed to Maria A. Pratt, recorded in Volume 1201, Page 125, O.P.R.R.C.T., at the westernmost corner of said 212.013 acre tract and at the northernmost corner of a called 249.214 acre tract of land described in the deed to Land Solutions SV, LLC, recorded in Document No. 20180000014913, O.P.R.R.C.T.;

THENCE North 44°36'47" East, with the north line of said 212.013 acre tract, and along said Edwards Road, and with the southeast line of a called 12.39 acre tract of land described in the deed to Steven and Megin Danna, Peter Danna and Kenneth Pearce, recorded in Volume 3282, Page 270, O.P.R.R.C.T., the southeast line of a called 40.00 acre tract of land described in the deed to RCH Water Supply Corporation, recorded in Document No. 20240000004465, O.P.R.R.C.T., a distance of 951.48 feet to a point for corner;

THENCE over and across said 212.013 acre tract, the following courses:

South 45°22'19" East, a distance of 152.76 feet to a point for corner at the beginning of a non-tangent curve to the left with a radius of 50.00 feet, a central angle of 163°44'23", and a chord bearing and distance of North 89°37'41" East, 98.99 feet;

With said non-tangent curve to the left, an arc distance of 142.89 feet to a point for corner;

North 44°37'41" East, a distance of 13.78 feet to a point for corner;

South 45°22'19" East, a distance of 120.00 feet to a point for corner;

North 44°37'41" East, a distance of 307.63 feet to a point for corner at the beginning of a non-tangent curve to the left with a radius of 250.00 feet, a central angle of 27°59'05", and a chord bearing and distance of North 79°25'52" East, 120.90 feet;

In an easterly direction, with said non-tangent curve to the left, an arc distance of 122.11 feet to a point for corner in the northwesterly line of said 164.377 acre tract;

THENCE with said northwesterly line and the southeasterly lines of a tract of land described as Tract 1, Tract 2, and Tract 3, conveyed to Pulte Homes of Texas, L.P., as recorded in Document No. 20260000009931, O.P.R.R.C.T., the following bearings and distances:

South 24°33'40" East, a distance of 122.97 feet to a point for corner;

North 59°02'10" East, a distance of 82.95 feet to a point for corner;

North 46°18'14" East, a distance of 82.71 feet to a point for corner;

North 34°04'48" East, a distance of 130.46 feet to a point for corner;

North 35°26'35" East, a distance of 57.16 feet to a point for corner;

North 53°09'56" East, a distance of 52.29 feet to a point for corner;

North 67°25'45" East, a distance of 56.04 feet to a point for corner;

North 70°24'57" East, a distance of 19.72 feet to a point for corner;

North 73°04'06" East, a distance of 37.57 feet to a point for corner;

North 63°06'13" East, a distance of 77.92 feet to a point for corner;

North 53°08'21" East, a distance of 23.59 feet to a point for corner;

North 56°48'01" East, a distance of 47.37 feet to a point for corner;

North 68°51'36" East, a distance of 23.32 feet to a point for corner;

ZONE A OVERALL IMPROVEMENT AREA #1
FRANKLIN BAUGUSS SURVEY, ABSTRACT NO. 7
CITY OF McLENDON-CHISHOLM
ROCKWALL COUNTY, TEXAS

Kimley»Horn
400 North Oklahoma Dr., Suite 105
Celina, Texas 75009
FIRM # 10115500
Tel. No. (469) 501-2200
www.kimley-horn.com

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
N/A	SPA	DRA	May. 2026	067705155	1 OF 3

ALLEN, STEPHEN 5/21/2026 2:24 PM K:\CEL_SURVEY\067705155 - SONOMA VERDE NORTH\DWG\EXHIBITS\067705155 ZONE A OVERALL PID EXHIBIT.DWG

North 84°23'13" East, a distance of 141.21 feet to a point for corner;

South 89°42'21" East, a distance of 16.17 feet to a point for corner;

North 80°19'26" East, a distance of 77.59 feet to a point for corner;

North 70°21'41" East, a distance of 77.59 feet to a point for corner;

North 60°23'49" East, a distance of 77.59 feet to a point for corner;

North 50°25'57" East, a distance of 77.59 feet to a point for corner;

North 40°28'05" East, a distance of 77.59 feet to a point for corner;

North 30°30'13" East, a distance of 77.59 feet to a point for corner;

North 20°32'20" East, a distance of 70.72 feet to a point for corner;

North 14°58'42" East, a distance of 15.16 feet to a point for corner;

North 22°36'35" East, a distance of 8.52 feet to a point for corner;

North 00°00'07" West, a distance of 4.38 feet to a point for corner;

North 15°08'14" East, a distance of 1,549.60 feet to a point in the northwest line of said 212.013 acre tract and the southeast line of a called 26.01 acre tract of land described in deed to B&F and Son 3 LP as recorded in Volume 1451, Page 100, O.P.R.R.C.T.;

THENCE North 44°38'47" East, with the northwest line of said 212.013 acre tract and the southeast line of said 26.01 acre tract, a distance of 234.66 feet to a 1/2-inch iron rod found at the north corner of said 212.013 acre tract and the west corner of a called 1225.721 acre tract of land described in deed to DMDS Land Company, LLC as recorded in Document No. 20200000003529, O.P.R.R.C.T.;

THENCE South 46°01'04" East, with the northeast line of both said 212.013 acre tract and the 102.713-acre tract and the southwest line of both said 1225.721 acre tract and a called 5.000 acre tract of land described in deed to Joshua A. Bethke as recorded in Document No. 20240000019997, O.P.R.R.C.T., a distance of 4,129.87 feet to a point for corner at the east corner of said 102.713 acre tract and the northernmost corner of said 641.6711-acre tract;

THENCE with the common line of said 102.713 acre tract, 212.013 acre tract and said 641.6711 acre tract, the following courses:

South 72°33'32" West, a distance of 991.29 feet to a 5/8-inch iron rod found for corner;

South 56°10'31" West, a distance of 469.91 feet to a 5/8-inch iron rod found with plastic cap stamped "PELETON" found for corner;

South 69°41'38" West, a distance of 959.85 feet to a 5/8-inch iron rod found with plastic cap stamped "PELETON" found for corner;

South 69°45'40" West, a distance of 686.39 feet to a cross tie fence post for corner;

North 58°21'47" West, a distance of 282.59 feet to a 5/8-inch iron rod found with plastic cap stamped "PELETON";

South 48°02'26" West, a distance of 401.54 feet to a 1/2-inch iron rod found for corner;

South 47°44'21" West, a distance of 385.24 feet to a 3/8-inch iron rod found for corner;

South 31°45'56" West, a distance of 664.19 feet to the **POINT OF BEGINNING** and containing 12,182,091 square feet or 279.662 acres of land.

ZONE A OVERALL IMPROVEMENT AREA #1
FRANKLIN BAUGUSS SURVEY, ABSTRACT NO. 7
CITY OF McLENDON-CHISHOLM
ROCKWALL COUNTY, TEXAS

PRELIMINARY
THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT

DANIEL R. ARTHUR
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 5933
400 NORTH OKLAHOMA DRIVE
SUITE 105
CELINA, TEXAS 75009
PH. 469-501-2200
daniel.arthur@kimley-horn.com

Kimley»Horn
400 North Oklahoma Dr., Suite 105
Celina, Texas 75009
FIRM # 10115500
Tel. No. (469) 501-2200
www.kimley-horn.com

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
N/A	SPA	DRA	May, 2026	067705155	2 OF 3

ALLEN, STEPHEN [5/12/2026 5:24 PM] K:\CEL_SURVEY\067705155_SONOMA VERDE NORTH\MKE\EXHIBITS\067705155 ZONE A OVERALL IMP EXHIBIT.DWG

EXHIBIT K-3 – ZONE A IMPROVEMENT AREA #1 LEGAL DESCRIPTION

ZONE A IMPROVEMENT AREA #1 (PHASE 1A/1B) DESCRIPTION

BEING a tract of land situated in the Franklin BAUGUSS Survey, Abstract No. 7, City of McLendon-Chisholm, Rockwall County, Texas and being a portion of a called 164.377 acre tract of land conveyed to DRP TX 6, LLC, recorded in Document No. 20250000018093 Official Public Records, Rockwall County, Texas (O.P.R.R.C.T.), and a portion of a called 212.013 acre tract of land conveyed to Pulte Homes of Texas L.P., recorded in Document No. 20250000011591 O.P.R.R.C.T., and being more particularly described as follows:

BEGINNING at a mag-nail found at the southernmost corner of said 212.013 acre and 164.377 acre tract and at the westernmost corner of a called 641.6711 acre tract of land described in deed to DMDS Land Company, LLC as recorded in Document No. 20200000030685, O.P.R.R.C.T., in Edwards Road (a variable width right-of-way);

THENCE North 45°44'37" West, with the southwest line of said 212.013 acre and 164.377 acre tract and along Edwards Road, a distance of 2,700.80 feet to a 5/8" iron rod with plastic cap stamped "KHA" found for corner in the southeast line of a called 333.01 acre tract of land described in the deed to Maria A. Pratt, recorded in Volume 1201, Page 125, O.P.R.R.C.T., at the westernmost corner of said 212.013 acre tract and at the northernmost corner of a called 249.214 acre tract of land described in the deed to Land Solutions SV, LLC, recorded in Document No. 20180000014913, O.P.R.R.C.T.;

THENCE North 44°36'47" East, with the north line of said 212.013 acre tract, and along said Edwards Road, and with the southeast line of a called 12.39 acre tract of land described in the deed to Steven and Megin Danna, Peter Danna and Kenneth Pearce, recorded in Volume 3282, Page 270, O.P.R.R.C.T., the southeast line of a called 40.00 acre tract of land described in the deed to RCH Water Supply Corporation, recorded in Document No. 20240000004465, O.P.R.R.C.T. a distance of 951.48 feet to a point for corner;

THENCE over and across said 212.013 acre tract, the following courses:

South 45°22'19" East, a distance of 152.76 feet to a point for corner at the beginning of a non-tangent curve to the left with a radius of 50.00 feet, a central angle of 163°44'23", and a chord bearing and distance of North 89°37'41" East, 98.99 feet;

In an easterly direction, with said non-tangent curve to the left, an arc distance of 142.89 feet to a point for corner;

North 44°37'41" East, a distance of 13.78 feet to a point for corner;

South 45°22'19" East, a distance of 120.00 feet to a point for corner;

North 44°37'41" East, a distance of 307.63 feet to a point for corner at the beginning of a non-tangent curve to the left with a radius of 250.00 feet, a central angle of 27°59'05", and a chord bearing and distance of North 79°25'52" East, 120.90 feet;

In an easterly direction, with said non-tangent curve to the left, an arc distance of 122.11 feet to a point for corner in the northwesterly line of said 164.377 acre tract;

THENCE with said northwesterly line, and the southeasterly lines of a tract of land described as Tract 1, Tract 2, and Tract 3, conveyed to Pulte Homes of Texas, L.P., as recorded in Document No. 20260000009931, O.P.R.R.C.T., the following bearings and distances:

South 24°33'40" East, a distance of 122.97 feet to a point for corner;

North 59°02'10" East, a distance of 82.95 feet to a point for corner;

North 46°18'14" East, a distance of 82.71 feet to a point for corner;

North 34°04'48" East, a distance of 130.46 feet to a point for corner;

North 35°26'35" East, a distance of 57.16 feet to a point for corner;

North 53°09'56" East, a distance of 52.29 feet to a point for corner;

North 67°25'45" East, a distance of 56.04 feet to a point for corner;

North 70°24'57" East, a distance of 19.72 feet to a point for corner;

ZONE A IMPROVEMENT AREA #1
(PHASE 1A/1B)
FRANKLIN BAUGUSS SURVEY,
ABSTRACT NO. 7
CITY OF McLENDON-CHISHOLM
ROCKWALL COUNTY, TEXAS

Kimley»Horn
400 North Oklahoma Dr., Suite 105
Celina, Texas 75009
FIRM # 10115500
Tel. No. (469) 501-2200
www.kimley-horn.com

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
N/A	SPA	DRA	Jun. 2026	067705155	1 OF 5

North 73°04'06" East, a distance of 37.57 feet to a point for corner;

North 63°06'13" East, a distance of 77.92 feet to a point for corner;

North 53°08'21" East, a distance of 23.59 feet to a point for corner;

North 56°48'01" East, a distance of 47.37 feet to a point for corner;

North 68°51'36" East, a distance of 23.32 feet to a point for corner;

North 84°23'13" East, a distance of 141.21 feet to a point for corner;

South 89°42'21" East, a distance of 16.17 feet to a point for corner;

North 80°19'26" East, a distance of 77.59 feet to a point for corner;

North 70°21'41" East, a distance of 77.59 feet to a point for corner;

North 60°23'49" East, a distance of 77.59 feet to a point for corner;

North 50°25'57" East, a distance of 77.59 feet to a point for corner;

North 40°28'05" East, a distance of 77.59 feet to a point for corner;

North 30°30'13" East, a distance of 77.59 feet to a point for corner;

North 20°32'20" East, a distance of 70.72 feet to a point for corner;

North 14°58'42" East, a distance of 15.16 feet to a point for corner;

North 22°36'35" East, a distance of 8.52 feet to a point for corner;

North 00°00'07" West, a distance of 4.38 feet to a point for corner;

North 15°08'14" East, a distance of 1,549.60 feet to a point for corner in the northwest line of said 212.013 acre tract and the southeast line of a called 26.01-acre tract of land described in deed to B&F and Son 3 LP as recorded in Volume 1451, Page 100, O.P.R.R.C.T.;

THENCE North 44°38'47" East, with the northwest line of said 212.013 acre tract and the southeast line of said 26.01 acre tract, a distance of 234.66 feet to a 1/2-inch iron rod found at the north corner of said 212.013 acre tract and the west corner of a called 1225.721 acre tract of land described in deed to DMDS Land Company, LLC as recorded in Document No. 20200000003529, O.P.R.R.C.T.;

THENCE South 46°01'04" East, with the northeast line of said 212.013 acre tract and the southwest line of said 1225.721 acre tract and a called 5.000 acre tract of land described in deed to Joshua A. Bethke as recorded in Document No. 20240000019997, O.P.R.R.C.T., a distance of 1,490.77 feet to a 5/8-inch iron rod set capped (stamped "KHA") for the most east corner of said 212.013 acre tract and the north corner of a called 102.713 acre tract of land described in deed to Sloan 108 Land Investors, LLC as recorded in Document No. 20250000011434, O.P.R.R.C.T.;

ZONE A IMPROVEMENT AREA #1
(PHASE 1A/1B)
FRANKLIN BAUGUSS SURVEY,
ABSTRACT NO. 7
CITY OF McLENDON-CHISHOLM
ROCKWALL COUNTY, TEXAS

Kimley»Horn
400 North Oklahoma Dr., Suite 105
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THENCE with the common line of said 212.013 acre tract and said 102.713 acre tract, the following courses:

South 44°01'28" West, a distance of 241.91 feet to a point for corner;

South 32°58'43" West, a distance of 26.47 feet to a point for corner;

South 09°01'42" West, a distance of 104.54 feet to a point for corner;

South 05°05'09" West, a distance of 188.74 feet to a point for corner;

South 06°52'50" East, a distance of 120.51 feet to a point for corner;

South 09°39'50" West, a distance of 140.38 feet to a point for corner;

South 02°55'04" West, a distance of 91.69 feet to a point for corner;

South 26°04'29" West, a distance of 147.06 feet to a point for corner;

North 83°43'52" West, a distance of 69.55 feet to a point for corner;

North 77°45'04" West, a distance of 103.00 feet to a point for corner;

South 87°07'47" West, a distance of 78.40 feet to a point for corner;

South 76°23'13" West, a distance of 130.98 feet to a point for corner;

North 84°52'34" West, a distance of 78.93 feet to a point for corner;

North 78°34'13" West, a distance of 99.04 feet to a point for corner;

South 89°56'01" West, a distance of 63.22 feet to a point for corner;

South 85°15'06" West, a distance of 26.16 feet to a point for corner;

South 31°02'36" West, a distance of 30.28 feet to a point for corner;

South 03°30'46" West, a distance of 23.45 feet to a point for corner;

South 11°23'05" East, a distance of 58.40 feet to a point for corner;

South 26°38'59" East, a distance of 56.86 feet to a point for corner;

South 33°58'28" East, a distance of 73.49 feet to a point for corner;

South 20°42'23" East, a distance of 127.12 feet to a point for corner;

South 29°38'12" West, a distance of 25.92 feet to a point for corner;

THENCE over and across said 212.013 acre tract, the following courses:

North 60°25'59" West, a distance of 48.98 feet to a point for corner;

South 29°34'01" West, a distance of 170.00 feet to a point for corner;

ZONE A IMPROVEMENT AREA #1
(PHASE 1A/1B)
FRANKLIN BAUGUSS SURVEY,
ABSTRACT NO. 7
CITY OF McLENDON-CHISHOLM
ROCKWALL COUNTY, TEXAS

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South 60°25'59" East, a distance of 9.73 feet to a point for corner;

South 29°34'01" West, a distance of 159.13 feet to a point for corner;

South 18°49'49" West, a distance of 43.86 feet to a point for corner;

South 02°50'15" West, a distance of 45.11 feet to a point for corner;

South 02°11'16" East, a distance of 258.29 feet to a point for corner;

South 06°13'34" West, a distance of 64.83 feet to a point for corner;

South 14°55'35" West, a distance of 64.86 feet to a point for corner;

South 24°23'47" West, a distance of 118.30 feet to a point for corner at the beginning of a non-tangent curve to the right with a radius of 470.00 feet, a central angle of 06°22'01", and a chord bearing and distance of North 68°47'14" West, 52.20 feet;

In a westerly direction, with said non-tangent curve to the right, an arc distance of 52.23 feet to a point for corner;

North 65°36'13" West, a distance of 43.88 feet to a point for corner;

South 24°23'47" West, a distance of 60.00 feet to a point for corner;

South 69°23'47" West, a distance of 35.36 feet to a point for corner;

South 24°23'47" West, a distance of 48.43 feet to a point for corner at the beginning of a tangent curve to the left with a radius of 275.00 feet, a central angle of 66°36'05", and a chord bearing and distance of South 08°54'15" East, 301.97 feet;

In a southerly direction, with said tangent curve to the left, an arc distance of 319.66 feet to a point for corner;

South 86°29'57" East, a distance of 35.80 feet to a point for corner;

South 42°12'18" East, a distance of 50.00 feet to a point for corner;

South 02°47'42" West, a distance of 35.36 feet to a point for corner;

South 47°47'42" West, a distance of 50.00 feet to a point for corner;

North 87°12'18" West, a distance of 35.36 feet to a point for corner;

South 47°47'42" West, a distance of 123.14 feet to a point for corner;

South 42°12'18" East, a distance of 145.36 feet to a point for corner in a southeast line of said 212.013 acre tract and a northwest line of said 641.6711 acre tract, from which a 5/8-inch iron rod found with plastic cap (stamped "Pelton") for an inner corner of both said 212.013 acre tract and 641.6711 acre tract, bears North 48°02'26" East, 17.64 feet;

THENCE with the common line of said 212.013 acre tract and said 641.6711 acre tract, the following courses:

South 48°02'26" West, a distance of 383.90 feet to a 1/2-inch iron rod found for corner;

South 47°44'21" West, a distance of 385.24 feet to a 3/8-inch iron rod found for corner;

THENCE South 31°45'56" West, a distance of 664.19 feet to the **POINT OF BEGINNING** and containing 7,567,388 square feet or 173.723 acres of land.

PRELIMINARY

THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT

DANIEL R. ARTHUR
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 5933
400 NORTH OKLAHOMA DRIVE
SUITE 105
CELINA, TEXAS 75009
PH. 469-501-2200
daniel.arthur@kimley-horn.com

ZONE A IMPROVEMENT AREA #1
(PHASE 1A/1B)
FRANKLIN BAUGUSS SURVEY,
ABSTRACT NO. 7
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EXHIBIT K-4 – ZONE B IMPROVEMENT AREA #1 LEGAL DESCRIPTION

ZONE B IMPROVEMENT AREA #1 (PHASE 4A/4B) DESCRIPTION

BEING a tract of land situated in the Franklin Bauguss Survey, Abstract No. 7, City of McLendon-Chisholm, Rockwall County, Texas and being a portion of a called 212.013 acre tract of land described in deed to Pulte Homes of Texas, L.P. as recorded in Document No. 20250000011591, Official Public Records of Rockwall County, Texas (O.P.R.R.C.T.), and being all of a called tract of land described as Tract 1, Tract 2, and Tract 3, conveyed to Pulte Homes of Texas, L.P. as recorded in Document No. 20260000009931, O.P.R.R.C.T., and being further described as follows:

BEGINNING at a point in the northwest line of said 212.013 acre tract and the southeast line of a called 26.01 acre tract of land described in deed to B&F and Son 3 LP, as recorded in Volume 1451, Page 100, O.P.R.R.C.T., same being a northwest line of a called 164.377 acre tract of land conveyed to DRP TX 6, LLC, recorded in Document No. 20250000018093, O.P.R.R.C.T., from which a 1/2-inch iron rod found for the north corner of said 212.013 acre tract bears North 44°38'47" East, a distance of 234.66 feet;

THENCE over and across said 212.013 acre tract, with the northwesterly line of said 164.377 acre tract, also being along the southeasterly lines of said Tract 1, Tract 2, and Tract 3, the following courses:

South 15°08'14" West, a distance of 1,549.60 feet to a point for corner;

South 00°00'07" East, a distance of 4.38 feet to a point for corner;

South 22°36'35" West, a distance of 8.52 feet to a point for corner;

South 14°58'42" West, a distance of 15.16 feet to a point for corner;

South 20°32'20" West, a distance of 70.72 feet to a point for corner;

South 30°30'13" West, a distance of 77.59 feet to a point for corner;

South 40°28'05" West, a distance of 77.59 feet to a point for corner;

South 50°25'57" West, a distance of 77.59 feet to a point for corner;

South 60°23'49" West, a distance of 77.59 feet to a point for corner;

South 70°21'41" West, a distance of 77.59 feet to a point for corner;

South 80°19'26" West, a distance of 77.59 feet to a point for corner;

North 89°42'21" West, a distance of 16.17 feet to a point for corner;

South 84°23'13" West, a distance of 141.21 feet to a point for corner;

South 68°51'36" West, a distance of 23.32 feet to a point for corner;

South 56°48'01" West, a distance of 47.37 feet to a point for corner;

South 53°08'21" West, a distance of 23.59 feet to a point for corner;

South 63°06'13" West, a distance of 77.92 feet to a point for corner;

South 73°04'06" West, a distance of 37.57 feet to a point for corner;

South 70°24'57" West, a distance of 19.72 feet to a point for corner;

South 67°25'45" West, a distance of 56.04 feet to a point for corner;

South 53°09'56" West, a distance of 52.29 feet to a point for corner;

South 35°26'35" West, a distance of 57.16 feet to a point for corner;

South 34°04'48" West, a distance of 130.46 feet to a point for corner;

South 46°18'14" West, a distance of 82.71 feet to a point for corner;

South 59°02'10" West, a distance of 82.95 feet to a point for corner;

ZONE B IMPROVEMENT AREA #1
(PHASE 4A/4B)
FRANKLIN BAUGUSS
SURVEY, ABSTRACT NO. 7
CITY OF McLENDON-CHISHOLM
ROCKWALL COUNTY, TEXAS

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North 24°33'40" West, a distance of 122.97 feet to a point for corner at the beginning of a non-tangent curve to the right with a radius of 250.00 feet, a central angle of 27°59'05", and a chord bearing and distance of South 79°25'52" West, 120.90 feet;

In a westerly direction, leaving said 164.377 acre tract, with said non-tangent curve to the right, an arc distance of 122.11 feet to a point for corner, in said 212.013 acre tract;

THENCE over and across said 212.013 acre tract the following bearings and distances:

South 44°37'41" West, a distance of 307.63 feet to a point for corner;

North 45°22'19" West, a distance of 120.00 feet to a point for corner;

South 44°37'41" West, a distance of 13.78 feet to a point for corner at the beginning of a non-tangent curve to the right with a radius of 50.00 feet, a central angle of 163°44'23", and a chord bearing and distance of South 89°37'41" West, 98.99 feet;

In a westerly direction, with said non-tangent curve to the right, an arc distance of 142.89 feet to a point for corner;

North 45°22'19" West, a distance of 152.76 feet to a point for corner in the northwest line of said 212.013 acre tract and the southeast line of a called 40.00 acre tract of land described in deed to RCH Water Supply Corporation, recorded in Document No. 20240000004465, O.P.R.R.C.T., from which a 5/8-inch iron rod found with plastic cap stamped "KHA" for the west corner of said 212.013 acre tract bears South 44°36'47" West, a distance of 951.48 feet;

THENCE North 44°36'47" East, with the northwest line of said 212.013 acre tract and the southeast lines of said 40.00 acre tract, a called 5.00 acre tract of land described in deed to Samuel G. Hafertepe and Lisa A. Hafertepe, recorded in Document No. 20170000020082, O.P.R.R.C.T., and a called 10.00 acre tract of land described in deed to Laura Lynn Bjeles, recorded in Document No. 20220000009449, O.P.R.R.C.T., a distance of 1,386.42 feet to a 1/2-inch iron rod found at the east corner of said 10.00 acre tract and the south corner of a called 40.00 acre tract of land described in the deed to Zion Cornerstone, LLC, recorded in Document No. 20250000002003, O.P.R.R.C.T.;

THENCE North 44°38'47" East, with the northwest line of said 212.013 acre tract and the southeast lines of said 40.00 acre tract, a called 10.00 acre tract of land described in the deed to Victoria Purcell, recorded in Volume 5997, Page 176, O.P.R.R.C.T., a called 20.00 acre tract of land described in the deed to S. Mark Olmstead and wife Alyce A. Olmstead, recorded in Volume 1451, Page 100, O.P.R.R.C.T., and the southeast line of said 26.01 acre tract, a distance of 1,722.05 feet to the **POINT OF BEGINNING** and containing 1,527,398 square feet or 35.064 acres of land.

ZONE B IMPROVEMENT AREA #1
(PHASE 4A/4B)
FRANKLIN BAUGUSS
SURVEY, ABSTRACT NO. 7
CITY OF McLENDON-CHISHOLM
ROCKWALL COUNTY, TEXAS

PRELIMINARY

THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT

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APPENDIX A – ENGINEER'S REPORT

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Kimley»Horn

Sonoma Verde North – Phases 1A, 1B, 4A, 4B & Edwards Road
Engineers Report
May 12, 2026

Introduction:
Sonoma Verde North is a proposed master-planned development consisting of approximately 315-acres and is anticipated to include a total of 690 single-family residential lots. The project is located off Edwards Road near League Road and within the city limits of McLendon-Chisholm, Texas.

Improvement Area #1 is comprised of Zone A Improvement Area #1 (~174-acres) and Zone B (~35- acres), together totaling approximately 209-acres of the overall 315-acre development. The remainder acreage is to be included under Zone A Future Remainder Improvements to be prepared under a separate bond issuance. Improvement Area #1 is projected to include 356 single-family residential lots.

The development components included in the Public Improvement District (PID) are shown graphically on the provided **Exhibits**. A detailed description of these improvements is provided below.

A. Major Improvements

- *Streets:* Improvements to Edwards Road from the western property line to League Road (including the intersection with League Road) and Benedetto Way (extension from existing Sonoma Verde to the newly realigned Edwards Road). These improvements include subgrade stabilization, concrete and reinforcing steel for roadways, testing, and handicapped ramps. The street improvements will provide benefit to each Lot within the District.

- *Right-of-Way:* Improvements include right-of-way required to provide street improvements for all lots within the District. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included.

- *Sewer:* Improvements include the extension of a gravity sewer main from Edwards Road through the existing Sonoma Verde development to the existing Sonoma Verde Lift Station and upgrades to the force main system (parallel force main, meter installation, etc.) from the existing Sonoma Verde Lift Station. These improvements include trench excavation and embedment, trench safety, PVC piping, lift station upgrades, pump upgrades, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District.

- *Storm Drainage:* The improvements include the required storm drainage along the Edwards Road and Benedetto Way extensions as well as the removal/replacement of the existing culverts at the Berry Creek and Hackberry Creek crossings with Edwards Road. The improvements include earthen channels/grade to drains, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within the District.

- *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, legal fees, and consultant fees.

B. Zone A Improvements

- *Streets:* Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, and handicapped ramps. The street improvements will provide benefit to each Lot within Zone A.

- *Right-of-Way:* Improvements include right-of-way required to provide street improvements for all lots within Zone A. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included.

- *Sewer:* Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to each Lot within Zone A.

C. Zone A Improvement Area #1 Improvements

- *Streets:* Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, and handicapped ramps. The street improvements will provide benefit to each Lot within Zone A Improvement Area #1.

- *Right-of-Way:* Improvements include right-of-way required to provide street improvements for all lots within Zone A Improvement Area #1. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included.

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

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

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

D. Zone B Improvement Area #1 Improvements

- *Streets:* Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, and handicapped ramps. The street improvements will provide benefit to each Lot within Zone B Improvement Area #1.

- *Right-of-Way:* Improvements include right-of-way required to provide street improvements for all lots within Zone B Improvement Area #1. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included.

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

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

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

E. PID Costs Summary

A PID Cost Summary has been prepared for the improvements described above and is included in this report. The unit prices shown in the PID Cost Summary are based on recent contractor bids and reasonable professional judgement and experience and do not constitute a warranty, expressed or implied, that the actual cost will not vary.

Prepared by:
Kimley-Horn



5/12/2026

EXHIBITS

SONOMA VERDE NORTH - PID COSTS SUMMARY
BOND ISSUANCE PHASES 1A, 1B, 4A, 4B and Edwards Road

Authorized Improvements			Zone A				Zone B				Majors					
			Phase 1A		Phase 1B		Phase 4A		Phase 4B		Edwards Road/Offsite Sewer		Zone Improvements		Total Improvements	
	Unit	Unit Price	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
Road Improvements:																
Right-of-way Clearing & Grubbing (1)	AC	$1,500.00	3.55	$5,325.00	7.26	$10,890.00	4.26	$6,390.00	2.42	$3,630.00	-	$0.00	-	$0.00	17.49	$26,235.00
Street Excavation (2)	CY	$3.00	15,435	$46,305.00	17,795	$53,385.00	10,309	$30,927.60	5,856	$17,569.20	-	$0.00	-	$0.00	49,395.60	$148,186.80
Lime Stabilized Subgrade	SY	$4.50	12,298	$55,341.00	27,718	$124,731.00	14,175	$63,787.50	7,530	$33,885.00	-	$0.00	-	$0.00	61,721.00	$277,744.50
Lime Material (41 lbs/sy)	TONS	$320.00	252	$80,641.92	569	$182,080.00	291	$93,120.00	155	$49,442.72	-	$0.00	-	$0.00	1,266.51	$405,284.64
7" Reinforced Concrete Pavement w/Curb (31' B-B, 3,600 PSI)	SY	$54.00	11,610	$626,940.00	26,129	$1,410,966.00	13,314	$718,956.00	7,086	$382,644.00	-	$0.00	-	$0.00	58,139.00	$3,139,506.00
7" Reinforced Concrete Pavement w/o Curb (31' B-B, 3,600 PSI)	SY	$40.00	-	$0.00	-	$0.00	352	$14,080.00	-	$0.00	-	$0.00	-	$0.00	352.00	$14,080.00
Install Concrete Curb on Existing Concrete Pavement	LF	$50.00	-	$0.00	-	$0.00	-	$0.00	194	$9,700.00	-	$0.00	-	$0.00	194.00	$9,700.00
Barrier Free (ADA) Ramps	EA	$3,000.00	9	$27,000.00	28	$84,000.00	8	$24,000.00	2	$6,000.00	-	$0.00	-	$0.00	47.00	$141,000.00
4' Sidewalk	LF	$25.00	1,034	$25,850.00	2,594	$64,850.00	1,815	$45,375.00	341	$8,525.00	-	$0.00	-	$0.00	5,784.00	$144,600.00
Install Type III Barricade & Construct Pavement Header	EA	$2,050.00	1	$2,050.00	3	$6,150.00	3	$6,150.00	-	$0.00	-	$0.00	-	$0.00	7.00	$14,350.00
Remove Type III Barricade & Connect to Existing	EA	$1,100.00	-	$0.00	1	$1,100.00	-	$0.00	2	$2,200.00	-	$0.00	-	$0.00	3.00	$3,300.00
Sawcut and Connect to Existing Asphalt Pavement	LF	$50.00	-	$0.00	-	$0.00	261	$13,050.00	-	$0.00	-	$0.00	-	$0.00	261.00	$13,050.00
Install Temporary Turnaround	SY	$50.00	-	$0.00	-	$0.00	408	$20,400.00	-	$0.00	-	$0.00	-	$0.00	408.00	$20,400.00
Remove Temporary Turnaround	SY	$20.00	-	$0.00	-	$0.00	-	$0.00	408	$8,160.00	-	$0.00	-	$0.00	408.00	$8,160.00
Street Name Sign	EA	$500.00	3	$1,500.00	2	$1,000.00	1	$500.00	-	$0.00	-	$0.00	-	$0.00	6.00	$3,000.00
Street/Stop Sign Combo	EA	$1,000.00	7	$7,000.00	15	$15,000.00	6	$6,000.00	1	$1,000.00	-	$0.00	-	$0.00	29.00	$29,000.00
Street Lights	EA	$2,500.00	8	$20,000.00	22	$55,000.00	12	$30,000.00	8	$20,000.00	-	$0.00	-	$0.00	50.00	$125,000.00
Erosion Control and Storm Water Pollution Prevention (3)	LF	$2.00	5,805	$11,610.00	13,846	$27,692.00	7,408	$14,816.00	4,133	$8,266.00	-	$0.00	-	$0.00	31,192.00	$62,384.00
Maintenance Bond	%	2%	$857,932.92	$17,158.66	$1,972,569.00	$39,451.38	$1,050,234.50	$21,004.69	$529,822.72	$10,596.45	$0.00	$0.00	$0.00	$0.00	$4,410,559.14	$88,211.18
Subtotal - Road Improvements				**$926,721.58**		**$2,076,295.38**		**$1,108,556.79**		**$561,618.37**		**$0.00**		**$0.00**		**$4,673,192.12**
Road Improvements (Majors):																
Right-of-way Clearing & Grubbing (1)	AC	$1,500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	7.02	$10,530.00	4	$6,045.00	11.05	$16,575.00
Street Excavation (2)	CY	$3.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	8,883	$26,649.00	3,867	$11,601.00	12,750.00	$38,250.00
Grading/Demo Existing Edwards Along Property Boundary	LF	$40.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	6,975	$279,000.00	-	$0.00	6,975.00	$279,000.00
Pedestrian Railing	LF	$50.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	600	$30,000.00	-	$0.00	600.00	$30,000.00
Guardrail	LF	$72.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1,377	$99,144.00	-	$0.00	1,377.00	$99,144.00
6" Lime Stabilized Subgrade	SY	$4.50	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	11,244	$50,598.00	11,244.00	$50,598.00
8" Lime Stabilized Subgrade	SY	$6.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	21,794	$130,764.00	-	$0.00	21,794.00	$130,764.00
Lime Material (41 lbs/sy)	TONS	$320.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	447	$143,040.00	231	$73,920.00	678.00	$216,960.00
7" Reinforced Concrete Pavement w/Curb (37' B-B, 3,600 PSI)	SY	$54.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	10,597	$572,238.00	10,597.00	$572,238.00
8" Reinforced Concrete Pavement w/Curb (24.5' B-E, 3,600 PSI)	SY	$65.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	19,403	$1,261,195.00	-	$0.00	19,403.00	$1,261,195.00
Bomanite Stamped Concrete	SF	$20.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	8,380	$167,600.00	8,380.00	$167,600.00
Asphalt Transition	EA	$10,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$10,000.00	-	$0.00	1.00	$10,000.00
Barrier Free (ADA) Ramps	EA	$3,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	9	$27,000.00	12	$36,000.00	21.00	$63,000.00
4' Sidewalk	LF	$25.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	960	$24,000.00	-	$0.00	960.00	$24,000.00
5' Sidewalk	LF	$35.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	5,425	$189,875.00	-	$0.00	5,425.00	$189,875.00
6' Sidewalk	LF	$45.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	667	$30,015.00	4,333	$194,985.00	5,000.00	$225,000.00
Install Type III Barricade & Construct Pavement Header	EA	$2,050.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	2	$4,100.00	2	$4,100.00	4.00	$8,200.00
Remove Type III Barricade & Connect to Existing	EA	$1,100.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	7	$7,700.00	2	$2,200.00	9.00	$9,900.00
Sawcut and Connect to Existing Asphalt Pavement	LF	$50.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	276	$13,800.00	-	$0.00	276.00	$13,800.00
Concrete Positive Overflow Flume with Curb	LF	$100.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	48	$4,800.00	-	$0.00	48.00	$4,800.00
Street/Stop Sign Combo	EA	$1,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	5	$5,000.00	1	$1,000.00	6.00	$6,000.00
Speed Limit Sign and Post Assembly	EA	$1,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	3	$3,000.00	-	$0.00	3.00	$3,000.00
Street Lights	EA	$2,500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	4	$10,000.00	4.00	$10,000.00
Pavement Markings	LS	$5,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$5,000.00	1.00	$5,000.00
Pavement Markings	LF	$20.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	5,955	$119,100.00	-	$0.00	5,955.00	$119,100.00
Reverse Curve & Post Assembly (CWR-4L)	EA	$5,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$5,000.00	-	$0.00	1.00	$5,000.00
Reverse Curve & Post Assembly (CWR-4R)	EA	$5,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$5,000.00	-	$0.00	1.00	$5,000.00
Chevron Sign & Post Assembly (W1-8L)	EA	$5,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	4	$20,000.00	-	$0.00	4.00	$20,000.00
Sidewalk Closed Sign & Post Assembly (R9-9)	EA	$5,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	2	$10,000.00	-	$0.00	2.00	$10,000.00
Traffic Control	LS	$10,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$10,000.00	-	$0.00	1.00	$10,000.00
Erosion Control and Storm Water Pollution Prevention (3)	LF	$2.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	12,394	$24,788.00	4,315	$8,630.00	16,709.00	$33,418.00
Maintenance Bond	%	2%	-	$0.00	-	$0.00	-	$0.00	-	$0.00	$2,493,500.00	$49,870.00	$1,126,271.00	$22,525.42	$3,619,771.00	$72,395.42
Subtotal - Road Improvements (Majors)				**$0.00**		**$0.00**		**$0.00**		**$0.00**		**$2,543,370.00**		**$1,166,442.42**		**$3,709,812.42**
Storm Drainage Improvements:																
Standard 10' Curb Inlet	EA	$6,000.00	16	$96,000.00	29	$174,000.00	22	$132,000.00	9	$54,000.00	-	$0.00	-	$0.00	76	$456,000.00
Standard 15' Curb Inlet	EA	$8,000.00	3	$24,000.00	3	$24,000.00		$0.00	-	$0.00	-	$0.00	-	$0.00	6	$48,000.00
18" 4:1 Sloped End Headwall	EA	$5,000.00	1	$5,000.00	-	$0.00	2	$10,000.00	-	$0.00	-	$0.00	-	$0.00	3	$15,000.00
30" 4:1 Sloped End Headwall	EA	$6,000.00	-	$0.00	-	$0.00	10	$60,000.00	-	$0.00	-	$0.00	-	$0.00	10	$60,000.00
10'x4' SETB-SW-0	EA	$20,000.00	1	$20,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$20,000.00
5'X4' SETB-SW-0	EA	$15,000.00	-	$0.00	1	$15,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$15,000.00
6'X4' SETB-SW-0	EA	$15,000.00	-	$0.00	-	$0.00	2	$30,000.00	-	$0.00	-	$0.00	-	$0.00	2	$30,000.00
3'X3' PAZD Style 'FG' w/1.5' Concrete Apron	EA	$6,000.00	-	$0.00	3	$18,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	3	$18,000.00
4'X4' PAZD Style 'FG' w/1.5' Concrete Apron	EA	$8,000.00	-	$0.00	3	$24,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	3	$24,000.00
12'x6' Type C Junction Box	EA	$17,000.00	1	$17,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$17,000.00
8'x8' Junction Box	EA	$15,000.00	-	$0.00	-	$0.00	2	$30,000.00	-	$0.00	-	$0.00	-	$0.00	2	$30,000.00
7'x7' Junction Box	EA	$10,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00
7'x7' Junction Box w/5' Drop Inlet 'Cap' and 1.5' Concrete Apron	EA	$15,000.00	1	$15,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$15,000.00
7'x7' Junction Box w/Steel Plate	EA	$13,000.00	2	$26,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	2	$26,000.00
6'x6' Junction Box	EA	$9,000.00	-	$0.00	1	$9,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$9,000.00
5'X5' Junction Box	EA	$8,500.00	-	$0.00	5	$42,500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	5	$42,500.00
4'x4' Junction Box	EA	$7,500.00	3	$22,500.00	5	$37,500.00	5	$37,500.00	2	$15,000.00	-	$0.00	-	$0.00	15	$112,500.00
TXDOT Type M 4' Storm Manhole	EA	$3,000.00	1	$3,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$3,000.00
Remove Existing 5' Drop Inlet 'Cap' and Replace with Solid 'Cap'	EA	$7,500.00	-	$0.00	1	$7,500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$7,500.00
Concrete Lined Channel	SY	$125.00	-	$0.00	-	$0.00	1,895	$236,875.00	-	$0.00	-	$0.00	-	$0.00	1,895	$236,875.00
8" Common Stone Rip Rap	SY	$130.00	-	$0.00	-	$0.00	24	$3,120.00	-	$0.00	-	$0.00	-	$0.00	24	$3,120.00
9" Common Stone Rip Rap	SY	$160.00	23	$3,680.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	23	$3,680.00
30" Common Stone Rip Rap	SY	$200.00	-	$0.00	120	$24,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	120	$24,000.00
18" Grouted Rock Rip Rap	SY	$170.00	217	$36,890.00	-	$0.00	410	$69,700.00	-	$0.00	-	$0.00	-	$0.00	627	$106,590.00
18" Class III RCP	LF	$85.00	1,291	$109,735.00	2,756	$234,260.00	953	$81,005.00	373	$31,705.00	-	$0.00	-	$0.00	5,373	$456,705.00
21" Class III RCP	LF	$90.00	669	$60,210.00	204	$18,360.00	-	$0.00	533	$47,970.00	-	$0.00	-	$0.00	1,406	$126,540.00
24" Class III RCP	LF	$110.00	-	$0.00		$0.00	-	$0.00	245	$26,950.00	-	$0.00	-	$0.00	245	$26,950.00
27" Class III RCP	LF	$120.00	-	$0.00	954	$114,480.00	363	$43,560.00	285	$34,200.00	-	$0.00	-	$0.00	1,602	$192,240.00
30" Class III RCP	LF	$130.00	73	$9,490.00	-	$0.00	564	$73,320.00	21	$2,730.00	-	$0.00	-	$0.00	658	$85,540.00

30" Class IV RCP	LF	$145.00	-	$0.00	-	$0.00	490	$71,050.00	-	$0.00	-	$0.00	-	$0.00	490	$71,050.00
36" Class III RCP	LF	$148.00	-	$0.00	437	$64,676.00	1,270	$187,960.00	-	$0.00	-	$0.00	-	$0.00	1,707	$252,636.00
42" Class III RCP	LF	$190.00	-	$0.00	761	$144,590.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	761	$144,590.00
48" Class III RCP	LF	$250.00	-	$0.00	603	$150,750.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	603	$150,750.00
10'x4' Class III RCB	LF	$800.00	643	$514,400.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	643	$514,400.00
6'X4' Class III RCB	LF	$400.00	-	$0.00	-	$0.00	540	$216,000.00	-	$0.00	-	$0.00	-	$0.00	540	$216,000.00
5'x4' Class III RCB	LF	$325.00	1,047	$340,275.00	292	$94,900.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1,339	$435,175.00
4'x4' Class III RCB	LF	$280.00	-	$0.00	918	$257,040.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	918	$257,040.00
End & Plug	EA	$500.00	1	$500.00	2	$1,000.00	2	$1,000.00	-	$0.00	-	$0.00	-	$0.00	5	$2,500.00
Remove Plug and Connect to Exisiting	EA	$2,000.00	-	$0.00	-	$0.00	-	$0.00	2	$4,000.00	-	$0.00	-	$0.00	2	$4,000.00
Trench Safety	LF	$1.00	3,723	$3,723.00	6,925	$6,925.00	4,180	$4,180.00	1,457	$1,457.00	-	$0.00	-	$0.00	16,285	$16,285.00
TV Inspection	LF	$3.00	3,723	$11,169.00	6,925	$20,775.00	4,180	$12,540.00	1,457	$4,371.00	-	$0.00	-	$0.00	16,285	$48,855.00
Maintenance Bond	%	2%	$1,318,572.00	$26,371.44	$1,483,256.00	$29,665.12	$1,299,810.00	$25,996.20	$222,383.00	$4,447.66	-	$0.00	-	$0.00	$4,324,021.00	$86,480.42
Subtotal - Storm Drainage Improvements				**$1,344,943.44**		**$1,512,921.12**		**$1,325,806.20**		**$226,830.66**		**$0.00**		**$0.00**		**$4,410,501.42**
Storm Drainage Improvements (Majors):																
Standard 10' Curb Inlet	EA	$6,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	6	$36,000.00	-	$0.00	6	$36,000.00
Standard 15' Curb Inlet	EA	$8,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	3	$24,000.00	-	$0.00	3	$24,000.00
18" 4:1 Sloped End Headwall	EA	$5,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	3	$15,000.00	-	$0.00	3	$15,000.00
5-5'X5' PW-0	EA	$50,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	2	$100,000.00	-	$0.00	2	$100,000.00
4-10'X5' PW-0	EA	$70,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	2	$140,000.00	-	$0.00	2	$140,000.00
4'x3' SETB-SW-0 w/ required Pipe Runners	EA	$9,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	2	$18,000.00	-	$0.00	2	$18,000.00
ADS Landscape Drain	EA	$500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	3	$1,500.00	-	$0.00	3	$1,500.00
3'x3' Junction Box	EA	$6,500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	7	$45,500.00	-	$0.00	7	$45,500.00
9" Common Stone Rip Rap	SY	$120.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	54	$6,480.00	-	$0.00	54	$6,480.00
9" Grouted Rock Rip Rap	SY	$145.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	140	$20,300.00	-	$0.00	140	$20,300.00
18" Grouted Rock Rip Rap	SY	$170.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1,837	$312,290.00	-	$0.00	1,837	$312,290.00
4" PVC	LF	$20.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	10	$200.00	-	$0.00	10	$200.00
6" PVC	LF	$30.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	24	$720.00	-	$0.00	24	$720.00
18" Class III RCP	LF	$85.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	2,999	$254,915.00	-	$0.00	2,999	$254,915.00
21" Class III RCP	LF	$90.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	310	$27,900.00	-	$0.00	310	$27,900.00
24" Class III RCP	LF	$100.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	221	$22,100.00	-	$0.00	221	$22,100.00
27" Class III RCP	LF	$120.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	190	$22,800.00	-	$0.00	190	$22,800.00
30" Class III RCP	LF	$130.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1,006	$130,780.00	-	$0.00	1,006	$130,780.00
4'x3' Class IV RCB	LF	$250.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	111	$27,750.00	-	$0.00	111	$27,750.00
5'x5' Class III RCB	LF	$400.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	440	$176,000.00	-	$0.00	440	$176,000.00
10'x5' Class III RCB	LF	$850.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	320	$272,000.00	-	$0.00	320	$272,000.00
End & Plug	EA	$500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	11	$5,500.00	-	$0.00	11	$5,500.00
Trench Safety	LF	$1.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	5,631	$5,631.00	-	$0.00	5,631	$5,631.00
TV Inspection	LF	$3.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	5,631	$16,893.00	-	$0.00	5,631	$16,893.00
Maintenance Bond	%	2%	-	$0.00	-	$0.00	-	$0.00	-	$0.00	$1,682,259.00	$33,645.18	-	$0.00	$1,682,259.00	$33,645.18
Subtotal - Storm Drainage Improvements (Majors)				**$0.00**		**$0.00**		**$0.00**		**$0.00**		**$1,715,904.18**		**$0.00**		**$1,715,904.18**

Sanitary Sewer Improvements:																
6" SDR-35 PVC (Open-Cut)	LF	$50.00	30	$1,500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	30	$1,500.00
8" SDR-35 PVC (Open-Cut)	LF	$65.00	2,145	$139,425.00	5,539	$360,035.00	2,408	$156,520.00	1,935	$125,775.00	-	$0.00	-	$0.00	12,027	$781,755.00
8" SDR-26 PVC (Open-Cut)	LF	$75.00	1,204	$90,300.00	2,002	$150,150.00	1,112	$83,400.00	-	$0.00	-	$0.00	-	$0.00	4,318	$323,850.00
8" SDR-26 PVC (By-Bore)	LF	$150.00	-	$0.00	-	$0.00	164	$24,600.00	-	$0.00	-	$0.00	-	$0.00	164	$24,600.00
10" SDR-26 PVC (Open-Cut)	LF	$85.00	805	$68,425.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	805	$68,425.00
4' Manhole	EA	$8,500.00	7	$59,500.00	24	$204,000.00	12	$102,000.00	5	$42,500.00	-	$0.00	-	$0.00	48	$408,000.00
4' Manhole With Marker (Bolted and Gasketed)	EA	$12,000.00	-	$0.00	-	$0.00	1	$12,000.00	-	$0.00	-	$0.00	-	$0.00	1	$12,000.00
5' Manhole	EA	$10,000.00	2	$20,000.00	5	$50,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	7	$70,000.00
5' Internal Drop Manhole	EA	$10,500.00	1	$10,500.00	1	$10,500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	2	$21,000.00
5' Manhole w/Marker (Bolted and Gasketed)	EA	$14,000.00	3	$42,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	3	$42,000.00
5' Manhole w/Marker (Vented and Gasketed)	EA	$15,000.00	1	$15,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$15,000.00
5' Manhole w/Marker	EA	$12,750.00	3	$38,250.00	2	$25,500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	5	$63,750.00
Connect to Existing 5' Manhole	EA	$4,000.00	-	$0.00	1	$4,000.00	1	$4,000.00	-	$0.00	-	$0.00	-	$0.00	2	$8,000.00
8" Plug	EA	$400.00	1	$400.00	2	$800.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	3	$1,200.00
Remove Plug and Connect to Existing	EA	$1,500.00	-	$0.00	1	$1,500.00	-	$0.00	2	$3,000.00	-	$0.00	-	$0.00	3	$4,500.00
Cleanout	EA	$1,500.00	-	$0.00	-	$0.00	3	$4,500.00	-	$0.00	-	$0.00	-	$0.00	3	$4,500.00
4" Sanitary Sewer Services	EA	$1,200.00	74	$88,800.00	161	$193,200.00	65	$78,000.00	56	$67,200.00	-	$0.00	-	$0.00	356	$427,200.00
150 PSI PVC Encasement Pipe	LF	$100.00	40	$4,000.00	100	$10,000.00	20	$2,000.00	-	$0.00	-	$0.00	-	$0.00	160	$16,000.00
Cement Stabilized Sand	LF	$60.00	40	$2,400.00	140	$8,400.00	60	$3,600.00	20	$1,200.00	-	$0.00	-	$0.00	260	$15,600.00
12" Steel Encasement	LF	$350.00	60	$21,000.00	-	$0.00	164	$57,400.00	-	$0.00	-	$0.00	-	$0.00	224	$78,400.00
15" Steel Encasement	LF	$400.00	140	$56,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	140	$56,000.00
Vaccum Testing (For Manholes)	EA	$300.00	14	$4,200.00	33	$9,900.00	14	$4,200.00	5	$1,500.00	-	$0.00	-	$0.00	66	$19,800.00
TV Inspection & Wastewater Testing (excluding geotech/materials testing)	LF	$1.50	3,349	$5,023.50	7,541	$11,311.50	3,684	$5,526.00	1,935	$2,902.50	-	$0.00	-	$0.00	16,509	$24,763.50
Trench Safety	LF	$2.00	3,349	$6,698.00	7,541	$15,082.00	3,684	$7,368.00	1,935	$3,870.00	-	$0.00	-	$0.00	16,509	$33,018.00
Maintenance Bond	%	2%	$671,921.50	$13,438.43	$1,054,378.50	$21,087.57	$545,114.00	$10,902.28	$247,947.50	$4,958.95	$0.00	$0.00	$0.00	$0.00	$2,519,361.50	$50,387.23
Subtotal - Sanitary Sewer Improvements				**$686,859.93**		**$1,075,466.07**		**$556,016.28**		**$252,906.45**		**$0.00**		**$0.00**		**$2,571,248.73**

Sanitary Sewer Improvements (Majors):																
10" SDR-26 PVC (Open-Cut)	LF	$85.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	3,160	$268,600.00	1,310	$111,350.00	4,470	$379,950.00
10" SDR-26 PVC (By-Bore)	LF	$170.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	171	$29,070.00	-	$0.00	171	$29,070.00
12" SDR-26 PVC (Open-Cut)	LF	$100.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	929	$92,900.00	-	$0.00	929	$92,900.00
12" SDR-26 PVC (By-Bore)	LF	$200.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	131	$26,200.00	-	$0.00	131	$26,200.00
8" Force Main (Sonoma Verde Lift Station to NTMWD Meter) (Per FMI Stud	LS	$1,964,012.42	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$1,964,012.42	-	$0.00	1	$1,964,012.42
Replace Gravity System Downstream of NTMWD Meter (Per FMI Study an	LS	$530,028.41	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$530,028.41	-	$0.00	1	$530,028.41
Clearing of 15' SSE (20' Access on each side)	AC	$1,500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	6	$9,000.00	-	$0.00	6	$9,000.00
5' Manhole With Marker	EA	$12,750.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	2	$25,500.00	-	$0.00	2	$25,500.00
5' Manhole With Odor Control	EA	$15,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$15,000.00	-	$0.00	1	$15,000.00
5' Gasketed and Bolted Manhole with Marker	EA	$15,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	7	$105,000.00	2	$30,000.00	9	$135,000.00
5' Gasketed and Vented Manhole With Marker	EA	$22,500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$22,500.00	1	$22,500.00	2	$45,000.00
5' Manhole With Dual 2" Air Release Valve	EA	$30,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$30,000.00	-	$0.00	1	$30,000.00
Connect to Exist Sewer Stub	EA	$1,500.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$1,500.00	-	$0.00	1	$1,500.00
Connect to Existing 5' Manhole	EA	$3,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	1	$3,000.00	1	$3,000.00	2	$6,000.00
15" Steel Encasement	LF	$400.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	171	$68,400.00	-	$0.00	171	$68,400.00
18" Steel Encasement	LF	$1,000.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	131	$131,000.00	-	$0.00	131	$131,000.00
Vaccum Testing (For Manholes)	EA	$300.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	13	$3,900.00	4	$1,200.00	17	$5,100.00
TV Inspection & Wastewater Testing (excluding geotech/materials testing)	LF	$1.50	-	$0.00	-	$0.00	-	$0.00	-	$0.00	4,391	$6,586.50	1,310	$1,965.00	5,701	$8,551.50
Trench Safety	LF	$2.00	-	$0.00	-	$0.00	-	$0.00	-	$0.00	4,391	$8,782.00	1,310	$2,620.00	5,701	$11,402.00
Maintenance Bond	%	2%	-	$0.00	-	$0.00	-	$0.00	-	$0.00	$3,340,979.33	$66,819.59	$172,635.00	$3,452.70	$3,513,614.33	$70,272.29
Subtotal - Sanitary Sewer Improvements (Majors)				**$0.00**		**$0.00**		**$0.00**		**$0.00**		**$3,407,798.92**		**$176,087.70**		**$3,583,886.62**
Total - Road, Storm Drainage, & Sanitary Sewer Improvements				**$2,958,524.95**		**$4,664,682.57**		**$2,990,379.27**		**$1,041,355.48**		**$7,667,073.10**		**$1,342,530.12**		**$20,664,545.49**

Soft Costs:																
ROW Dedication	AC	$65,000.00	3.6	$236,600.00	8.4	$545,350.00	4.3	$276,900.00	2.4	$157,300.00	4.9	$319,800.00	3.8	$243,750.00	27	$1,779,700.00
Contingency 12%	PERCENT	12%	-	$355,022.99	-	$559,761.91	-	$358,845.51	-	$124,962.66	-	$920,048.77	-	$0.00		$2,318,641.84
Engineering, Flood Study, Surveying, Const. Staking	LS	-	-	$339,645.00	-	$442,737.50	-	$224,572.50	-	$219,456.00	-	$433,242.50	-	$0.00		$1,659,653.50
***City Inspection Fees 2%	PERCENT	2%	-	$59,170.50	-	$93,293.65	-	$59,807.59	-	$20,827.11	-	$153,341.46	-	$0.00		$386,440.31
Geotechnical and Material Testing	LOTS	$650.00	74	$48,100.00	161	$104,650.00	65	$42,250.00	56	$36,400.00	1	$35,000.00	-	$0.00		$266,400.00
General Contractor Fees	LOTS	$1,500.00	74	$111,000.00	161	$241,500.00	65	$97,500.00	56	$84,000.00	1	$70,000.00	-	$0.00		$604,000.00
General Conditions	LOTS	$750.00	74	$55,500.00	161	$120,750.00	65	$48,750.00	56	$42,000.00	1	$40,250.00	-	$0.00		$307,250.00
Subotal - Soft Costs				**$1,205,038.49**		**$2,108,043.06**		**$1,108,625.60**		**$684,945.77**		**$1,971,682.73**		**$243,750.00**		**$7,322,085.65**
Grand Total - Improvements + Soft Costs				**$4,163,563.44**		**$6,772,725.63**		**$4,099,004.87**		**$1,726,301.25**		**$9,638,755.83**		**$1,586,280.12**		**$27,986,631.14**
Additional Improvements to Support Development																
Sonoma Verde East Proportional Force Main and Gravity Sewer Improvements	LS	$1,317,402.17	-	-	-	-	-	-	-	-	-	-	-	-		$1,317,402.17
Sonoma Verde North Water Distribution System	LS	-	1	$546,992.30	1	$778,165.90	1	$279,843.20	1	$185,343.50	-	-	-	-		$1,790,344.90

0 200' 400'
GRAPHIC SCALE 200'

PROPOSED PHASE 4B
PROPOSED PHASE 4A
FUTURE PHASE 3
FUTURE PHASE 2
PROPOSED AMENITY CENTER
PROPOSED PHASE 1B
PROPOSED PHASE 1A
EXISTING EDWARDS ROAD
PROPOSED EDWARDS ROAD IMPROVEMENTS
MATCH LINE SEE THIS SHEET

LEGEND

- CURRENT SONOMA VERDE NORTH
- FUTURE SONOMA VERDE NORTH DEVELOPMENT
- PROPERTY LINE
- PHASE LINE

EXISTING SONOMA VERDE PHASE 5
CONTINUES SOUTH 26,960 LF SOUTH TO BUFFALO CREEK INTERCEPTOR
BENEDETTO WAY
EXISTING SONOMA VERDE PHASE 4A
RONDINELLA DRIVE
EXISTING SONOMA VERDE PHASE 4B
SAN DONATO LANE
MATCH LINE SEE THIS SHEET
PROPOSED EDWARDS ROAD IMPROVEMENTS
VIDAL LANE
LEAGUE ROAD
EXISTING SONOMA VERDE PHASE 3

NOTES:

1. PID DISTRICT INCLUDES THE FOLLOWING:
   - EDWARDS ROAD
   - GRAVITY SEWER THROUGH EXISTING SONOMA VERDE
   - FORCEMAIN APPROXIMATELY 26,960 LF SOUTH ALONG FM 550 TO THE BUFFALO CREEK INTERCEPTOR.

PID EXHIBIT A
OVERALL DISTRICT MAP

Sonoma Verde North

McLendon-Chisholm, Texas
April 2026

Kimley»Horn
400 N. Oklahoma Dr., Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928

DWG NAME K:\CEL_CIVIL\067705155-PULTE-SONOMA NORTH (SLOAN)\ADMIN\BID DOCS\PID DOCUMENTS\IMPROVEMENT AREA #1\20250819 - PID DOCUMENTS\PID IMPROVEMENT AREA 1 LAYOUTS\ON-SITE IMPROVEMENTS\20260129 - DISTRICT MAP.DWG
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0 200' 400'

GRAPHIC SCALE 200'

FUTURE PHASE 3

FUTURE PHASE 2

PROPOSED PHASE 4B

PROPOSED PHASE 4A

PROPOSED AMENITY CENTER

PROPOSED PHASE 1B

PROPOSED PHASE 1A

EXISTING EDWARDS ROAD

BENEDETTO WAY

EXISTING SONOMA VERDE PHASE 5

PROPOSED EDWARDS ROAD IMPROVEMENTS

RONDINELLA DRIVE

SAN DONATO LANE

EXISTING SONOMA VERDE PHASE 4A

EXISTING SONOMA VERDE PHASE 4B

MATCH LINE SEE THIS SHEET

LEGEND

- ZONE A IMPROVEMENT AREA #1
- ZONE B IMPROVEMENTS
- ZONE A FUTURE REMAINDER IMPROVEMENTS
- PROPERTY LINE
- PHASE LINE

MATCH LINE SEE THIS SHEET

PROPOSED EDWARDS ROAD IMPROVEMENTS

VIDAL LANE

LEAGUE ROAD

EXISTING SONOMA VERDE PHASE 3

PID EXHIBIT A-1

ZONE A AND ZONE B IMPROVEMENT LIMITS

Sonoma Verde North

McLendon-Chisholm, Texas

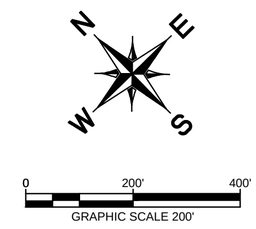
April 2026

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Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928



LEGEND

ZONE A IMPROVEMENT AREA #1

PROPERTY LINE

PHASE LINE

PROPOSED PHASE 4B

PROPOSED PHASE 4A

PROPOSED AMENITY CENTER

PROPOSED PHASE 1A

PROPOSED PHASE 1B

FUTURE PHASE 3

FUTURE PHASE 2

EXISTING EDWARDS ROAD

PROPOSED EDWARDS ROAD IMPROVEMENTS

BENEDETTO WAY

EXISTING SONOMA VERDE PHASE 5

RONDINELLA DRIVE

EXISTING SONOMA VERDE PHASE 4A

EXISTING SONOMA VERDE PHASE 4B

MATCH LINE SEE THIS SHEET

MATCH LINE SEE THIS SHEET

SAN DONATO LANE

EXISTING SONOMA VERDE PHASE 4B

PROPOSED EDWARDS ROAD IMPROVEMENTS

EXISTING SONOMA VERDE PHASE 3

VIDAL LANE

LEAGUE ROAD

PID EXHIBIT A-2

ZONE A IMPROVEMENT AREA #1

Sonoma Verde North

McLendon-Chisholm, Texas

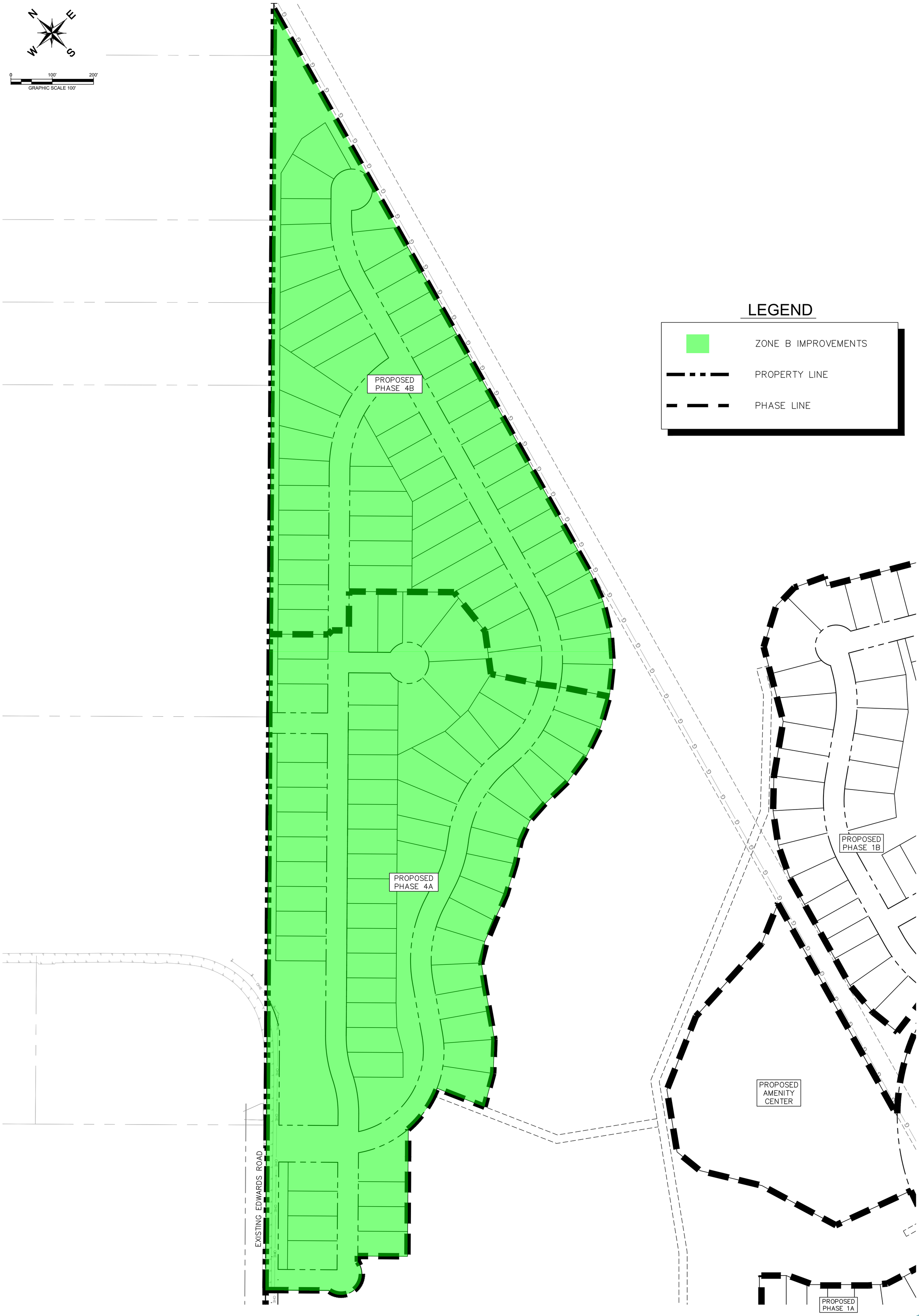
April 2026

Kimley»Horn

400 N. Oklahoma Dr., Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928

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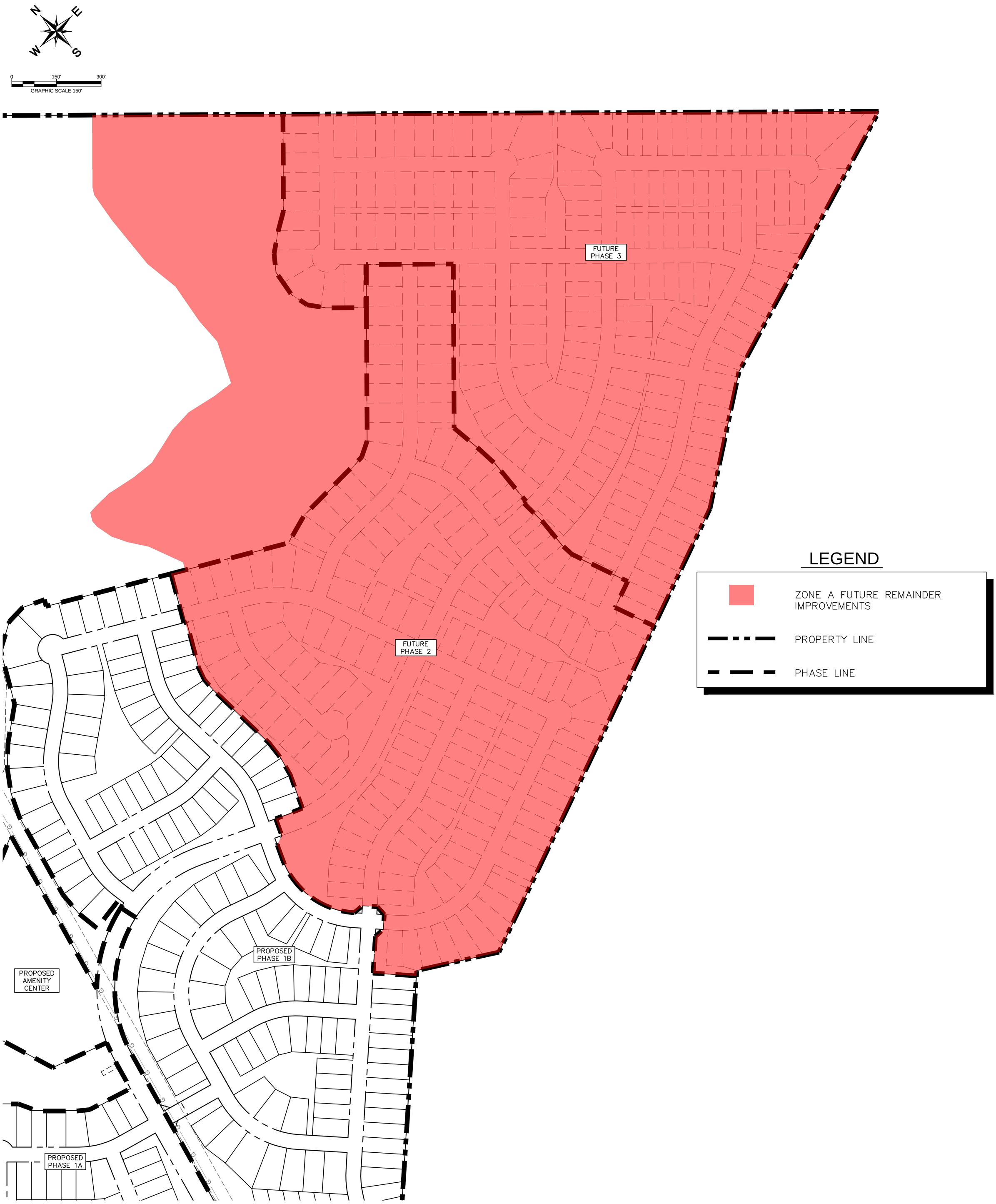
PID EXHIBIT A-3
ZONE B IMPROVEMENTS

Sonoma Verde North

McLendon-Chisholm, Texas
April 2026

Kimley»Horn
400 N. Oklahoma Dr., Suite 105
Celina, Texas 75009
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DWG NAME K:\CEL_CIVIL\067705155-PULTE-SONOMA NORTH (SLOAN)\ADMIN\BID DOCS\PID DOCUMENTS\IMPROVEMENT AREA #1\20250819 - PID DOCUMENTS\PID IMPROVEMENT AREA 1 LAYOUTS\ON-SITE IMPROVEMENTS\20250818 - PHASING MAP.DWG
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PID EXHIBIT A-4

ZONE A FUTURE REMAINDER IMPROVEMENTS

Sonoma Verde North

McLendon-Chisholm, Texas

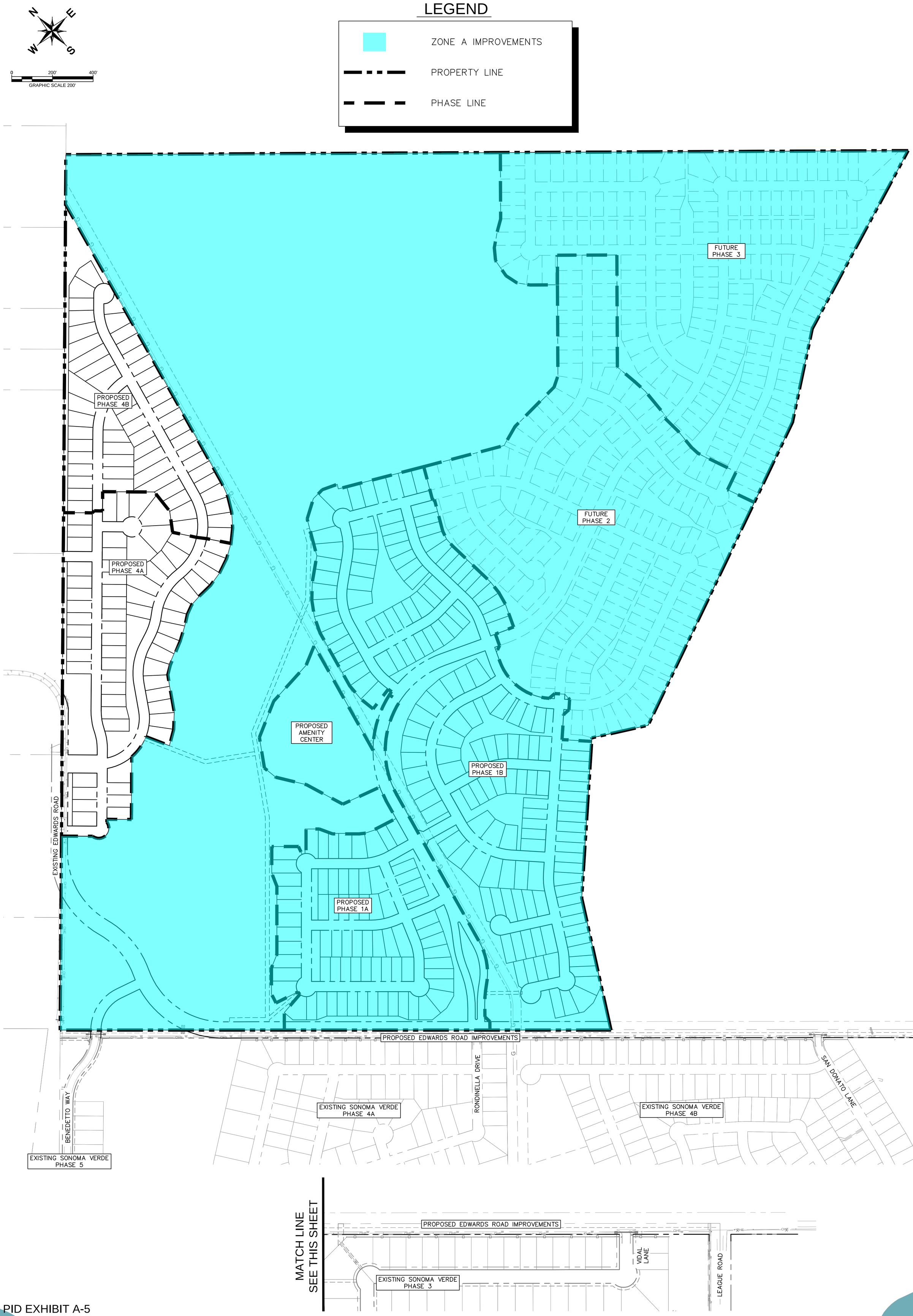
April 2026

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Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928



PID EXHIBIT A-5
ZONE A IMPROVEMENTS

Sonoma Verde North

McLendon-Chisholm, Texas
April 2026

DWG NAME K:\CEL_CIVIL\067705155-PULTE-SONOMA NORTH (SLOAN)\ADMIN\BID DOCS\PID DOCUMENTS\IMPROVEMENT AREA #1\20250819 - PID DOCUMENTS\PID IMPROVEMENT AREA 1 LAYOUTS\ON-SITE IMPROVEMENTS\20250818 - PHASING MAP (2).DWG
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400 N. Oklahoma Dr., Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928

PHASE 1A		
PAD DIMENSION	LOT DIMENSION	LOT COUNT
40'X80'	50'X120'	59
55'X80'	65'X120'	15
	PHASE 1A LOT COUNT	74
PHASE 1B		
PAD DIMENSION	LOT DIMENSION	LOT COUNT
40'X80'	50'X120'	108
55'X80'	65'X120'	53
	PHASE 1B LOT COUNT	161
PHASE 4A		
PAD DIMENSION	LOT DIMENSION	LOT COUNT
50'X80'	60'X120'	65
	PHASE 4A LOT COUNT	65
PHASE 4B		
PAD DIMENSION	LOT DIMENSION	LOT COUNT
50'X80'	60'X120'	56
	PHASE 4B LOT COUNT	56

0 200' 400'

GRAPHIC SCALE 200'

PROPOSED PHASE 4B

PROPOSED PHASE 4A

PROPOSED AMENITY CENTER

PROPOSED PHASE 1B

PROPOSED PHASE 1A

FUTURE PHASE 3

FUTURE PHASE 2

EXISTING EDWARDS ROAD

PROPOSED EDWARDS ROAD IMPROVEMENTS

BENEDETTO WAY

RONDINELLA DRIVE

SAN DONATO LANE

EXISTING SONOMA VERDE PHASE 5

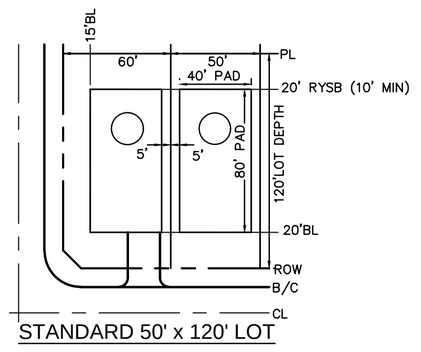
EXISTING SONOMA VERDE PHASE 4A

EXISTING SONOMA VERDE PHASE 4B

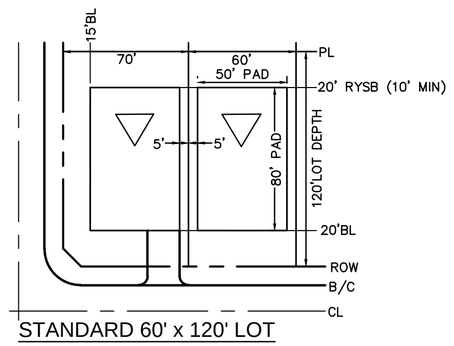
LEGEND

PROPERTY LINE

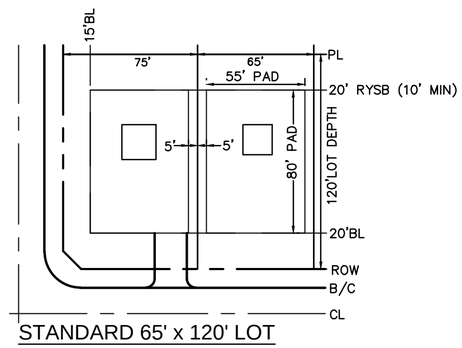
PHASE LINE



STANDARD 50' x 120' LOT



STANDARD 60' x 120' LOT



STANDARD 65' x 120' LOT

PID EXHIBIT B

OVERALL LOT TYPE CLASSIFICATION MAP

Sonoma Verde North

McLendon-Chisholm, Texas

April 2026

DWG NAME K:\CEL_CIVIL\067705155-PULTE-SONOMA NORTH (SLOAN)\ADMIN\BID DOCS\PID DOCUMENTS\IMPROVEMENT AREA #1\20250819 - PID DOCUMENTS\PID IMPROVEMENT AREA 1 LAYOUTS\ON-SITE IMPROVEMENTS\20250818 - LOT TYPE CLASSIFICATION MAP.DWG

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400 N. Oklahoma Dr., Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928

PHASE 1A		
PAD DIMENSION	LOT DIMENSION	LOT COUNT
40'X80'	50'X120'	59
55'X80'	65'X120'	15
	PHASE 1A LOT COUNT	74
PHASE 1B		
PAD DIMENSION	LOT DIMENSION	LOT COUNT
40'X80'	50'X120'	108
55'X80'	65'X120'	53
	PHASE 1B LOT COUNT	161

0 100' 200'
GRAPHIC SCALE 100'

FUTURE PHASE 2

PROPOSED AMENITY CENTER

PROPOSED PHASE 1B

PROPOSED PHASE 1A

PROPOSED EDWARDS ROAD IMPROVEMENTS

EXISTING SONOMA VERDE PHASE 4A

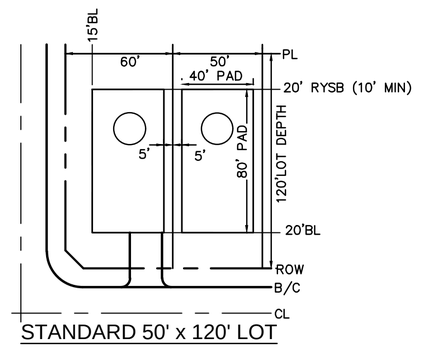
RONDINELLA DRIVE

EXISTING SONOMA VERDE PHASE 4B

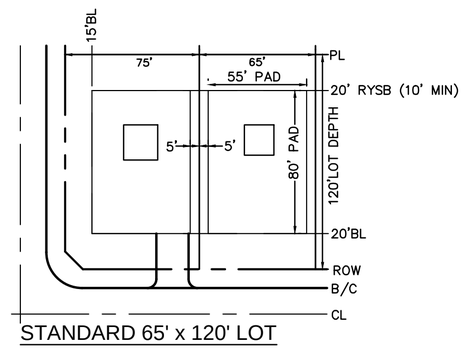
LEGEND

PROPERTY LINE

PHASE LINE



STANDARD 50' x 120' LOT



STANDARD 65' x 120' LOT

PID EXHIBIT B-1
ZONE A LOT TYPE CLASSIFICATION MAP

Sonoma Verde North

McLendon-Chisholm, Texas
April 2026

Kimley»Horn
400 N. Oklahoma Dr., Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928

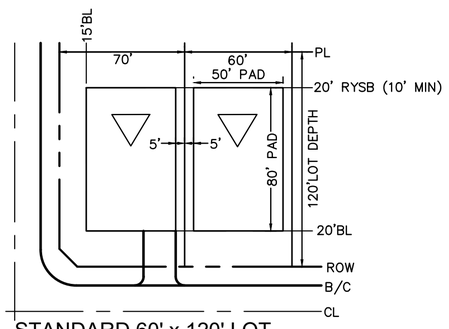
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LAST SAVED 3/12/2026 2:26 PM

PHASE 4A		
PAD DIMENSION	LOT DIMENSION	LOT COUNT
50'X80'	60'X120'	65
PHASE 4A LOT COUNT		65
PHASE 4B		
PAD DIMENSION	LOT DIMENSION	LOT COUNT
50'X80'	60'X120'	56
PHASE 4B LOT COUNT		56

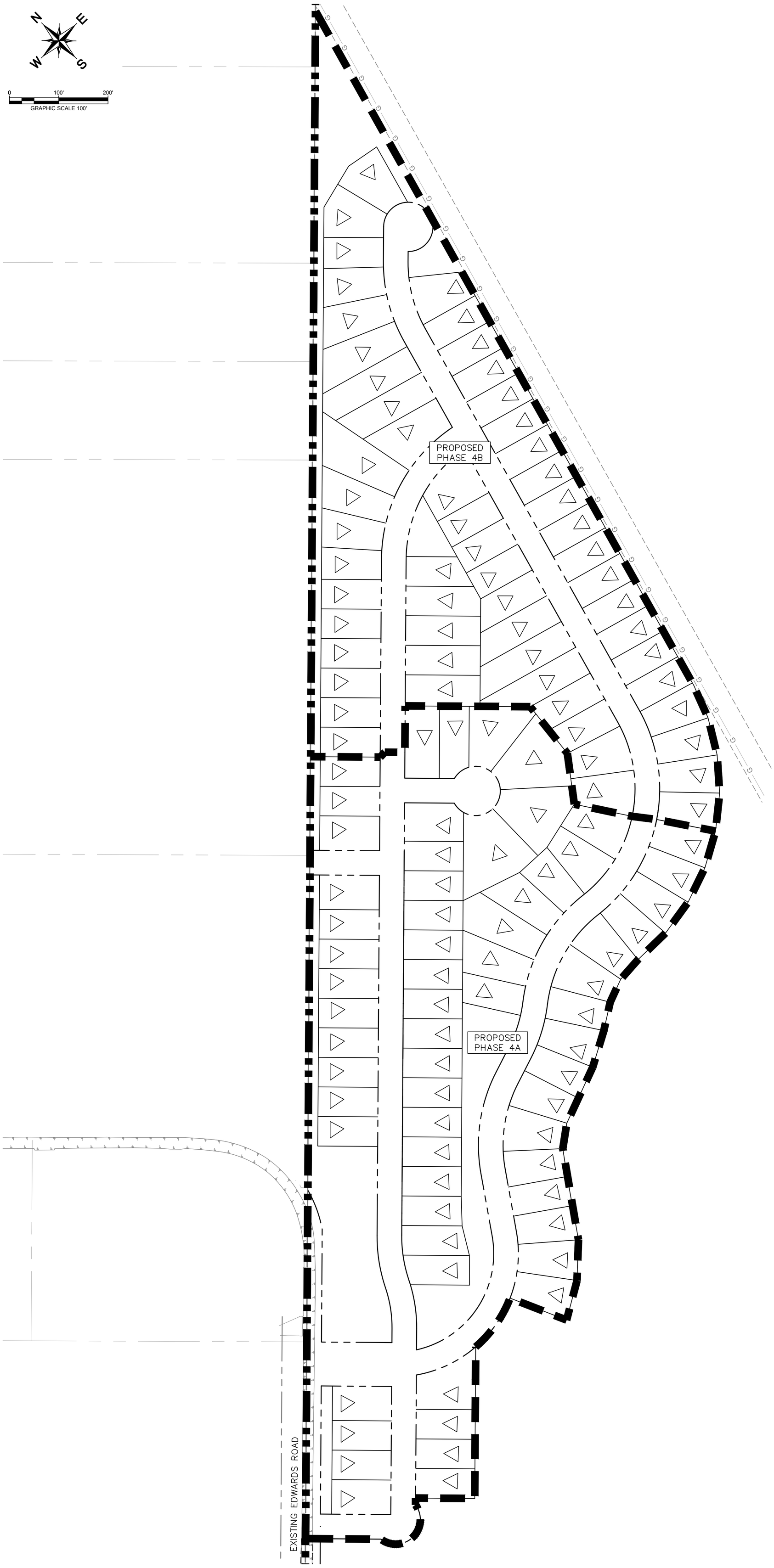
LEGEND

PROPERTY LINE

PHASE LINE



STANDARD 60' x 120' LOT



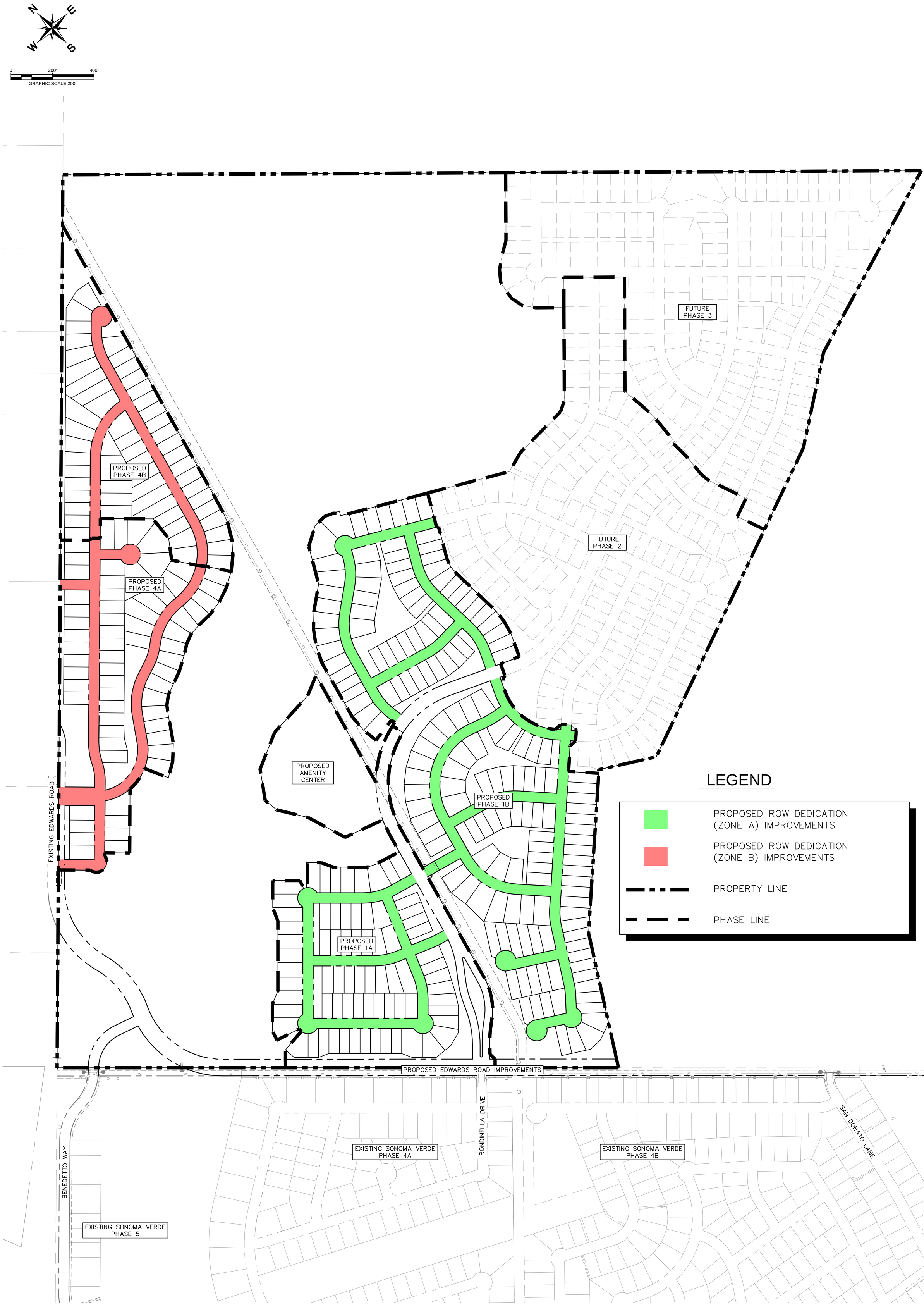
PID EXHIBIT B-2
ZONE B LOT TYPE CLASSIFICATION MAP

Sonoma Verde North

McLendon-Chisholm, Texas
April 2026

DWG NAME K:\CEL_CIVIL\067705155-PULTE-SONOMA NORTH (SLOAN)\ADMIN\BID DOCS\PID DOCUMENTS\IMPROVEMENT AREA #1\20250819 - PID DOCUMENTS\PID IMPROVEMENT AREA 1 LAYOUTS\ON-SITE IMPROVEMENTS\20250818 - LOT TYPE CLASSIFICATION MAP.DWG
LAST SAVED 3/12/2026 2:26 PM

Kimley»Horn
400 N. Oklahoma Dr., Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928



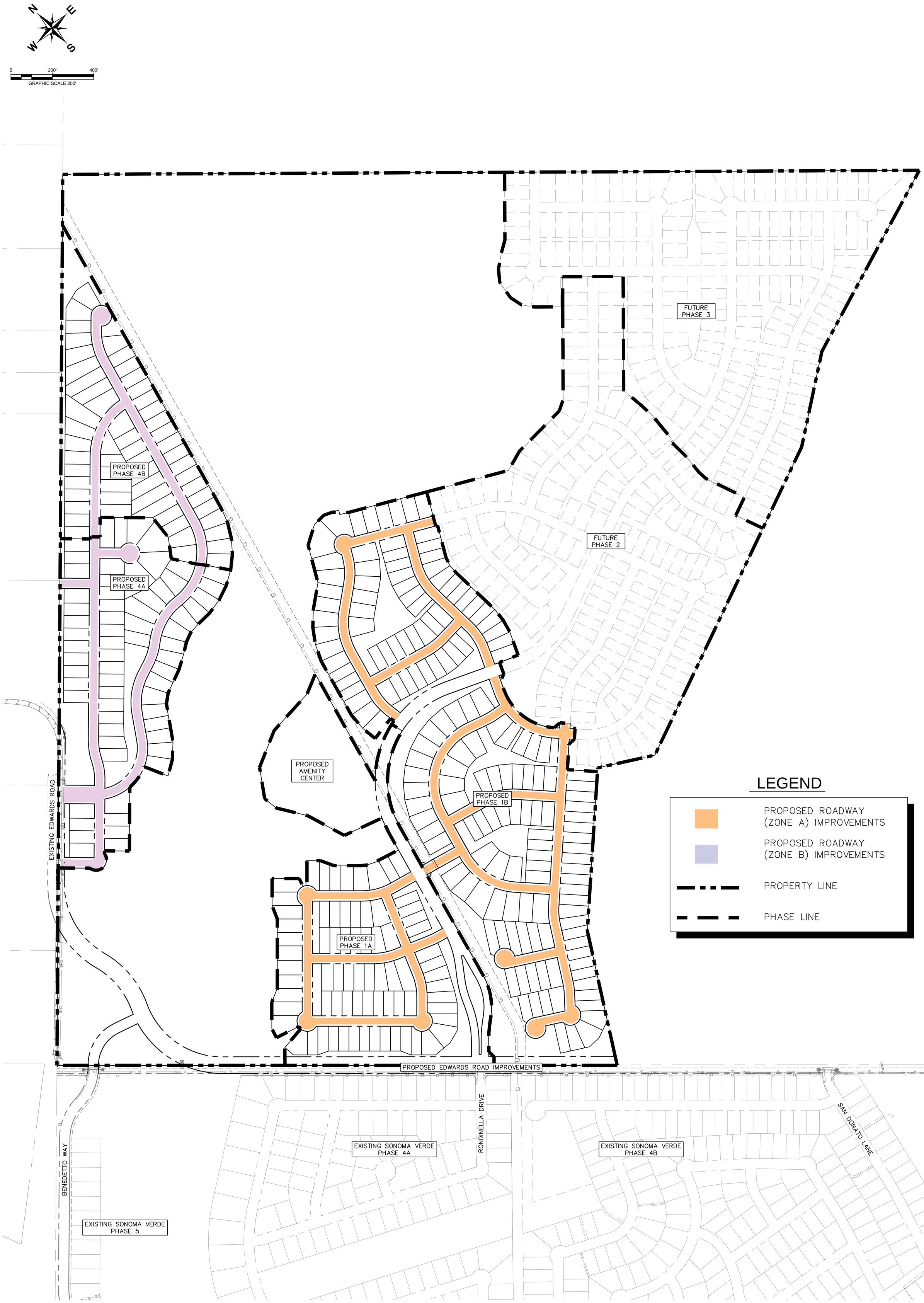
PID EXHIBIT C
ON-SITE RIGHT-OF-WAY DEDICATION

Sonoma Verde North

McLendon-Chisholm, Texas
April 2026

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LAST SAVED 3/12/2026 2:29 PM

Kimley»Horn
400 N. Oklahoma Dr., Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928



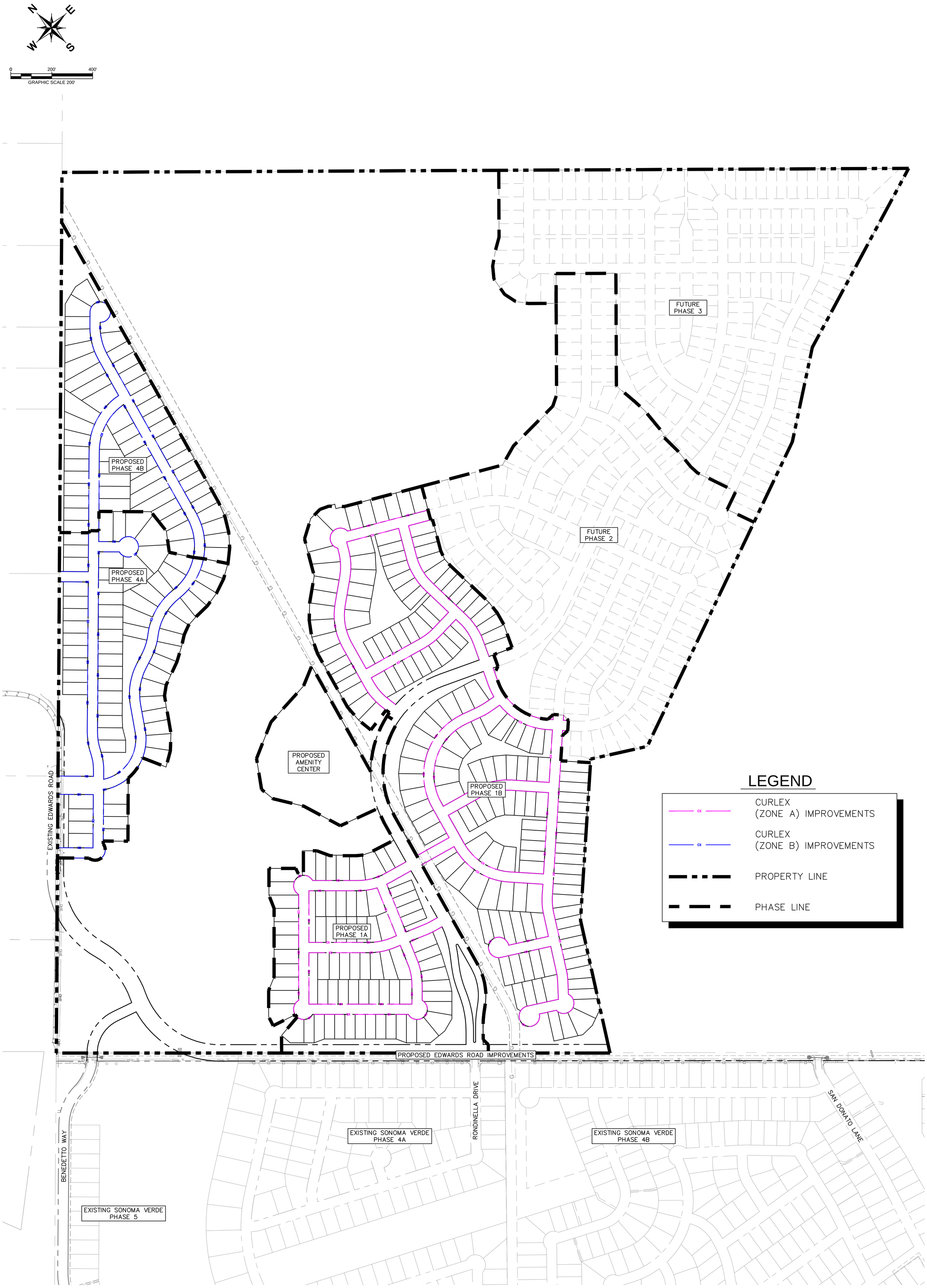
PID EXHIBIT D
ON-SITE STREETS

Sonoma Verde North

McLendon-Chisholm, Texas
April 2026

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LAST SAVED 4/6/2026 9:51 AM

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PID EXHIBIT E
ON-SITE EROSION CONTROL

Sonoma Verde North

McLendon-Chisholm, Texas
April 2026

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State of Texas Registration No. F-928

DWG NAME K:\CEL_CIVIL\067705155-PULTE-SONOMA NORTH (SLOAN)\ADMIN\BID DOCS\PID DOCUMENTS\IMPROVEMENT AREA #1\20250819 - PID DOCUMENTS\PID IMPROVEMENT AREA 1 LAYOUTS\ON-SITE IMPROVEMENTS\20250818 - ON-SITE EROSION CONTROL.DWG
LAST SAVED 3/12/2026 2:34 PM

0 200' 400'

GRAPHIC SCALE 200'

PROPOSED PHASE 4B

PROPOSED PHASE 4A

FUTURE PHASE 3

FUTURE PHASE 2

CONNECT TO 4' MANHOLE

PROPOSED ZONE IMPROVEMENT SANITARY SEWER TRUNKLINE

CONNECT TO 5' MANHOLE

PROPOSED AMENITY CENTER

PROPOSED PHASE 1B

EXISTING EDWARDS ROAD

PROPOSED MAJOR SANITARY SEWER TRUNKLINE

PROPOSED PHASE 1A

CONNECT TO 5' MANHOLE

PROPOSED EDWARDS ROAD IMPROVEMENTS

PROPOSED MAJOR SANITARY SEWER TRUNKLINE

RONDINELLA DRIVE

SAN DONATO LANE

BENEDETTO WAY

EXISTING SONOMA VERDE PHASE 5

EXISTING SONOMA VERDE PHASE 4A

EXISTING SONOMA VERDE PHASE 4B

LEGEND

- PROPOSED SANITARY SEWER LINE (ZONE A) IMPROVEMENTS
- PROPOSED SANITARY SEWER LINE (ZONE B) IMPROVEMENTS
- PROPOSED SANITARY SEWER LINE (ZONE IMPROVEMENT)
- PROPOSED SANITARY SEWER LINE (MAJOR INFRASTRUCTURE)
- PROPERTY LINE
- PHASE LINE

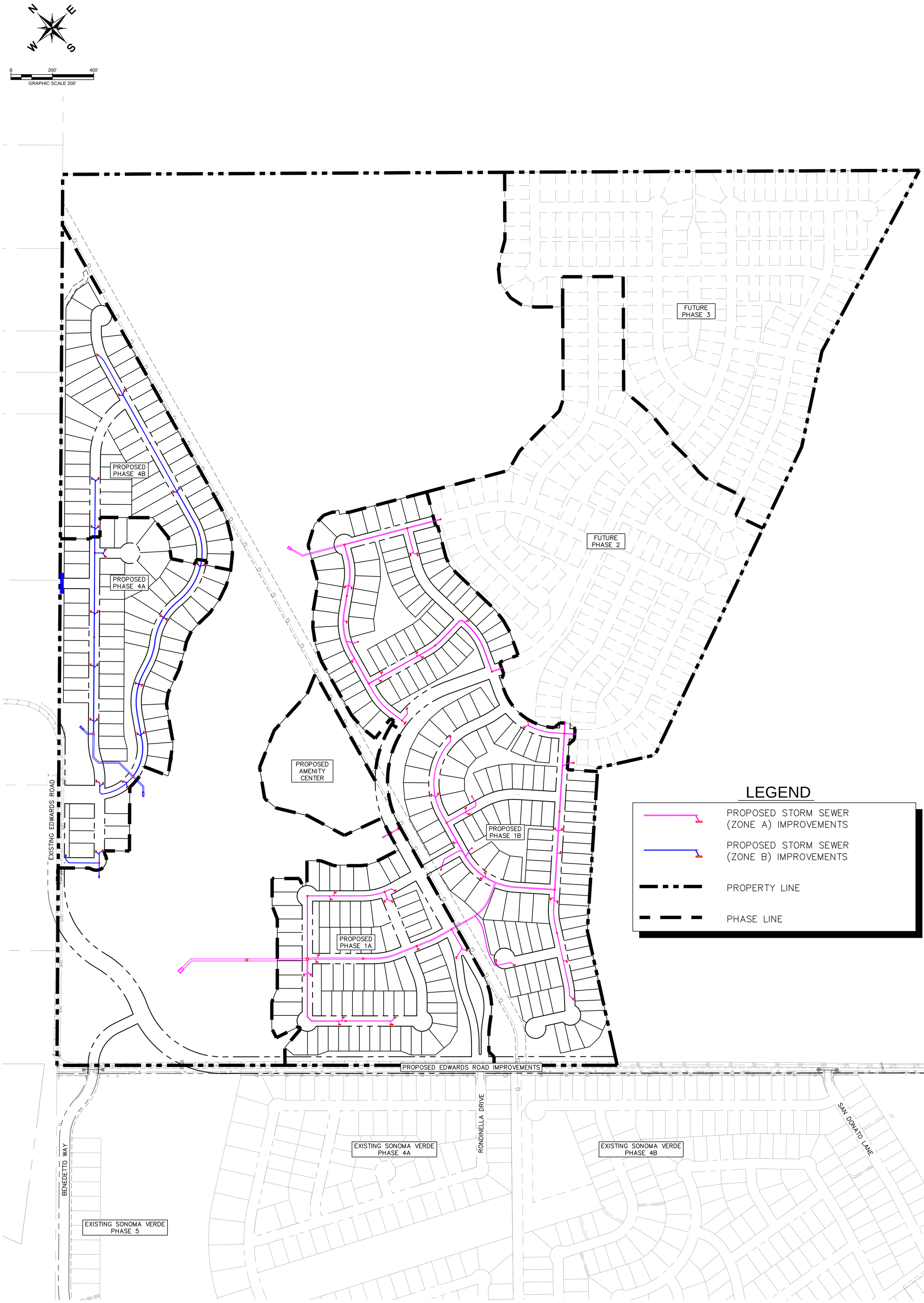
PID EXHIBIT F
ON-SITE SANITARY SEWER

Sonoma Verde North

McLendon-Chisholm, Texas
April 2026

Kimley»Horn
400 N. Oklahoma Dr., Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928

DWG NAME K:\CEL_CIVIL\067705155-PULTE-SONOMA NORTH (SLOAN)\ADMIN\BID DOCS\PID DOCUMENTS\IMPROVEMENT AREA #1\20250819 - PID DOCUMENTS\PID IMPROVEMENT AREA 1 LAYOUTS\ON-SITE IMPROVEMENTS\20250818 - ON-SITE SANITARY SEWER.DWG
LAST SAVED 3/12/2026 2:40 PM



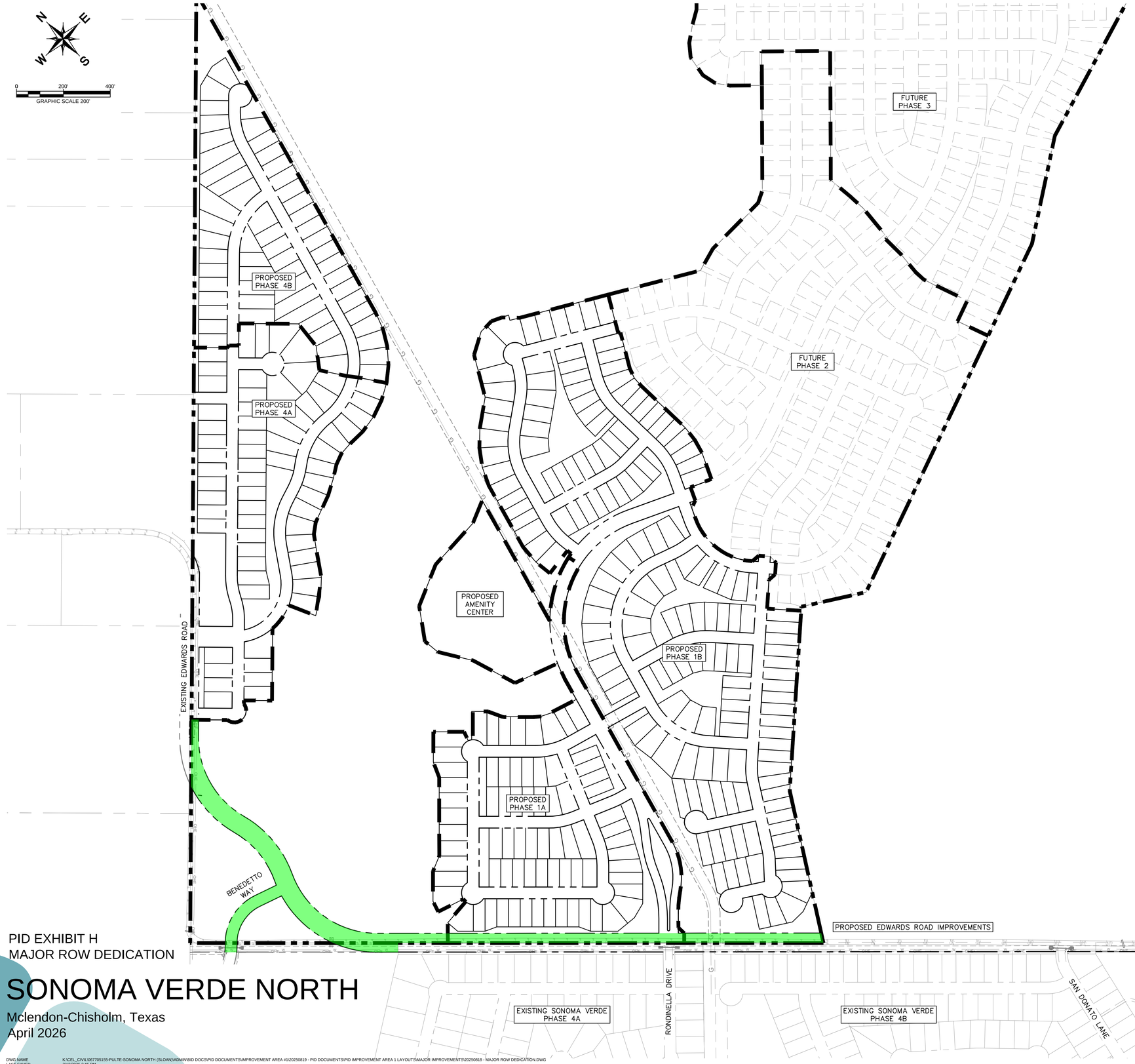
PID EXHIBIT G
ON-SITE STORM SEWER

Sonoma Verde North

McLendon-Chisholm, Texas
April 2026

DWG NAME K:\CEL_CIVIL\067705155-PULTE-SONOMA NORTH (SLOAN)\ADMIN\BID DOCS\PID DOCUMENTS\IMPROVEMENT AREA #1\20250819 - PID DOCUMENTS\PID IMPROVEMENT AREA 1 LAYOUTS\ON-SITE IMPROVEMENTS\20250818 - ON-SITE STORM SEWER.DWG
LAST SAVED 3/12/2026 2:43 PM

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400 N. Oklahoma Dr., Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928



PID EXHIBIT H
MAJOR ROW DEDICATION

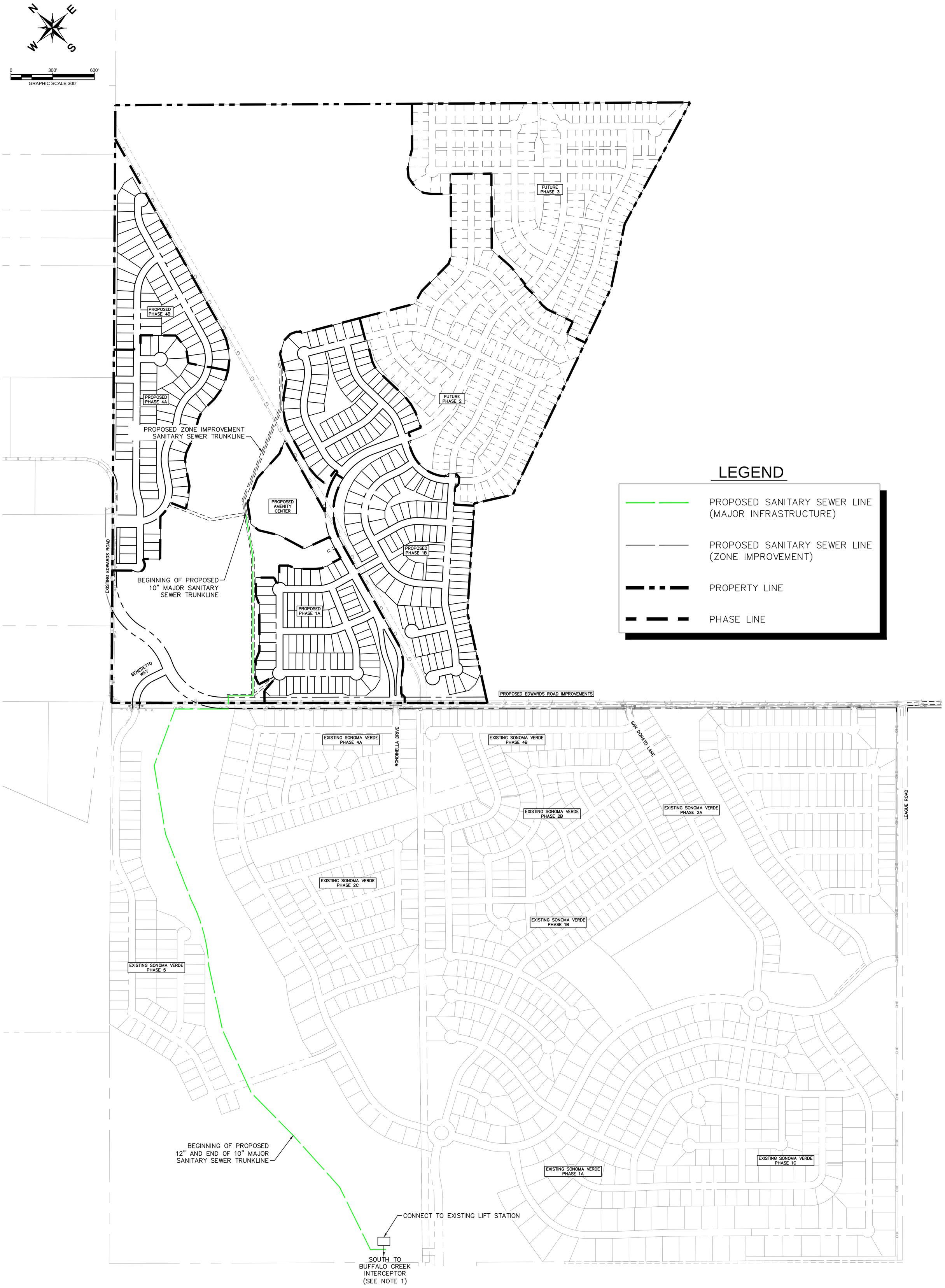
SONOMA VERDE NORTH

Mclendon-Chisholm, Texas
April 2026

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LAST SAVED 3/12/2026 2:46 PM

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Suite 105
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State of Texas Registration No. F-928

NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND HAS BEEN PRODUCED WITHOUT THE BENEFIT OF A SURVEY OR CONTACT WITH THE CITY, COUNTY, ETC.



PID EXHIBIT I
MAJOR SANITARY SEWER

Sonoma Verde North

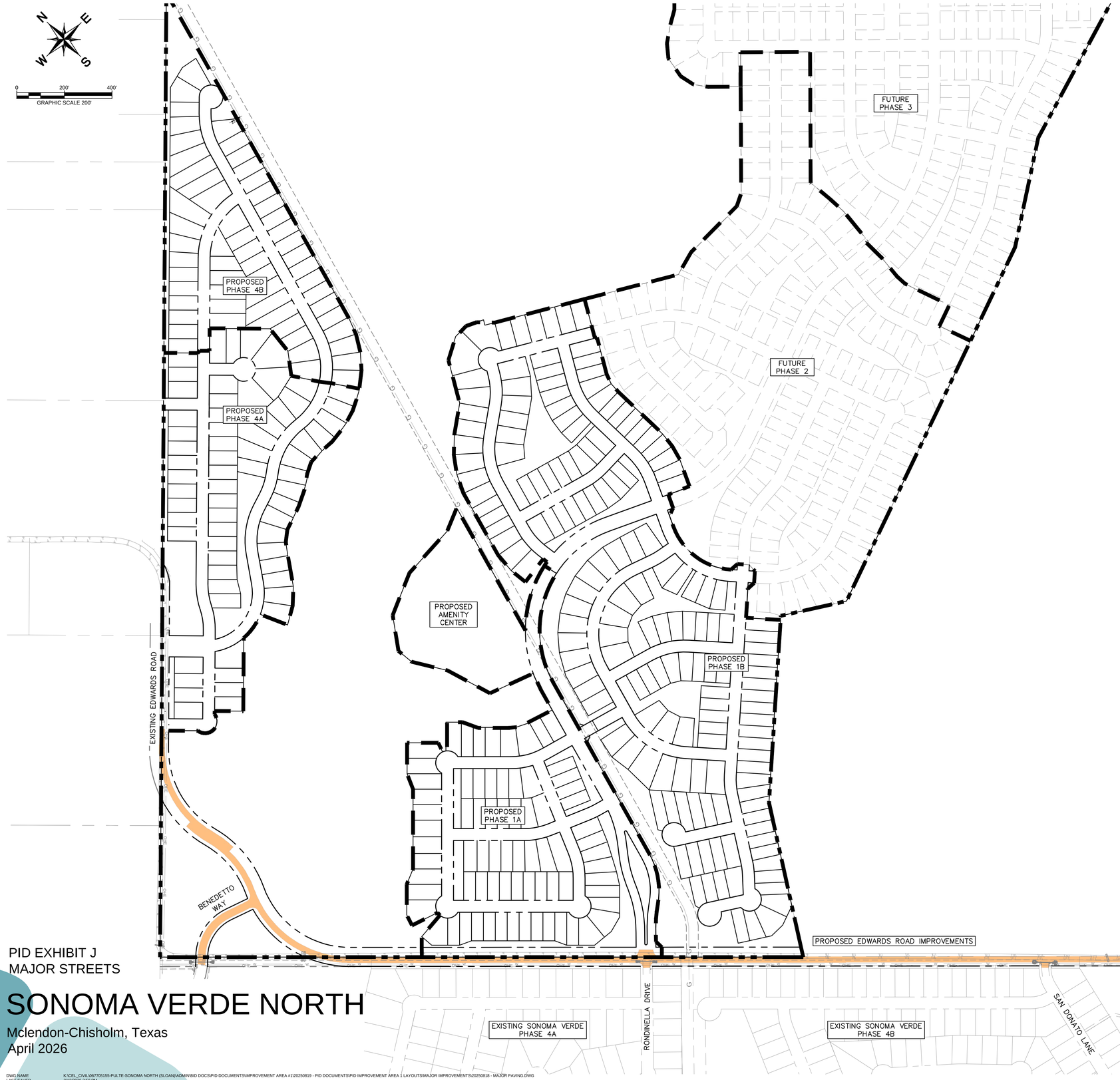
McLendon-Chisholm, Texas
April 2026

NOTES:

1. FORCEMAIN TO RUN APPROXIMATELY 26,960 LF SOUTH ALONG FM 550 TO THE BUFFALO CREEK INTERCEPTOR.

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State of Texas Registration No. F-928

DWG NAME K:\CEL_CIVIL\067705155-PULTE-SONOMA NORTH (SLOAN)\ADMIN\BID DOCS\PID DOCUMENTS\IMPROVEMENT AREA #1\20250819 - PID DOCUMENTS\PID IMPROVEMENT AREA 1 LAYOUTS\MAJOR IMPROVEMENTS\20250819 - MAJOR SANITARY SEWER.DWG
LAST SAVED 3/12/2026 1:53 PM



LEGEND

- MAJOR PROPOSED ROADWAY
- PROPERTY LINE
- PHASE LINE

PID EXHIBIT J
MAJOR STREETS

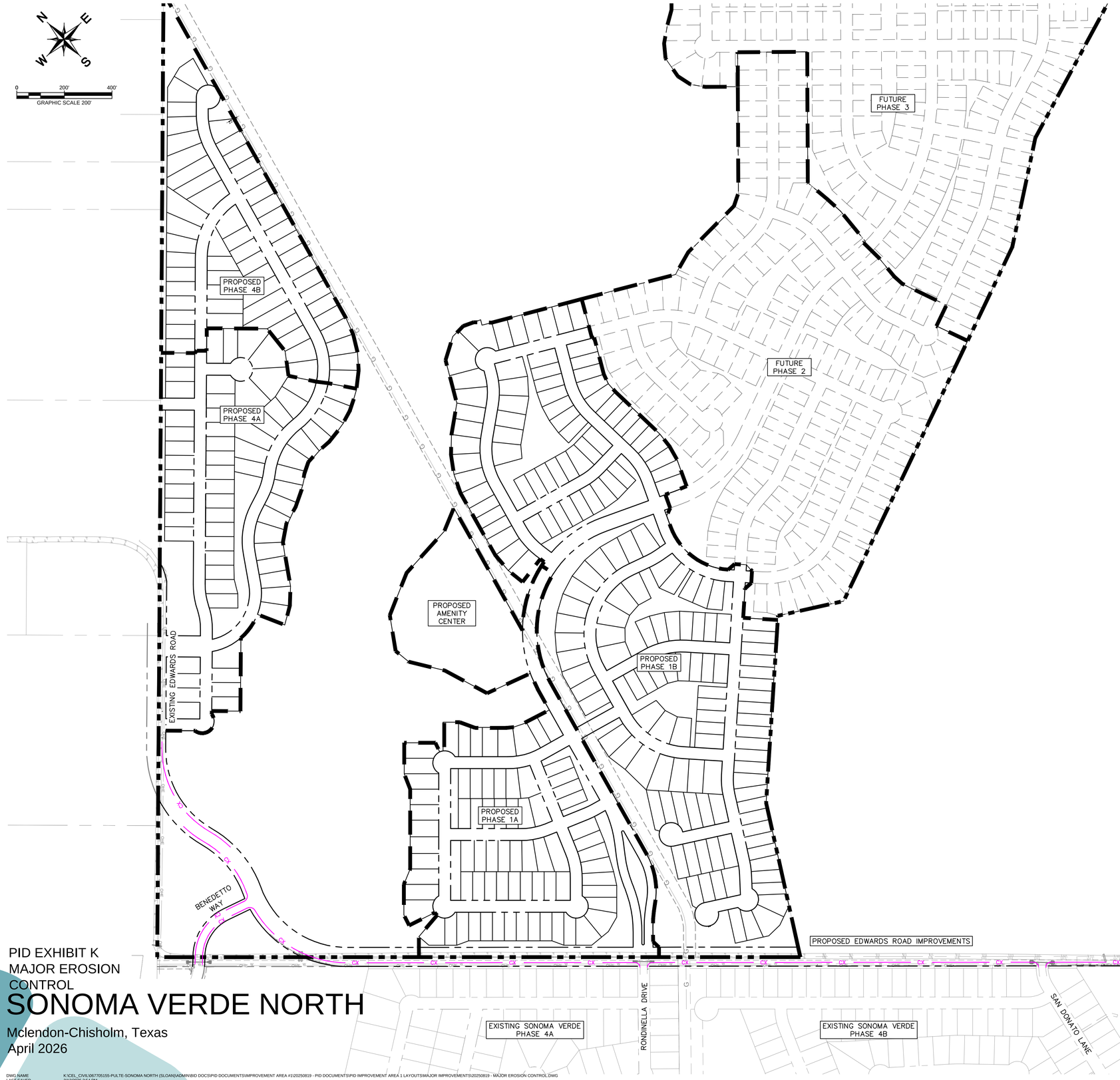
SONOMA VERDE NORTH

Mclendon-Chisholm, Texas
April 2026

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LAST SAVED 3/12/2026 2:50 PM

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State of Texas Registration No. F-928

NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND WAS BEEN PRODUCED WITHOUT THE BENEFIT OF A SURVEY OR CONTACT WITH THE CITY, COUNTY, ETC.



PID EXHIBIT K
MAJOR EROSION CONTROL

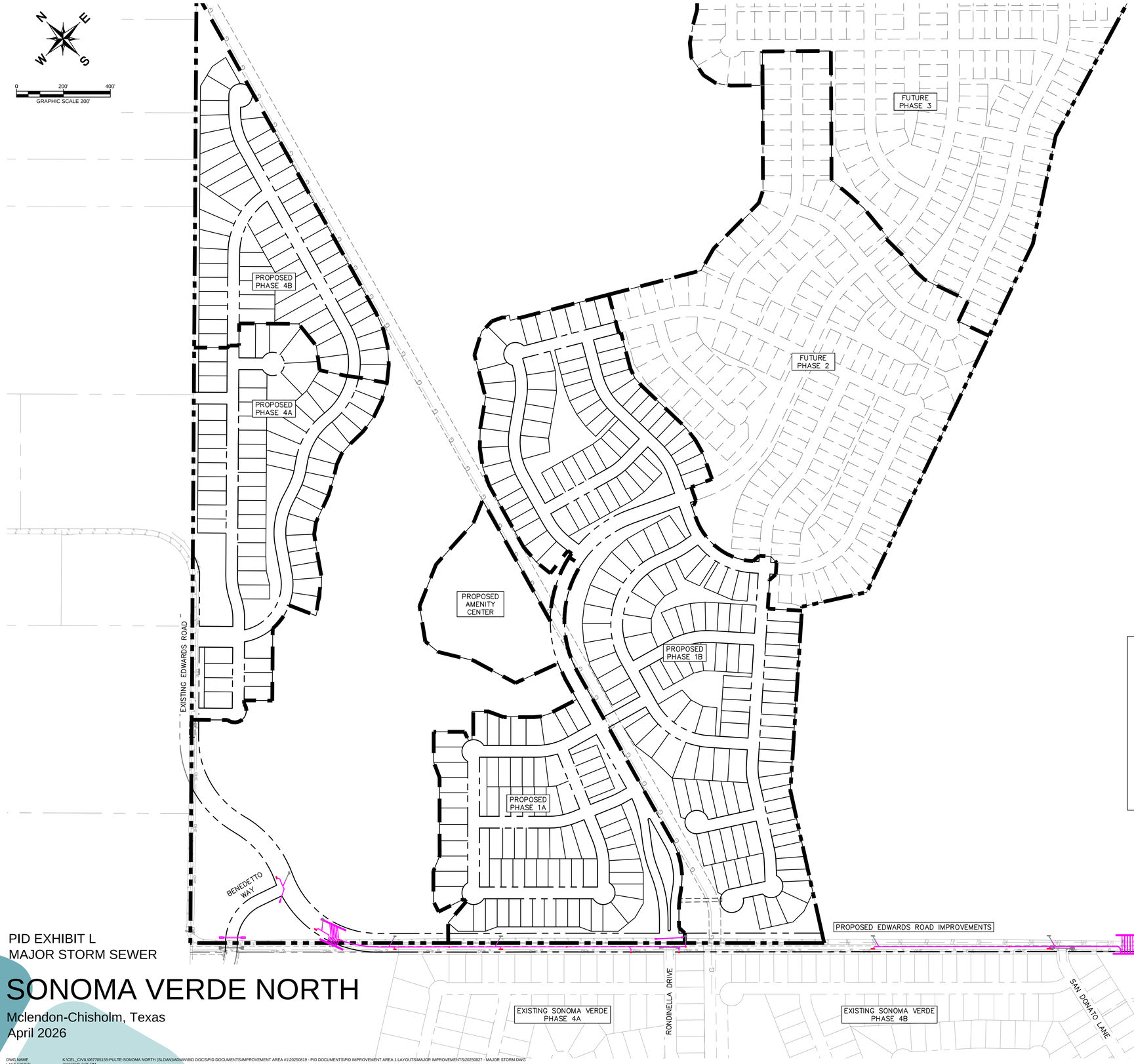
SONOMA VERDE NORTH

Mclendon-Chisholm, Texas
April 2026

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LAST SAVED 3/12/2026 2:54 PM

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Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928

NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND WAS NOT PRODUCED WITHOUT THE BENEFIT OF A SURVEY OR CONTACT WITH THE CITY, COUNTY, ETC.



LEGEND

- PROPOSED STORM SEWER IMPROVEMENTS
- FUTURE STORM SEWER IMPROVEMENTS (BY OTHERS)
- PROPERTY LINE
- PHASE LINE

PID EXHIBIT L
MAJOR STORM SEWER

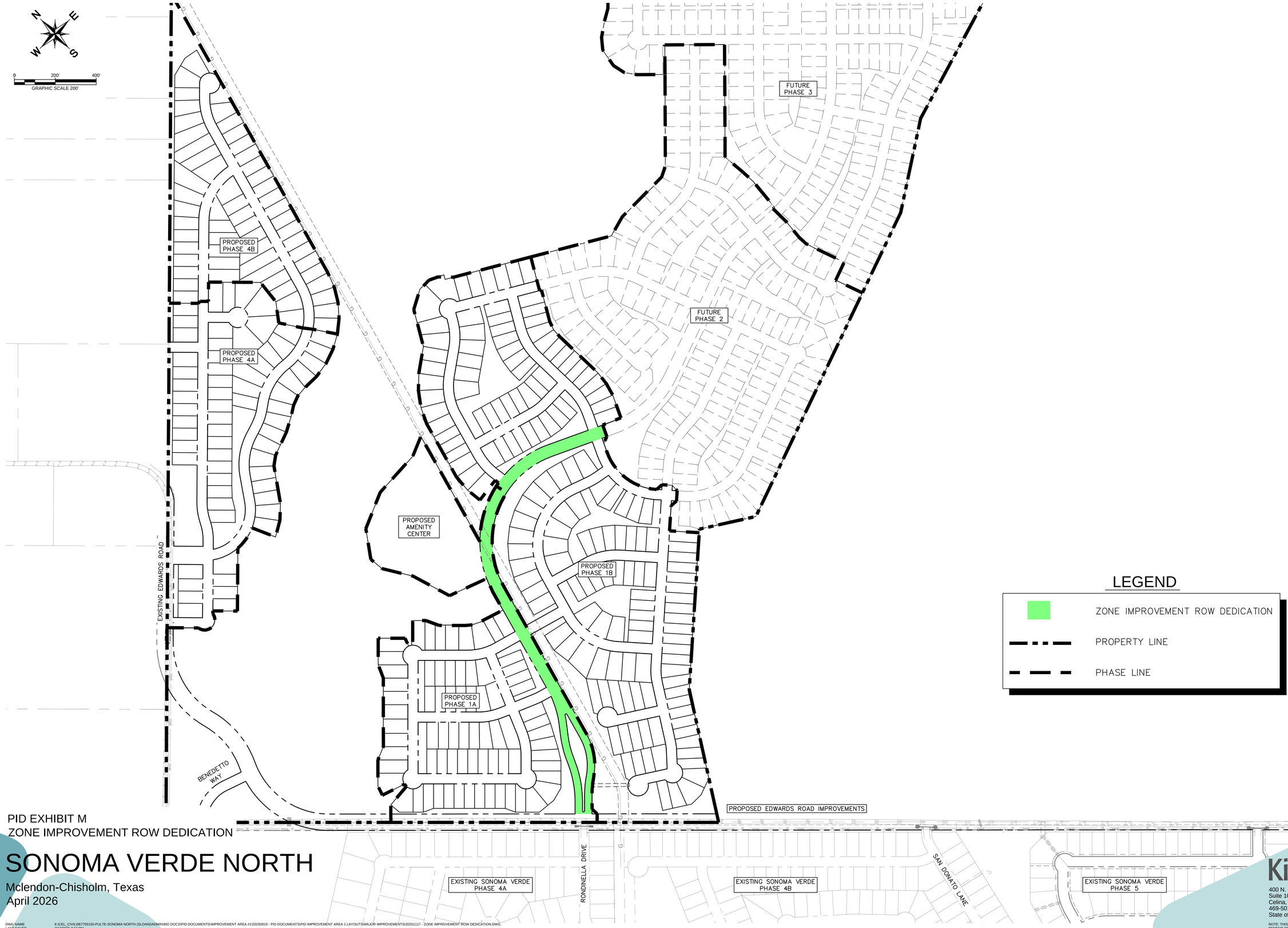
SONOMA VERDE NORTH

Mclendon-Chisholm, Texas
April 2026

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LAST SAVED 3/12/2026 3:05 PM

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Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928

NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND HAS BEEN PRODUCED WITHOUT THE BENEFIT OF A SURVEY OR CONTACT WITH THE CITY, COUNTY, ETC.



PID EXHIBIT M
ZONE IMPROVEMENT ROW DEDICATION

SONOMA VERDE NORTH

Mclendon-Chisholm, Texas
April 2026

DWG NAME K:\CEL_CIVIL\067705155-PULTE-SONOMA NORTH (SLOAN)\ADMIN\BID DOCS\PID DOCUMENTS\IMPROVEMENT AREA #1\20250819 - PID DOCUMENTS\PID IMPROVEMENT AREA 1 LAYOUTS\MAJOR IMPROVEMENTS\20251117 - ZONE IMPROVEMENT ROW DEDICATION.DWG
LAST SAVED 3/12/2026 3:12 PM

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Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928

NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND HAS BEEN PRODUCED WITHOUT THE BENEFIT OF A SURVEY OR CONTACT WITH THE CITY, COUNTY, ETC.

0 200' 400'

GRAPHIC SCALE 200'

PROPOSED PHASE 4B

PROPOSED PHASE 4A

FUTURE PHASE 3

FUTURE PHASE 2

PROPOSED AMENITY CENTER

PROPOSED PHASE 1B

PROPOSED PHASE 1A

EXISTING EDWARDS ROAD

PROPOSED EDWARDS ROAD IMPROVEMENTS

PROPOSED MAJOR SANITARY SEWER TRUNKLINE

EXISTING SONOMA VERDE PHASE 5

EXISTING SONOMA VERDE PHASE 4A

EXISTING SONOMA VERDE PHASE 4B

BENEDETTO WAY

RONDINELLA DRIVE

SAN DONATO LANE

LEGEND

- PROPOSED SANITARY SEWER LINE (ZONE IMPROVEMENT)
- PROPOSED SANITARY SEWER LINE (MAJOR INFRASTRUCTURE)
- PROPERTY LINE
- PHASE LINE

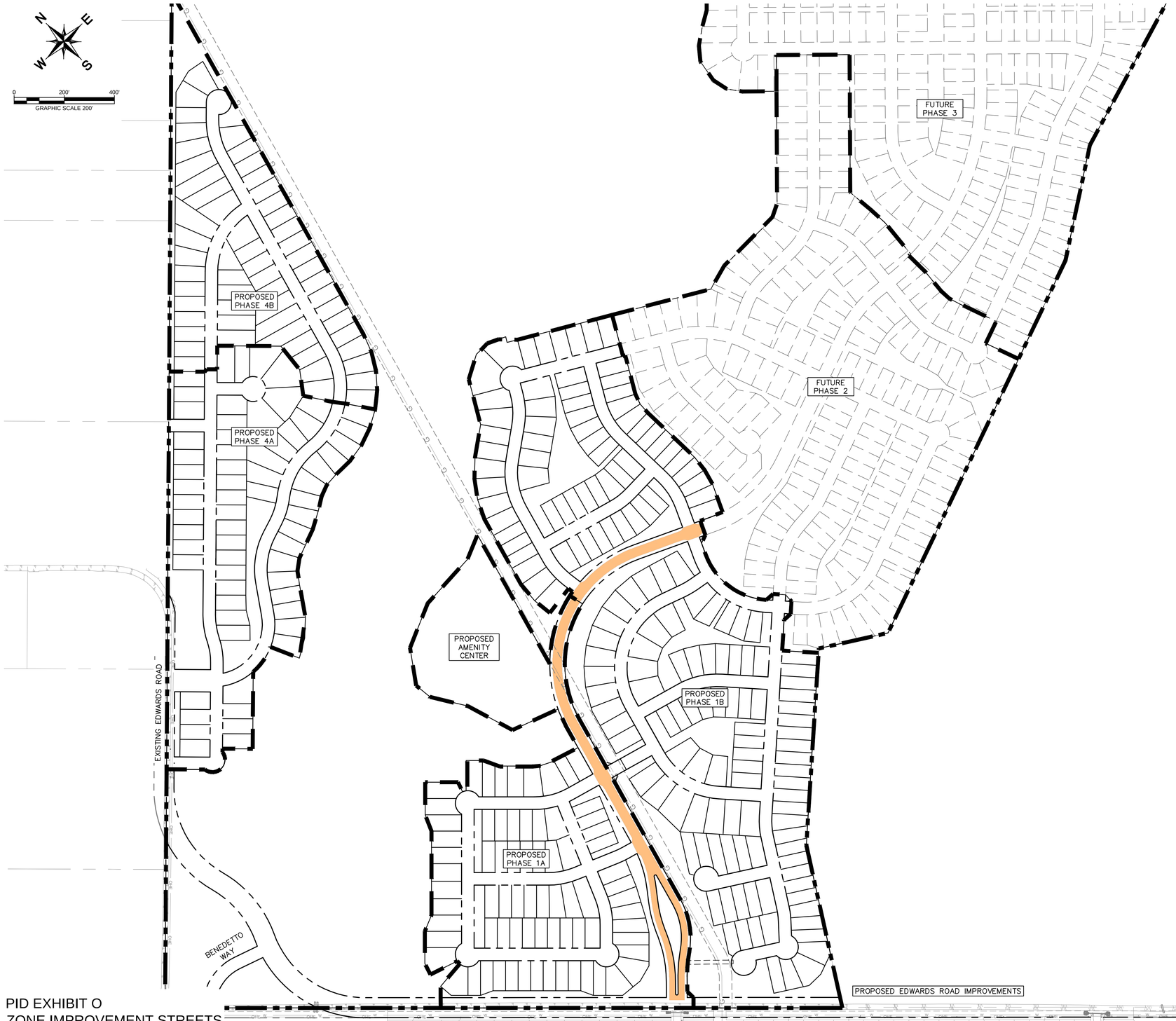
PID EXHIBIT N
ZONE IMPROVEMENT SANITARY SEWER

Sonoma Verde North

McLendon-Chisholm, Texas
April 2026

Kimley»Horn
400 N. Oklahoma Dr., Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928

DWG NAME K:\CEL_CIVIL\067705155-PULTE-SONOMA NORTH (SLOAN)\ADMIN\BID DOCS\PID DOCUMENTS\IMPROVEMENT AREA #1\20250819 - PID DOCUMENTS\PID IMPROVEMENT AREA 1 LAYOUTS\MAJOR IMPROVEMENTS\20251117 - ZONE IMPROVEMENT SANITARY SEWER.DWG
LAST SAVED 3/12/2026 3:14 PM



LEGEND

- ZONE IMPROVEMENT ROADWAY
- PROPERTY LINE
- PHASE LINE

PID EXHIBIT O
ZONE IMPROVEMENT STREETS

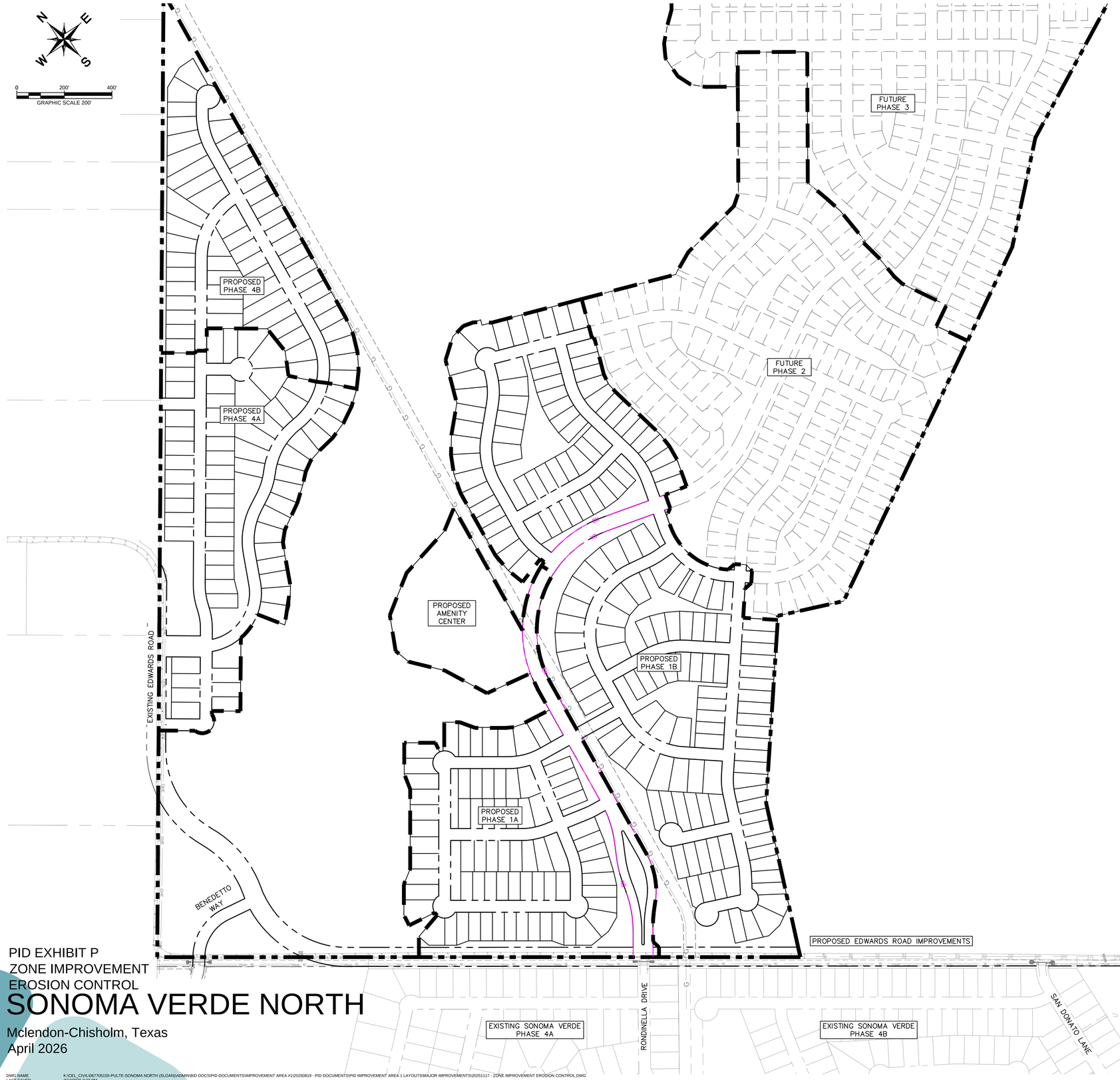
SONOMA VERDE NORTH

Mclendon-Chisholm, Texas
April 2026

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LAST SAVED 3/12/2026 3:17 PM

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Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928

NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND HAS BEEN PRODUCED WITHOUT THE BENEFIT OF A SURVEY OR CONTACT WITH THE CITY, COUNTY, ETC.



LEGEND

- ZONE IMPROVEMENT EROSION CONTROL
- PROPERTY LINE
- PHASE LINE

PID EXHIBIT P
ZONE IMPROVEMENT
EROSION CONTROL

SONOMA VERDE NORTH

Mclendon-Chisholm, Texas
April 2026

DWG NAME K:\CEL_CIVIL\067705155-PULTE-SONOMA NORTH (SLOAN)\ADMIN\BID DOCS\PID DOCUMENTS\IMPROVEMENT AREA #1\20250819 - PID DOCUMENTS\PID IMPROVEMENT AREA 1 LAYOUTS\MAJOR IMPROVEMENTS\20251117 - ZONE IMPROVEMENT EROSION CONTROL.DWG
LAST SAVED 3/12/2026 3:23 PM

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469-501-2200
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NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND WAS BEEN PRODUCED WITHOUT THE BENEFIT OF A SURVEY OR CONTACT WITH THE CITY, COUNTY, ETC.

APPENDIX B – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this appendix:

Zone A Improvement Area #1

- Zone A Improvement Area #1 Initial Parcel
- Lot Type 1
- Lot Type 2

Zone B Improvement Area #1

- Zone B Improvement Area #1 Initial Parcel
- Lot Type 3

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SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT ZONE A IMPROVEMENT AREA #1 INITIAL PARCEL BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF MCLENDON-CHISHOLM, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

ZONE A IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: $13,144,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to City of McLendon-Chisholm, Texas, (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sonoma Verde North Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. The exact amount of each annual installment will be approved each year by the McLendon-Chisholm City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City.

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 Rockwall 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 Rockwall 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 Rockwall County.

ANNUAL INSTALLMENTS - ZONE A IMPROVEMENT AREA #1 INITIAL PARCEL

Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ -	$ 860,932	$ (860,932)	$ 65,720	$ 40,000	$ 105,720
2028	$ 173,000	$ 788,640	$ -	$ 65,720	$ 40,800	$ 1,068,160
2029	$ 184,000	$ 778,260	$ -	$ 64,855	$ 41,616	$ 1,068,731
2030	$ 195,000	$ 767,220	$ -	$ 63,935	$ 42,448	$ 1,068,603
2031	$ 207,000	$ 755,520	$ -	$ 62,960	$ 43,297	$ 1,068,777
2032	$ 219,000	$ 743,100	$ -	$ 61,925	$ 44,163	$ 1,068,188
2033	$ 233,000	$ 729,960	$ -	$ 60,830	$ 45,046	$ 1,068,836
2034	$ 247,000	$ 715,980	$ -	$ 59,665	$ 45,947	$ 1,068,592
2035	$ 262,000	$ 701,160	$ -	$ 58,430	$ 46,866	$ 1,068,456
2036	$ 278,000	$ 685,440	$ -	$ 57,120	$ 47,804	$ 1,068,364
2037	$ 295,000	$ 668,760	$ -	$ 55,730	$ 48,760	$ 1,068,250
2038	$ 313,000	$ 651,060	$ -	$ 54,255	$ 49,735	$ 1,068,050
2039	$ 333,000	$ 632,280	$ -	$ 52,690	$ 50,730	$ 1,068,700
2040	$ 353,000	$ 612,300	$ -	$ 51,025	$ 51,744	$ 1,068,069
2041	$ 375,000	$ 591,120	$ -	$ 49,260	$ 52,779	$ 1,068,159
2042	$ 399,000	$ 568,620	$ -	$ 47,385	$ 53,835	$ 1,068,840
2043	$ 423,000	$ 544,680	$ -	$ 45,390	$ 54,911	$ 1,067,981
2044	$ 450,000	$ 519,300	$ -	$ 43,275	$ 56,010	$ 1,068,585
2045	$ 478,000	$ 492,300	$ -	$ 41,025	$ 57,130	$ 1,068,455
2046	$ 508,000	$ 463,620	$ -	$ 38,635	$ 58,272	$ 1,068,527
2047	$ 540,000	$ 433,140	$ -	$ 36,095	$ 59,438	$ 1,068,673
2048	$ 574,000	$ 400,740	$ -	$ 33,395	$ 60,627	$ 1,068,762
2049	$ 610,000	$ 366,300	$ -	$ 30,525	$ 61,839	$ 1,068,664
2050	$ 648,000	$ 329,700	$ -	$ 27,475	$ 63,076	$ 1,068,251
2051	$ 689,000	$ 290,820	$ -	$ 24,235	$ 64,337	$ 1,068,392
2052	$ 733,000	$ 249,480	$ -	$ 20,790	$ 65,624	$ 1,068,894
2053	$ 779,000	$ 205,500	$ -	$ 17,125	$ 66,937	$ 1,068,562
2054	$ 828,000	$ 158,760	$ -	$ 13,230	$ 68,275	$ 1,068,265
2055	$ 881,000	$ 109,080	$ -	$ 9,090	$ 69,641	$ 1,068,811
2056	$ 937,000	$ 56,220	$ -	$ 4,685	$ 71,034	$ 1,068,939
Total	**$ 13,144,000**	**$ 15,869,992**	**$ (860,932)**	**$ 1,316,475**	**$ 1,622,723**	**$ 31,092,258**

Footnotes:

[a] Interest is calculated at a 6.0% rate for illustrative purposes.

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

SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT ZONE A IMPROVEMENT AREA #1 LOT TYPE 1 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[4] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF MCLENDON-CHISHOLM, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

ZONE A IMPROVEMENT AREA #1 LOT TYPE 1 PRINCIPAL ASSESSMENT: $51,207.66

As the purchaser of the real property described above, you are obligated to pay assessments to City of McLendon-Chisholm, Texas, (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sonoma Verde North Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. The exact amount of each annual installment will be approved each year by the McLendon-Chisholm City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City.

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.

[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 Rockwall 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][5]

[5] 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][6]

[6] 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 Rockwall 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 Rockwall County.

ANNUAL INSTALLMENTS - ZONE A IMPROVEMENT AREA #1 LOT TYPE 1

Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ -	$ 3,354.10	$ (3,354.10)	$ 256.04	$ 155.84	$ 411.87
2028	$ 673.99	$ 3,072.46	$ -	$ 256.04	$ 158.95	$ 4,161.44
2029	$ 716.84	$ 3,032.02	$ -	$ 252.67	$ 162.13	$ 4,163.66
2030	$ 759.70	$ 2,989.01	$ -	$ 249.08	$ 165.37	$ 4,163.17
2031	$ 806.45	$ 2,943.43	$ -	$ 245.29	$ 168.68	$ 4,163.85
2032	$ 853.20	$ 2,895.04	$ -	$ 241.25	$ 172.06	$ 4,161.55
2033	$ 907.74	$ 2,843.85	$ -	$ 236.99	$ 175.50	$ 4,164.08
2034	$ 962.29	$ 2,789.38	$ -	$ 232.45	$ 179.01	$ 4,163.12
2035	$ 1,020.72	$ 2,731.65	$ -	$ 227.64	$ 182.59	$ 4,162.59
2036	$ 1,083.06	$ 2,670.40	$ -	$ 222.53	$ 186.24	$ 4,162.23
2037	$ 1,149.29	$ 2,605.42	$ -	$ 217.12	$ 189.96	$ 4,161.79
2038	$ 1,219.42	$ 2,536.46	$ -	$ 211.37	$ 193.76	$ 4,161.01
2039	$ 1,297.33	$ 2,463.30	$ -	$ 205.27	$ 197.64	$ 4,163.54
2040	$ 1,375.25	$ 2,385.46	$ -	$ 198.79	$ 201.59	$ 4,161.09
2041	$ 1,460.96	$ 2,302.94	$ -	$ 191.91	$ 205.62	$ 4,161.44
2042	$ 1,554.46	$ 2,215.28	$ -	$ 184.61	$ 209.73	$ 4,164.09
2043	$ 1,647.96	$ 2,122.02	$ -	$ 176.83	$ 213.93	$ 4,160.74
2044	$ 1,753.15	$ 2,023.14	$ -	$ 168.59	$ 218.21	$ 4,163.09
2045	$ 1,862.24	$ 1,917.95	$ -	$ 159.83	$ 222.57	$ 4,162.59
2046	$ 1,979.12	$ 1,806.22	$ -	$ 150.52	$ 227.02	$ 4,162.87
2047	$ 2,103.78	$ 1,687.47	$ -	$ 140.62	$ 231.56	$ 4,163.44
2048	$ 2,236.24	$ 1,561.24	$ -	$ 130.10	$ 236.20	$ 4,163.78
2049	$ 2,376.50	$ 1,427.07	$ -	$ 118.92	$ 240.92	$ 4,163.40
2050	$ 2,524.54	$ 1,284.48	$ -	$ 107.04	$ 245.74	$ 4,161.79
2051	$ 2,684.27	$ 1,133.00	$ -	$ 94.42	$ 250.65	$ 4,162.35
2052	$ 2,855.69	$ 971.95	$ -	$ 81.00	$ 255.67	$ 4,164.30
2053	$ 3,034.90	$ 800.61	$ -	$ 66.72	$ 260.78	$ 4,163.01
2054	$ 3,225.80	$ 618.51	$ -	$ 51.54	$ 265.99	$ 4,161.85
2055	$ 3,432.28	$ 424.96	$ -	$ 35.41	$ 271.31	$ 4,163.98
2056	$ 3,650.45	$ 219.03	$ -	$ 18.25	$ 276.74	$ 4,164.47
Total	**$ 51,207.66**	**$ 61,827.84**	**$ (3,354.10)**	**$ 5,128.85**	**$ 6,321.96**	**$ 121,132.20**

Footnotes:

[a] Interest is calculated at a 6.0% rate for illustrative purposes.

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

SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT ZONE A IMPROVEMENT AREA #1 LOT TYPE 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[7] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF MCLENDON-CHISHOLM, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

ZONE A IMPROVEMENT AREA #1 LOT TYPE 2 PRINCIPAL ASSESSMENT: $67,534.14

As the purchaser of the real property described above, you are obligated to pay assessments to City of McLendon-Chisholm, Texas, (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sonoma Verde North Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. The exact amount of each annual installment will be approved each year by the McLendon-Chisholm City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City.

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.

[7] 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 Rockwall 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][8]

[8] 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][9]

[9] 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 Rockwall 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 Rockwall County.

ANNUAL INSTALLMENTS - ZONE A IMPROVEMENT AREA #1 LOT TYPE 2

Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ -	$ 4,423.49	$ (4,423.49)	$ 337.67	$ 205.52	$ 543.19
2028	$ 888.88	$ 4,052.05	$ -	$ 337.67	$ 209.63	$ 5,488.23
2029	$ 945.40	$ 3,998.72	$ -	$ 333.23	$ 213.82	$ 5,491.16
2030	$ 1,001.91	$ 3,941.99	$ -	$ 328.50	$ 218.10	$ 5,490.51
2031	$ 1,063.57	$ 3,881.88	$ -	$ 323.49	$ 222.46	$ 5,491.40
2032	$ 1,125.23	$ 3,818.06	$ -	$ 318.17	$ 226.91	$ 5,488.37
2033	$ 1,197.16	$ 3,750.55	$ -	$ 312.55	$ 231.45	$ 5,491.70
2034	$ 1,269.09	$ 3,678.72	$ -	$ 306.56	$ 236.08	$ 5,490.45
2035	$ 1,346.16	$ 3,602.57	$ -	$ 300.21	$ 240.80	$ 5,489.75
2036	$ 1,428.37	$ 3,521.80	$ -	$ 293.48	$ 245.62	$ 5,489.27
2037	$ 1,515.72	$ 3,436.10	$ -	$ 286.34	$ 250.53	$ 5,488.69
2038	$ 1,608.20	$ 3,345.16	$ -	$ 278.76	$ 255.54	$ 5,487.66
2039	$ 1,710.96	$ 3,248.67	$ -	$ 270.72	$ 260.65	$ 5,491.00
2040	$ 1,813.72	$ 3,146.01	$ -	$ 262.17	$ 265.86	$ 5,487.76
2041	$ 1,926.76	$ 3,037.19	$ -	$ 253.10	$ 271.18	$ 5,488.22
2042	$ 2,050.07	$ 2,921.58	$ -	$ 243.47	$ 276.60	$ 5,491.72
2043	$ 2,173.38	$ 2,798.58	$ -	$ 233.21	$ 282.14	$ 5,487.31
2044	$ 2,312.11	$ 2,668.17	$ -	$ 222.35	$ 287.78	$ 5,490.41
2045	$ 2,455.97	$ 2,529.45	$ -	$ 210.79	$ 293.53	$ 5,489.74
2046	$ 2,610.11	$ 2,382.09	$ -	$ 198.51	$ 299.41	$ 5,490.12
2047	$ 2,774.53	$ 2,225.48	$ -	$ 185.46	$ 305.39	$ 5,490.86
2048	$ 2,949.22	$ 2,059.01	$ -	$ 171.58	$ 311.50	$ 5,491.32
2049	$ 3,134.19	$ 1,882.06	$ -	$ 156.84	$ 317.73	$ 5,490.82
2050	$ 3,329.44	$ 1,694.01	$ -	$ 141.17	$ 324.09	$ 5,488.70
2051	$ 3,540.10	$ 1,494.24	$ -	$ 124.52	$ 330.57	$ 5,489.42
2052	$ 3,766.17	$ 1,281.83	$ -	$ 106.82	$ 337.18	$ 5,492.00
2053	$ 4,002.52	$ 1,055.86	$ -	$ 87.99	$ 343.92	$ 5,490.29
2054	$ 4,254.28	$ 815.71	$ -	$ 67.98	$ 350.80	$ 5,488.77
2055	$ 4,526.60	$ 560.46	$ -	$ 46.70	$ 357.82	$ 5,491.57
2056	$ 4,814.33	$ 288.86	$ -	$ 24.07	$ 364.97	$ 5,492.23
Total	**$ 67,534.14**	**$ 81,540.34**	**$ (4,423.49)**	**$ 6,764.08**	**$ 8,337.58**	**$ 159,752.65**

Footnotes:

[a] Interest is calculated at a 6.0% rate for illustrative purposes.

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

SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT ZONE B
IMPROVEMENT AREA #1 INITIAL PARCEL BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[10] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF MCLENDON-CHISHOLM, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

ZONE B IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: $4,826,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to City of McLendon-Chisholm, Texas, (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sonoma Verde North Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. The exact amount of each annual installment will be approved each year by the McLendon-Chisholm City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City.

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.

[10] 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 Rockwall 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][11]

[11] 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][12]

[12] 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 Rockwall 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 Rockwall County.

ANNUAL INSTALLMENTS - ZONE B IMPROVEMENT AREA #1 INITIAL PARCEL

Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ -	$ 316,103	$ (316,103)	$ 24,130	$ 40,000	$ 64,130
2028	$ 70,000	$ 289,560	$ -	$ 24,130	$ 40,800	$ 424,490
2029	$ 73,000	$ 285,360	$ -	$ 23,780	$ 41,616	$ 423,756
2030	$ 77,000	$ 280,980	$ -	$ 23,415	$ 42,448	$ 423,843
2031	$ 81,000	$ 276,360	$ -	$ 23,030	$ 43,297	$ 423,687
2032	$ 86,000	$ 271,500	$ -	$ 22,625	$ 44,163	$ 424,288
2033	$ 90,000	$ 266,340	$ -	$ 22,195	$ 45,046	$ 423,581
2034	$ 95,000	$ 260,940	$ -	$ 21,745	$ 45,947	$ 423,632
2035	$ 101,000	$ 255,240	$ -	$ 21,270	$ 46,866	$ 424,376
2036	$ 106,000	$ 249,180	$ -	$ 20,765	$ 47,804	$ 423,749
2037	$ 112,000	$ 242,820	$ -	$ 20,235	$ 48,760	$ 423,815
2038	$ 119,000	$ 236,100	$ -	$ 19,675	$ 49,735	$ 424,510
2039	$ 125,000	$ 228,960	$ -	$ 19,080	$ 50,730	$ 423,770
2040	$ 133,000	$ 221,460	$ -	$ 18,455	$ 51,744	$ 424,659
2041	$ 140,000	$ 213,480	$ -	$ 17,790	$ 52,779	$ 424,049
2042	$ 148,000	$ 205,080	$ -	$ 17,090	$ 53,835	$ 424,005
2043	$ 157,000	$ 196,200	$ -	$ 16,350	$ 54,911	$ 424,461
2044	$ 166,000	$ 186,780	$ -	$ 15,565	$ 56,010	$ 424,355
2045	$ 175,000	$ 176,820	$ -	$ 14,735	$ 57,130	$ 423,685
2046	$ 186,000	$ 166,320	$ -	$ 13,860	$ 58,272	$ 424,452
2047	$ 197,000	$ 155,160	$ -	$ 12,930	$ 59,438	$ 424,528
2048	$ 208,000	$ 143,340	$ -	$ 11,945	$ 60,627	$ 423,912
2049	$ 220,000	$ 130,860	$ -	$ 10,905	$ 61,839	$ 423,604
2050	$ 234,000	$ 117,660	$ -	$ 9,805	$ 63,076	$ 424,541
2051	$ 248,000	$ 103,620	$ -	$ 8,635	$ 64,337	$ 424,592
2052	$ 262,000	$ 88,740	$ -	$ 7,395	$ 65,624	$ 423,759
2053	$ 278,000	$ 73,020	$ -	$ 6,085	$ 66,937	$ 424,042
2054	$ 295,000	$ 56,340	$ -	$ 4,695	$ 68,275	$ 424,310
2055	$ 313,000	$ 38,640	$ -	$ 3,220	$ 69,641	$ 424,501
2056	$ 331,000	$ 19,860	$ -	$ 1,655	$ 71,034	$ 423,549
Total	**$ 4,826,000**	**$ 5,752,823**	**$ (316,103)**	**$ 477,190**	**$ 1,622,723**	**$ 12,362,633**

Footnotes:

[a] Interest is calculated at a 6.0% rate for illustrative purposes.

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

SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT ZONE B
IMPROVEMENT AREA #1 LOT TYPE 3 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[13] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF MCLENDON-CHISHOLM, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

ZONE B IMPROVEMENT AREA #1 LOT TYPE 3 PRINCIPAL ASSESSMENT: $39,884.30

As the purchaser of the real property described above, you are obligated to pay assessments to City of McLendon-Chisholm, Texas, (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sonoma Verde North Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. The exact amount of each annual installment will be approved each year by the McLendon-Chisholm City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City.

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.

[13] 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 Rockwall 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][14]

[14] 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][15]

[15] 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 Rockwall 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 Rockwall County.

ANNUAL INSTALLMENTS - ZONE B IMPROVEMENT AREA #1 LOT TYPE 3

Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ -	$ 2,612.42	$ (2,612.42)	$ 199.42	$ 330.58	$ 530.00
2028	$ 578.51	$ 2,393.06	$ -	$ 199.42	$ 337.19	$ 3,508.18
2029	$ 603.31	$ 2,358.35	$ -	$ 196.53	$ 343.93	$ 3,502.12
2030	$ 636.36	$ 2,322.15	$ -	$ 193.51	$ 350.81	$ 3,502.84
2031	$ 669.42	$ 2,283.97	$ -	$ 190.33	$ 357.83	$ 3,501.55
2032	$ 710.74	$ 2,243.80	$ -	$ 186.98	$ 364.99	$ 3,506.51
2033	$ 743.80	$ 2,201.16	$ -	$ 183.43	$ 372.29	$ 3,500.67
2034	$ 785.12	$ 2,156.53	$ -	$ 179.71	$ 379.73	$ 3,501.09
2035	$ 834.71	$ 2,109.42	$ -	$ 175.79	$ 387.33	$ 3,507.24
2036	$ 876.03	$ 2,059.34	$ -	$ 171.61	$ 395.07	$ 3,502.06
2037	$ 925.62	$ 2,006.78	$ -	$ 167.23	$ 402.97	$ 3,502.60
2038	$ 983.47	$ 1,951.24	$ -	$ 162.60	$ 411.03	$ 3,508.35
2039	$ 1,033.06	$ 1,892.23	$ -	$ 157.69	$ 419.25	$ 3,502.23
2040	$ 1,099.17	$ 1,830.25	$ -	$ 152.52	$ 427.64	$ 3,509.58
2041	$ 1,157.02	$ 1,764.30	$ -	$ 147.02	$ 436.19	$ 3,504.54
2042	$ 1,223.14	$ 1,694.88	$ -	$ 141.24	$ 444.92	$ 3,504.17
2043	$ 1,297.52	$ 1,621.49	$ -	$ 135.12	$ 453.81	$ 3,507.95
2044	$ 1,371.90	$ 1,543.64	$ -	$ 128.64	$ 462.89	$ 3,507.06
2045	$ 1,446.28	$ 1,461.32	$ -	$ 121.78	$ 472.15	$ 3,501.53
2046	$ 1,537.19	$ 1,374.55	$ -	$ 114.55	$ 481.59	$ 3,507.87
2047	$ 1,628.10	$ 1,282.31	$ -	$ 106.86	$ 491.22	$ 3,508.50
2048	$ 1,719.01	$ 1,184.63	$ -	$ 98.72	$ 501.05	$ 3,503.40
2049	$ 1,818.18	$ 1,081.49	$ -	$ 90.12	$ 511.07	$ 3,500.86
2050	$ 1,933.88	$ 972.40	$ -	$ 81.03	$ 521.29	$ 3,508.60
2051	$ 2,049.59	$ 856.36	$ -	$ 71.36	$ 531.71	$ 3,509.03
2052	$ 2,165.29	$ 733.39	$ -	$ 61.12	$ 542.35	$ 3,502.14
2053	$ 2,297.52	$ 603.47	$ -	$ 50.29	$ 553.20	$ 3,504.48
2054	$ 2,438.02	$ 465.62	$ -	$ 38.80	$ 564.26	$ 3,506.70
2055	$ 2,586.78	$ 319.34	$ -	$ 26.61	$ 575.55	$ 3,508.27
2056	$ 2,735.54	$ 164.13	$ -	$ 13.68	$ 587.06	$ 3,500.40
Total	**$ 39,884.30**	**$ 47,543.99**	**$ (2,612.42)**	**$ 3,943.72**	**$ 13,410.94**	**$ 102,170.52**

Footnotes:

[a] Interest is calculated at a 6.0% rate for illustrative purposes.

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

City of McLendon-Chisholm

Staff Report

Date: July 14, 2026

Agenda Item: Discuss and consider adopting an ordinance approving the issuance and sale of "City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects)" and approving various documents related to such bonds.

Background:

On April 22, 2025, City Council established the Sonoma Verde North Public Improvement District (PID) pursuant to Chapter 372 of the Texas Local Government Code to finance eligible public infrastructure improvements associated with the Sonoma Verde North development. Since that time, the City has completed the steps necessary to facilitate the issuance of PID bonds, including approval of the Preliminary Service and Assessment Plan, conducting the required public hearing, and adopting the final Service and Assessment Plan and Assessment Rolls for Zone A Improvement Area #1 and Zone B Improvement Area#1.

The proposed ordinance authorizes the issuance and sale of the City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects). Bond proceeds will be used to fund eligible public improvements within the PID, fund the initial administrative account for annual collection costs, and pay costs associated with issuing the bonds.

Fiscal Impact:

The bonds will provide funding for eligible public infrastructure improvements within the Sonoma Verde North Public Improvement District. Debt service on the bonds will be paid solely from the special assessments levied against benefitted property within the PID and will not constitute a debt or financial obligation of the City's General Fund or ad valorem tax revenues.

Options/Alternatives:

1. City Council may approve the Ordinance, as presented.

2. City Council may deny the Ordinance.

Recommendation:

Staff recommends approval of the Ordinance, as presented.

Attachments:

- Ordinance (including associated exhibits)

Presenter: Fabrice Kabona, City Manager

ORDINANCE NO. _____

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, AUTHORIZING THE ISSUANCE OF THE "CITY OF MCLENDON-CHISHOLM, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026 (SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT ZONE A IMPROVEMENT AREA #1 AND ZONE B IMPROVEMENT AREA #1 PROJECTS)"; APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A LIMITED OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT AND A FUNDING AGREEMENT; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of McLendon-Chisholm, 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 "Sonoma Verde North Public Improvement District" (the "District"); and

WHEREAS, pursuant to Section 372.016(b) of the PID Act, the City published notice of a public hearing (the "Assessment Hearing") in a newspaper of general circulation in the City and in the extraterritorial jurisdiction of the City in which the District is located to consider the proposed "Assessment Rolls" and the "Service and Assessment Plan" and the levy of the "Assessments" on property in Zone A Improvement Area #1 and Zone B Improvement Area #1 and, pursuant to Section 372.016(c) of the PID Act, the City mailed notice of the Assessment Hearing to consider the proposed Assessment Rolls and the Service and Assessment Plan and the levy of Assessments on property in Zone A Improvement Area #1 and Zone B Improvement Area #1 to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, on July 14, 2026, the City Council of the City (the "Council") held the Assessment Hearing regarding the levy of the Zone A Improvement Area #1 Assessment against the Zone A Improvement Area #1 Assessed Property and the Zone B Improvement Area #1 Assessment against the Zone B Improvement Area #1 Assessed Property, and on such date, the Council adopted an ordinance levying the Zone A Improvement Area #1 Assessment against the Zone A Improvement Area #1 Assessed Property and the Zone B Improvement Area #1 Assessment against the Zone B Improvement Area #1 Assessed Property (the "Assessment Ordinance"); and

WHEREAS, in the Assessment Ordinance, the Council approved and accepted the Sonoma Verde North Public Improvement District Service and Assessment Plan (the "Service and Assessment Plan") and levied the Zone A Improvement Area #1 Assessment against the Zone A Improvement Area #1 Assessed Property and the Zone B Improvement Area #1 Assessment against the Zone B Improvement Area #1 Assessed Property; and

WHEREAS, the Council has found and determined that it is in the best interests of the City to issue its bonds to be designated "City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District

Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects)" (the "Bonds"), such Bonds to be payable from and secured by the Trust Estate; and

WHEREAS, the Council is authorized by the PID Act to issue revenue bonds payable from the Trust Estate for the purpose of (i) paying a portion of the Zone A Improvement Area #1 Project Costs, (ii) paying a portion of the Zone B Improvement Area #1 Project Costs, (iii) funding the initial deposit to the Administrative Fund for the payment of Annual Collection Costs, and (iv) paying Bond Issuance Costs; and

WHEREAS, the Council has found and determined to approve (i) the issuance of the Bonds for the purposes described herein, (ii) the form, terms and provisions of the Indenture (defined below) securing the Bonds authorized hereby, (iii) the form, terms and provisions of a 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) a Funding Agreement (defined below); 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 MCLENDON-CHISHOLM, 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. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture.

SECTION 2. APPROVAL OF ISSUANCE OF BONDS AND INDENTURE OF TRUST.

(a) The issuance of the Bonds in the principal amount of $_____ for the purpose of (i) paying a portion of the Zone A Improvement Area #1 Project Costs, (ii) paying a portion of the Zone B Improvement Area #1 Project Costs, (iii) funding the initial deposit to the Administrative Fund for the payment of Annual Collection Costs, and (iv) paying Bond Issuance Costs, 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, 2026, between the City and Wilmington Trust, National Association, as trustee (the "Trustee"), with such changes as may be necessary or desirable to carry out the purposes and intent of this Ordinance and as approved by an Authorized Official (defined below), 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 Authorized Officials, individually but not jointly, are hereby authorized and directed to execute the Indenture, and the City Secretary is hereby authorized and directed to attest the signature of such Authorized Official.

(c) The Bonds shall (i) be dated, (ii) mature on the date or dates and in the principal amount or amounts, (iii) bear interest, (iv) be subject to redemption and (v) 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 Trust Estate 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 "Purchase Agreement"), dated the date hereof, between the City and the Underwriter, attached hereto as **Exhibit B** and incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interest of the City. The form, terms and provisions of the Purchase Agreement are hereby authorized and approved, and the Authorized Officials, individually but not jointly, are hereby authorized and directed to execute and deliver the Purchase Agreement.

SECTION 4. LIMITED OFFERING MEMORANDUM. The form and substance of the final Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto (the "Limited Offering Memorandum") presented to and considered at the meeting at which this Ordinance is considered is hereby approved and adopted in all respects. The Limited Offering Memorandum, with such appropriate variations as shall be approved by the City Manager or Finance Director of the City and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum (as defined in the Purchase Agreement) and the Limited Offering Memorandum and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Limited Offering Memorandum by the Underwriter in the offering of the Bonds is hereby ratified, approved and confirmed. The City deems the Preliminary Limited Offering Memorandum final, within the meaning of Rule 15c2-12 issued by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), as of its date, except for the omission of information specified in Section (b)(1) of the Rule, as permitted by Section (b)(1) of the Rule. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Council, the Council is not responsible for and proclaims no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum pertaining to (i) the Zone A Improvement Area #1 Improvements, (ii) the Zone B Improvement Area #1 Improvements, (iii) the Developer or its financial ability, (iv) any builders or landowners or (v) the appraisal of the property in the District.

SECTION 5. CONTINUING DISCLOSURE AGREEMENT. The Continuing Disclosure Agreement (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 Authorized Officials, individually but not jointly, are hereby authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purposes and intent of this Ordinance and approved by an Authorized Official, such approval to be evidenced by the

execution thereof.

SECTION 6. FUNDING AGREEMENT. The Sonoma Verde North Public Improvement District Zone A Improvement Area #1 & Zone B Improvement Area #1 Construction, Funding, and Acquisition Agreement (the "Funding Agreement") between the City and the Developer, is hereby authorized and approved in substantially final form attached hereto as **Exhibit D** and incorporated herein as a part hereof for all purposes, and the Authorized Officials, individually but not jointly, are hereby authorized and directed to execute and deliver such Funding Agreement with such changes as may be required to carry out the purposes and intent of this Ordinance and approved by an Authorized Official, such approval to be evidenced by the execution thereof.

SECTION 7. ADDITIONAL ACTIONS. The Mayor, the Mayor Pro Tem, the City Manager, the Finance Director and the City Secretary (individually, an "Authorized Official", and collectively, the "Authorized Officials"), individually or jointly, 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 Authorized Officials 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 8. 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 9. 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 ADOPTED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, THIS THE 14TH DAY OF JULY 2026.

APPROVED

_____
Mayor
City of McLendon-Chisholm, Texas

ATTEST:

_____
City Secretary
City of McLendon-Chisholm, Texas

(City Seal)

Exhibit A

INDENTURE OF TRUST

INDENTURE OF TRUST

By and Between

CITY OF MCLENDON-CHISHOLM, TEXAS

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

DATED AS OF AUGUST 1, 2026

SECURING

$_____
CITY OF MCLENDON-CHISHOLM, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT
ZONE A IMPROVEMENT AREA #1 AND
ZONE B IMPROVEMENT AREA #1 PROJECTS)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of August 1, 2026, is by and between the CITY OF MCLENDON-CHISHOLM, TEXAS (the "City"), and Wilmington Trust, National Association, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, on March 7, 2025, a petition (the "Petition") was submitted and filed with the City Secretary of the City (the "City Secretary") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act"), requesting the creation of a public improvement district located within the corporate limits of the City and in the extraterritorial jurisdiction of the City in which the District is located to be known as "Sonoma Verde North Public Improvement District" (the "District"); and

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

WHEREAS, on March 25, 2025, the City Council of the City (the "City Council") adopted a resolution accepting the Petition and calling a public hearing (the "Creation Hearing") on (i) the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the PID Act and (ii) the creation of the District, to be held on April 22, 2025; and

WHEREAS, after due notice, on April 22, 2025 the City Council (i) opened, conducted and closed the Creation Hearing, (ii) made the findings required by Section 372.009(b) of the PID Act and (iii) adopted Resolution No. 2025-06 (the "Creation Resolution") authorizing the creation of the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, on April 25, 2025, the City Secretary filed a copy of the Creation Resolution with the Rockwall County Clerk, as required by Section 372.010(b) of the PID Act; and

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

WHEREAS, pursuant to Section 372.016(b) of the PID Act, the City published notice of a public hearing (the "Assessment Hearing") in a newspaper of general circulation in the City and in the extraterritorial jurisdiction of the City in which the District is located to consider the proposed "Assessment Rolls" and the "Service and Assessment Plan" and the levy of the "Assessments" on property in Zone A Improvement Area #1 and Zone B Improvement Area #1 and, pursuant to Section 372.016(c) of the PID Act, the City mailed notice of the Assessment Hearing to consider the proposed Assessment Rolls and the Service and Assessment Plan and the

levy of Assessments on property in Zone A Improvement Area #1 and Zone B Improvement Area #1 to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the Assessment Hearing on July 14, 2026, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Rolls and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Zone A Improvement Area #1 Project Costs and Zone B Improvement Area #1 Project Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, at the Assessment Hearing, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the Zone A Improvement Area #1 Project Costs and Zone B Improvement Area #1 Project Costs, the Assessment Rolls, or the levy of the Assessments; and

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

WHEREAS, the City Council is authorized by the PID Act to issue revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Zone A Improvement Area #1 Project Costs, (ii) paying a portion of the Zone B Improvement Area #1 Project Costs, (iii) funding the initial deposit to the Administrative Fund for the payment of Annual Collection Costs, and (iv) paying Bond Issuance Costs; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, with such bonds to be designated "City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects)" (the "Bonds"), such Bonds being payable as provided in this Indenture; and

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

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

FIRST GRANTING CLAUSE

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

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

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

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

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

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

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

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

covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

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

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

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

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

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

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

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

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

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year (excluding interest paid from funds on deposit in the

Capitalized Interest Accounts), 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 Zone A Improvement Area #1 Annual Installment and the Zone B Improvement Area #1 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 Zone A Improvement Area #1 Assessed Property and the Zone B Improvement Area #1 Assessed Property.

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

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

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

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

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

"Authorized Denomination" means $25,000 and any integral multiple of $1,000 in excess thereof. Except as authorized under Section 4.5 of this Indenture, the City prohibits any Bond to be issued in a denomination of less than $25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than $25,000, and any attempt to accomplish either of the foregoing shall be void and of no effect.

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

"Bond" means any of the Bonds.

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

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

"Bond Issuance Costs" means the costs associated with issuing the Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, initial Trustee fee, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter's discount (including the fee to underwriter's counsel), fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of the Bonds.

"Bond Ordinance" means the ordinance adopted by the City Council on July 14, 2026, authorizing the issuance of the Bonds pursuant to this Indenture.

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

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

"Bonds" means the City's bonds authorized to be issued by Section 3.1 of this Indenture designated "City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects)" and, in the event the City issues Refunding Bonds pursuant to Section 13.2 of this Indenture, the term "Bonds" shall include such Refunding Bonds.

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

"Capitalized Interest Accounts" means, collectively, the Zone A Improvement Area #1 Capitalized Interest Account and the Zone B Improvement Area #1 Capitalized Interest Account.

"Certificate for Payment" means, with respect to payment or reimbursement of Zone A Improvement Area #1 Project Costs and/or Zone B Improvement Area #1 Project Costs, a certificate substantially in the form of Exhibit A attached to the Funding Agreement and executed by the Developer and approved by a City Representative that is delivered to the Trustee specifying the amount of work performed and the Zone A Improvement Area #1 Project Costs and/or Zone B Improvement Area #1 Project Costs thereof, and requesting payment for such Zone A Improvement Area #1 Project Costs and/or Zone B Improvement Area #1 Project Costs from money on deposit in the Zone A Improvement Area #1 Bond Improvement Account and/or the Zone B Improvement Area #1 Bond Improvement Account, as applicable, as further described in the Funding Agreement and Section 6.5 of this Indenture.

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

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

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

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

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

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

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

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

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

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

"Delivery Date" means August 12, 2026, which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

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

"Developer" means Pulte Homes of Texas, L.P., a Texas limited partnership, and any successors thereto.

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

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

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

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

"Funding Agreement" means the Sonoma Verde North Public Improvement District Zone A Improvement Area #1 & Zone B Improvement Area #1 Construction, Funding, and Acquisition Agreement by and between the City and the Developer, dated July 14, 2026, as may be amended and/or supplemented from time to time, which provides, in part, for the construction and maintenance of the Zone A Improvement Area #1 Projects and Zone B Improvement Area #1 Projects, the issuance of the Bonds, the payment or reimbursement of costs of the Zone A Improvement Area #1 Projects and Zone B Improvement Area #1 Projects from the Project Fund, and other matters related thereto.

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

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

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

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 15 and September 15 of each year, commencing September 15, 2026.

"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 the Zone A Remainder Apportioned Property and all of the Assessed Property, as further described in Section III.A and depicted on Exhibit H-1 to the Service and Assessment Plan.

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

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

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

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

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

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

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

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

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

"Prepayment" means the payment of all or a portion of an Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which

represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

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

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

"Purchaser" means the initial purchaser of the Bonds.

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

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

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

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

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

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

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

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

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

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

"Service and Assessment Plan" means the Sonoma Verde North Public Improvement District Service and Assessment Plan, which is attached to the Assessment Ordinance, as may be updated, amended or supplemented from time to time.

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

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

"State" means the State of Texas.

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

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

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

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

"Trustee" means Wilmington Trust, National Association, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX of this Indenture, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

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

"Zone A" means approximately 279.757 acres located within the District, as more specifically described on Exhibit K-2 and depicted on Exhibit A-2 to the Service and Assessment Plan.

"Zone A Improvement Area #1" means that portion of the District generally described in Section II of the Service and Assessment Plan and generally shown in Exhibit A-3 to the Service and Assessment Plan and as specifically described in Exhibit K-3 to the Service and Assessment Plan.

"Zone A Improvement Area #1 Annual Installment" means, with respect to each Zone A Improvement Area #1 Assessed Property, each annual payment of: (i) the principal amount of the Zone A Improvement Area #1 Assessment, (ii) the interest associated with the Zone A Improvement Area #1 Assessment, each as shown on the Zone A 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, (iii) Annual Collection Costs related to Zone A Improvement Area #1 and (iv) Zone A Improvement Area #1's portion of the Additional Interest.

"Zone A Improvement Area #1 Assessed Property" means any Parcel within Zone A Improvement Area #1 against which a Zone A Improvement Area #1 Assessment is levied.

"Zone A Improvement Area #1 Assessment" means an assessment levied against Zone A Improvement Area #1 Assessed Property to pay the Actual Costs of the Zone A Improvement Area #1 Authorized Improvements.

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

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

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

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

"Zone A Improvement Area #1 Improvements" means the Authorized Improvements which only benefit the property located in Zone A Improvement Area #1 and are described in Section III.C. and Exhibit H-3 to the Service and Assessment Plan.

"Zone A Improvement Area #1 Project Costs" means the Actual Costs solely for the Zone A Improvement Area #1 Projects.

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

“Zone A Improvements” means those Authorized Improvements that confer a special benefit to the Zone A Remainder Area Apportioned Property and the Zone A Improvement Area #1 Assessed Property as further described in Section III.B and depicted on Exhibit H-2 to the Service and Assessment Plan.

“Zone A Remainder Area” means approximately 105.939 acres located within the Zone A and entirely outside of Zone A Improvement Area #1, to be developed as one or more future improvement areas.

“Zone A Remainder Area Apportioned Property” means any Parcel within the Zone A Remainder Area against which a portion of the Actual Costs of the Zone A Improvements and Major Improvements are apportioned based on special conferred benefit.

"Zone B Improvement Area #1" means that portion of the District generally described in Section II of the Service and Assessment Plan and generally shown in Exhibit A-4 to the Service and Assessment Plan and as specifically described in Exhibit K-4 to the Service and Assessment Plan.

"Zone B Improvement Area #1 Annual Installment" means, with respect to each Zone B Improvement Area #1 Assessed Property, each annual payment of: (i) the principal amount of the Zone B Improvement Area #1 Assessment, (ii) the interest associated with the Zone B Improvement Area #1 Assessment, each as shown on the Zone B Improvement Area #1 Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit G-2 to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan, (iii) Annual Collection Costs related to Zone B Improvement Area #1 and (iv) Zone B Improvement Area #1's portion of the Additional Interest.

"Zone B Improvement Area #1 Assessed Property" means any Parcel within Zone B Improvement Area #1 against which a Zone B Improvement Area #1 Assessment is levied.

"Zone B Improvement Area #1 Assessment" means an assessment levied against Zone B Improvement Area #1 Assessed Property to pay the Actual Costs of the Zone B Improvement Area #1 Authorized Improvements.

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

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

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

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

"Zone B Improvement Area #1 Improvements" means the Authorized Improvements which only benefit the property located in Zone B Improvement Area #1 and are described in Section III.D. and Exhibit H-3 to the Service and Assessment Plan.

"Zone B Improvement Area #1 Project Costs" means the Actual Costs solely for the Zone B Improvement Area #1 Projects.

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

Section 1.2. **Findings.**

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

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

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

Section 1.4. **Interpretation.**

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

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

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

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

ARTICLE II

THE BONDS

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

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

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

Section 2.2. **Limited Obligations.**

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

Section 2.3. **Authorization for Indenture.**

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

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

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. **Authorization.**

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act. The Bonds shall be issued in the aggregate principal amount of $_____ for the purpose of (i) paying a portion of the Zone A Improvement Area #1 Project Costs, (ii) paying a portion of the Zone B Improvement Area #1 Project Costs, (iii) funding the initial deposit to the Administrative Fund for the payment of Annual Collection Costs, and (iv) paying Bond Issuance Costs.

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

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

(b) Interest shall accrue and be paid on each Bond from the later of the Delivery Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below, or on a date of earlier redemption, or otherwise provided for. Such interest shall be payable semiannually on March 15 and September 15 of each year, commencing September 15, 2026, 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:

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

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

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

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

(a) a certified copy of the Assessment Ordinance;

(b) a certified copy of the Bond Ordinance;

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

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

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

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

(g) an executed opinion of Bond Counsel;

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

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

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

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

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

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

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

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

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

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

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

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

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered on the Delivery Date shall have attached thereto the Comptroller's Registration

Certificate substantially in the form provided herein, executed by the Comptroller in the manner prescribed by law, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

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

Section 3.6. **Ownership.**

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

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

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

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

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

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

Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

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

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

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

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

Section 3.8. **Cancellation.**

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

Section 3.9. **Temporary Bonds.**

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

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

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

Section 3.10. **Replacement Bonds.**

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

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

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

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

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

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

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

provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

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

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

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

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

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

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

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

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

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. **Limitation on Redemption.**

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

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

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

Term Bonds maturing September 15, 20__

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

Term Bonds maturing September 15, 20__

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

Term Bonds maturing September 15, 20__

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

* Stated Maturity.

(b) At least thirty (30) days prior to each sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (c) and (d) of this Section 4.2, the Trustee shall select for redemption randomly by lot a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 hereof.

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

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

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

Section 4.3. **Optional Redemption.**

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

Section 4.4. **Extraordinary Optional Redemption.**

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

Section 4.5. **Partial Redemption.**

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

(b) If less than all of the Bonds are called for optional redemption pursuant to Section 4.3 hereof, the Trustee shall rely on directions provided in a City Order in selecting the Bonds to be redeemed.

(c) If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

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

exchange being without charge.

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

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

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

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

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

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

Section 4.7. **Payment Upon Redemption.**

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

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

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

Section 4.8. **Effect of Redemption.**

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. **Form Generally.**

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

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

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

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

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

(a) Form of Bond.

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

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

CITY OF MCLENDON-CHISHOLM, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2026
(SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT
ZONE A IMPROVEMENT AREA #1 AND
ZONE B IMPROVEMENT AREA #1 PROJECTS)

INTEREST RATE	MATURITY DATE	DELIVERY DATE	CUSIP NUMBER
_____%	September 15, 20__	August 12, 2026	_____

The City of McLendon-Chisholm, 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, 2026.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at

the corporate trust office in Wilmington, Delaware (the "Designated Payment/Transfer Office"), of Wilmington Trust, National Association, as trustee and paying agent/registrar (the "Trustee"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

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

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated August 1, 2026, and issued in the aggregate principal amount of $_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of August 1, 2026 (the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Zone A Improvement Area #1 Project Costs, (ii) paying a portion of the Zone B Improvement Area #1 Project Costs, (iii) funding the initial deposit to the Administrative Fund for the payment of Annual Collection Costs, and (iv) paying Bond Issuance Costs.

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

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

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

The Bonds are issuable as fully registered bonds only in denominations of $25,000 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 $25,000, and any attempt to do so will be void and of no effect. Notwithstanding the foregoing, (A) if necessary to effectuate or as a result of the partial redemption of any Bond, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000 may be authorized, or (B) the Bonds or any portion thereof is defeased, the Bonds or portion thereof defeased may be authorized in denominations of $1,000 or any integral multiple thereof.

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

Term Bonds maturing September 15, 20__

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

Term Bonds maturing September 15, 20__

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

September 15, 20__*

Term Bonds maturing September 15, 20__

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

* Stated Maturity.

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

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

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

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

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

If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in minimum

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

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

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

Upon written direction from the City to the Trustee of the exercise of any redemption provision provided under the Indenture, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders

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

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

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within forty-five (45) calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond called for redemption in part.

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

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

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

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

City Secretary	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 _____.

_____
Acting Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

_____

_____

_____

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

Dated: _____

Signature Guaranteed by:

_____ _____

_____

Authorized Signatory

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

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

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

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

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

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

"

Section 5.3. **CUSIP Registration.**

The City may secure identification numbers through CUSIP Global Services, managed by S&P Global Markets Intelligence on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. Except as authorized under Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than $25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than $25,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers. Notwithstanding the foregoing, (A) if necessary to effectuate or as a result of the partial redemption of any Bond, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000 may be authorized, or (B) the Bonds or any portion thereof is defeased, the Bonds or portion thereof defeased may be authorized in denominations of $1,000 or any integral multiple thereof, and CUSIP numbers may be assigned to such denominations in each of the foregoing instances.

Section 5.4. **Legal Opinion.**

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

ARTICLE VI

FUNDS AND ACCOUNTS

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

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

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund; and

(vii) Administrative Fund.

(b) Creation of Accounts.

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

(A) Zone A Improvement Area #1 Capitalized Interest Account;

(B) Zone B Improvement Area #1 Capitalized Interest Account; and

(C) Principal and Interest Account.

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

(A) Reserve Account; and

(B) Delinquency and Prepayment Reserve Account.

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

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

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

(C) Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

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

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

(e) The Trustee may, from time to time, upon written direction from the City pursuant to a City Order, create additional Funds or Accounts hereunder as may be necessary or convenient.

Section 6.2. **Initial Deposits to Funds and Accounts.**

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

(i) to the Zone A Improvement Area #1 Capitalized Interest Account: $_____;

(ii) to the Zone B Improvement Area #1 Capitalized Interest Account: $_____;

(iii) to the Reserve Account: $_____, which is equal to the initial Reserve Account Requirement;

(iv) to the Costs of Issuance Account: $_____;

(v) to the Zone A Improvement Area #1 Bond Improvement Account: $_____;

(vi) to the Zone B Improvement Area #1 Bond Improvement Account: $_____; and

(vii) to the Administrative Fund: $_____.

Section 6.3. **Pledged Revenue Fund.**

(a) Upon receipt thereof, and no later than February 15 of each year, beginning February 15, 2027, the City shall transfer, or cause to be transferred, to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with Section 6.9 hereof. Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, the following amounts from the Pledged Revenue Fund to the following Accounts: (i) first, to the Bond Pledged Revenue Account, an amount sufficient to pay all debt service on the Bonds coming due in the immediately following Bond Year, and (ii) second, if necessary, to the Reserve Account, the amount required to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in Section 6.7 hereof and, immediately following the initial deposit to the Pledged Revenue Fund, and prior to any other transfers or deposits being made

under this Section 6.3(a), the Additional Interest shall be transferred to the Funds and Accounts as prescribed by Sections 6.7(a) and 6.7(f) hereof. In addition, in the event the City owes Rebatable Arbitrage to the United States Government pursuant to Section 6.8 hereof, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer under this Section 6.3(a), the full amount of Rebatable Arbitrage owed by the City, as further described in Section 6.10(f) hereof. If any Assessments and Annual Installments remain on deposit in the Pledged Revenue Fund after the foregoing deposits and the deposits of Prepayments and Foreclosure Proceeds, as described below, are made, the City shall have the option, in its sole and absolute discretion, to use such excess Assessments and Annual Installments for any one or more of the following purposes: (i) pay Zone A Improvement Area #1 Project Costs, (ii) pay Zone B Improvement Area #1 Project Costs, (iii) pay other costs permitted by the PID Act or (iv) deposit such excess into the Redemption Fund to redeem Bonds as provided in Article IV hereof. Along with each transfer to the Trustee, the City shall provide a certificate as to the Funds, Accounts and payments into which the amounts are to be deposited or paid.

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

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

(d) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit, within two Business Days after receipt thereof, Prepayments to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 of this Indenture.

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit, within two Business Days after receipt thereof, the Foreclosure Proceeds into the Pledged Revenue Fund and after such deposit shall transfer such Foreclosure Proceeds, as directed by the City pursuant to a City Order, first to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate (first, to replenish the Reserve Account Requirement and second, to replenish the Delinquency and Prepayment Reserve Requirement), and second, to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 of this Indenture.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in Section 6.3(a) hereof, as directed by the City in a City Order.

Section 6.4. **Bond Fund.**

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

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

(c) Moneys in the Zone A Improvement Area #1 Capitalized Interest Account shall be used for the payment of all interest due on the Bonds with respect to the Zone A Improvement Area #1 Assessment on September 15, 2026, March 15, 2027 and September 15, 2027 and at least five (5) Business Days prior to the Interest Payment Date specified above, the Trustee shall transfer such amounts to the Principal and Interest Account to pay such interest. Any amounts on deposit to the Zone A Improvement Area #1 Capitalized Interest Account after the foregoing payment shall be transferred to the Zone A Improvement Area #1 Bond Improvement Account or, if the Zone A Improvement Area #1 Bond Improvement Account has been closed as provided herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 and the Zone A Improvement Area #1 Capitalized Interest Account shall be closed.

(d) Moneys in the Zone B Improvement Area #1 Capitalized Interest Account shall be used for the payment of all interest due on the Bonds with respect to the Zone B Improvement Area #1 Assessment on September 15, 2026, March 15, 2027 and September 15, 2027 and at least five (5) Business Days prior to the Interest Payment Date specified above, the Trustee shall transfer such amounts to the Principal and Interest Account to pay such interest. Any amounts on deposit to the Zone B Improvement Area #1 Capitalized Interest Account after the foregoing payment shall be transferred to the Zone B Improvement Area #1 Bond Improvement Account or, if the Zone B Improvement Area #1 Bond Improvement Account has been closed as provided herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 and the Zone B Improvement Area #1 Capitalized Interest Account shall be closed.

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

Section 6.5. **Project Fund.**

(a) Money on deposit in the Project Fund shall be used for the purposes specified in clauses (i), (ii) and (iv) (excluding the portion of the Bond Issuance Costs deposited into the

Capitalized Interest Accounts and the Reserve Account) of Section 3.1 of this Indenture. Except as provided in Section 6.5(c), (d), (f) and (g), money on deposit in (1) the Zone A Improvement Area #1 Bond Improvement Account shall only be used to pay Zone A Improvement Area #1 Project Costs and (2) the Zone B Improvement Area #1 Bond Improvement Account shall only be used to pay Zone B Improvement Area #1 Project Costs.

(b) (1) Disbursements from the Costs of Issuance Account shall be made by the Trustee to pay specified portions of the Bond Issuance Costs pursuant to one or more City Orders. In order to receive disbursement of funds on the Delivery Date from (i) the Costs of Issuance Account, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than fifteen (15) Business Days prior to the Delivery Date, (ii) the Zone A Improvement Area #1 Bond Improvement Account for Zone A Improvement Area #1 Project Costs, the Developer shall execute a Certificate for Payment to be delivered to the City no later than fifteen (15) Business Days prior to the Delivery Date, and (iii) the Zone B Improvement Area #1 Bond Improvement Account for Zone B Improvement Area #1 Project Costs, the Developer shall execute a Certificate for Payment to be delivered to the City no later than fifteen (15) Business Days prior to the Delivery Date. Upon approval by the City, the City shall submit such Closing Disbursement Request and/or Certificate for Payment, together with a City Order directing such disbursement, to the Trustee for disbursement to be made from the Costs of Issuance Account, the Zone A Improvement Area #1 Bond Improvement Account or the Zone B Improvement Area #1 Bond Improvement Account, as applicable.

(2) Disbursements from (i) the Zone A Improvement Area #1 Bond Improvement Account to pay Zone A Improvement Area #1 Project Costs and (ii) the Zone B Improvement Area #1 Bond Improvement Account to pay Zone B Improvement Area #1 Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment or City Order. Each such City Order and/or Certificate for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Order and/or Certificate for Payment, and the Trustee may conclusively rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Zone A Improvement Area #1 Bond Improvement Account are not expected to be expended for purposes of the Zone A Improvement Area #1 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Zone A Improvement Area #1 Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Zone A Improvement Area #1 Bond Improvement Account will ever be expended for the purposes of the Zone A Improvement Area #1 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Zone A Improvement Area #1 Bond Improvement Account that are not expected to be used for purposes of the Zone A Improvement Area #1 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund or Account. Upon such transfers, the Zone A Improvement Area #1 Bond Improvement Account shall be closed.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Zone B Improvement Area #1 Bond Improvement Account are not expected to be expended for purposes of the Zone B Improvement Area #1 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Zone B Improvement Area #1 Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Zone B Improvement Area #1 Bond Improvement Account will ever be expended for the purposes of the Zone B Improvement Area #1 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Zone B Improvement Area #1 Bond Improvement Account that are not expected to be used for purposes of the Zone B Improvement Area #1 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund or Account. Upon such transfers, the Zone B Improvement Area #1 Bond Improvement Account shall be closed.

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

(f) In the event the City Representative files a City Order with the Trustee stating that all Zone A Improvement Area #1 Projects have been completed and that all Zone A Improvement Area #1 Project Costs have been paid, or that any Zone A Improvement Area #1 Project Costs are not required to be paid from the Zone A Improvement Area #1 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Zone A Improvement Area #1 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to this Section if the Developer has submitted a Certificate for Payment to the City requesting payment from the Zone A Improvement Area #1 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment or amounts under a Certificate for Payment are still in dispute. Upon such transfers, the Zone A Improvement Area #1 Bond Improvement Account shall be closed.

(g) In the event the City Representative files a City Order with the Trustee stating that all Zone B Improvement Area #1 Projects have been completed and that all Zone B Improvement Area #1 Project Costs have been paid, or that any Zone B Improvement Area #1 Project Costs are not required to be paid from the Zone B Improvement Area #1 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Zone B Improvement Area #1 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to this Section if the Developer has submitted a Certificate for Payment to the City requesting payment from the Zone B Improvement Area #1 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment or amounts under a Certificate for Payment are still in dispute. Upon such transfers, the Zone B Improvement Area #1 Bond Improvement Account shall be closed.

(h) Upon a determination by the City Representative that all Bond Issuance Costs have been paid, and as directed in a City Order filed with the Trustee, any amounts remaining in

the Costs of Issuance Account shall be transferred to (i) the Zone A Improvement Area #1 Bond Improvement Account and used to pay Zone A Improvement Area #1 Project Costs and/or (ii) the Zone B Improvement Area #1 Bond Improvement Account and used to pay Zone B Improvement Area #1 Project Costs or, if no Zone A Improvement Area #1 Project Costs or Zone B Improvement Area #1 Project Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, and the Costs of Issuance Account shall be closed.

Section 6.6. **Redemption Fund.**

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee, pursuant to a City Order, shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 hereof on the dates specified for redemption as provided in Sections 4.3 and 4.4 hereof. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV hereof.

Section 6.7. **Reserve Fund.**

(a) The City agrees with the Owners of the Bonds to accumulate and, when accumulated, maintain in the Reserve Account an amount equal to not less than the Reserve Account Requirement. Amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purposes set forth in this Indenture. In addition, on or before February 15, 2027, and on or before February 15 of each year thereafter, the Trustee shall transfer the Additional Interest from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At the time the Delinquency and Prepayment Reserve Requirement is fully accumulated in the Delinquency and Prepayment Reserve Account, the Trustee shall provide written notice thereof to the City, and thereafter, the Trustee shall begin transferring the Additional Interest to either (i) the Administrative Fund for the payment of Annual Collection Costs or (ii) the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 hereof, as directed by the City pursuant to a City Order. In the event the Trustee does not receive a City Order directing the transfer of the Additional Interest to the Administrative Fund within forty-five (45) days of providing the foregoing notice to the City, the Trustee shall transfer the Additional Interest to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof and provide the City with written notification of such transfer. Notwithstanding the foregoing, if at any time the amount on deposit in the Delinquency and Prepayment Reserve Account falls below the Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated therein. In transferring the amounts pursuant to this Section, the Trustee may conclusively rely on a City Order (which shall be based on the Annual Installments as shown on the Assessment Rolls in the Service and Assessment Plan) unless and until it receives a City Order directing that a different amount be used. The Additional Interest shall continue to be collected and deposited pursuant to this Section 6.7 until the Bonds are no longer Outstanding.

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

(c) In the event of an extraordinary optional redemption of Bonds resulting from funds being deposited into the Redemption Fund pursuant to any provision of this Indenture, the Trustee, pursuant to a City Order, shall transfer from the Reserve Account to the Redemption Fund the amount specified in such written directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the funds on deposit in the Redemption Fund toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed pursuant to this Section 6.7(c), the Trustee shall transfer an amount equal to the shortfall, or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of $1,000, from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(d) Whenever, on any Interest Payment Date, or on any other date as directed by a City Order, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within thirty (30) days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, (iii) to the Zone A Improvement Area #1 Bond Improvement Account to pay Zone A Improvement Area #1 Project Costs if such application and the expenditure of funds is expected to occur within three (3) years of the Delivery Date, (iv) to the Zone B Improvement Area #1 Bond Improvement Account to pay Zone B Improvement Area #1 Project Costs if such application and the expenditure of funds is expected to occur within three (3) years of the Delivery Date or (v) to the Redemption Fund to be applied to the redemption of Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date as directed by a City Order, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 hereof. In the event the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within forty-five (45) days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with this Section.

(f) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Delinquency and Prepayment Reserve Account and second from the Reserve Account to the Bond Fund the amounts necessary to cure such deficiency. In such event, notwithstanding anything to the contrary in Section 6.7(a) above, the Additional Interest shall be used to replenish first, the Reserve Account and second, the Delinquency and Prepayment Reserve Account.

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

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

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

Section 6.8. **Rebate Fund: Rebatable Arbitrage.**

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate, as further set forth in a City Order sent to the Trustee. The Trustee may conclusively rely on such City Order as set forth in this Section and shall not be responsible for any loss or liability resulting from the investment of funds under this Section, but only so long as the Trustee follows such City Order in all respects.

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

(d) The first calculation to determine whether Rebatable Arbitrage is owed to the United States Government (each, a "Rebate Calculation") will be done on the date that is five years from the Delivery Date, and each subsequent Rebate Calculation will be done, at a

minimum, (i) on the same date every five years thereafter and (ii) on the date the Bonds have been paid in full, either as a result of maturity or prior redemption. The City shall provide the Trustee with a City Order in connection with each Rebate Calculation made pursuant to this Section, and each City Order shall include a copy of the Rebate Calculation and shall state whether or not the City owes Rebatable Arbitrage to the United States Government.

(e) In the event it is found, after a Rebate Calculation has been done pursuant to this Section, that the City owes Rebatable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Order, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatable Arbitrage owed by the City. Such City Order shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the funds shall be transferred. If the final Rebate Calculation shows that the City owes Rebatable Arbitrage to the United States Government, and there are insufficient funds in the Pledged Funds to pay such Rebatable Arbitrage, the Trustee shall notify the City of such insufficiency, and the City shall transfer to the Trustee an amount equal to such insufficiency for deposit into the Rebate Fund within five (5) Business Days of receiving notice from the Trustee.

(f) If, on any date a Rebate Calculation is done, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a City Order, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.9. **Administrative Fund.**

(a) Periodically upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan, and other funds directed by this Indenture to be deposited therein.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs, or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with Section 9.6. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10. **Investment of Funds.**

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

rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the requirements set forth in the preceding sentences and the Trustee shall not be responsible for determining such requirements. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, the Trustee is hereby authorized and directed to sell or redeem any such investments to prevent any default under this Indenture. In the absence of written or timely investment instructions from the City, the Trustee shall hold such monies uninvested until the Trustee is otherwise directed pursuant to a City Order.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment and may charge its ordinary and customary fees for such trades. The Trustee shall have no discretion for investing funds or advising any parties on investment of funds and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Order. The Trustee shall not incur any liability for losses (including depreciation) arising from any investments or the sale of any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments or whether investments comply with Section 6.10(a) above. The Parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

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

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City

further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after a Rebate Calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Order, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatable Arbitrage owed by the City. The City Order shall specify the amount to the transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. **Security of Funds.**

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

ARTICLE VII

COVENANTS

Section 7.1. **Confirmation of Assessments.**

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the Assessed Property from which the Assessment Revenues will be collected and received.

Section 7.2. **Collection and Enforcement of Assessments.**

(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments.

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

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

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

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

Section 7.3. **Against Encumbrances.**

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

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

Section 7.4. **Records, Accounts, Accounting Reports.**

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

Section 7.5. **Covenants Regarding Tax Exemption of Interest on Bonds.**

(a) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of five (5) years or less or, in the case of refunding bonds, for a period of ninety (90) days or less until such proceeds are needed for the purpose for which the Bonds or refunding bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than ninety (90) days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(9) to pay to the United States of America at least once during each five-year period (beginning on the Delivery Date) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than sixty (60) days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to establish reasonable expectations to prevent using the proceeds of the Bonds in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) In order to facilitate compliance with the above covenant (a)(9), the Rebate Fund is established by the City pursuant to Section 6.1 hereof for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "Treasury Regulations"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the City Manager, the Finance Director and the City Secretary individually or jointly, to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Zone A Improvement Area #1 Project Costs and Zone B Improvement Area #1 Project Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Zone A Improvement Area #1 Projects and Zone B Improvement Area #1 Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The City

agrees to obtain the advice of nationally recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. **Liability of City.**

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds, and, except for the Trust Estate, no City taxes, fees or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

(c) In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

(d) No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (collectively, the "Bond Documents"), shall require the City to expend or risk its own general funds or other funds or

otherwise incur any financial liability (other than with respect to the Pledged Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate or the amounts on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. **Acceptance of Trust; Trustee as Registrar and Paying Agent**.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds agree.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and with respect to the Bonds.

Section 9.2. **Trustee Entitled to Indemnity**.

The Trustee shall be under no obligation to spend its own funds, institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction (satisfactory to the Trustee in its sole and absolute discretion) by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers (provided such payment or transfer is prior to an Event of Default) when required hereunder, or to deliver any notice when required hereunder. During the occurrence of an Event of Default, the Trustee shall be entitled to indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers as Trustee, and in such case the Trustee may make transfers from the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue Fund to pay all fees, costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. **Responsibilities of the Trustee**.

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) any loss suffered in connection with any investment of funds (including depreciation) in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically and expressly set forth in this Indenture. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such

duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs. The Trustee shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Indenture against the Trustee. The Trustee is not responsible for the terms or any agreement to which it is not a party and is not responsible for determining compliance with the terms of any document to which it is not a party. Neither the Trustee, nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of any other person or entity or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person. In any event, the Trustee shall not be liable for any amount in excess of the value of the Trust Estate.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for such losses, damages or expense which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special, punitive or consequential loss or damages of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action in connection with or arising from this Indenture. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(d) The Trustee shall not be liable for any action taken or errors of judgment made in good faith by it or any one of its officers, employees or agents, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, and the discharge of this Indenture.

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through receivers, agents or attorneys and the Trustee shall not be responsible for any acts or omissions on the part of any receiver, agent or attorney appointed with due care and in good faith by it hereunder, and the Trustee shall be entitled to rely and act upon the opinion or advice of counsel selected by the Trustee with due care, who may be counsel to the City, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be liable

for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of counsel.

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

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

(i) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, except Events of Default under Section 11.1(iv), unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least 50% in aggregate principal amount of Bonds then Outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default. Notwithstanding the foregoing or anything to the contrary contained herein, no notice to the Trustee shall be deemed given to or received by the Trustee unless actually delivered to the officer or representative of the Trustee having responsibility under this Indenture.

(j) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; pandemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility, it being understood that Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances.

Section 9.4. **Property Held in Trust**.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. **Trustee Protected in Relying on Certain Documents**.

(a) The Trustee, at the expense of the City, may request and conclusively rely and shall be protected in acting or refraining from acting upon any resolution, instrument, opinion, report, order, judgment, notice, request, consent, waiver, certificate, statement, affidavit,

requisition, direction, bond, debenture, note, other evidence of indebtedness or other paper or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant that the Trustee shall in good faith reasonably believe to be qualified in relation to the subject matter or is selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may, at the expense of the City, consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, the Trustee may request a City Order, and such matter may be deemed to be conclusively proved and established by a City Order, unless other evidence in respect thereof be hereby specifically prescribed. Such City Order shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative. The Trustee shall be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Order shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

(c) The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13.

(d) In the event that any portion of the Trust Estate shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Trust Estate, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel, selected by the Trustee with due care, is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 9.6. **Compensation**.

(a) Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, the previously determined and agreed upon, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar and extraordinary services rendered, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, all pursuant to a City Order and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Order, and the Trustee shall have a first lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the Trustee has reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee shall make such payment from monies in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from lawfully available funds (other than funds designated by the City for arbitrage rebate purposes) in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder. The right of the Trustee to fees, expense, and indemnification shall survive the release, discharge, and satisfaction of the Indenture, and the resignation or removal of the Trustee.

(b) If any material controversy arises hereunder, or the Trustee is made a party to any litigation pertaining to this Indenture or the subject matter hereof, then the Trustee shall be compensated for any services or work performed by Trustee in connection with any delay, controversy, litigation or event, and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event, unless any such events are the result of the Trustee's negligence or willful misconduct.

Section 9.7. **Permitted Acts**.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority of the Bonds. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and, with respect to such permissive rights, the Trustee shall not be answerable for other than its own negligence or willful misconduct.

Section 9.8. **Resignation of Trustee**.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than thirty (30) days' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor. Notwithstanding the foregoing, if, after

thirty (30) days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.9. **Removal of Trustee**.

The Trustee may be removed at any time on thirty (30) days' advance written notice to the Trustee by (i) the Owners of at least a majority in aggregate Outstanding principal amount of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% in aggregate Outstanding principal amount of the Bonds.

Section 9.10. **Successor Trustee**.

(a) If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 50% of the aggregate Outstanding principal amount of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

(e) Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least $50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

(g) Trustee shall not be responsible or liable for the acts or omissions of any successor Trustee, nor shall it be responsible or liable for any costs of appointment or transition of such successor Trustee.

Section 9.11. **Transfer of Rights and Property to Successor Trustee**.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor and upon receipt of its outstanding charges, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and, upon the receipt of payment of its outstanding charges, shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. **Merger, Conversion or Consolidation of Trustee**.

Any corporation or association into which the Trustee may be converted or merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder and will have and succeed to the rights, powers, duties, immunities and privileges as predecessor, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. **Trustee To File Continuation Statements**.

The City will cause to be filed all initial financing statements. If necessary, the Trustee, as directed in writing by the City, shall file or cause to be filed, at the City's expense, such

continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC; provided unless the Trustee is otherwise notified in writing by the City, the Trustee may conclusively rely upon the initial financing statements delivered to it in filing any continuation statements hereunder. The Trustee is not responsible for the initial filing, execution, delivery, recording or authorization of any financing statements.

Section 9.14 **Offering Documents**.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds.

Section 9.15 **Accounts, Periodic Reports and Certificates**.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

Section 9.16. **Construction of Indenture**.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. **Amendments Permitted.**

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of not less than a majority in aggregate of the principal amount of the Bonds then Outstanding, and the City's approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the principal of or interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of and interest on any Bond, without the express consent of the Owner of such Bond, (ii) permit the creation by the City of any pledge or lien upon the Trust Estate, or any portion thereof, superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except for the issuance of Refunding Bonds or as otherwise permitted by Applicable Laws or this Indenture), or (iii) reduce the percentage of Owners of the Bonds required for the

amendment hereof. Any such amendment shall not modify any of the rights, immunities or obligations of the Trustee without its prior written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law, and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to set forth additional provisions, if deemed necessary or advisable, in connection with the issuance of Refunding Bonds permitted under the terms of this Indenture; and

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

Section 10.2. **Owners' Meetings.**

The City may at any time call a meeting of the Owners of the Bonds. In such event the City is authorized to fix the time and place of said meeting, to provide for the giving of notice thereof, and to fix and adopt reasonable rules and regulations for the conduct of said meeting; provided, however, that the same may not conflict with the terms of this Indenture. Without limiting the generality of the immediately preceding sentence, such rules and regulations may not reduce the percentage of Owners of Bonds required for the amendment of this Indenture as provided herein.

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

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

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture, a notice shall have been mailed as hereinafter in this Section provided, and the City has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. **Procedure for Amendment Not Requiring Owner Consent.**

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. The City shall direct the Trustee in writing to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, mailed by first class mail to each Owner of Bonds, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds as of the date of such execution and delivery.

Section 10.5. **Effect of Supplemental Indenture.**

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.6. **Endorsement or Replacement of Bonds Issued After Amendments.**

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.7. **Amendatory Endorsement of Bonds.**

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.8. **Waiver of Default.**

With the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. **Execution of Supplemental Indenture.**

(a) In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise. All fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) incurred in connection with any Supplemental Indenture, amendment or modification shall be reimbursed to the Trustee.

(b) No such amendment shall modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of qualified counsel addressed and delivered to the Trustee stating that (i) the execution of such Supplemental Indenture is permitted by and in

compliance with this Indenture, (ii) the execution and delivery thereof will not adversely affect the exclusion from federal gross income of the interest on the Bonds, and (iii) such Supplemental Indenture will, upon the execution and delivery thereof, be a valid and binding obligation of the City.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. **Events of Default.**

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit to the Pledged Revenue Fund the portion of the Assessment Revenues required to be deposited to such Fund pursuant to Section 6.3(a) hereof;

(ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2 hereof;

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

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

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

Section 11.2. **Immediate Remedies for Default.**

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

of the Bonds then Outstanding hereunder and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

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

Section 11.3. **Restriction on Owner's Action.**

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing as provided in Section 11.1, (ii) such default has become an Event of Default and the Owners of not less than a majority in aggregate principal amount of the Bonds

then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee as advised by its counsel, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

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

Section 11.4. **Application of Revenues and Other Moneys After Default.**

(a) All moneys, securities, funds, Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs, and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

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

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

The Trustee shall make payments to the Owners pursuant to this Section 11.4 not later than thirty (30) days after receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. **Effect of Waiver.**

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. **Evidence of Ownership of Bonds.**

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or

partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. **No Acceleration.**

In the event of the occurrence of an Event of Default under Section 11.1, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. **Mailing of Notice.**

Full compliance with any provision in this Article for the mailing of a notice or other document to Owners shall be deemed to have occurred if the notice is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. **Exclusion of Bonds.**

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. **Representations as to Trust Estate.**

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

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

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and

any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. **General.**

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

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. **Further Assurances; Due Performance.**

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

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

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

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

(b) Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be done or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; provided, however, that the City has reserved the right to issue bonds or other obligations secured by and payable from the Trust Estate so long as such pledge is subordinate to the pledge of the Trust Estate securing payment of the Bonds.

(c) Notwithstanding anything herein to the contrary, no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds are scheduled to mature or be subject to mandatory sinking fund redemption on September 15 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid.

Section 13.3. **Books of Record.**

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

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

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THIS INDENTURE

Section 14.1. **Trust Irrevocable.**

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. **Satisfaction of Indenture.**

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. **Bonds Deemed Paid.**

(a) Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a "Defeased Debt"), and particularly this Article XIV, when payment of the principal of such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities that mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or

interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds and shall not be part of the Trust Estate. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

(c) Until all Defeased Debt shall have become due and payable, the Trustee and the Paying Agent/Registrar each shall perform the services of Trustee and Paying Agent/Registrar for such Defeased Debt the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Indenture.

ARTICLE XV

MISCELLANEOUS

Section 15.1. **Benefits of Indenture Limited to Parties.**

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 15.2. **Successor is Deemed Included in All References to Predecessor.**

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. **Execution of Documents and Proof of Ownership by Owners.**

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. **No Waiver of Personal Liability.**

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. **Notices to and Demands on City and Trustee.**

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be delivered by hand, or mailed by first class mail, postage prepaid, or email, and addressed as follows:

If to the City	City of McLendon-Chisholm, Texas 1371 West FM 550 McLendon-Chisholm, Texas 75032 Attn: City Manager Telephone: (972) 524-2077 Email: citymanager@mclendon-chisholm.com
If to the Trustee, initially also acting in the capacity of Paying Agent/Registrar	Wilmington Trust, National Association 15950 N. Dallas Pkwy, Ste. 200 Dallas, Texas 75248 Attn: Brian Jensen Telephone: (972) 876-6902 Email: bjensen@wilmingtontrust.com

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Owner of a Bond notice of the redemption or defeasance of all Bonds Outstanding.

Section 15.6. **Partial Invalidity.**

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that anyone 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 Rockwall County, Texas.

Section 15.8. **Payment on Business Day.**

In any case where the date of the maturity of interest or principal of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. **Counterparts.**

This Indenture may be executed in counterparts, each of which shall be deemed an original. The City and the Trustee agree that electronic signatures to this Indenture may be regarded as original signatures.

Section 15.10. **Verification of Statutory Representations and Covenants.**

The Trustee makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Government Code"), in entering into this Indenture. As used in such verifications, "affiliate" means an entity that

controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

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

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

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

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

[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 MCLENDON-CHISHOLM, TEXAS

By: _____
Mayor
City of McLendon-Chisholm, Texas

Attest:

_____
City Secretary
City of McLendon-Chisholm, Texas

(City Seal)

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

Exhibit B

BOND PURCHASE AGREEMENT

$[PRINCIPAL]
CITY OF MCLENDON-CHISHOLM, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT
ZONE A IMPROVEMENT AREA #1 AND ZONE B IMPROVEMENT AREA #1 PROJECTS)

BOND PURCHASE AGREEMENT

July 14, 2026

City of McLendon-Chisholm, Texas
1371 West FM 550
McLendon-Chisholm, Texas 75032

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the "Underwriter"), offers to enter into this Bond Purchase Agreement (this "Agreement") with the City of McLendon-Chisholm, 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 (as defined herein) between the City and Wilmington Trust, National Association, as trustee (the "Trustee"), and in the Limited Offering Memorandum (as defined herein).

1. Purchase and Sale of the 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 $[PRINCIPAL] aggregate principal amount of the City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 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 Bond proceeds and the construction of the Zone A Improvement Area #1 Projects and Zone B Improvement Area #1 Projects (together, the "Improvement Area #1 Projects") financed with the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the City.

The Bonds shall be dated August 1, 2026 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 12, 2026 (or such other date as may be agreed to by the City and the Underwriter) (the "Closing Date").

2. Authorization Instruments and Law. The Bonds were authorized by an ordinance enacted by the City Council of the City (the "City Council") on July 14, 2026 (the "Bond Ordinance") and shall be issued pursuant to the provisions of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "Act"), and the Indenture of Trust, dated as of August 1, 2026, between the City and the Trustee (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 the Assessments levied on the assessable parcels within Zone A Improvement Area #1 and Zone B Improvement Area #1 (together, "Improvement Area #1") of the Sonoma Verde North Public Improvement District (the "District"). The District was established by a resolution (the "Creation Resolution"), enacted by the City Council on April 22, 2025, in accordance with the Act. Pursuant to an ordinance adopted by the City Council on July 14, 2026 (the "Assessment Ordinance," together with the Creation Resolution, the Indenture and the Bond Ordinance, the "Authorizing Documents"), the Assessments were levied in accordance with the Sonoma Verde North Public Improvement District Service and Assessment Plan (as may be further updated and amended from time to time, the "Service and Assessment Plan"). 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 "PLAN OF FINANCE – The Bonds" and shall be generally applied as described in the Limited Offering Memorandum under "SOURCES AND USES OF FUNDS."

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 to persons that qualify as "Accredited Investors" (as defined in Rule 501 of Regulation D under the Securities Act (as defined herein)) or "Qualified Institutional Buyers" (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 (as defined herein) the Issue Price Certificate (as defined herein), in substantially the form attached hereto as Appendix B.

4. Establishment of Issue Price. Notwithstanding any provision of this Agreement to the contrary, the following provisions related to the establishment of the issue price of the Bonds apply:

a. *Definitions.* For purposes of this Section 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) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another) or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iv) "*Sale Date*" means the date of execution of this Agreement by all parties.

b. *Issue Price Certificate.* The Underwriter agrees to assist the City in establishing the issue price of the Bonds and to execute and deliver to the City at least five

(5) Business Days prior to Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B (the "Issue Price Certificate"), 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. As applicable, all actions to be taken by the City under this section to establish the issue price of the Bonds may be taken on behalf of the City by the City's Municipal Advisor (as defined herein) and any notice or report to be provided to the City may be provided to the City's Municipal Advisor.

c. *Substantial Amount Test*. Other than those maturities of the Bonds which are designated by the Underwriter in writing in attached Schedule I (the "Hold-the-Price Maturities"), 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). At or promptly after the execution of this Agreement, the Underwriter will report to the City the price or prices at which the Underwriter has offered and sold to the Public each maturity of the Bonds. If at that time the Substantial Amount Test has not been satisfied as to any maturity of the Bonds, the Representative agrees to promptly report to the City the prices at which the Bonds have been sold by the Participating Underwriters to the Public. That reporting obligation will continue, whether or not the Closing Date has occurred, until the Substantial Amount Test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public.

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 (5^{th}) 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 Underwriter shall promptly advise the City when the Underwriter has 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 (5^{th}) Business Day after the Sale Date.

The City acknowledges that, in making the representation set forth in this subparagraph (4), the Underwriter will rely on (A) the agreement of each Participating Underwriter to comply with the Hold-the-Price Restriction, as set forth in an agreement among underwriters and the related pricing wires, (B) in the event a selling group has been created in connection with the sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Price Restriction, as set forth in a selling group agreement and the related pricing wires, and (C) in the event that a Participating Underwriter is a party to a third-party distribution agreement that was

employed in connection with the sale of the Bonds, the agreement of each such underwriter, dealer or broker-dealer that is a party to such agreement to comply with the Hold-the-Price Restriction, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each Participating Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Price Restriction and that no Participating Underwriter will be liable for the failure of any other Participating Underwriter to comply with its corresponding agreement regarding the Hold-the-Price Restrictions as applicable to the Bonds.

e. *Agreements Among Participating Underwriters*. The Underwriter confirms that (i) any agreement among underwriters, any selling group agreement, and each third-party distribution agreement to which the Underwriter is a party relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Participating Underwriter, each dealer who is a member of any selling group, and each broker-dealer that is a party to any such 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 Underwriter acknowledges that sales of any Bonds to any person that is a Related Party to the Underwriter do not constitute sales to the Public for purposes of this Section. If a Related Party to the 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 [June 30], (the "Preliminary Limited Offering Memorandum"), in a "designated electronic format," as defined in the 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 limited 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 limited 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 limited 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 the maps included on pages ii, iii and iv therein or under the captions and subcaptions "PLAN OF FINANCE — Development and Financing Plan," "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS," "BOOK-ENTRY ONLY SYSTEM," "OVERLAPPING TAXES AND DEBT — Homeowners' Association and Homeowners' Association Dues," "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER AND LANDOWNER," "ADMINISTRATOR," "APPRAISAL," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Master Infrastructure Developer, the Landowner, the Improvement Area #1 Projects and the Development, as such terms are defined in the Limited Offering Memorandum), "LEGAL MATTERS — Litigation – The Developer," "CONTINUING DISCLOSURE — The Developer" and " — The 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 (as 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 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 Sonoma Verde North, recorded as Document No. 20250000003631 (the "Development Agreement"), executed and delivered by the City and TDI GP, LLC, a Texas limited liability company, as partially assigned to TDI SV North LLC, a Texas limited liability company (the "Master Infrastructure Developer") and Sloan 108 Land Investments, LLC, a Texas limited liability company, and as further partially assigned from the Master Infrastructure Developer to Pulte Homes of Texas, L.P., a Texas limited partnership (the "Developer");

(4) the Sonoma Verde North Public Improvement District Zone A Improvement Area #1 & Zone B Improvement Area #1 Construction, Funding, and Acquisition Agreement, effective as of July 14, 2026 (the "CFA Agreement"), executed and delivered by the City and the Developer; and

(5) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of August 1, 2026 (the "Continuing Disclosure Agreement of Issuer"), executed and delivered by the City, P3Works, LLC, (the "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 CFA Agreement, (5) the Continuing Disclosure Agreement of Issuer, and (6) the Limited Offering Memorandum (the documents described by subclauses (1) through (6) 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 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 Act, and as provided herein, and (iii) to carry out, give effect to and consummate the transactions on the part of the City described in the 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 breach of or 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, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City 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 first lien on, security interest in, and pledge of the Trust Estate. The Indenture creates a valid lien on and pledge of the Trust Estate to the extent provided for in the Indenture, 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 payment of the Bonds is secured by the Trust Estate, consisting primarily of revenue derived from the Assessments. The Assessments have been levied by the City in accordance with the Assessment Ordinance and the Act on those parcels of land identified in the Zone A Improvement Area #1 Assessment Roll or Zone B Improvement Area #1 Assessment Roll (as such terms are defined in the Service and Assessment Plan), as applicable. According to the Act, such Assessments constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for State, county, school district, or municipality ad valorem taxes.

h. Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the City of, its obligations in connection with the City Documents have been duly obtained or made and are in full force and effect, except the approval of the Bonds by the Attorney General of the State, registration of the Bonds by the Comptroller of Public Accounts of the State, and the approvals, consents and orders as may be required under Blue Sky or securities laws of any jurisdiction.

i. Public Debt. Prior to the Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a 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 Section 5(d) 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 may be 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. Municipal Advisor. The City has engaged Hilltop Securities Inc. as its municipal advisor (the "Municipal 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. Developer Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from the Developer an executed Developer Letter of Representations (the "Developer Letter of Representations") in the form of Appendix A hereto, and at the Closing, a certificate signed by the Developer as set forth in Section 10(e) hereof and in Appendix E hereto (the "Developer 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 McCall, Parkhurst & Horton L.L.P. ("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 Underwriter's Counsel (as defined herein) 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 Developer Letter 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 ordinances, resolutions or actions of the City as, in the opinion of Bond Counsel and Underwriter's Counsel, 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 Coats Rose P.C. ("Developer's Counsel"), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Developer described in the Developer Letter of Representations, the CFA

Agreement, the Development Agreement, the Landowner Consent Certificate executed by the Developer as of July 14, 2026 (the "Developer Landowner Consent"), and the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of August 1, 2026, executed and delivered by the Developer, the Administrator, and the Dissemination Agent (the "Continuing Disclosure Agreement of Developer" and, together with the Developer Letter of Representations, the CFA Agreement, the Development Agreement, and the Developer Landowner Consent, the "Developer 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 Developer Documents or other documents relating to the financing and construction of the Improvement Area #1 Projects and the Development, and the Developer shall not be in default in the payment of principal or interest on any of its indebtedness which default shall materially adversely impact the ability of the Developer to pay the Assessments when due or complete the Improvement Area #1 Projects.

d. Closing Documents. At or prior to the Closing, the Underwriter or Underwriter's Counsel 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 chamber 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 chamber of the Congress of the United States by a Committee of such chamber to which such legislation has been referred for consideration, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation, or official statement (final, temporary, or proposed) by or on behalf of the

Treasury Department of the United States, the Internal Revenue Service, or other federal agency shall be made, which would result in federal taxation of revenues or other income of the general character expected to be derived by the City or upon interest on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the holders thereof, and which in either case, makes it, in the reasonable judgment of the Underwriter, impracticable or inadvisable to proceed with the offer, sale, or delivery of the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(2) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as described herein or by the Limited Offering Memorandum, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act"); or

(3) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so; provided, however that such suspension in trading or any disruption in securities settlement, payment or clearance service 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 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, and the effect of any such event on the financial markets of the United States shall be such as would make it

impracticable, in the reasonable judgment of the Underwriter, for it to sell the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(5) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the City, except as disclosed 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 pledged to pay principal of and interest on the Bonds; or

(ii) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(iii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which change shall occur subsequent to the date of this Agreement and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter; or

(iv) any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to the Limited Offering Memorandum; or

(v) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and shall be in force; or

(vi) a material disruption in securities settlement, payment or clearance services shall have occurred; or

(vii) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the 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.

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 Underwriter's Counsel 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, dated the Closing Date and addressed to the Underwriter, together with a reliance letter from Bond Counsel, 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 the Underwriter or Underwriter's Counsel, 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 information appearing in the Preliminary Limited Offering Memorandum and in 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," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (first paragraph only) and "— Legal Opinions" (except for the final paragraph

thereunder), "CONTINUING DISCLOSURE — The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," 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 and the Indenture;

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

(iii) The City has or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance and the Bond Ordinance (collectively, the foregoing documents are referred to herein as the "City Actions") and perform its obligations thereunder and the City Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and

(iv) The Indenture, the CFA Agreement, the Development Agreement, 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 attorney for the City, dated the Closing Date and addressed to the Underwriter, the City and the Trustee, with respect to matters relating to the City, substantially in the form of Appendix C hereto or in form otherwise agreed upon by the Underwriter.

d. Opinion of 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 attorney for the City, the Underwriter, Underwriter's Counsel, and the Trustee.

e. Developer, Landowner and Master Infrastructure Developer Closing Certificates. The (i) Developer Closing Certificate dated as of the Closing Date, signed by authorized officers of the Developer in substantially the form of Appendix E-1 hereto, (ii) Landowner Closing Certificate dated as of the Closing Date, signed by authorized officers of DRP TX 6, LLC (the "Landowner") in substantially the form of Appendix E-2 hereto and (iii) Master Infrastructure Developer Closing Certificate dated as of the Closing Date,

signed by authorized officers of the Master Infrastructure Developer in substantially the form of Appendix E-3 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 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 best of 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 the best of 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, with full corporate power and authority to conduct its business and affairs as Trustee;

(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;

(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; and

(iv) No consent, approval, authorization or other action by any governmental authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture.

h. 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 Norton Rose Fulbright US LLP ("Underwriter's Counsel"), to the effect that:

(i) 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;

(ii) The Continuing Disclosure Agreement of Issuer satisfies the requirements contained in paragraph (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 for an undertaking for the benefit of the holders of the Bonds to provide the information at the times and in the manner required by Rule 15c2-12; 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, McCall, Parkhurst & Horton L.L.P., as bond counsel, Hilltop Securities Inc., as municipal advisor, the public improvement district administrator, the Developer, and its counsel, consultants and engineers 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 Developer 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 August 12, 2026, 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 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 a 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 or opinion, 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, municipal advisor, trustee, 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, Developer Documents and DRP TX 6 Landowner Consent. The City Documents, Developer Documents and the Landowner Consent Certificate executed by the Landowner, dated as of July 14, 2026 (the "DRP TX 6 Landowner Consent" and, together with the Developer Landowner Consent, the "Landowner Consents"), 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 Underwriter's Counsel 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 Limited Offering Memorandum as Appendix E-1 and Appendix E-2.

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

q. Letter of Representation of Appraiser. (i) Letter of Representation of Appraiser, substantially in the form of Appendix G hereto, addressed to the City, Bond Counsel, the Underwriter, Underwriter's Counsel, 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 Improvement Area #1.

r. Evidence of Filing of Creation Resolution, Assessment Ordinance and Landowner Consents; Posting of Service and Assessment Plan. Evidence that (i) (A) the Creation Resolution including a legal description of the District by metes and bounds, (B) the Service and Assessment Plan and the Zone A Improvement Area #1 Assessment Roll or Zone B Improvement Area #1 Assessment Roll, and (C) the Landowner Consents have been filed of record in the real property records of Rockwall County, Texas and (ii) the Service and Assessment Plan, including a copy of the notice form required by Section 5.014 Texas Property Code, as amended, was posted on the City's website not later than the seventh day after the date of approval of the Assessment Ordinance.

s. Lender Consent Certificate. A Lender Consent Certificate of each holder of a lien, if any, on land in Improvement Area #1 of the District on the Closing Date, consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Assessments, and the subordination of their respective liens to the lien created by the Assessments in a form acceptable to the Underwriter. In the event that there are no such lienholders, the Developer, Landowner and/or Master Infrastructure Developer shall provide such certifications as may be reasonably requested by the Underwriter to confirm that no such liens exist as of the Closing Date.

t. Developer Organizational Documents. The Developer shall have delivered to the Underwriter and the City, (i) fully executed copies of the Developer's organizational documents, (ii) a Certificate of Status from the Texas Secretary of State for the Developer, and (iii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Developer.

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 Bond Ordinance.

v. Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the City has 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. BLOR. A copy of the current Blanket Issuer Letter of Representation to DTC signed by the City.

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

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of, and to pay for the Bonds contained in this Agreement (unless waived by the Underwriter in its sole discretion), 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 set forth in Sections 13 and 15 hereof.

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. 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).

13. Costs and Expenses.

a. The Underwriter shall be under no obligation to pay, and the City shall cause to be paid from proceeds of the Bonds the following expenses incident to the issuance of the Bonds and performance of the City's obligations hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the cost of preparation, printing, and mailing of the Preliminary Limited Offering Memorandum, the final Limited Offering Memorandum

and any supplements and amendments thereto; (iii) the fees and disbursements of the City's legal opinion, Municipal Advisor, the Trustee's counsel, Bond 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 for the benefit of the City, including but not limited to the fees and expenses of the Appraiser and the Administrator; and (vi) the expenses incurred by or on behalf of City employees and representatives that are incidental to the issuance of the Bonds and the performance by the City of its obligations under this Agreement.

b. The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the offering of the Bonds; (ii) fees of Underwriter's Counsel; 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.

14. Notice. Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to: City of McLendon-Chisholm, 1371 West FM 550, McLendon-Chisholm, Texas 75032, 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.

15. 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 agreements contained in this Agreement shall remain operative and in full force and effect regardless of (i) any investigations made by or on behalf of the Underwriter, provided the City shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase and placement of the Bonds, or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in this Section and in Sections 16 and 22 shall survive any termination of this Agreement.

16. 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.

17. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. The City and the Underwriter agree that electronic signatures to this Agreement may be regarded as original signatures.

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. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Texas and venue shall lie in Rockwall 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 representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the 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 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.

[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 McLendon-Chisholm, Texas

By: _____
Mayor

SCHEDULE I

$[PRINCIPAL]
CITY OF MCLENDON-CHISHOLM, TEXAS
(a municipal corporation of the State of Texas located in Rockwall County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT
ZONE A IMPROVEMENT AREA #1 AND ZONE B IMPROVEMENT AREA #1 PROJECTS)

Interest Accrues From: Closing Date

$_____ _____% Term Bonds, Due September 15, 20__, Priced to Yield ____% [(a) (b) (c) (d)]

$_____ _____% Term Bonds, Due September 15, 20__, Priced to Yield ____% [(a) (b) (c) (d)]

(a) The initial reoffering prices or yields of the Bonds have been determined in accordance with the 10% test..

(b) The Bonds are subject to redemption, in whole or in part, before their scheduled maturity, at the option of the City, 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 principal amount thereof, plus accrued interest to the date of redemption, as described in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS — Redemption Provisions."

(c) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS — Redemption Provisions."

(d) The Bonds are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installment as set forth in the following schedules.

$ Bonds Maturing September 15, 20

Redemption Date	Sinking Fund Installment
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

$ Bonds Maturing September 15, 20

Redemption Date	Sinking Fund Installment
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

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

$[PRINCIPAL]
CITY OF MCLENDON-CHISHOLM, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT
ZONE A IMPROVEMENT AREA #1 AND ZONE B IMPROVEMENT AREA #1 PROJECTS)

DEVELOPER LETTER OF REPRESENTATIONS

July 14, 2026

City of McLendon-Chisholm, Texas
1371 West FM 550
McLendon-Chisholm, Texas 75032

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

Ladies and Gentlemen:

This letter is being delivered to the City of McLendon-Chisholm, 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 $[PRINCIPAL] "City of McLendon-Chisholm, Texas Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 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, Pulte Homes of Texas, L.P., a Texas limited partnership (the "Developer"), makes the representations, warranties, and covenants contained in this Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Developer Letter of Representations and not otherwise defined herein 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 Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the 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 Developer Letter of Representations, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the "end of the underwriting period" for the Bonds), the 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 Developer 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 request); however, that for the purposes of this Developer Letter of Representations and any certificate delivered by the Developer in accordance with the Bond Purchase Agreement, the 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 the maps included on pages ii, iii and iv therein and under the captions and subcaptions "PLAN OF FINANCE — Development and Financing Plan," "OVERLAPPING TAXES AND DEBT — Homeowners' Association and Homeowners' Association Dues," "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," and "THE DEVELOPER AND LANDOWNER," and, to the Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1 Projects and the Development, each as defined in the Limited Offering Memorandum), "LEGAL MATTERS — Litigation – The Developer," "CONTINUING DISCLOSURE — The Developer" and " — The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION — Developer," "APPENDIX E-2," and "APPENDIX F" (collectively, the "Developer Disclosures") in accordance with subsection 4(f) herein.

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

a. this Developer Letter of Representations;

b. the CFA Agreement;

c. the Development Agreement;

d. the Developer Landowner Consent; and

e. the Continuing Disclosure Agreement of Developer.

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

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

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

a. Due Organization and Existence. The Developer is duly formed and validly existing as a limited partnership under the laws of the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Developer provided by the Developer 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 Developer Documents by Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which the 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 Developer that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer to perform its obligations under the 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 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 Developer represents and warrants that the information set forth in the Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The 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 Developer under any of the Developer Documents or under any material documents relating to the financing and construction of the Improvement Area #1 Projects to which the 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 Developer, has occurred and is continuing.

5. Indemnification.

a. The Developer will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the 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 Developer or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Developer Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds under the Bond Purchase Agreement, and (c) any termination of the Bond Purchase Agreement.

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

[Signature page follows.]

PULTE HOMES OF TEXAS L.P.,
a Texas limited partnership

By: Pulte Nevada I LLC,
a Delaware limited liability company
its General Partner

By:_____
Name:_____
Title:_____

APPENDIX B

$[PRINCIPAL]
CITY OF MCLENDON-CHISHOLM, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT
ZONE A IMPROVEMENT AREA #1 AND ZONE B IMPROVEMENT AREA #1 PROJECTS)

ISSUE PRICE CERTIFICATE

The undersigned, as the duly authorized representative of FMSbonds, Inc. ("Purchaser"), with respect to the City of McLendon-Chisholm, Texas Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects) issued by the City of McLendon-Chisholm, Texas ("Issuer") in the principal amount of $[PRINCIPAL] ("Bonds"), hereby certifies, based on its records and information, as follows:

(a) 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.

(b) On or before the first day on which the Bond Purchase Agreement is entered into (the "Sale Date"), the Purchaser offered to the Public each Maturity of the Hold-the-Price Maturities at their respective initial offering prices (the "Initial Offering Prices"), as listed in the final Limited Offering Memorandum relating to the Bonds.

(c) As set forth in the Bond Purchase Agreement, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the respective Initial Offering Price for such Maturity until a date that is the earlier of the close of the fifth Business Day after the Sale Date or the date on which the Purchaser sells a Substantial Amount of a Maturity of the Bonds to the Public at no higher price than the Initial Offering Price for such Maturity.

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 third-party 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.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. 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.

FMSbonds, Inc.

By:_____
Name: Theodore A. Swinarski
Title: Senior Vice President – Trading

Dated: August 12, 2026

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

APPENDIX C

[LETTERHEAD OF CITY ATTORNEY]

August 12, 2026

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 McLendon-Chisholm, Texas
1371 West FM 550
McLendon-Chisholm, Texas 75032

$[PRINCIPAL]
CITY OF MCLENDON-CHISHOLM, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT
ZONE A IMPROVEMENT AREA #1 AND ZONE B IMPROVEMENT AREA #1 PROJECTS)

Ladies and Gentlemen:

We are the City Attorney for the City of McLendon-Chisholm, Texas (the "City") and are rendering this opinion in connection with the issuance and sale of $[PRINCIPAL] "City of McLendon-Chisholm, Texas Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects)" (the "Bonds"), by the City, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to an ordinance adopted by the City Council of the City (the "City Council") on July 14, 2026 (the "Bond Ordinance") and shall be issued pursuant to the provisions of Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "Act") and the Indenture of Trust dated as of August 1, 2026 (the "Indenture") by and between the City and Wilmington Trust, National Association, as trustee (the "Trustee"). Capitalized terms not defined herein shall have the same meanings as in the Bond Purchase Agreement by and between FMSbonds, Inc. and the City, entered into on July 14, 2026, unless otherwise stated herein.

In connection with rendering this opinion, I have reviewed the:

(a) The Creation Resolution;

(b) The Assessment Ordinance, and the Service and Assessment Plan attached as an exhibit thereto;

(c) The Bond Ordinance;

(d) The Indenture;

(e) The Development Agreement;

(f) The CFA Agreement; and

(g) The Continuing Disclosure Agreement of Issuer.

The Creation Resolution, the Assessment Ordinance, the Indenture and the Bond Ordinance shall hereinafter be referred to as the "Authorizing Documents" and the remaining documents shall hereinafter be collectively referred to as the "City Documents."

In all such examinations, we have assumed that all signatures on documents and instruments executed by the City are genuine and that all documents submitted to us as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution and delivery of the City Documents by all parties other than the City.

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 Authorizing Documents and the City 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 Authorizing Documents and the City 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, the Bond Ordinance and the Service and Assessment Plan referenced therein, (d) contesting or affecting the validity or enforceability or the City's performance of the City 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 Authorizing Documents were duly enacted by the City and remain in full force and effect on the date hereof.

4. The City 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 City 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, and (c) the application of Texas law relating to

action by future councils and relating to governmental immunity applicable to governmental entities.

5. The performance by the City of the obligations under the Authorizing Documents and the City Documents will not violate any provision of any federal or Texas constitutional or statutory provision.

6. 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 Authorizing Documents and the City Documents.

7. The City has duly authorized and delivered the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

8. Based upon our limited participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (collectively, 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," "THE CITY," "THE DISTRICT," "LEGAL MATTERS — Litigation — The City," "CONTINUING DISCLOSURE — The City" and " — The City's Compliance with Prior Undertakings" and "APPENDIX A" is a fair and accurate summary of the law and the documents and facts summarized therein.

9. The adoption of the Authorizing Documents and the execution and delivery of the City Documents and the compliance with the provisions of the Authorizing Documents and the City Documents under the circumstances contemplated thereby, to the best of my 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.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Very truly yours,

THE HALLA LAW FIRM
ATTORNEY FOR THE CITY

APPENDIX D

[LETTERHEAD OF DEVELOPER'S COUNSEL]

August 12, 2026

City of McLendon-Chisholm, Texas
1371 West FM 550
McLendon-Chisholm, Texas 75032

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

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

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

Norton Rose Fulbright US LLP
98 San Jacinto Blvd., Suite 1100
Austin, Texas 78701

$[PRINCIPAL]
CITY OF MCLENDON-CHISHOLM, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT
ZONE A IMPROVEMENT AREA #1 AND ZONE B IMPROVEMENT AREA #1 PROJECTS)

Ladies and Gentlemen:

We have acted as special counsel to Pulte Homes of Texas, L.P., a Texas limited partnership (the "Developer") in connection with the issuance and sale by the City of McLendon-Chisholm, Texas (the "Issuer"), of $[PRINCIPAL] City of McLendon-Chisholm, Texas Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects) (the "Bonds"), pursuant to the Indenture of Trust dated as of August 1, 2026 (the "Indenture"), by and between the Issuer 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 "Sonoma Verde North" (the "Development") located in the City of McLendon-Chisholm, Texas.

The Bonds are being sold to FMSbonds, Inc. (the "Underwriter"), pursuant to that certain Bond Purchase Agreement dated July 14, 2026 (the "Bond Purchase Agreement"), between the Issuer and the Underwriter. This opinion is being delivered pursuant to Section 10(d) of the Bond Purchase Agreement.

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"):

(1) the CFA Agreement;

(2) the Continuing Disclosure Agreement of Developer;

(3) the Development Agreement;

(4) the Bond Purchase Agreement;

(5) the Developer Landowner Consent; and

(6) the Developer Letter of Representations.

(b) The Developer Closing Certificate, dated as of the date hereof (the "Closing Certificate of Developer");

(c) The Preliminary Limited Offering Memorandum, dated [June 30] relating to the issuance of the Bonds (the "Preliminary Limited Offering Memorandum");

(d) The final Limited Offering Memorandum, dated July 14, 2026, relating to the issuance of the Bonds (the "Limited Offering Memorandum"); and

(e) Such other documents, records, agreements and certificates of the Developer as we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Whenever our opinion or advice with respect to the existence or absence of facts is indicated to be based on our knowledge, we are referring to the actual knowledge of the Coats Rose, P.C., attorneys who have given substantive attention to matters concerning the Developer during the course of our representation of the Developer in connection with the Material Documents, which knowledge has been obtained by such attorneys in their capacity as such after review of certificates, reports and information provided by the Developer, assuming such certificates, reports and information are 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 Developer): (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 Developer) and that each such document constitutes a valid, binding, and enforceable obligation of each party thereto (other than the Developer), (ii) that all of the parties (other than the Developer) 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 Developer to execute, deliver, and perform its obligations under the Material Documents), (iii) that 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 Developer in respect of the Material Documents), (vi) the authenticity and accuracy of all documents submitted to us as originals, (vii) the conformity to original documents of all documents submitted to us as photostatic or certified copies, (viii) that no laws or judicial, administrative, or other action of any governmental authority of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein, and (ix) that the execution and delivery by each party (other than the Developer) 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 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 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 Issuer 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.

Opinions and Assurances

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

1. The Developer is (i) a limited partnership, (ii) qualified to do business in the State of Texas and (iii) in good standing under the laws of the State of Texas.

2. The Developer has the full legal right, power, and authority to execute, deliver, and perform its obligations, as applicable, under each of the Material Documents to which it is a party and has taken all necessary actions to authorize the execution, distribution, and delivery by the Developer of such Material Documents and the performance by the Developer of such obligations.

3. The execution and delivery by the Developer of the Material Documents and the performance by the Developer of its obligations under the Material Documents will not (i) violate any applicable law, statute, rule, or regulation applicable to the Developer under the laws of the State of Texas; (ii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Closing Certificate of Developer or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Developer to perform its obligations under the Material Documents to which it is a party; or (iii) constitute a violation of its limited partnership agreement or certificate of formation.

4. To our knowledge, no governmental approval which has not been obtained or taken is required to be obtained or taken by the Developer on or before the date hereof as a condition to (a) the execution and delivery by the Developer of the Material Documents to which it is a party, or (b) the performance by the Developer of its obligations under the Material Documents to which it is a party, except for governmental approvals that may be required to comply with certain covenants contained in the Material Documents (including, without limitation, covenants to comply with applicable laws).

5. The Developer has duly executed and delivered each of the Material Documents to which it is a party, and each of the Material Documents constitutes the legal, valid, and binding obligation of the Developer, enforceable against the Developer in accordance with its 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.

6. There are no actions, suits, or proceedings pending or, to our knowledge after reasonable inquiry, threatened against the Developer identified in the Closing Certificate of Developer or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion in any court of law or equity, or before or by any governmental instrumentality with respect to (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to

which it is a party; (iii) the validity or enforceability against it of such Documents or the transactions contemplated thereby; (iv) the titles of its officers executing the Material Documents; (v) the execution and delivery of the Material Documents on behalf of the Developer; or (vi) the operations or financial condition of the Developer that would materially adversely affect those operations or the financial condition of the Developer; or (vii) 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.

7. To our knowledge, no taxes or other charges, including, without limitation, intangible or documentary stamp taxes, mortgage or recording taxes, transfer taxes or similar charges, are payable to the State of Texas by the Developer on account of its execution or delivery of any of the Material Documents or the creation of the indebtedness evidenced or secured by any of the Material Documents or the recording or filing of any of the Material Documents, except for normal filing or recording fees.

8. 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, trust agreement, bond note, resolution, agreement, or other instrument to which the Developer is a party or is otherwise subject and which have been identified in the Closing Certificate of Developer which violation, breach or default would materially adversely affect the Developer or its performance of its obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the 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.

9. In addition, based upon our participation at conferences with representatives of the City and its counsel, representatives of the Underwriter and its counsel, and with representatives of the Developer, at which the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Preliminary Limited Offering Memorandum or 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 or the Limited Offering Memorandum and any amendment or supplement thereto: the information set forth in the Limited Offering Memorandum under the captions "PLAN OF FINANCE — Development and Financing Plan," "OVERLAPPING TAXES AND DEBT — Homeowners' Association and Homeowners' Association Dues," "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER AND LANDOWNER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Landowner, the Master Infrastructure Developer, the Improvement Area #1 Projects and the Development, each as defined in the Limited Offering Memorandum), "LEGAL MATTERS — Litigation – The Developer," "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION — Developer," "APPENDIX E-2," and "APPENDIX F," adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

10. 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 the date of the Bond Purchase Agreement, and with respect to the Limited Offering Memorandum, as of the date of the Limited Offering Memorandum and the date hereof, contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Qualifications

In addition to any assumptions, qualifications and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

(a) We have not examined any court dockets, agency files, or other public records regarding the entry of any judgments, writs, decrees or orders or the pendency of any actions, proceedings, investigations, or litigation.

(b) We have relied upon the Closing Certificate of Developer, as well as the representations of the 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 3 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 Developer is a party or by which the 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.

Sincerely,

_____

COATS ROSE, P.C.

APPENDIX E-1

DEVELOPER CLOSING CERTIFICATE

Pulte Homes of Texas, L.P., a Texas limited partnership (the "Developer"), pursuant to the terms of that certain Bond Purchase Agreement by and between FMSbonds, Inc. (the "Underwriter"), and the City of McLendon-Chisholm, Texas (the "City"), entered into on July 14, 2026 (the "Bond Purchase Agreement") 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 Bond Purchase Agreement.

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

2. Representatives of the Developer have provided information to the City and the Underwriter to be used in connection with the offering by the City of its $[PRINCIPAL] principal amount of Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects) (the "Bonds"), pursuant to the Preliminary Limited Offering Memorandum, dated [June 30] (the "Preliminary Limited Offering Memorandum"), and Limited Offering Memorandum dated July 14, 2026 (the "Limited Offering Memorandum").

3. The Developer has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Developer's organizational documents, 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 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 Developer.

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

(a) the Developer Letter of Representations;

(b) the CFA Agreement;

(c) the Development Agreement;

(d) the Developer Landowner Consent; and

(e) the Continuing Disclosure Agreement of Developer.

6. The Developer owned all of the Assessed Property located in Zone B Improvement Area #1 of the District on the date that the Assessment Ordinance was adopted and the Developer is not an entity that may claim a homestead right under Texas law.

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

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

9. The execution and delivery of the Developer Documents by the Developer does not violate any judgment, order, writ, injunction or decree binding on the Developer or any indenture, agreement, or other instrument to which the Developer is a party. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or would adversely affect (A) (i) the ability of the Developer to perform its obligations under the Developer Documents in all material respects, (ii) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Service and Assessment Plan, the Developer Documents or otherwise described in the Limited Offering Memorandum, or (iii) the tax-exempt status of interest on the Bonds or (B) 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 Developer has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in the maps included on pages ii, iii and iv therein and under the captions and subcaptions "PLAN OF FINANCE — Development and Financing Plan," "OVERLAPPING TAXES AND DEBT — Homeowners' Association and Homeowners' Association Dues," "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," and "THE DEVELOPER AND LANDOWNER," and, to the Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1 Projects and the Development, as defined in the Limited Offering Memorandum), "LEGAL MATTERS — Litigation – The Developer," "CONTINUING DISCLOSURE — The Developer" and " — The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION — Developer," "APPENDIX E-2" and "APPENDIX F" (collectively, the "Developer Disclosures") and certifies that the information contained in the Developer Disclosures is true and correct and 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, with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum, and with respect to the Limited Offering Memorandum, 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 Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

11. To the Developer's knowledge, the Developer is in compliance in all material respects with all provisions of applicable law relating to the Developer in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) there is no default of any zoning condition, land use permit or development agreement binding upon the Developer or any portion of the Development that would materially and adversely affect the

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 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.

12. The 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.

13. The levy of the Assessments on property in the District owned by the 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 Developer is a party or to which the Developer or any of its property or assets is subject.

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

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

16. To the Developer's knowledge, no liens exist on land in Improvement Area #1 of the District on the date hereof.

[SIGNATURE PAGE FOLLOWS.]

Dated: August 12, 2026

DEVELOPER:

PULTE HOMES OF TEXAS L.P.,
a Texas limited partnership

By: Pulte Nevada I LLC,
a Delaware limited liability company
its General Partner

By:_____
Name:_____
Title:_____

APPENDIX E-2

LANDOWNER CLOSING CERTIFICATE

DRP TX 6, LLC, a Delaware limited liability company (the "Landowner"), pursuant to the terms of that certain Bond Purchase Agreement by and between FMSbonds, Inc. (the "Underwriter"), and the City of McLendon-Chisholm, Texas (the "City"), entered into on July 14, 2026 (the "Bond Purchase Agreement") 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 Bond Purchase Agreement.

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

2. Representatives of the Landowner have provided information to the City and the Underwriter to be used in connection with the offering by the City of its $[PRINCIPAL] principal amount of Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects) (the "Bonds"), pursuant to the Preliminary Limited Offering Memorandum, dated [June 30] (the "Preliminary Limited Offering Memorandum"), and Limited Offering Memorandum dated July 14, 2026 (the "Limited Offering Memorandum").

3. The Landowner has executed and delivered the DRP TX 6 Landowner Consent and such document constitutes a valid and binding obligation of the Landowner, enforceable against the Landowner in accordance with its terms.

4. The representations and warranties of the Landowner contained in the DRP TX 6 Landowner Consent are true and correct in all material respects on and as of the date hereof.

5. The Landowner owned all of the Assessed Property located in Zone A Improvement Area #1 of the District on the date that the Assessment Ordinance was adopted and the Landowner is not an entity that may claim a homestead right under Texas law.

6. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Landowner, threatened against or affecting the Landowner wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Landowner or would adversely affect (A) (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Service and Assessment Plan, or otherwise described in the Limited Offering Memorandum, or (iii) the tax-exempt status of interest on the Bonds or (B) 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.

7. The Landowner has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions and subcaptions "PLAN OF FINANCE — Development and Financing Plan," "THE DEVELOPMENT," and "THE DEVELOPER AND LANDOWNER" relating to the Landowner, and, to the Landowner's knowledge after due inquiry, under the caption "BONDHOLDERS'

RISKS" (only as it pertains to the Landowner) (collectively, the "Landowner Disclosures"), and certifies that the information contained in the Landowner Disclosures is true and correct and 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, with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum, and with respect to the Limited Offering Memorandum, 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 Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

8. The Landowner 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.

9. The levy of the Assessments on property in the District owned by the Landowner 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 Landowner is a party or to which the Landowner or any of its property or assets is subject.

10. The Landowner 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.

11. The Landowner has no knowledge of any physical condition of the Development owned or to be developed by the Landowner 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.

12. To the Landowner's knowledge, no liens exist on land in Improvement Area #1 of the District owned by the Landowner on the date hereof.

[SIGNATURE PAGE FOLLOWS.]

Dated: August 12, 2026

LANDOWNER:

DRP TX 6, LLC,
a Delaware limited liability company

By: Domain Operating, LLC
its sole member

By: DW General Partner, LLC
its manager

By:_____
Name:_____
Title:_____

APPENDIX E-3

MASTER INFRASTRUCTURE DEVELOPER CLOSING CERTIFICATE

TDI SV North LLC, a Texas limited liability company (the "Master Infrastructure Developer"), pursuant to the terms of that certain Bond Purchase Agreement by and between FMSbonds, Inc. (the "Underwriter"), and the City of McLendon-Chisholm, Texas (the "City"), entered into on July 14, 2026 (the "Bond Purchase Agreement") 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 Bond Purchase Agreement.

1. The Master Infrastructure 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 Master Infrastructure Developer have provided information to the City and the Underwriter to be used in connection with the offering by the City of its $[PRINCIPAL] principal amount of Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects) (the "Bonds"), pursuant to the Preliminary Limited Offering Memorandum, dated [June 30] (the "Preliminary Limited Offering Memorandum"), and Limited Offering Memorandum dated July 14, 2026 (the "Limited Offering Memorandum").

3. The Master Infrastructure Developer has executed and delivered the Development Agreement and such document, to the extent partially assigned to Master Infrastructure Developer and not partially assigned to Developer, constitutes a valid and binding obligation of the Master Infrastructure Developer, enforceable against the Master Infrastructure Developer in accordance with its terms.

4. The representations and warranties of the Master Infrastructure Developer contained in the Development Agreement are true and correct in all material respects on and as of the date hereof.

5. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Master Infrastructure Developer, threatened against or affecting the Master Infrastructure Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Master Infrastructure Developer or would adversely affect (A) (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Service and Assessment Plan, the Development Agreement, or otherwise described in the Limited Offering Memorandum, or (iii) the tax-exempt status of interest on the Bonds or (B) 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.

6. The Master Infrastructure Developer has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions and subcaptions "PLAN OF FINANCE — Development and Financing Plan," "THE DEVELOPMENT," and "THE DEVELOPER AND LANDOWNER" relating to the Master Infrastructure Developer, and, to the Master Infrastructure Developer's knowledge after due inquiry, under the caption "BONDHOLDERS' RISKS — General Risks of

Real Estate Investment and Development," "— Risks Related to Increase in Costs of Building Materials and Labor Shortages," and "— Management and Ownership" (only as it pertains to the Master Infrastructure Developer) (collectively, the "Master Infrastructure Developer Disclosures"), and certifies that the information contained in the Master Infrastructure Developer Disclosures is true and correct and 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, with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum, and with respect to the Limited Offering Memorandum, 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 Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

7. The Master Infrastructure 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.

8. The Master Infrastructure 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.

9. The Master Infrastructure Developer has no knowledge of any physical condition of the Development owned or to be developed by the Master Infrastructure 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 12, 2026

MASTER INFRASTRUCTURE DEVELOPER:

TDI SV North, LLC,
a Texas limited liability company

By:_____
Name:_____
Title:_____

APPENDIX F

[LETTERHEAD OF P3WORKS, LLC]

August 12, 2026

City of McLendon-Chisholm, Texas
1371 West FM 550
McLendon-Chisholm, Texas 75032

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

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

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

Norton Rose Fulbright US LLP
98 San Jacinto Blvd., Suite 1100
Austin, Texas 78701

Re: City of McLendon-Chisholm, Texas Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects) (the "Bonds")

Ladies and Gentlemen:

The undersigned, an authorized representative of P3Works, LLC ("P3Works", "we" or "our"), consultant in connection with the creation by the City of McLendon-Chisholm, Texas (the "City"), of Sonoma Verde North 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 [June 30], and the final Limited Offering Memorandum for the Bonds, dated July 14, 2026 (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 "OVERLAPPING TAXES AND DEBT — Overlapping Taxes and Debt – Overlapping Taxes," "ASSESSMENT PROCEDURES," and "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 our 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. We agree to the inclusion of the SAP in the Limited Offering Memorandum and to the use of our name in the Limited Offering Memorandum for the Bonds.

5. We agree that, to the best of our ability, we will inform you immediately should we 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 12, 2026) which would render any information in the Limited Offering Memorandum described in paragraph 1 above untrue, incomplete, or incorrect, in any material fact or render any such information, in the light of the circumstances under which they were made, 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]

August 12, 2026

City of McLendon-Chisholm, Texas
1371 West FM 550
McLendon-Chisholm, Texas 75032

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

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

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

Norton Rose Fulbright US LLP
98 San Jacinto Blvd., Suite 1100
Austin, Texas 78701

Re: City of McLendon-Chisholm, Texas Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects) (the "Bonds")

Ladies and Gentlemen:

The undersigned, an authorized representative of Integra Realty Resources - Dallas (the "Appraiser"), the appraiser of the undeveloped property contained in Improvement Area #1 of the Sonoma Verde North 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 [June 30], and the Limited Offering Memorandum for the Bonds, dated July 14, 2026 (together, the "Limited Offering Memorandum"), relating to the issuance of the Bonds by the City of McLendon-Chisholm, 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 12, 2026) 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 MCLENDON-CHISHOLM, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT
ZONE A IMPROVEMENT AREA #1 AND ZONE B IMPROVEMENT AREA #1 PROJECTS)

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of August 1, 2026 (this "Disclosure Agreement"), is executed and delivered by and among the City of McLendon-Chisholm, 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 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 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 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, 2026, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

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

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

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

"Annual Financial Statements" shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

"Annual Financials Filing Date" shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is twelve (12) months after the end of the Issuer's Fiscal Year. The Annual Financials Filing Date is currently September 30.

"Annual Information Filing Date" shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer's Fiscal Year. The Annual Information Filing Date is currently March 31.

"Assessments" shall have the meaning assigned to Improvement Area #1 Assessments in the Indenture.

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

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

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of August 1, 2026, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

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

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

"District" shall mean Sonoma Verde North Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access system currently available on the internet at http://emma.msrb.org.

"Filing Date" means, collectively, an Annual Financials Filing Date, an Annual Information Filing Date and an Annual Collections Report Filing Date, or, individually, as the context requires, an Annual Financials Filing Date, an Annual Information Filing Date or an Annual Collections Report Filing Date.

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

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

"Fiscal Year" shall mean the Issuer's fiscal year, currently the twelve-month period from October 1 through September 30.

"Improvement Area #1" shall mean, collectively, Zone A Improvement Area #1 and Zone B Improvement Area #1.

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

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

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

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

"SEC" shall mean the United States Securities and Exchange Commission.

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

"Zone A Improvement Area #1" shall have the meaning assigned to such term in the Indenture.

"Zone B Improvement Area #1" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2026, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, the Annual Financial Information and the Annual Financial Statements.

(i) The Issuer shall provide or caused to be provided the Annual Financial Information to the MSRB not later than the Annual Information Filing Date; and

(ii) The Issuer shall provide or caused to be provided audited Annual Financial Statements to the MSRB not later than the Annual Financials Filing Date, or if audited Annual Financial Statements are not available by the Annual Financials Filing Date, unaudited Annual Financial Statements, provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement.

In each case, the Annual Financial Information and Annual Financial Statements may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Information Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) As soon as available, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as applicable, to the Dissemination Agent together with written direction to file such Annual Financial Information or Annual Financial Statements with the MSRB. The Dissemination

Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB no later than the applicable Filing Date for such Fiscal Year.

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

(c) The Dissemination Agent, pursuant to written direction, shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information and the Annual Financial Statements on the dates required in subsection (a);

(ii) on behalf of the Issuer, file the Annual Financial Information and the Annual Financial Statements containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and the Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer stating that the Annual Financial Information or Annual Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content and Timing of Annual Financial Information and Annual Financial Statements.

(a) *Annual Financial Information*. The Annual Financial Information for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Information Filing Date, the following Annual Financial Information (any or all of which may be unaudited):

(i) Information regarding the Bonds and the Trustee in substantially similar form to that shown in the tables provided under Section 4(a)(i) of Exhibit B attached hereto. Such

information shall be provided as of the end of the Fiscal Year to which the information being reported relates;

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Section 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the Fiscal Year to which the information being reported relates;

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update; and

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

(b) *Annual Financial Statements*. The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited Annual Financial Statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If the audited Annual Financial Statements of the Issuer are not available by the Annual Financials Filing Date, the Issuer shall provide unaudited Annual Financial Statements of the Issuer no later than the Annual Financials Filing Date and audited Annual Financial Statements when and if available.

(c) See Exhibit B hereto for a form for submitting the information set forth in subsection 4(a) above. The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference. The Dissemination Agent has no duty or obligation to determine whether or not the information contained in any completed forms containing financial information and operating data as shown in Exhibit B provided to it has been accurately completed and shall only be required to file the forms as completed and provided to it by either the Administrator or the Issuer, pursuant to written direction (which written document may be made by electronic means).

SECTION 5. Annual Collections Report.

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

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

If by the fifth (5th) day before the Annual Collections Report Filing Date, the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection 5(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached hereto as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB, no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the applicable Annual Collections Report Filing Date.

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

SECTION 6. Reporting of Significant Events.

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

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Holders, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the Bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within Improvement Area #1 will not constitute a Listed Event for the purposes of paragraph (10) above.

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

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Additional Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent in writing to immediately file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

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

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written

instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

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

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

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to

any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

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

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

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

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

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

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Dissemination Agent (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being

indemnified to its satisfaction against all costs, fees, expenses and liabilities for such actions) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

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

(a) Notwithstanding anything to the contrary contained herein, the Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Financial Information or Annual Financial Statements in accordance with Section 4(a) and 4(b), respectively, or the Annual Collections Report in accordance with Section 5(a), the Dissemination Agent shall not be responsible for the failure to submit Annual Financial Information, Annual Financial Statements, or the Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean the Dissemination Agent has actual knowledge of any event described in Section 6 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

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 or refraining from acting in good faith upon the advice of such legal counsel.

The Issuer, the Administrator and the Dissemination Agent agree that the legal expenses of the Dissemination Agent, which it is expressly entitled to be paid under this paragraph 12(a), are expenses which may be paid from the Annual Collection Costs.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

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

The Issuer, the Administrator and the Dissemination Agent agree that the legal expenses of the Administrator, which it is expressly entitled to be paid under this paragraph 12(b), are expenses which may be paid from the Annual Collection Costs.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS

DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 11 WITH RESPECT TO THE DISSEMINATION AGENT.

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

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

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

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

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, 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 collected from the property owners in Improvement Area #1, 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 respectively make the following representations and verifications pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator, as applicable, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

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

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

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

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

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

SECTION 21. Notice. Any written notice required to be given or made hereunder among or between any of the Issuer, the Trustee, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such under this Disclosure Agreement.

If to the Dissemination Agent:		HTS Continuing Disclosure Services
	Attn:	Tanya Calvit
		717 North Harwood Street, Suite 3400
		Dallas, Texas 75201
	Email:	Tanya.calvit@hilltopsecurities.com
If to Trustee:		Wilmington Trust, National Association
	Attn:	Brian Jensen
		15950 North Dallas Parkway, Suite 200
		Dallas, Texas 75248
	Email:	bjensen@wilmingtontrust.com
If to Administrator:		P3Works, LLC
		9284 Huntington Square, Ste 100
		North Richland Hills, Texas 76182
	Email:	admin@p3-works.com
If to the Issuer:		City of McLendon-Chisholm
	Attn:	City Manager
		808 Martin Luther King Jr. St.
		McLendon-Chisholm, Texas 78626
	Email:	ms@McLendon-Chisholmtexas.gov

If to Participating Underwriter: FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
E-mail: Tdavenport@fmsbonds.com

SECTION 22. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 23. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

(Signature pages follow.)

CITY OF MCLENDON-CHISHOLM, TEXAS

By: _____
Mayor

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

P3Works, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

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

Name of Issuer:	City of McLendon-Chisholm, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of McLendon-Chisholm, Texas (the "Issuer"), has not provided [Annual Financial Information][an Annual Collections Report][audited/unaudited Annual Financial Statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of August 1, 2026, by and 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 Financial Information][the Annual Collections Report][audited/unaudited Annual Financial Statements] will be filed by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.,
on behalf of the City of McLendon-Chisholm, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of McLendon-Chisholm, Texas

EXHIBIT B

CITY OF MCLENDON-CHISHOLM, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT
ZONE A IMPROVEMENT AREA #1 AND ZONE B IMPROVEMENT AREA #1 PROJECTS)

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

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

Section 4(a)(i)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				–
				–
		Total		

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value(1)	Book Value(1)	Market Value(1)

(1) As such information is provided by the Trustee.

*Excluding audited financial statements of the Issuer

ASSETS AND LIABILITIES OF TRUST ESTATE

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

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

Accounting Type: ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)

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

Debt Service Requirements on the Bonds

Year Ending (September 30)	Principal	Interest	Total

Top [Five] Assessment Payers in Improvement Area #1 [(1)]

Property Owner	No. of Parcels/Lots	Percentage of Parcels/Lots	Outstanding Assessments	Percentage of Total Assessments

[(1)] Does not include those owing less than one percent (1%) of total Assessments.

Assessed Value of Improvement Area #1 of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #1 of the District is approximately $[AMOUNT] according to the Williamson Central Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

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

[insert any necessary footnotes]

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

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

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

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

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

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

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

History of Prepayment of Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Bonds Redeemed
		$		$
20__				
20__				
20__				
20__				
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 MCLENDON-CHISHOLM, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT
ZONE A IMPROVEMENT AREA #1 AND ZONE B IMPROVEMENT AREA #1 PROJECTS)

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: [_____]
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 Proceedings	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	$		$		$

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

Collection and Delinquency of Annual Installments [1]

Succeeding Fiscal Year	Total Annual Installments Levied	Parcels Levied[2]	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Total Annual Installments Collected[3]
20__	$		$	%	$

[1] Period covered includes October 1, 20__ through March 1, 20__.

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

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

Prepayment of Assessments[1]

Succeeding Fiscal Year	Number of Prepayments	Amount of Prepayments $	Bond Call Date	Amount of Bonds Redeemed $

[1] Period covered includes October 1, 20__ through March 1, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES[1]

Date	Delinquency Clock (Days)	Activity
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. 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 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. **If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Trustee and the Dissemination Agent should be immediately notified in writing**.
March 15	43/44	Trustee pays bond interest payments to Owners. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of a draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund, if applicable.

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

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.
July 1	**152/153**	**Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the County Tax Assessor-Collector procedures.** [2] **Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.** **Issuer notifies Trustee and Dissemination Agent in writing of the commencement of preliminary foreclosure activity.** If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer. If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections and if instructed by the Owners under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
August 15	197/198	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

[2] If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

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

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

Exhibit D

FUNDING AGREEMENT

SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT ZONE A IMPROVEMENT AREA #1 & ZONE B IMPROVEMENT AREA #1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

THIS SONOMA VERDE NORTH PUBLIC IMPROVEMENT DISTRICT ZONE A IMPROVEMENT AREA #1 & ZONE B IMPROVEMENT AREA #1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this "Agreement"), dated as of July 14, 2026 is by and between the **CITY OF McLENDON-CHISHOLM, TEXAS**, a home rule municipality of the State of Texas (the "City"), and **PULTE HOMES OF TEXAS, L.P.**, a Texas limited partnership (the "Developer").

ARTICLE I
DEFINITIONS

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

"Act" means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

"Actual Costs" are as defined in the Service and Assessment Plan.

"Administrator" means, initially, P3Works, LLC, or any other individual or entity designated by the City to administer the District.

"Annual Service Plan Update" means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan.

"Authorized Improvements" means improvements authorized by Section 372.003 of the Act, including, but not limited to, the Improvement Area #1 Projects, and as listed in Section III of the Service and Assessment Plan.

"Bond Ordinance" means the ordinance adopted by the City Council on July 14, 2026 authorizing the issuance of the Bonds pursuant to the Indenture.

"Bonds" means the City's bonds designated "City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2026 (Sonoma Verde North Public Improvement District Zone A Improvement Area #1 and Zone B Improvement Area #1 Projects)".

"Budgeted Costs" means the anticipated, agreed upon costs of the Improvement Area #1 Projects as shown in Exhibit B-1 of the Service and Assessment Plan.

"Certificate for Payment" means a certificate, substantially in the form of **Exhibit A** hereto or otherwise approved by the Developer and a City Representative, executed by or on behalf of the Developer, approved by a City Representative and delivered to the Trustee, specifying the

amount of work performed related to the Improvement Area #1 Projects and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in the Zone A Improvement Area #1 Bond Improvement Account and/or the Zone B Improvement Area #1 Bond Improvement Account.

"City Inspector" means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

"City Manager" means the City Manager of the City, or its designee.

"City Representative" means the City Manager, the Finance Director, or any other official or agent of the City later authorized by the City to undertake the action referenced herein.

"Closing Date" means the date of the initial delivery of and payment for the Bonds.

"Closing Disbursement Request" means the certificate, substantially in the form of **Exhibit B** hereto or otherwise approved by the Developer and a City Representative executed by or on behalf of the Developer, approved by a City Representative and delivered to the Trustee on the Closing Date, specifying the costs incurred in the establishment, administration, and operation of the District or issuing the Bonds, and requesting payment for such costs from money on deposit in the Project Fund.

"Construction Contracts" means the contracts for the construction of an Improvement Area #1 Project. "Construction Contract" means any one of the Construction Contracts.

"Cost" means the Budgeted Costs or the cost of an Improvement Area #1 Project as reflected in a Construction Contract, if greater than the Budgeted Costs.

"Costs of Issuance Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"Cost Overrun" means, collectively, a Zone A Cost Overrun and Zone B Cost Overrun.

"Developer Continuing Disclosure Agreement" means the Continuing Disclosure Agreement of Developer executed contemporaneously with the issuance and sale of the Bonds.

"Developer Funding Agreement" means that certain Developer Funding Agreement - Sonoma Verde North Public Improvement District, dated June 9, 2026, between the Developer and the City.

"Development Agreement" means that certain Development Agreement Sonoma Verde North entered into and executed by the City and TDI GP, LLC, a Texas limited liability company, as partially assigned to TDI SV North, LLC, a Texas limited liability company, and as further partially assigned to Developer.

"District" shall mean the Sonoma Verde North Public Improvement District created April 22, 2025.

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

"Final Completion" means the time at which the construction of an Improvement Area #1 Project (or specified segment, section or part thereof) has progressed to the point where such Improvement Area #1 Project (or a specified segment, section or part thereof) is sufficiently complete in accordance with the Construction Contracts related thereto so that such Improvement Area #1 Project (or a specified segment, section or part thereof) can be utilized for the purposes for which it is intended and is in compliance with existing City standards and specifications for dedication to the City.

"Improvement Area #1" means, collectively, Zone A Improvement Area #1 and Zone B Improvement Area #1.

"Improvement Area #1 Projects" means, collectively, the Zone A Improvement Area #1 Improvements and the Zone B Improvement Area #1 Improvements.

"Indenture" means that certain Indenture of Trust between the City and the Trustee, dated as of August 1, 2026 relating to the Bonds.

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

"Plans" means the plans, specifications, schedules and related construction contracts for the Improvement Area #1 Projects, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the City, the Development Agreement, and any other applicable governmental entity.

"Project Fund" means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

"Service and Assessment Plan" means the Sonoma Verde North Public Improvement District Service and Assessment Plan approved by the City Council on July 14, 2026, and any updates thereto, prepared in relation to the property within the District.

"Trustee" means Wilmington Trust, National Association, and any successor trustee under the Indenture.

"Zone A Cost Overrun" means, with respect to each Zone A Improvement Area #1 Improvement, the Actual Costs, as appropriate, of such Zone A Improvement Area #1 Improvement in excess of the Budgeted Costs.

"**Zone A Improvement Area #1"** means approximately 173.723 acres located within the District, as further described my metes and bounds in Exhibit K-3 of the Service and Assessment Plan.

"Zone A Improvement Area #1 Bond Improvement Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"**Zone A Improvement Area #1 Improvements"** means the Authorized Improvements which only benefit property within Zone A Improvement Area #1 of the District, as described in Section III.B of the Service and Assessment Plan.

"**Zone B Improvement Area #1"** means approximately 35.064 acres located within the District, as further described my metes and bounds in Exhibit K-4 of the Service and Assessment Plan.

"Zone B Cost Overrun" means, with respect to each Zone B Improvement Area #1 Improvement, the Actual Costs, as appropriate, of such Zone B Improvement Area #1 Improvement in excess of the Budgeted Costs.

"Zone B Improvement Area #1 Bond Improvement Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"**Zone B Improvement Area #1 Improvements"** means the Authorized Improvements which only benefit property within Zone B Improvement Area #1 of the District, as described in Section III.B of the Service and Assessment Plan.

ARTICLE II
RECITALS

Section 2.01. The District and the Improvement Area #1 Projects.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Improvement Area #1 Projects.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, the proceeds of which Bonds shall be used, in part, to finance all or a portion of the Improvement Area #1 Projects in accordance with the terms and limitations of the Indenture, the Development Agreement, this Agreement, and the Service and Assessment Plan.

(c) All Improvement Area #1 Projects are eligible to be financed with proceeds of the Bonds, to the extent specified herein.

(d) The proceeds from the issuance and sale of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer or a land banker for or on behalf of the Developer, will undertake, oversee, or ensure the construction and development of the Improvement Area #1 Projects for acquisition and acceptance by the City in accordance with the terms and conditions contained in the Development Agreement and this Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III
FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) The projects to be financed with the proceeds of the Bonds are the Improvement Area #1 Projects. The payment of costs from the proceeds of the Bonds for such Improvement Area #1 Projects shall be made from the Zone A Improvement Area #1 Bond Improvement Account and the Zone B Improvement Area #1 Bond Improvement Account of the Project Fund established under the Indenture.

(c) The City's obligation with respect to the payment of the Improvement Area #1 Projects shall be limited to the lesser of the Actual Costs or Budgeted Costs, and shall be payable solely from amounts on deposit for the payment of such costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns and all expenses related to the Improvement Area #1 Projects, qualified, however, by the distribution of Zone A Cost Underrun or Zone B Cost Underrun (each as defined in Section 4.04 hereof) monies, as detailed in Section 4.04.

(d) Neither City nor the Trustee shall have any responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Improvement Area #1 Projects shall in no way diminish any obligation of the Developer with respect to the construction of or

contributions for the Improvement Area #1 Projects required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

Section 3.02 Accounts. All disbursements from the Zone A Improvement Area #1 Bond Improvement Account and the Zone B Improvement Area #1 Bond Improvement Account of the Project Fund shall be made by the City in accordance with provisions of the Development Agreement, the Service and Assessment Plan, this Agreement, and the Indenture.

ARTICLE IV
CONSTRUCTION OF THE IMPROVEMENT AREA #1 PROJECTS

Section 4.01. Duty of Developer to Construct.

(a) All Improvement Area #1 Projects shall be constructed by or at the direction of the Developer or a land banker for or on behalf of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer or a land banker for or on behalf of Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Improvement Area #1 Projects in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer or a land banker for or on behalf of the Developer shall employ, at all times, adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Improvement Area #1 Projects to be acquired and accepted by the City from the Developer, as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Improvement Area #1 Project and, upon completion, inspection, and acceptance, convey each such Improvement Area #1 Project to the City, in accordance with the terms hereof, even if there are insufficient funds in the Project Fund or other funds or accounts created under the Indenture to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Improvement Area #1 Projects required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Improvement Area #1 Projects shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City with respect to the Improvement Area #1 Projects.

Section 4.04. Remaining Funds After Completion of an Improvement Area #1 Improvement Project.

(a) Upon the Final Completion of a Zone A Improvement Area #1 Improvement and payment of all outstanding invoices for such Zone A Improvement Area #1 Improvement, if the Actual Cost of such Zone A Improvement Area #1 Improvement is less than the Budgeted Cost (a "Zone A Cost Underrun"), any remaining Budgeted Cost may be made available to pay Zone A Cost Overruns on any other Zone A Improvement Area #1 Improvement. The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Zone A Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Zone A Improvement Area #1 Improvements and shall include an update reflecting such change in the subsequent Annual Service Plan Update. Any Zone A Cost Underrun for any Zone A Improvement Area #1 Improvement is available to pay Zone A Cost Overruns on any other Zone A Improvement Area #1 Improvement. In no event shall any Zone A Cost Underrun be used to pay any Zone B Cost Overruns.

(b) Upon the Final Completion of a Zone B Improvement Area #1 Improvement and payment of all outstanding invoices for such Zone B Improvement Area #1 Improvement, if the Actual Cost of such Zone B Improvement Area #1 Improvement is less than the Budgeted Cost (a "Zone B Cost Underrun"), any remaining Budgeted Cost may be made available to pay Zone B Cost Overruns on any other Zone B Improvement Area #1 Improvement. The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Zone B Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Zone B Improvement Area #1 Improvements and shall include an update reflecting such change in the subsequent Annual Service Plan Update. Any Zone B Cost Underrun for any Zone B Improvement Area #1 Improvement is available to pay Zone B Cost Overruns on any other Zone B Improvement Area #1 Improvement. In no event shall any Zone B Cost Underrun be used to pay any Zone A Cost Overruns.

Section 4.05. Contracts and Change Orders. The Developer or a land banker for or on behalf of the Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as "change orders") required for the construction of the Improvement Area #1 Projects. Developer or its contractors may approve and implement any change orders, even if such change order would increase the Cost of an Improvement Area #1 Project, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such change orders except to the extent amounts are available, or become available, pursuant to Section 4.04. If any change order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City's engineer prior to execution of the change order.

ARTICLE V
ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Payment Requests for Disbursements at Closing. In order to receive disbursement from the Costs of Issuance Account, the Zone A Improvement Area #1 Bond Improvement Account, or the Zone B Improvement Area #1 Bond Improvement Account at closing of the Bonds related to costs of issuance of the Bonds, District Formation Costs, or other costs incurred in the creation of the District, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit B** hereto or otherwise acceptable and agreed to by the City, to be delivered to the City no less than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. In order to receive disbursement for an Improvement Area #1 Project, other than for District Formation Costs as described above, from the Zone A Improvement Area #1 Bond Improvement Account or the Zone B Improvement Area #1 Bond Improvement Account, as applicable, at closing of the Bonds, the Developer shall execute a Certificate for Payment, substantially in the form of **Exhibit A** hereto or otherwise agreed to by the City, to be delivered to the City in a manner to provide sufficient review and approval time as provided in Section 5.02 and for payment in accordance with the provisions of the Indenture. Upon approval by the City, the City shall submit to the Trustee either (i) a Closing Disbursement Request and/or Certificate for Payment, as applicable, or (ii) the closing memorandum to be issued by the City's financial advisor directing the Trustee to make disbursement from the Costs of Issuance Account of the Project Fund, the Zone A Improvement Area #1 Bond Improvement Account and/or the Zone B Improvement Area #1 Bond Improvement Account of the Project Fund, as applicable.

Section 5.02. Certificate for Payment for an Improvement Area #1 Project.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Improvement Area #1 Project, except as provided above with respect to District Formation Costs, until a Certificate for Payment is received from the Developer. Upon receipt of a Certificate for Payment substantially in the form of **Exhibit A** hereto (and all accompanying documentation required by the City) from the Developer, the City Inspector shall conduct a review in order to confirm that such request is complete, that the work with respect to such Improvement Area #1 Project identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certificate for Payment (collectively, the "Developer Compliance Requirements"). The City Inspector and/or the City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the City Inspector and/or City Representative in conducting each such review and to provide the City Inspector and/or City Representative with such additional information and documentation as is reasonably necessary for the City Inspector and/or City Representative to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Certificate for Payment, the City Representative shall either (i) approve and execute the Certificate for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment in accordance with Section 5.03(a) hereof or (ii) in the event the City Representative disapproves the Certificate for Payment, give written notification to the Developer of the City Representative's disapproval, in whole or in part, of such Certificate for Payment, specifying the reasons for such disapproval and

the additional requirements to be satisfied for approval of such Certificate for Payment. If a Certificate for Payment seeking reimbursement is approved only in part, the City Representative shall specify the extent to which the Certificate for Payment is approved and shall deliver such partially approved Certificate for Payment to the Administrator for approval in accordance with Section 5.03 hereof and delivery to the Developer in accordance with Section 5.02(d) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial disapproval.

(c) If the City Representative disapproves the Certificate for Payment, the disapproval must be in writing, stating the reason(s) for disapproval. The disapproval may be appealed to the City Council by the Developer in writing within thirty (30) days after Developer's receipt of the City's disapproval pursuant to Section 5.02(b) of this Agreement. Disapproval of the Certificate for Payment by the City Council shall be attempted to be resolved by half-day mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator's fee being paid by Developer. The Certificate for Payment shall not be forwarded to the Trustee for payment until the dispute is resolved by the City and the Developer.

(d) The Developer shall deliver the approved or partially approved Certificate for Payment to the Trustee, which Certificate for Payment shall direct the Trustee to make such payment from the Project Fund as specifically directed therein and in accordance with Section 5.03 below.

Section 5.03. Payment for an Improvement Area #1 Project.

(a) The approved Certificate for Payment shall direct the Trustee to make payment from the Zone A Improvement Area #1 Bond Improvement Account or the Zone B Improvement Area #1 Bond Improvement Account of the Project Fund as specifically directed therein and the Indenture in an amount not to exceed the Budgeted Cost for the particular Improvement Area #1 Project, unless a Cost Overrun amount has been approved for a particular Improvement Area #1 Project. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Cost plus the approved Cost Overrun amount. The Trustee shall not be required to make any investigation into any facts or matters stated in any Certificate for Payment or to review any attachments thereto, including without limitation the amount of any reimbursement, and may rely solely and conclusively on a Certificate of Payment or other written direction from the City or its designee in making a disbursement from the Project Fund.

(b) Approved Certificates for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, an approved Certificate for Payment shall direct the Trustee to make payment as specifically directed therein, out of available funds in the Project Fund. If the Trustee is notified in writing that the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such Improvement Area #1 Project identified in such request for payment being paid, then the Certificate for Payment shall direct the Trustee to hold the payment until it receives written notice that work with respect to that Improvement Area #1 Project has been completed and accepted by the City. Neither the Trustee

nor the City shall have any liability for relying on the accuracy of the payee information in any Certificate for Payment as presented by the Developer or its assignee.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Improvement Area #1 Project to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Improvement Area #1 Project is contested, the Developer shall post or cause delivery of a surety bond in the amount reasonably determined by the City or City may decline to accept the Improvement Area #1 Projects until such mechanics or materialman's lien and/or judgment is satisfied.

ARTICLE VI
OWNERSHIP AND TRANSFER OF AN IMPROVEMENT AREA #1 PROJECT

Section 6.01. Improvement Area #1 Project to be Owned by the City – Title Evidence. If required by the City, the Developer shall furnish to the City a preliminary title report for land with respect to an Improvement Area #1 Project to be acquired and accepted by the City from the Developer, and not previously dedicated or otherwise conveyed to the City for review and approval at least thirty (30) calendar days prior to the transfer of title of an Improvement Area #1 Project to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Improvement Area #1 Project until the Developer has cured such objections to title to the reasonable satisfaction of the City.

Section 6.02. Improvement Area #1 Project Constructed on City Land or Developer Land. If the Improvement Area #1 Project is on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Improvement Area #1 Project. If the Improvement Area #1 Project is on land owned by the Developer, the Developer hereby grants to the City a nonexclusive easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Improvement Area #1 Project. The grant of a permanent easement shall not relieve the Developer of any obligation to grant the City title to property and/or easements related to the Improvement Area #1 Project as required by the Development Agreement or as should, in the City's reasonable judgment, be granted to provide for convenient access to and routine and emergency maintenance of such Improvement Area #1 Project. The provisions for inspection and acceptance of such Improvement Area #1 Project otherwise provided herein shall apply.

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer consists of a limited partnership duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement, Development Agreement, and the Developer Funding Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the Improvement Area #1 Projects in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Improvement Area #1 Projects.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition construction or installation of any improvements that are not part of the costs associated with the Improvement Area #1 Projects, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certificate for Payments.

(f) Financial Records. For a period of two years after completion of the Improvement Area #1 Projects, the Developer covenants to maintain proper books of record and account for the construction of the Improvement Area #1 Projects and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Improvement Area #1 Projects have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, this Agreement

and the Development Agreement. Developer shall provide as-built plans for all Improvement Area #1 Projects to the City.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the City Manager and the City Representative related to the status of construction of the Improvement Area #1 Projects within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Developer Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Developer Continuing Disclosure Agreement executed by the Developer in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the "Tax Certificate") containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, "Bond Proceeds").

The Developer covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquires to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including, but not limited to, the use of the Improvement Area #1 Projects) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan, the Development Agreement, and the Developer Funding Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE CITY INSPECTOR, THE CITY, THE CITY MANAGER, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO

WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING, AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE IMPROVEMENT AREA #1 PROJECTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE IMPROVEMENT AREA #1 PROJECTS; OR (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE IMPROVEMENT AREA #1 PROJECTS, INCLUDING BUT NOT LIMITED TO DEVELOPER'S PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AND AGENTS, RELATED TO THE IMPROVEMENT AREA #1 PROJECTS (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION OR AGREEMENT TO HOLD HARMLESS IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF ANY INDEMNIFIED PARTY.

IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE DEFENSE COUNSEL RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND THE INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY THE INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, THE INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND DEVELOPER SHALL BE LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held

in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Improvement Area #1 Projects, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Improvement Area #1 Projects is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer are or may be increased or otherwise adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

ARTICLE VIII
TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Projects not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of an Improvement Area #1 Project hereunder which have not been accepted by the City, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such breach or default described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such breach or default to the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice). Upon receipt of such notice, Developer agrees to promptly meet and confer with the City Inspector and other appropriate City staff and consultants as to available options to assure timely completion, subject to the terms of this Agreement, of the Improvement Area #1 Projects. The City shall allow the Developer a minimum of ninety (90) days to eliminate or to mitigate such breach or default to the reasonable satisfaction of the City ("Cure Period"). The Cure Period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such breach or default. If at the end of the Cure Period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the reasonable satisfaction of the City, the City may then terminate this Agreement. Upon termination of this Agreement, the City shall (i) provide written

notice of such termination to the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) and (ii) instruct the Trustee in writing to cease making payments for the Actual Costs and/or Budgeted Costs, as appropriate, of Improvement Area #1 Projects, provided that the Developer shall receive payment of the Actual Costs or Budgeted Costs, as appropriate, of any Improvement Area #1 Projects that were accepted by the City at the time of termination, so long as the Developer has complied with the requirements of the Development Agreement, this Agreement, the Indenture, and the Developer Funding Agreement.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Projects not accepted by the City and use all or any portion of the funds on deposit in the Project Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Improvement Area #1 Projects hereunder which have not been accepted by the City, except as otherwise may be provided upon the mutual written consent of the City and the Developer. The City shall have no obligation to perform any work related to an Improvement Area #1 Project or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding Bonds (including any refunding bonds issued to fund the Bonds) issued under the Indenture.

Section 8.04. Construction of the Improvement Area #1 Projects Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Improvement Area #1 Projects in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) ("Force Majeure"), then the specified time for performance shall be extended by the amount of the delay actually so caused.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the City Inspector, City Representative nor any other City employee, officer, official or agent shall incur any liability

hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The City Inspector, City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days' prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Improvement Area #1 Projects and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	Attn: Mayor City of McLendon-Chisholm, Texas _____ _____
With a copy to:	Attn: _____ _____ _____ _____
To the Developer:	Attn: Marc Zett, Vice President of Land Development Pulte Homes of Texas, L.P. 9111 Cypress Waters Blvd., Suite 100 Coppell, Texas 75019
With a copy to:	Attn: Mindy L. Koehne Coats Rose, P.C. 16000 North Dallas Parkway, Suite 350 Dallas, Texas 75248

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The City shall advise the Developer of the name and address of any person who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this

Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, a land banker for Developer, or any lien holder on the Property, without prior written consent of the City. Except as provided in the preceding sentence, the obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Manager (which consent shall not be unreasonably withheld if assignee demonstrates financial ability to perform), except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for an Improvement Area #1 Project, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Improvement Area #1 Project. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the City being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC") without the express written consent of the City. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned and may not otherwise amend the terms of this Agreement. The City may assign, by a separate writing, certain rights as described in this Agreement and in the Indenture to the Trustee, and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. Except as otherwise provided in Section 9.05, upon agreement by the parties, this Agreement may be amended, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13. Term. The term of this Agreement, other than the provisions contained in Section 7.02, which shall survive the termination of this Agreement, shall be the earlier of (i) thirty (30) years or (ii) upon redemption or defeasance of the Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture. If the Developer defaults under this Agreement or the Development Agreement, this Agreement and the Development Agreement shall not terminate with respect to the costs of the Improvement Area #1 Projects that have been approved by the City pursuant to a Certificate for Payment prior to the date of termination based on such default.

Section 9.14 No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.15 Statutory Verifications.

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

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

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

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

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

Section 9.16. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of _____, 2026.

CITY OF McLENDON-CHISHOLM, TEXAS

By: _____
Name: _____
Title: _____

ATTEST:

_____
Name: _____
Title: _____

(City Seal)

APPROVED AS TO FORM:

_____
_____, City Attorney

DEVELOPER:

PULTE HOMES OF TEXAS, L.P.,
a Texas limited partnership

By: Pulte Nevada I LLC,
a Delaware limited liability company
its General Partner

By: _____
Name: _____
Title: _____

Exhibit A
CERTIFICATE FOR PAYMENT FORM – IMPROVEMENT AREA #1 PROJECTS

CERTIFICATE FOR PAYMENT NO. _____

The undersigned is a lawfully authorized representative for Pulte Homes of Texas, L.P. (the "Developer") and requests payment from the [Zone A Improvement Area #1 Bond Improvement Account/Zone B Improvement Area #1 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 and installation of the following Improvement Area #1 Projects related to the Sonoma Verde North Public Improvement District (the "Improvement Area #1 Projects"):

[insert specific Improvement Area #1 Project this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Sonoma Verde North Public Improvement District Zone A Improvement Area #1 & Zone B Improvement Area #1 Construction, Funding, and Acquisition Agreement.

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

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced Improvement Area #1 Project(s) has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The itemized amounts listed for the Improvement Area #1 Project(s) below is a true and accurate representation of the Actual Costs incurred by Developer with the construction and installation of said Improvement Area #1 Project(s) identified above, and such costs are (i) in compliance with the Sonoma Verde North Public Improvement District Zone A Improvement Area #1 & Zone B Improvement Area #1 Construction, Funding and Acquisition Agreement, and (ii) consistent with the Service and Assessment Plan.

4. The Developer is in compliance with Developer's obligations under the Sonoma Verde North Public Improvement District Zone A Improvement Area #1 & Zone B Improvement Area #1 Construction, Funding and Acquisition Agreement, the Development Agreement, the Developer Funding Agreement, the Indenture, the Developer Continuing Disclosure Agreement, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The work with respect to the Improvement Area #1 Project(s) identified above (or its completed segment, portion or segment) has been completed and the City has inspected or may begin inspection of the Improvement Area #1 Project(s). If this request for payment results in ninety percent (90%) or more of the Budgeted Costs for the Improvement Area #1 Project(s) identified above being paid, then the work with respect to the Improvement Area #1 Project(s) has been completed and the City has inspected and accepted the Improvement Area #1 Project(s).

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 are as follows:

Payee / Description of Improvement Area #1 Project	**Total Cost of Improvement Area #1 Project**	**Budgeted Cost of Improvement Area #1 Project**	**Amount to be paid from the Project Fund**

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments.

Pursuant to the Sonoma Verde North Public Improvement District Zone A Improvement Area #1 & Zone B Improvement Area #1 Construction, Funding, and Acquisition Agreement, after receiving this Certificate for Payment, the City is authorized to inspect the Improvement Area #1 Project (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

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

PULTE HOMES OF TEXAS, L.P.,
a Texas limited partnership

By: Pulte Nevada I LLC,
a Delaware limited liability company
its General Partner

By: _____
Name: _____
Title: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the Project Fund. The City's approval of the Certificate for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Sonoma Verde North Public Improvement District Zone A Improvement Area #1 & Zone B Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Improvement Area #1 Projects.

CITY OF McLENDON-CHISHOLM, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT B

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for Pule Homes of Texas, L.P. (the "Developer") and requests payment from:

The [Zone A Improvement Area #1 Bond Improvement Account/Zone B Improvement Area #1 Bone Improvement Account/Costs of Issuance Account] of the Project Fund (as defined in the Sonoma Verde North Public Improvement District Zone A Improvement Area #1 & Zone B Improvement Area #1 Construction, Funding, and Acquisition Agreement) from Wilmington Trust, National Association, (the "Trustee") in the amount of _____DOLLARS ($_____) for costs incurred in the establishment, administration, and operation of the Sonoma Verde North Public Improvement District (the "District"), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

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

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.

3. The amount listed for the above itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan.

4. The Developer is in compliance with Developer's obligations under the Sonoma Verde North Public Improvement District Zone A Improvement Area #1 & Zone B Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Indenture, or the Service and Assessment Plan.

5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

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

Payments requested hereunder shall be made as directed below:

a. X amount to Person or Account Y for Z goods or services.
b. Etc.

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

PULTE HOMES OF TEXAS, L.P.,
a Texas limited partnership

By: Pulte Nevada I LLC,
a Delaware limited liability company
its General Partner

By: _____
Name: _____
Title: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and authorizes and directs payment of such amounts by Trustee from the Costs of Issuance Account of the Project Fund and/or the Zone A Improvement Area #1 Bond Improvement Account and/or the Zone B Improvement Area #1 Bond Improvement Account of the Project Fund, as applicable, upon delivery of the Bonds. The City's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the City from asserting claims under the Sonoma Verde North Public Improvement District Zone A Improvement Area #1 & Zone B Improvement Area #1 Construction, Funding and Acquisition Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in an Improvement Area #1 Project.

CITY OF McLENDON-CHISHOLM, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

City of McLendon-Chisholm

Staff Report

Date: July 14, 2026

Agenda Item: Discuss and consider the adoption of a resolution accepting a petition requesting annexation by the landowners, Pulte Homes of Texas, L.P. and DRP TX 6, LLC, of approximately 208.787 acres of land located in the City's extraterritorial jurisdiction, setting a public hearing for July 28, 2026, authorizing publication and notice of the public hearing as required by law, authorizing negotiation of a written services agreement, and providing an effective date.

Background:

On February 11, 2025, Pulte Homes of Texas, L.P. and DRP TX 6, LLC submitted a petition requesting voluntary annexation of approximately 208.787 acres of property located within the City's extraterritorial jurisdiction (ETJ). The proposed annexation area is generally associated with the Sonoma Verde North development.

The attached resolution accepts the annexation petition and sets a public hearing for July 28, 2026, at 6:30 p.m. to receive public comment regarding the proposed annexation. The resolution also authorizes the City Secretary to publish, post, and mail the required public notices in accordance with the Texas Local Government Code.

State law requires the City to negotiate a written services agreement with the property owners before annexation may occur. The agreement will identify the municipal services to be provided to the property and establish a schedule for the delivery of any services that will not be available immediately upon annexation. The attached resolution authorizes City staff to negotiate that agreement for future consideration by City Council.

Options/Alternatives:

1. City Council may approve the Resolution, as presented.
2. City Council may deny the Resolution.

Recommendation:

Staff recommends approval of the Resolution, as presented.

Attachments:

- Resolution
- Sonoma Verde North Development Agreement (including annexation petition)
- Public Hearing Notice

Presenter: Fabrice Kabona, City Manager

NOTICE OF PUBLIC HEARING ON VOLUNTARY ANNEXATION

NOTICE IS HEREBY GIVEN TO ALL INTERESTED PERSONS, THAT:

The City of McLendon-Chisholm, Texas, proposes to institute voluntary annexation proceedings to enlarge and extend the boundary limits of said City to include the following described territory, to wit:

A 159.690-acre tract of land situated in the Franklin Bauguss Survey, Abstract No. 7, Rockwall County, Texas, owned by DRP TX 6, LLC, a Texas limited liability company, generally located northeast of Edwards Road and southeast of FM 550.

A 49.097-acre tract of land situated in the Franklin Bauguss Survey, Abstract No. 7, Rockwall County, Texas, owned by Pulte Homes of Texas, L.P., a Texas limited partnership, generally located northeast of Edwards Road and southeast of FM 550.

The proposed annexation will incorporate the above-described property into the corporate limits of the City of McLendon-Chisholm in conjunction with the Annexation Service Plan, which identifies the municipal services to be provided upon annexation in accordance with Chapter 43 of the Texas Local Government Code.

A public hearing will be held by and before the City Council of the City of McLendon-Chisholm, Texas, on the 28th day of July, 2026, at 6:30 p.m., in the City Council Chamber of McLendon-Chisholm City Hall, 1371 West FM 550, McLendon-Chisholm, Texas 75032, for all persons interested in the above proposed annexation.

At said time and place, all such persons shall have the right to appear and be heard. Of all said matters and things, all persons interested in the matters herein mentioned will take notice.

Angela Jennings, City Secretary

4915-6669-0741.v1

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, ACCEPTING A PETITION REQUESTING ANNEXATION BY THE LANDOWNER, PULTE HOMES OF TEXAS, L.P. AND DRP TX 6, LLC, OF APPROXIMATELY 208.787 ACRES OF LAND SITUATED IN THE FRANKLIN BAUGUSS SURVEY, ABSTRACT NO. 7, IN ROCKWALL COUNTY, IN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF MCLENDON-CHISHOLM; PROVIDING FOR THE INCORPORATION OF PREMISES; SETTING A PUBLIC HEARING ON THE ANNEXATION FOR JULY 28, 2026; AUTHORIZING AND DIRECTING THE CITY SECRETARY TO HAVE NOTICE OF SUCH PUBLIC HEARING PUBLISHED, POSTED ON THE CITY'S WEBSITE AND MAILED AS REQUIRED BY LAW; AUTHORIZING CITY STAFF TO NEGOTIATE A WRITTEN SERVICES AGREEMENT WITH THE LANDOWNERS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on or about February 11, 2025, DRP TX 6, LLC, a Texas limited liability company, and Pulte Homes of Texas, L.P., a Texas limited partnership (collectively, the "Owners"), the owners of approximate 208.787 acres of land situated in the Franklin Bauguss Survey, Abstract No. 7, in Rockwall County, Texas, in the extraterritorial jurisdiction of the City of McLendon-Chisholm (more specifically described herein by metes and bounds) (the "Property"), filed a written petition (the "Petition") with the City of McLendon-Chisholm, Texas (the "City"), to have the Property annexed into and become a part of the City; and

WHEREAS, the City Council of the City of McLendon-Chisholm, ("City Council"), has found and determined that the Petition is appropriate and that it is in the best interest of the City to accept the Petition and set a public hearing on the institution of annexation of the Property; and

WHEREAS, pursuant to Section 43.0672 of the Local Government Code, the Texas Municipal Annexation Act (the "Act"), the City must first negotiate and enter into a written agreement with the Owner for the provision of services for the Property and include: (1) a list of each service the City will provide on the effective date of the annexation; and (2) a schedule that includes the period within which the City will provide each service that is not provided on the effective date of the proposed annexation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, THAT:

SECTION 1. The recitals and findings set forth above are true and correct and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. A true and correct copy of the Petition, including the metes and bounds description of the Property, is attached hereto as **Exhibit A**, which is incorporated as if set forth fully herein.

SECTION 3. The City Council hereby accepts the Petition attached as **Exhibit A** requesting the annexation by the City of the Property, as further described by in **Exhibit A**.

SECTION 4. On July 28, 2026, at 6:30 p.m. at McLendon-Chisholm City Hall, located at 1371 West FM 550, McLendon-Chisholm, Texas 75032, the City Council will hold a public hearing giving all interested persons the right to appear and be heard on the proposed annexation by the City of the Property.

SECTION 5. The City Secretary of the City is hereby authorized and directed to cause notice of such public hearing to be published once in a newspaper having general circulation in the City and in the above-described territory not more than twenty (20) days, nor less than ten (10) days prior to, the date of such public hearing and to be posted on the City's website not more than twenty (20) days, nor less than ten (10) days prior to, the date of such public hearing and remain posted on the website until the date of the hearing, in accordance with the Act. In addition, the City Secretary shall mail notice as required pursuant to subchapter Z of the Act (Section 43.905).

SECTION 6. Prior to the institution of annexation, City staff is hereby authorized and directed to negotiate a Written Services Agreement with the Owners for the extension of municipal services to the proposed area of annexation, which will be considered by City Council prior to adopting an ordinance annexing the Property.

SECTION 7. The City Council hereby finds, determines and declares that the meeting, at which this Resolution is passed, approved and adopted, was open to the public, and that the public notice of time, place and subject matter to be considered was posted as required by law.

SECTION 8. This Resolution shall be effective from and after its passage as provided by law.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, THIS 14th DAY OF JULY, 2026.

_____
Jerry Brewer, Mayor

ATTEST:

_____
Angela Jennings, City Secretary

APPROVED AS TO FORM:

_____
Michael Halla, City Attorney

4925-2076-4085.v1

EXHIBIT "A"
PETITON FOR ANNEXATION

DEVELOPMENT AGREEMENT
Sonoma Verde North

This Development Agreement (this "Agreement") is executed between TDI GP, LLC (the "Owner") and the City of McLendon-Chisholm, Texas (the "City"), each a "Party" and collectively the "Parties to be effective upon the date the Owner purchases the hereinafter defined Property (the "Effective Date"). If the Owner does not purchase the Property by December 31, 2025, this Agreement shall automatically be void and of no further force or effect on such date.

ARTICLE I
RECITALS

WHEREAS, Owner has entered into a contract to purchase the approximately 314.7-acre tract of land described by metes and bounds and depicted on **Exhibit A** (the "Property"); and

WHEREAS, the Property is located in the City's extraterritorial jurisdiction contiguous to the City's existing corporate limits and not within the ETJ or corporate limits of any other town or city; and

WHEREAS, the City's Comprehensive Plan adopted pursuant to the authority granted by Chapter 213 of the Texas Local Government Code states, "[t]here may be times when it is in the City's best interest to compromise on lot sizes, density . . . to obtain a greater outcome overall;" and

WHEREAS, the City finds that the development of the Property pursuant to the terms of this Agreement is consistent with the City's Comprehensive Plan and in the best interest of the City to obtain a greater outcome overall for the City; and

WHEREAS, the Parties intend for the Property to be annexed into the City's corporate limits and developed in accordance with the terms of this Agreement; and

WHEREAS, Blackland Water Supply Corporation ("Blackland") holds the water certificate of convenience and necessity ("CCN") for the Property, and the Parties intend that if the City is unable to secure the ability to provide retail water service to the Property, then Blackland will likely be the retail provider of water service to the Property; and

WHEREAS, there is no wastewater CCN for the Property, and the Parties intend that sewer service will be provided to the Property in accordance with the terms of this Agreement; and

WHEREAS, pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the City has and will exercise exclusive jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of water, sewer, drainage, roadway, and other public infrastructure ("Public Infrastructure") to serve the Property, and Rockwall County shall have no jurisdiction over such matters at any time during the term of this Agreement, including while the Property is located in the City's ETJ; and

WHEREAS, Public Infrastructure is not currently available to serve the Parties' intended development of the Property; and

WHEREAS, due to the location and other natural features of the Property, the cost of the Public Infrastructure does not allow the Parties' intended development of the Property in a cost-effective and market-competitive manner; and

WHEREAS, the City is unable (at the current time and for the foreseeable future) to provide, or participate in the cost of, the Public Infrastructure that will allow the Parties' intended development of the Property; and

WHEREAS, the City is unable (at the current time and for the foreseeable future) to provide full municipal services for the Parties' intended development of the Property; and

WHEREAS, to facilitate the Parties' intended development of the Property in a cost-effective and market-competitive manner, the City agrees to consider the creation of a Public Improvement District encompassing the Property (the "PID") pursuant to Chapter 372, Texas Local Government Code (the "PID Act") to finance the Public Infrastructure and other public improvements that confer a special benefit on the Property in the PID (collectively, the "Public Improvements") as set forth in this Agreement; and

WHEREAS, the Parties intend for the PID to be used to finance the design, construction, and installation of the Public Improvements, and any other Authorized Improvements contained in Section 372.003 of the Local Government Code, through the levy and collection of special assessments against the Property and the City's issuance of PID bonds secured by such special assessments and by other legally available sources of bond security (the "PID Bonds"); and

WHEREAS, the Parties intend for the development of the Property to be of a comparable or better quality to the Sonoma Verde development, which is governed by the following (the "Sonoma Verde Development Agreement"): that certain Development Agreement dated effective June 11, 2007, executed by the City and Chisholm Properties, L.P., as amended by that certain First Amendment to Development Agreement dated effective January 28, 2008, that certain Second Amendment to Development Agreement dated effective September 25, 2012, and that certain Third Amendment to Development Agreement dated effective January 14, 2014, approved by the City; and

WHEREAS, the Parties intend that this Agreement be a development agreement as provided for by Section 212.172 of the Texas Local Government Code; and

WHEREAS, the Parties have the authority to enter into this Agreement pursuant to Section 212.172 of the Texas Local Government Code.

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed to by the Parties, the Parties agree as follows:

ARTICLE II
DEVELOPMENT REGULATIONS

2.1 Governing Regulations.

(a) Development of the Property is governed solely by the following development regulations (collectively, the "Governing Regulations"):

(i) The Concept Plan attached as **Exhibit B** (the "Concept Plan");

(ii) the development regulations set forth on **Exhibit C** (the "Development Regulations");

(iii) the subdivision regulations of the City in effect on the Effective Date and the modifications thereto attached as **Exhibit D** and the street sections attached as **Exhibit E** (collectively, the "Subdivision Regulations");

(iv) the engineering standards of the City in effect on the Effective Date and the modifications thereto attached as **Exhibit F** (the "Engineering Standards");

(v) the comprehensive zoning ordinance of the City applicable to the Sonoma Verde development based on the terms of the Sonoma Verde Development Agreement (the "Zoning Ordinance"); and

(vi) the building codes of the City in effect on February 11, 2025 (the "Building Codes").

(b) General conformance with the Concept Plan is required. Phasing, roadway layouts, and acreages shown on the Concept Plan are preliminary and subject to change at the time of platting. City staff has the authority to approve minor revisions to the Concept Plan as needed without amending this Agreement.

(c) The Governing Regulations are exclusive, and no other City-adopted ordinances, rules, regulations, standards, policies, orders, guidelines, or other City-adopted or City-enforced requirements of any kind (including but not limited to any moratorium adopted by the City after the Effective Date or any regulations for annexation) apply to the development of the Property; provided, however, pursuant to Section 245.002(d), a permit holder, including, but not limited to, the Owner, may take advantage of recorded subdivision plat notes, recorded restrictive covenants required by a regulatory agency, or a change to the laws, rules, regulations, or ordinances of a regulatory agency that enhance or protect the project, including changes that lengthen the effective life of the permit after the date the application for the permit was made, without forfeiting any rights under Chapter 245, Texas Local Government Code or this Agreement. To the extent any provision in the Subdivision Regulations, Engineering Standards, Zoning Ordinance, or Building Codes is inconsistent with State law, such provision shall be deemed to be of no force or effect without any further action by the Parties, and State law shall apply, and nothing herein shall be deemed to be a waiver by either Party of any State law. Pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the Parties agree that the

Governing Regulations shall include the City's exercise of exclusive jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of Public Infrastructure. A development application, including, but not limited to, a preliminary plat and a final plat, shall be approved if it complies with the Governing Regulations. Notwithstanding the provisions in this Section 2.1, the Parties agree that, in addition to the Governing Regulations, federal and state requirements may apply.

(d) In the event of any conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, whether existing on the Effective Date or hereinafter adopted, this Agreement controls. In the event of any conflict between the Development Regulations and any of the other Governing Regulations, the Development Regulations control. In the event of any conflict between any approved preliminary or final plat for all or any portion of the Property and any of the other Governing Regulations, the approved plat shall control.

ARTICLE III
DEVELOPMENT PROCESS

3.1 Jurisdiction. Pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the Parties intend that the City shall have and exercise exclusive jurisdiction over the review and approval of preliminary and final plats, and the design, construction, installation, and inspection of Public Infrastructure, and that Rockwall County shall have and exercise no jurisdiction over such matters during the term of this Agreement.

3.2 Plat Approval and Public Infrastructure. Subdivision of the Property requires approval of preliminary and final plats by the City in accordance with the Governing Regulations and this Agreement. Public Infrastructure must be designed to comply with the Governing Regulations.

ARTICLE IV
DEVELOPMENT OF THE PROPERTY

4.1 Retail Water Service. At this time, the City is not a retail water provider, but may in the future pursue the necessary steps to become a retail water provider, including securing a wholesale water supply through a qualified wholesale source of water. The City agrees that if the City is unable to provide retail water service to the Property at the time the preliminary plat is filed, then Blackland or another retail water service provider who is willing and able to serve the Property may be the retail water service provider to the Property. If retail water is provided by an entity other than the City, the City intends to enter into an agreement with that entity prior to the levy of PID assessments and issuance of PID Bonds financing water Public Improvements. The water infrastructure constructed on the Property will meet or exceed City standards.

4.2 Retail Sewer Service. There is no wastewater CCN for the Property. Based upon information furnished from Owner, the City acknowledges and agrees that there is sufficient available capacity to serve the full development of the Property with 725 single family equivalent units as contemplated by this Agreement (the "Available Capacity") pursuant to that

certain Wastewater Interlocal Agreement between the City and the City of Rockwall dated March 24, 2009, and the Available Capacity is reserved for the development of the Property during the term of this Agreement. The Owner agrees to make any required upgrades to the Sonoma Verde lift station and force main that connects to the Buffalo Creek interceptor, which will be constructed in the same manner and approximate location as the existing wastewater infrastructure located at Sonoma Verde and the force main to the Buffalo Creek Interceptor.

4.3 Wastewater Public Infrastructure. The Owner shall design and construct all of the wastewater Public Infrastructure to serve the Property, and capacity in this infrastructure shall be reserved for full development of the Property with 725 single family equivalent units as contemplated by this Agreement. The City agrees that a portion of the wastewater Public Infrastructure to serve the Property may be constructed in right of way owned by the City and/or the Texas Department of Transportation as depicted in the wastewater study attached hereto as **Exhibit G** (the "Wastewater Study"). The City has adopted a $3,000 sewer tap fee per single family equivalent unit to connect to the Wastewater Public Infrastructure constructed by the Owner (the "Tap Fees"), and the City will collect the Tap Fees and pay $1,800 from each Tap Fee collected to the Owner within 30 days after collecting such fees. If excess capacity exists and a third party requests a connection to such infrastructure, the City agrees that, as a condition precedent to such connection, the City will collect Tap Fees from such third party, and will pay $1,800 from each Tap Fee collected from a third party to the Owner within 30 days after collecting such fees. Payments pursuant to this section are grants authorized by Chapter 380, Texas Local Government Code, and this Agreement is considered a Chapter 380 program. The Owner's funding or construction of the wastewater Public Infrastructure is the performance standard required for the grants provided by this section.

4.4 Roadways. The Owner shall design and construct the roadway Public Infrastructure depicted on **Exhibit H** (the "Edwards Road Improvements"). No roadway impact fees are owed for the Property, because the Owner will construct the capital improvements for which a roadway impact fee may be assessed against the Property, and will be reimbursed from the proceeds of PID assessments. The City agrees and authorizes City staff, at Owner's expense, to exercise the City's power of eminent domain to acquire any offsite easements or right of way required to construct the Edwards Road Improvements.

4.5 Civic Site. The Owner will dedicate to the City a minimum 4-acre city services site in the southwest corner of the Property as depicted on the Concept Plan (the "Civic Site"). The Owner agrees to convey title to the Civic Site to the City by special warranty deed in one hundred eighty (180) days or less after closing. The City shall be responsible for ownership and maintenance of the Civic Site once it has been conveyed. The Civic Site may not be used for any nuisance use. Prior to the conveyance to the City, the Owner reserves the right to make and maintain any necessary temporary drainage improvements on the Civic Site, subject to City approval.

ARTICLE V
PUBLIC IMPROVEMENT DISTRICT

5.1 Consent to the PID Creation. Upon receipt of a petition that is in compliance with the PID Act, the City agrees to place an item on its agenda to consider creation of the PID encompassing the entire Property pursuant to the PID Act.

5.2 PID Financing. The Public Improvements to be funded by the PID will be described in the PID Service and Assessment Plan, which Public Improvements confer a special benefit on the Property (the "PID Projects"). The total estimated cost of the PID Projects (the "PID Project Costs") will be as stated in the PID Service and Assessment Plan, as amended. The Owner will determine the PID Project Costs, and the City and the Owner will jointly prepare a Service and Assessment Plan for the PID. After the City approves the final PID Project Costs, prepares a proposed assessment roll based thereon, and files the Service and Assessment Plan and proposed assessment roll with the Secretary for the City for public inspection, the City will levy special assessments against the Property. The City shall review and update the Service and Assessment Plan consistent with the requirements of Section 372.013(b) and 372.014 of the PID Act. Concurrent with the levy of PID assessments and as needed to implement the Service and Assessment Plan, the City and the Owner will enter into a PID reimbursement agreement that provides for the Owner's construction of certain PID Projects and the City's reimbursement to the Owner of certain PID Project Costs.

5.3 PID Bonds. Should the City Council approve the creation of the PID, the City agrees to consider the issuance of one or more series of PID Bonds to fund the Public Improvements. If the City issues PID Bonds, for each disbursement of funds from the bond improvement account funding the costs of the Public Improvements (the "Project Fund Disbursement"), the Owner agrees to pay the City an amount equal to: (i) two percent (2%) of the Project Fund Disbursement, which will be deposited into the City's general fund and may be used for any lawful purpose, for the time and effort expended by the City employees in connection with the approval and issuance of the PID Bonds and (ii) one percent (1%) of the Project Fund Disbursement, which will be deposited into a segregated account and shall remain separate and apart from all other funds and accounts of the City and shall only be used to fund City maintenance and repairs of all road and drainage Public Improvements within the Property after the two-year maintenance bond period terminates (in lieu of requiring a homeowners association to maintain such facilities) (collectively, the "City Payment"). The Owner shall make the City Payment within ten (10) business days of the receipt of each Project Fund Disbursement.

5.4 PID Notice. When selling any of the Property after the PID is created, the Owner shall provide notice to anyone who purchases property within the PID in the form and manner required by the Texas Property Code, as amended, including specifically Sections 5.014, 5.0141, 5.0142, and 5.0143.

5.5 Miscellaneous. If the City fails to create the PID on the Property within ninety (90) days after the Owner provides to the City a petition requesting PID creation, then the Owner, at the Owner's option, may terminate this Agreement in its entirety by providing written notice to the City. If the City fails to levy special assessments and issue PID Bonds related to any phase of the Property within one hundred and eighty (180) days after the Owner provides to the City all required documents to levy such special assessments and issue PID Bonds related

to any phase of the Property, then the Owner, at the Owner's option, may terminate this Agreement in its entirety by providing written notice to the City.

ARTICLE VI
ANNEXATION

6.1 Annexation. Except as provided below, the Property is immune from full purpose annexation by the City for the Term of this Agreement. This Agreement acts as Owner's voluntary petition for annexation of the Property in phases subject to the satisfaction of the following conditions precedent to annexation for the portion of the Property being annexed: (a) the City's creation of the PID in accordance with the PID Act and this Agreement; (b) the City's levy of PID assessments for all of the Public Improvements to serve the phase to be annexed; and (c) the City's issuance of PID Bonds to finance all costs associated with the Public Improvements to serve the phase to be annexed.

6.2 Compliance with Section 212.172(b-1). Pursuant to Section 212.172(b-1) of the Texas Local Government Code, at the time a municipality makes an offer to a landowner to enter into an agreement pursuant to Section 212.172, the municipality must provide the landowner with a written disclosure that includes: (1) a statement that the landowner is not required to enter into the agreement; (2) the authority under which the municipality may annex the land with references to relevant law; (3) a plain-language description of the annexation procedures applicable to the land; (4) whether the procedures require the landowner's consent; and (5) a statement regarding the municipality's waiver of immunity to suit. An agreement for which a disclosure is not provided in accordance with Subsection (b-1) is void. Owner acknowledges that the City provided to the Owner all of the documents described in (1)-(5) of this section, and that neither Party shall claim this Agreement is void on the basis that such disclosure was not provided in accordance with Section 212.172 of the Texas Local Government Code. Specifically, the City's statement disclosed to the Owner (1) that the Owner is not required to enter into this Agreement (2) that the City may annex the Property pursuant to Chapter 43, Texas Local Government Code and Section 212.172, Texas Local Government Code; (3) that annexation notices will be mailed and posted on the City's website, and an annexation public hearing will be held at which interested parties have the opportunity to be heard, after which the City will adopt an annexation ordinance annexing the Property consistent with the terms of this Agreement; (4) that such annexation and associated procedures require the Owner's consent, which is given pursuant to the terms of this Agreement; and (5) the City acknowledges its waiver of immunity to suit pursuant to Section 212.172(i), Texas Local Government Code.

6.3 Annexation Services Agreement In the event of a conflict between this agreement and any agreement with the city for services after annexation pursuant to Section 43.0672, Texas Local Government Code, this Agreement shall control, and all provisions in this Agreement that require the City to provide services to the Property shall be deemed to be incorporated into the separate annexation services agreement.

ARTICLE VII
ADDITIONAL PROVISIONS

7.1 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) are legislative findings of the City Council, and (d) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, must be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

7.2 Term. The term of this Agreement shall be 45 years after the Effective Date (the "Term").

7.3 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than 30 days after written notice of the alleged failure has been given). In addition, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured.

7.4 REMEDIES. IF A PARTY IS IN DEFAULT, THE AGGRIEVED PARTY MAY, AT ITS OPTION AND WITHOUT PREJUDICE TO ANY OTHER RIGHT OR REMEDY UNDER THIS AGREEMENT, SEEK ANY RELIEF AVAILABLE AT LAW OR IN EQUITY, INCLUDING, BUT NOT LIMITED TO, AN ACTION UNDER THE UNIFORM DECLARATORY JUDGMENT ACT, SPECIFIC PERFORMANCE (IF APPLICABLE), MANDAMUS, AND INJUNCTIVE RELIEF (IF APPLICABLE). NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL:

(a) entitle the aggrieved Party to terminate this Agreement, except as provided in Section 5.5; or

(b) entitle the City to suspend performance under this Agreement (including, but not limited to, withholding any type of development approval or municipal service) unless the portion of the Property for which performance is suspended is the subject of the default; or

(c) affect any portion of the Property other than the platted lot or unplatted tax parcel that is the subject to the default; or

(d) adversely affect or impair the current or future obligations of the City to provide service to the Property; or

(e) entitle the aggrieved Party to seek or recover exemplary damages; or

(f) withhold approval of any plat or other development permit or wrongfully condition or deny a plat or other development permit that meets the Governing Regulations; or

(g) limit the Term.

7.5 Governmental Functions; Waivers of Immunity. By its execution of this Agreement, the City does not waive or surrender any of its respective governmental powers, immunities, or rights, except as provided for in this Section. The Parties acknowledge that the City waives its governmental immunity from suit pursuant to Texas Local Government Code §212.172(i) for the purpose of adjudicating a claim under this Agreement.

7.6 Assignments. Owner has the right (from time to time without the consent of the City, but upon written notice to the City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Owner under this Agreement, to any person or entity (an "Assignee") that is or will become an owner of any portion of the Property or that is an entity that is controlled by or under common control with Owner. Each assignment must be in writing executed by Owner and the Assignee and must obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment must be provided to all Parties within 15 days after execution. From and after such assignment, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations. An Assignee is a "Party" and the "Owner" for purposes of the obligations, rights, title, and interests assigned. The City shall not assign this Agreement.

7.7 Encumbrance. Owner and Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written notice to, the City. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the City has been given a copy of the documents creating the lender's interest, including notice information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in addition to the cure periods otherwise provided to the defaulting Party by this Agreement; and the City agrees to accept a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement, but shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured. The City shall not collaterally assign, pledge,

grant a lien or security interest in, or otherwise encumber any of its rights, title, or interest under this Agreement without Owner's prior written consent.

7.8 No Restriction on Property Transfer. No provision of this Agreement shall limit the ability of the Owner or any other person to transfer voluntarily or involuntarily its right, title, or interest in or to all or any portion of the Property.

7.9 Binding Obligations. Pursuant to the requirements of Section 212.172(f) of the Texas Local Government Code, this Agreement and all amendments hereto shall be recorded in the deed records of Rockwall County. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End-Buyer except for land use and development regulations that apply to specific lots. For purposes of this Agreement, the Parties agree: (a) that the term "End-Buyer" means an owner; (b) that the term "fully developed and improved lot" means any lot, regardless of proposed use, for which a final plat has been approved by the City and recorded in the deed records and on which a building has been constructed; and (c) that the term "land use and development regulations that apply to specific lots" means all of the Governing Regulations.

7.10 Releases. From time to time upon written request of Owner, the City Administrator shall execute, in recordable form, a release of this Agreement if the requirements of this Agreement have been met, subject to the continued application of the Governing Regulations.

7.11 Estoppel Certificates. From time to time upon written request of Owner, the City Administrator will execute a written estoppel certificate identifying any obligations of Owner under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; and stating, to the extent true, that to the best knowledge and belief of the City, Owner is in compliance with its duties and obligations under this Agreement.

7.12 Notices. Any notices, certifications, approvals, or other communications required to be given by one Party to another under this Agreement shall be given in writing addressed to the Party to be notified at the address set forth below and shall be deemed given: (i) when the notice is delivered in person to the person to whose attention the notice is addressed with a confirming copy sent by e-mail; (ii) 10 business days after the notice is deposited in the United States Mail, certified or registered mail, return receipt requested, postage prepaid with a confirming copy sent by e-mail; or (iii) when the notice is delivered by Federal Express, UPS, or another nationally recognized courier service with evidence of delivery signed by any person at the delivery address with a confirming copy sent by e-mail. For the purpose of giving any notice, the addresses of the Parties are set forth below. The Parties may change the information set forth below by sending notice of such change to the other Party as provided in this section.

To the City:

Attn: City Administrator
City of McLendon-Chisholm
1371 West FM 550
McLendon-Chisholm, Texas 75032
E-mail: cityadministrator@mclendon-chisholm.com

With a copy to:	Attn Michael Halla, City of McLendon-Chisholm Attorney 187 Rolling Court Lancaster, Texas 75146 E-mail: mhalla@hallalawfirm.com
To the Owner:	TDI GP, LLC Attn: Stephen Davis 15441 Knoll Trail, Suite 150 Dallas, Texas 75248 E-mail: sdavis@taylorduncan.com
With a copy to:	Attn: Misty Ventura Shupe Ventura, PLLC 9406 Biscayne Blvd. Dallas, Texas 75218 E-mail: misty.ventura@svlandlaw.com

7.13 RESERVATION OF RIGHTS. THIS AGREEMENT CONSTITUTES A "PERMIT" WITHIN THE MEANING OF CHAPTER 245, TEXAS LOCAL GOVERNMENT CODE. EXCEPT AS PROVIDED IN THIS SECTION, THE OWNER DOES NOT, BY ENTERING INTO THIS AGREEMENT, WAIVE (AND OWNER EXPRESSLY RESERVES) ANY RIGHT THAT OWNER MAY NOW OR HEREAFTER HAVE WITH RESPECT TO ANY CLAIM: (A) OF "VESTED" OR "PROTECTED" DEVELOPMENT OR OTHER PROPERTY RIGHTS ARISING FROM CHAPTERS 43 OR 245, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, OR OTHERWISE ARISING FROM COMMON LAW OR OTHER STATE OR FEDERAL LAWS; (B) THAT THE APPLICATION OF THE GOVERNING REGULATIONS TO THE DEVELOPMENT OF THE PROPERTY VIOLATES ANY LOCAL, STATE, OR FEDERAL LAW; OR (C) THAT AN ACTION BY THE CITY CONSTITUTES A "TAKING" OR INVERSE CONDEMNATION OF ALL OR ANY PORTION OF THE PROPERTY OR AN ILLEGAL EXACTION.

7.14 Interpretation. The Parties acknowledge that each of them has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for or against any Party, regardless of which Party originally drafted the provision.

7.15 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by ordinance duly adopted by the City Council in accordance

with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. Owner represents and warrants that this Agreement has been approved by appropriate action of Owner, and that the individual executing this Agreement on behalf of Owner has been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions and that the performance by the Parties under this Agreement is authorized by Section 212.172 of the Texas Local Government Code.

7.16 Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. Without limiting the generality of the foregoing, (a) if it is determined that, as of the Effective Date, Owner does not own any portion of the Property, this Agreement shall remain in full force and effect with respect to all of the Property that Owner does then own, and (b) if it is determined, as of the Effective Date, that any portion of the Property is not within the City's ETJ, this Agreement shall remain in full force and effect with respect to all of the Property that is then within the City's ETJ.

7.17 Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Rockwall County. Venue for any action to enforce or construe this Agreement shall be in Rockwall County.

7.18 No Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

7.19 No Third Party Beneficiaries. This Agreement only inures to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

7.20 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force

majeure shall be temporarily suspended. Within 30 days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, must give notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" includes events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care including, but not limited to, events or circumstances related to an epidemic or pandemic, supply shortage delays, government acts, a state of emergency, a government order, or a quarantine.

7.21 Boycott of Israel. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Owner 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. The foregoing verification is made solely to enable compliance with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Verifications during the term of this Agreement shall survive until barred by the applicable statute of limitations, notwithstanding anything contained in this Agreement to the contrary.

7.22 Iran, Sudan, and Foreign Terrorist Organizations. The Owner represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,

https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or

https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such section does not contravene applicable Federal law or Texas law and excludes the Owner 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. Verifications during the term of this Agreement shall survive until barred by the applicable statute of limitations, notwithstanding anything contained in this Agreement to the contrary.

7.23 Verification Regarding Discrimination Against Fossil Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. Verifications during the term of this Agreement shall survive until barred by the applicable statute of limitations, notwithstanding anything contained in this Agreement to the contrary.

7.24 Verification Regarding No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Owner 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. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification and the following definitions,

(a) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is

LAND TITLE SURVEY
314.727 ACRES
FRANKLIN BAUGESS SURVEY
ABSTRACT NO. 7
ROCKWALL COUNTY, TEXAS
Kimley»Horn
PRELIMINARY
NOT FOR CONSTRUCTION
AND PURPOSES
SURVEYOR OF RECORD
DATE
SURVEY DOCUMENT
LEGEND
LINE TYPE LEGEND
GRAPHIC SCALE IN FEET
NORTH
SUBJECT PROPERTY
314.727 ACRES
13,706,488 SQ. FT.
EDWARDS ROAD
EDWARDS ROAD
P.O.B.

specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association,

(b) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and

(c) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

Verifications during the term of this Agreement shall survive until barred by the applicable statute of limitations, notwithstanding anything contained in this Agreement to the contrary.

7.25 Affiliate. As used in Sections 7.21 through 7.24 of this Agreement, the Owner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Owner within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

7.26 Survival. Notwithstanding anything contained herein, the representations and covenants contained in this Sections 7.21 through 7.24 of this Agreement shall survive termination of the Agreement until the statute of limitations has run.

7.27 Form 1295. The Parties acknowledge and agree that the Owner submitted to the City a completed Form 1295 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") at the time Owner submitted its signature page to this Agreement. The City hereby confirms timely receipt of the Form 1295 from the Owner pursuant to Section 2252.908, and the City agrees to acknowledge such form with the TEC through its electronic filing application system not later than the 30th day after the receipt of such form. The City waives all claims related to the validity and

enforceability of this Agreement to the extent such claims are based on noncompliance with Section 2252.908, Texas Government Code.

7.28 Written Disclosure. The Parties acknowledge and agree that, with this Agreement and the provisions contained herein, City has provided to Owner the written disclosures required by Section 212.172(b-1) and Section 43.004 of the Texas Local Government Code, and the Parties hereby waive any claim that this Agreement may be void for failure to provide such disclosures.

7.29 Public Information. Notwithstanding any other provision to the contrary in this Agreement, all information, documents, and communications relating to this Agreement may be subject to the Texas Public Information Act and any opinion of the Texas Attorney General or a court of competent jurisdiction relating to the Texas Public Information Act. The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and, to the extent such requirements apply to this Agreement, the Owner agrees that this Agreement may be terminated if the Owner knowingly or intentionally fails to comply with a requirement of that subchapter, if applicable, and the Owner fails to cure the violation on or before the 10th business day after the date the City provides notice to Owner of noncompliance with Subchapter J, Chapter 552. To the extent Section 552.372, Texas Government Code applies to this Agreement, Owner is required to preserve all contracting information related to this Agreement as provided by the records retention requirements applicable to the City for the duration of this Agreement; promptly provide to the City any contracting information related to this Agreement that is in the custody or possession of the Owner on request of the City; and on completion of the Agreement, either provide at no cost to the City all contracting information related to the contract that is in the custody or possession of the entity or preserve the contracting information related to the contract as provided by the records retention requirements applicable to the City.

7.30 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

7.31 Further Documents. Each Party shall, upon request of the other Party, execute and deliver such further documents and perform such further acts as may reasonably be requested to effectuate the terms of this Agreement and achieve the intent of the Parties.

7.32 Exhibits. The following Exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds Description and Depiction of the Property
Exhibit B	Concept Plan
Exhibit C	Development Regulations
Exhibit D	Subdivision Regulations
Exhibit E	Street Sections
Exhibit F	Engineering Standards
Exhibit G	Wastewater Study
Exhibit H	Edwards Road Improvements
Exhibit I	Trail Plan

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Executed by Owner and the City to be effective on the Effective Date.

ATTEST:

Name: _____
Title: City Secretary

CITY OF MCLENDON-CHISHOLM

By: _____
Name: BRYAN McNEAL
Title: MAYOR

Date: 2/25/2025

APPROVED AS TO FORM AND LEGALITY:

Name: _____
City Attorney

Judy Rhoades
My Commission Expires
2/3/2028
Notary ID 3796761

STATE OF TEXAS §
§
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on February, 25 by BRYAN, McNeal of the City of McLendon-Chisholm, Texas on behalf of said city.

Judy Rhoades
Notary Public, State of Texas

OWNER:

TDI GP, LLC
A Texas limited liability company

By: _____
Name: Stephen Davis
Title: Manager

Date: 2-24-25

STATE OF TEXAS §
§
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on February, 24 by Stephen Davis, Manager of TDI GP, LLC, a Texas limited liability company on behalf of said company.

Deanna Malan
Notary Public, State of Texas

DEANNA MALAN
Notary Public, State of Texas
Comm. Expires 03-19-2029
Notary ID 132985536

EXHIBIT A
METES AND BOUNDS DESCRIPTION AND DEPICTION OF THE PROPERTY
(approximately 314.727 acres)

BEING a tract of land situated in the Franklin Bauguss Survey, Abstract No. 7, Rockwall County, Texas and being all of a called 316.9-acre tract of land described in deed to Sue H. Sloan, Trustee as recorded in Volume 7054, Page 155, Official Public Records of Rockwall County, Texas and being further described as follows:

BEGINNING at a 1/2" iron rod found in the southeast line of a called 26.01 acre tract of land described in deed to B&F and Son 3 LP, as recorded in Volume 1451, Page 100, Official Public Records of Rockwall County, Texas, at the east corner of a 1225.7210-acre tract of land described in deed to DMDS Land Company, LLC as recorded in Document Number 20200000003529, Official Public Records of Rockwall County, Texas, same being the north corner of said called 316.9-acre tract;

THENCE South 46°01'04" East, with the common line of said 316.9-acre tract and said 1225.7210 acre tract, a distance of 4,129.87 feet to a point for corner at the easterly corner of said 316.9-acre tract and at the northernmost corner of a called 641.6711-acre tract of land described in deed to DMDS Land Company, LLC as recorded in Document Number 20200000030685, Official Public Records of Rockwall County, Texas;

THENCE with the common line of said 316.9-acre tract and said 641.6711-acre tract, the following courses and distances:

South 72°33'32" West, a distance of 991.29 feet to a 5/8" iron rod found for corner;

South 56°10'31" West, a distance of 469.91 feet to a 5/8" iron rod with plastic cap stamped "PELETON" found for corner;

South 69°41'38" West, a distance of 959.85 feet to a 5/8" iron rod with plastic cap stamped "PELETON" found for corner;

South 69°45'40" West, a distance of 686.39 feet to a cross tie fence post for corner;

North 58°21'47" West, a distance of 282.59 feet to a 5/8" iron rod with plastic cap stamped "PELETON" found for corner;

South 48°02'26" West, a distance of 401.54 feet to a 1/2" iron rod found for corner;

South 47°44'21" West, a distance of 385.24 feet to a 3/8" iron rod found for corner;

South 31°45'56" West, a distance of 664.19 feet to a point for corner in Edwars Road (a variable width right-of-way) at the southernmost corner of said 316.9-acre tract and at the westernmost corner of said 641.6711-acre tract;

THENCE North 45°44'37" West, with the southwest line of said 316.9-acre tract and along Edwards Road, a distance of 2,700.80 feet to a 5/8" iron rod with plastic cap stamped "KHA" found for corner in the southeast line of a called 333.01-acre tract of land described in the deed to Maria A. Pratt, recorded in Volume 1201, Page 125, Official Public Records of Rockwall County, Texas, at the westernmost corner of said 316.9-acre tract and at the northernmost corner of a called 249.214-acre tract of land described in the deed to Land Solutions SV, LLC, recorded in Document No. 20180000014913, Official Public Records of Rockwall County, Texas;

THENCE North 44°36'47" East, with the north line of said 316.9-acre tract, and along said Edwards Road, and with the southeast line of a called 12.39-acre tract of land described in the deed to Steven and Megin Danna, Peter Danna and Kenneth Pearce, recorded in Volume 3282, Page 270, Official Public Records of Rockwall County, Texas, the southeast line of a called 40.00-acre tract of land described in the deed to Denise Wang, recorded in Volume 2219, Page 16, Official Public Records of Rockwall County, Texas, the southeast line of a called 5.00-acre tract of land described in the deed to Samuel G. Hafertepe and Lisa A. Hafertepe, recorded in Document No. 20170000020082, Official Public Records of Rockwall County, Texas, and the southeast line of a called 10.00-acre tract of land described in the deed to Laura Lynn Bjeles, recorded in Document No. 20220000009449, Official Public Records of Rockwall County, Texas, a distance of 2,337.90 feet to a 1/2" iron rod found for corner at the easternmost corner of said 10.00 acre tract and at the southernmost corner of a called 40.00-acre tract of land described in the deed to Atasin Avowal, LLC, recorded in Volume 7106, Page 260, Official Public Records of Rockwall County, Texas;

THENCE North 44°38'47" East, with the northwest line of said 316.9-acre tract and the southeast line of said 40.00-acre tract, and the southeast line of a called 10-acre tract of land described in the deed to Corey Smith and Wife, Destiny Smith, recorded in Document No. 20230000016924, Official Public Records of Rockwall County, Texas, the southeast line of a called 10-acre tract of land described in the deed to Victoria Purcell, recorded in Volume 5997, Page 176, Official Public Records of Rockwall County, Texas, the southeast line of a called 20.00-acre tract of land described in the deed to S. Mark Olmstead and wife Alyce A. Olmstead, recorded in Volume 1451, Page 100, Official Public Records of Rockwall County, Texas, and the southeast line of said 26.01-acre tract, a distance of 1,956.70 feet to the **POINT OF BEGINNING** and containing 13,709,489 square feet or 314.727 acres of land.

EXHIBIT B
CONCEPT PLAN



SONOMA VERDE NORTH

North

Scale: 1" = 300'
Date: January 3, 2025

EXHIBIT C
DEVELOPMENT REGULATIONS

1. Platting of the Property is permitted prior to annexation of the Property into the City's corporate limits and prior to zoning of the Property.

2. The City agrees to consider zoning the Property as a planned development district that allows single family development as described in this Agreement, although nothing in this Agreement shall be construed as a requirement to zone the Property in any particular manner. No concept plan, development plan, or other type of drawing of the development shall be required in connection with the zoning of the Property. In the event of a conflict between this Agreement and any zoning of the Property, this Agreement shall control.

3. The maximum number of single family residential dwelling units permitted on the Property is 725.

4. The 50' Lots are exclusively for age-restricted active adult community area (the "Age-Restricted Area") and may consist of no more than 375 lots. A minimum of 70 acres of the Property is required to be reserved for the Age-Restricted Area.

5. The Property shall be developed with a trail system, which is generally depicted on **Exhibit I** (the "Trail Plan") attached hereto and is preliminary and subject to change by the Owner without further approval of the City at the time of platting. The homeowners association will be responsible for maintaining the trail system.

6. Perimeter fencing, landscaping, buffering and screening shall be governed exclusively by the requirements in the Sonoma Verde Development Agreement, except for the following: (a) a solid masonry perimeter screening wall is permitted; (b) fencing of 4 feet or higher may be constructed of wrought iron; and (c) wood fencing may be a minimum of 6 feet high and a maximum of eight feet high.

7. Building materials shall be governed exclusively by the building material requirements required by the Sonoma Verde Development Agreement and no other building design or aesthetic zoning regulations apply, except that masonry for the Age Restricted Area may also include cementitious material.

8. Building height and lot coverage shall be governed exclusively by the requirements in the Sonoma Verde Development Agreement.

9. Street and right-of-way widths shall be governed by the requirements in the Sonoma Verde Development Agreement except as otherwise shown in the street sections attached to this Agreement and as follows:

    a. The Owner shall construct one-half of the four-lane undivided Edwards Road where it abuts the Property and continues to the intersection of League Road as depicted on **Exhibit H**. Owner shall complete construction of the portion of Edwards Road at the time a final plat is recorded for Owner's Property abutting Edwards Road.

    b. Residential streets shall have a right-of-way width of 50 feet and a minimum pavement width of 31 feet measured from back of curb to back of curb.

10. Grading and drainage improvements shall be governed exclusively by the requirements in the Sonoma Verde Development Agreement.

11. Tree preservation shall be governed exclusively by the requirements in the Sonoma Verde Development Agreement.

12. Oil and gas drilling, extraction and related surface activities are prohibited on the Property.

13. The requirements in the following table shall apply to single family development. No base zoning district regulations from the Zoning Ordinance apply to the Property.

Development Standards	Single Family 5,500	Single Family 7,200	Single Family 7,800
Minimum lot width	50'	60'	65'
Minimum lot depth for cul-de-sac and eyebrow lots	100'	100'	100'
Minimum lot depth	110'	110'	110'
Minimum lot area	5,500 SF	7,200 SF	7,800 SF
Minimum front yard building setback	20'	20'	20'
Minimum rear yard building setback	5'	10'	10'
Minimum side yard building setback	5'	5' for interior side yards;10' for corner lots	5' for interior side yards; 10' for corner lots
Minimum home size on maximum 20% of the lots at full build out	1,700 SF	1,800 SF	1,800 SF
Minimum home size on the remainder of the lots	1,800 SF	1,900 SF	1,900 SF

EXHIBIT D
SUBDIVISION REGULATIONS

Chapter 10

SUBDIVISION REGULATION

ARTICLE 10.01
GENERAL PROVISIONS (RESERVED)

ARTICLE 10.02
SUBDIVISION ORDINANCE

§ 10.02.001. Purpose.
§ 10.02.002. General.
§ 10.02.003. Definitions.
§ 10.02.004. Purpose, authority and jurisdiction.
§ 10.02.005. Preliminary plans and final plats.
§ 10.02.006. General requirements and design standards.
§ 10.02.007. Improvements.
§ 10.02.008. Landscape buffers.
§ 10.02.009. Floodplains.
§ 10.02.010. Drainage requirements.
§ 10.02.011. Street, alley and drainage maintenance and repair.
§ 10.02.012. Reservations.
§ 10.02.013. Variances.
§ 10.02.014. Penalty.
§ 10.02.015. Severability.
§ 10.02.016. Effective date.

ARTICLE 10.03
STANDARD STREET SPECIFICATIONS AND CONSTRUCTION DETAILS IN SUBDIVISIONS

§ 10.03.001. Subdivider financial responsibility and duty.
§ 10.03.002. Street paving strength requirements.
§ 10.03.003. Stabilization of the subgrade.
§ 10.03.004. Paving width requirements.
§ 10.03.005. Pavement slopes (traverse).
§ 10.03.006. Sawed dummy joints; expansion joints.
§ 10.03.007. Street arrangement.
§ 10.03.008. Speed limits.
§ 10.03.009. Street names.

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ARTICLE 10.01
GENERAL PROVISIONS (RESERVED)

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ARTICLE 10.02
SUBDIVISION ORDINANCE

§ 10.02.001. Purpose.

(a) Under the provisions of the Constitution and laws of the State of Texas, including particularly chapter 212 of the Texas Local Government Code, as heretofore or hereafter amended, hereafter every owner of any tract of land situated within the city or within the extraterritorial jurisdiction of the city, who may hereafter divide the same in two or more parts described by metes and bounds or otherwise for the purpose of laying out any subdivision of such tract of land or any addition to the city; or for laying out suburban, building or other lots, or to lay out streets, alleys, squares, parks, or other parts, are required to submit a plat of such subdivision or addition for approval by the governing body of the city. The rules and regulations of the city established by ordinance governing plats and subdivisions of land be and the same are hereby extended to and shall apply to all of the area under the extraterritorial jurisdiction of the city.

(b) On and after the passage of this article, any person, firm or corporation seeking approval of any plat, plan or replat of any subdivision of land within the city, and its legally established extraterritorial jurisdiction shall be required to comply with the requirements of this article before such approval may be granted.

(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-1)

§ 10.02.002. General.

These regulations shall govern every person, firm, association or corporation owning any tract of land within the city limits who may hereafter divide the same into two or more parts for the purpose of laying out any subdivision of any tract of land or any addition to the city, or for laying out suburban, building or other lots, or for laying out any streets, alleys, squares, parks or other portions intended to be dedicated for public use, or other portions intended for public use, or the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks or other parts.

(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-2)

§ 10.02.003. Definitions.

The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

The word "shall" shall be deemed as mandatory. The word "may" shall be deemed as permissive.

Administrative officers. Any officers referred to by title, i.e., city manager, city attorney, city secretary, city engineer, director of public works, etc., and shall be the person so retained in this position by the city, or his duly authorized representative.

Alley. Minor way used primarily for vehicular service to the rear or side of properties otherwise abutting on a street.

Building line. A line beyond which any structure must be set back from the street or road right-of-way line or property line.

City or the city. The City of McLendon-Chisholm.

City council. The governing body of the city.

Codes. Any adopted set of regulations. All improvements within the city shall be in accordance with the

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codes adopted by the city.

Collector street. A street which is continuous through several residential districts and is intended as a connecting street between residential districts and thoroughfares, highways, or business districts.

Commission. The city planning and zoning commission, if active. If inactive, then commission shall refer to the city council as the authority for plat review, study and approval.

Cul-de-sac. A short residential street having but one vehicular access to another street and terminated by a vehicular turn-around.

Dead-end street. A street with only one outlet. There shall be no dead-end streets without a cul-de-sac turn-around.

Easement. An area on private property designated for some specific purpose, together with the uninhibited right of access and use of said area as long as this purpose is served.

Engineer. The city engineer, the city's consulting engineers, or their duly authorized representatives.

Final plat. Any plat or any lot, tract, or parcel of land that is to be recorded of record in the deed records of the county.

Master plan. The comprehensive plan of the city and adjoining areas as adopted by the city council, including all its revision. This plan indicates the general location recommended for various land uses, transportation routes, public developments and improvements.

Owner, subdivider, or owner/subdivider. As used herein shall refer to the person or entity owning the property in fee simple or possessing the lawful authority to subdivide or convey the property. It shall also include the duly authorized agent or representative of the owner of the real estate or a person holding a lawful and valid power of attorney concerning the property.

Plat. A subdivision exhibit, legal description, plans and necessary signature blocks.

Preliminary plan. Any plat of any lot, tract, or parcel of land that is not to be recorded of record but is only a proposed division of land for review and study by the city.

Replatting. The resubdivision of any part or all of any block or blocks of a previously platted subdivision, addition, lot or tract.

Residential street. A street which is intended primarily to serve traffic within a neighborhood or limited residential district and which is used primarily for access to abutting properties.

Resubdivision. The division of an existing subdivision, together [with] any change of lot size therein, or with the relocation of any street lines.

Street. A way for vehicular traffic whether designated a street, highway, thoroughfare, parkway, throughway, road, avenue, boulevard, lane, place or however otherwise designated.

Street right-of-way width. The shortest distance between the lines, which delineate the rights-of-way of a street.

Subdivision. The division of a tract or parcel of land into two or more parts or lots for the purpose, whether immediate or future, of sale, building, development, or transfer of ownership, and shall include resubdivision.

Thoroughfare. A principal traffic thoroughfare more or less continuous across the city which is intended to connect remote parts of the city, or areas adjacent thereto, and act as a principal connecting street with state and interstate highways.
(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-3)

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§ 10.02.004. Purpose, authority and jurisdiction.

(a) Under the authority of chapter 212 of the Texas Local Government Code, which is hereby made a part of these regulations, the city does hereby adopt the following regulations to hereafter control the subdivision of land within the corporate limits of the city and in the unincorporated areas lying within the extraterritorial jurisdiction of the city limits, in order to provide for the orderly development of the areas and to secure adequate provision for traffic, light, air, recreation, transportation, water, drainage, sewage, and other facilities.

(b) Any owner of land located inside of or within the extraterritorial jurisdiction (i.e., within one-half mile) of the city wishing to subdivide such land shall submit to the city a plan of the proposed subdivision which shall conform to the minimum requirements set forth in these regulations. An owner subdividing his land into parcels of not less than five acres each for agricultural use and not involving new streets shall be exempt from these requirements.

(c) An owner of land within the city or within its extraterritorial jurisdiction shall submit to the city a plan of the proposed subdivision which shall conform to the minimum requirements set forth in these regulations if, in addition to the conditions set forth in the foregoing subsection (b) of this section, the owner intends to lay out suburban, building or other lots, to lay out streets, alleys, squares, parks, or other parts to be dedicated to public use or for the use of purchasers or owners of lots fronting on or adjacent to said streets, alleys, squares, parks, or other parts. An owner who intends to build on or improve any unplatted tract of real property within the city or within its extraterritorial jurisdiction shall conform to the minimum requirements set forth in these regulations if the owner must dedicate, convey, transfer, create or otherwise set aside easements for public utilities.

(d) No subdivision plat shall be filed or recorded, and no lot in a subdivision inside of or within one-half mile of the corporate limits of the city shall be improved or sold, until a plat thereof shall have been first approved by the city council. The city shall have the authority to prohibit the installation of public utilities in unapproved streets and to prohibit the issuance of building permits for structures on lots abutting on unapproved streets.

(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-4)

§ 10.02.005. Preliminary plans and final plats.

(a) Procedure.

(1) A preliminary plan of any proposed subdivision shall first be filed by the property owner or his duly appointed representative with the city secretary and submitted to the planning and zoning commission for review, study, and recommendation to the city council before the owner proceeds with the final plat of record. Following recommendation by the commission, the preliminary plan shall be submitted to the city council commission for review, study, and approval. This preliminary plan shall be drawn to a scale not to exceed 200 feet to the inch.

(2) The preliminary plat shall contain the following information:

(A) Existing features inside subdivision.

(i) The existing boundary lines of the land to be subdivided. Boundary lines shall be drawn in heavy [lines] for easy identification, complete with bearings and distances.

(ii) The location of existing watercourses, railroads, and other similar drainage and transportation features.

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(iii) The location and width of existing streets, alleys, easements, pipelines, watercourses, location and site of any existing water or sewer mains.

(iv) An accurate legal description of the land to be subdivided.

(B) Existing features outside subdivisions.

(i) The name and property lines of adjoining property owners with legal file reference.

(ii) The name and location of adjacent subdivisions, streets, easements, pipelines, watercourses, and location and site of any existing water or sewer mains.

(C) New features inside subdivision.

(i) The proposed name of the subdivision.

(ii) The location, right-of-way width and names of proposed streets.

(iii) The approximate width and depth of all lots. If the side lines are not parallel, the approximate distance between them at the building line and at the narrowest point should be given.

(iv) The location of building lines, alleys and easements.

(v) The location and approximate size of sites for schools, churches, and parks and other special land uses, intended to be dedicated to public use or reserved for common use of owners in the subdivision.

(vi) The approximate acreage of the property to be subdivided.

(vii) A proposed utility plan should be included and where, unusual grade conditions exist, the city's engineer may require preliminary street grades.

(viii) The proposed use of any land contained in the subdivision that is not within the boundaries of lots or street right-of-way.

(D) Key map. A key map showing relation of subdivision of well-known streets in all directions to a distance of at least one mile.

(E) Title, etc. The date, scale, north point and title under which the plat is to be recorded, with the name of the owner and engineer platting the tract.

(3) Submission. The city shall be furnished with ten legible prints of the preliminary plan and with ten copies of a letter of transmittal stating briefly the type of street surfacing, drainage, results of site soil test reports, sanitary facilities, and water supply proposed, and the name and address of the owner or agent and engineer, together with a written application for approval on a form prescribed by the city. The prints, letters and application shall be filed with the city secretary at least ten but not more than 21 consecutive calendar days before the next available meeting of the planning and zoning commission at which such preliminary plan is to be considered. A preliminary plan application filed prior to the 21st day preceding the next succeeding regular meeting may be considered as having been filed on the 21st day preceding the meeting. A preliminary plan application filed within ten days of the next succeeding regular meeting shall be considered as having been filed on the 21st day preceding the second succeeding regular meeting. A plan application which is not accompanied with the prescribed

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filing fees will not be considered as having been filed.

(4) Approval. The planning and zoning commission shall recommend that the preliminary plan be approved, conditionally approved or disapproved within 30 days of the date that the plan is considered to have been filed. The city council shall approve, conditionally approve or disapprove the preliminary plan within 30 days of the date that the commission makes its recommendation. Approval of the preliminary plan shall not constitute final acceptance of the final plat.

Preliminary approval will expire thirty-six months after the approval by the city council of the preliminary plan or recordation of a final plat for all or portion of the area within the preliminary plan, whichever is later, except that if the owner shall apply in writing prior to the end of such thirty-six month period setting forth reasons for needing the extension, this period may be extended for another six months but not beyond a total of one year.

(b) Final plat. After approval of a preliminary plan by the city council, a final plat, prepared by a registered surveyor and bearing his seal, shall be submitted to the city council by filing in the office of the city secretary. Such plat shall have all changes and alterations made on it that were required on the previously submitted preliminary plan.

(1) Sheet size and scale. All final plats shall be drawn on sheets 24 inches by 36 inches and to a scale of one inch equals 200 feet or in accordance with the county final plat requirements. Where more than one sheet is required, an index sheet shall be filed showing the entire subdivision.

(2) The final plat shall contain the following information.

(A) Existing features inside subdivision.

(i) The existing boundary lines with accurate distances and bearings of the land to be subdivided. Boundary lines shall be drawn in heavy [lines] for easy identification.

(ii) The location of existing watercourses, railroads, and other similar drainage and transportation features.

(iii) True bearings and distances to the nearest established street lines, official monuments, or subdivision corners.

(iv) The location and width of existing and proposed streets, alleys, easements, rights-of-way, buildings, and structures to be retained.

(v) Topographical information with contour lines at one-foot intervals are to be shown on engineering drawing only, not on final plat.

(vi) An accurate location of the subdivision in reference to the deed records of the county which shall include the volume and page of the deed of the property to be subdivided.

(B) Existing features outside subdivision.

(i) The name and property lines of adjoining subdivisions and of the adjoining property owners, together with the respective plat or deed references.

(ii) The name and location of adjacent streets, alleys, driveways, easements, watercourses, etc.

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All lines outside of subdivision boundaries shall be dashed.

(C) Streets, alleys, easements. Engineering construction standards for inspections are set forth in appendix 1.[1]

The lines and names of all proposed streets or other ways or easements to be dedicated to public use shall be shown on the final plat with the following engineering data:

(i) For streets. Complete curve data (delta, length, radius, tangent, point of curve, point of reverse curve, point of tangent) shown on the centerline on each side of street; length and bearings of all tangents; dimensions from all angle points and points of curve to an adjacent side lot line.

(ii) For watercourses and easements. Drainage easements will be provided covering all land within the subdivision that is subject to inundation by a 100-year storm. Lots that are adjacent to a major watercourse will show minimum finish floor elevations two feet above the calculated 100-year flood elevation.

(D) Lots and blocks. The lines and numbers of all proposed lots and blocks with complete bearings and dimensions for front, rear and side lot lines, and area of each lot.

(E) Reservations. The use and property dimensions of all special reservations, including sites for schools, churches, and parks.

(F) Monuments and control points.

(i) The description and location of all permanent survey monuments and control points.

(ii) Suitable primary control points to which all dimension bearings and similar data shall be referred. Dimensions shall be shown in feet and decimals of a foot.

(iii) Reference to source of bearing for legal description.

(iv) Reference to existence of any floodplain indication on FEMA map.

(G) Key map. A key map showing relation of subdivision to well-known streets in all directions to a distance of at least one mile.

(H) Title, etc. The date, scale, north point and subdivision title, name and address, and seal of engineer.

(I) Dedications and certificates. Such dedications and certificates as are applicable.

(i) A certificate of dedication of all streets, public highways, alleys, parks, utility easements, and other land intended for public use forever, signed by the owner or owners and acknowledged before a notary public. All deed restrictions that are to be filed with the final plat shall be shown or filed separately.

(ii) A waiver of claim for damages against the city occasioned by the establishment of grades or the alteration of the surface of any portion of existing streets and alleys to conform to the grades established in the subdivision.

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1. **Editor's note—Appendix 1 is included as an attachment to this chapter.**

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(iii) Certification by a registered engineer or a licensed state land surveyor, duly licensed by the State of Texas, to the effect that the plan represents a survey made by him, and that all the necessary survey monuments are correctly shown therein.

(iv) The following certificates shall be placed on the final plat, in a manner that will allow the filling in of the certificate by the proper party:

"1. Approved:

_____
Mayor

_____
Date

2. Acknowledged:

This approval shall be invalid unless the approved Final Plat for such Addition is recorded in the office of the County Clerk of Rockwall County, Texas upon completion of public improvements within the platted area, or a surety bond is provided for the future completion of the public improvements with the platted area.

Witness my hand this _____day of _____, 20_____.

_____
City Secretary, City of McLendon-Chisholm, Texas"

(J) Special restrictions. Where restrictions of use of land, other than those given in these regulations, are to be imposed by the owner/subdivider, such restrictions shall be placed on the final plat or on a separate instrument filed with the plat.

(K) Tax certificates showing that all ad valorem taxes have been paid are to be submitted concurrent with the final plat.

(3) Submission. The city shall be furnished with ten legible prints and the original tracing of the final plat at least ten but not more than 21 consecutive calendar days before the next available meeting of the planning and zoning commission at which such final plat is to be considered. One additional copy of the final plat together with engineering plans shall be submitted to city staff for review at least ten days prior to the submission of the final plat to the city council. A final plat filed prior to the 21st day preceding the next succeeding regular meeting of the commission may be considered as having been filed on the 21st day preceding the meeting. A final plat filed within ten days of the next succeeding regular meeting shall be considered as having been filed on the 21st day preceding the second succeeding regular meeting. A plat which is not accompanied with the prescribed filing fees will not be considered as having been filed.

(4) Approval. Final approval will expire 24 months after the city council action granting approval of any final plat unless that plat has been filed for record, except that if the owner/subdivider shall apply in writing prior to the end of such twenty-four months period, stating reasons for needing the extension, this period may at the discretion of the city council be extended for another year but not beyond that period. The owner/subdivider may obtain approval of a portion or a section of a subdivision for which tentative or conditional approval was obtained on a preliminary plan provided he meets all the requirements of this article with reference to such portion or section in the same manner as is required for a complete addition. The final plat shall not be filed of record until the subdivision has been constructed and accepted by the city.

(5) The owner/subdivider may, at his option, elect to combine his preliminary plan and final plat of a subdivision whenever the tract of land:

(A) Is to be resubdivided without a change of street locations, or is so situated that the pattern of streets in said tract is predetermined by streets of immediately adjacent adjoining recorded subdivisions;

(B) The proposed development will be of the same use and of comparable density as adjacent existing or contemplated development; and

(C) Is a minimum of two and one-half acres in total area.

(6) Administrative approval of amending plats. The mayor and city administrator may jointly approve and issue an amending plat, which may be recorded and is controlling over the preceding plat without vacation of that plat, if the amending plat is signed by the applicants only and is solely for one or more of the following purposes:

(A) To correct an error in a course or distance shown on the preceding plat;

(B) To add a course or distance that was omitted on the preceding plat;

(C) To correct an error in a real property description shown on the preceding plat;

(D) To indicate monuments set after the death, disability, or retirement from practice of the engineer or surveyor responsible for setting monuments;

(E) To show the location or character of a monument that has been changed in location or character or that is shown incorrectly as to location or character on the preceding plat;

(F) To correct any other type of scrivener or clerical error or omission previously approved by the city council, including lot numbers, acreage, street names, and identification of adjacent recorded plats;

(G) To correct an error in courses and distances of lot lines between two adjacent lots if:

(i) Both lot owners join in the application for amending the plat;

(ii) Neither lot is abolished;

(iii) The amendment does not attempt to remove recorded covenants or restrictions; and

(iv) The amendment does not have a material adverse effect on the property rights of the other owners in the plat;

(H) To relocate a lot line to eliminate an inadvertent encroachment of a building or other improvement on a lot line or easement;

(I) To relocate one or more lot lines between one or more adjacent lots if:

(i) The owners of all those lots join in the application for amending the plat;

(ii) The amendment does not attempt to remove recorded covenants or restrictions; and

(iii) The amendment does not increase the number of lots;

(J) To make necessary changes to the preceding plat to create six or fewer lots in the

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subdivision or a part of the subdivision covered by the preceding plat if:

(i) The changes do not affect applicable zoning and other regulations;

(ii) The changes do not attempt to amend or remove any covenants or restrictions; and

(iii) The area covered by the changes is located in an area that the city council has approved, after public hearing, as a residential improvement area; or

(K) To replat one or more lots fronting on an existing street if:

(i) The owners of all those lots join in the application for amending the plat;

(ii) The amendment does not attempt to remove recorded covenants or restrictions;

(iii) The amendment does not increase the number of lots; and

(iv) The amendment does not create or require the creation of a new street or make necessary the extension of municipal facilities.

Notice, hearing, and the approval of other lot owners are not required for the approval and issuance of an amending plat.

(c) Fees and charges. The schedule of fees and charges, as adopted and maintained in the offices of the city, shall be paid into the general fund of the city when any map, plan or plat is filed with the city secretary for city council review, study and approval, or is tendered to the city council. Each of the fees and charges set forth therein may be changed or modified by the city council as set forth in the city's master fee schedule. Each of the fees and charges provided therein shall be paid in advance and no action of the city council shall be valid until the fee shall have been paid. Unless otherwise exempted or waived, any map, plan or plat not accompanied with the required fee shall not be considered as filed. The city secretary shall calculate the fees and charges in accordance with the master fee schedule.

(1) Any engineering fees and attorney's fees incurred by the city in the plat review process [shall be paid by the owner/subdivider]. Such charges and fees shall be paid by the owner/subdivider upon presentation of an invoice for said charges. Should the owner/subdivider fail to reimburse the city for such charges and fees, the city may withhold any future approvals and/or the issuance of any permits related to the subdivision or its development.

(2) These fees shall be charged on all plats, regardless of the action taken by the city council and whether the plat is approved or denied, unless otherwise waived or exempted by the city council.

(3) The owner/subdivider shall cause a cashier's check or certified check to be made payable to the city secretary to cover all recording fees involved in finishing the platting process and have this delivered to the city secretary 14 days prior to the submission for approval.

(d) Maintenance bond. The owner/subdivider shall furnish a good and sufficient maintenance bond in an amount not to exceed ten percent of the total cost of all street and alley construction within the subdivision with a reputable and solvent corporate surety, in favor of the city, to indemnify the city or association of homeowners or property owners against any repairs which may become necessary to any part of the construction work performed in connection with the subdivision arising from defective workmanship or materials used therein, for a full period of two years from the date of final acceptance of the entire project. Final acceptance will be withheld until said maintenance bond is

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furnished to the city.
(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-5; Ordinance adopting Code)

§ 10.02.006. General requirements and design standards.

(a) Streets.

(1) Conformity to major street plan. The width and location of streets shall conform to such major street plan as the city council may have adopted, both as to horizontal and vertical alignment and right-of-way widths.

(2) Relation to adjoining street system. The proposed street system shall extend all existing major streets and such existing secondary and local-access streets as may be desirable for convenience of circulation. Where possible, the width and the horizontal and vertical alignment of extended streets shall be preserved.

(3) Street jogs. Where off-sets in street alignment are, in the opinion of the city council, unavoidable, such off-sets may be employed provided the distance between centerlines is not less than 125 feet.

(4) Large-lot subdivisions. If the lots in the proposed subdivision are large enough to suggest resubdivision in the future, or if part of the tract is not subdivided, consideration must be given to possible future street openings and access to future lots which could result from such resubdivision.

(5) Through traffic. Local residential streets shall be designed so as to discourage high-speed or through traffic.

(6) Topography. The street system shall bear a logical relationship to the natural topography of the ground.

(7) Street right-of-way widths. Street width and street right-of-way width shall be measured from front lot line to front lot line of opposite lots.

(A) Residential streets. Residential streets shall have a minimum right-of-way width of 50 feet. Paving shall be not less than 24 feet in width with three-foot shoulders without curbs or not less than 27 feet with curbs, measured from back of curb.

(B) Collector streets. Collector streets shall have a minimum right-of-way width of 60 feet. Paving shall be not less than 24 feet in width with six-foot shoulders without curbs or not less than 37 feet with curbs, measured from back of curb.

(C) Major thoroughfare. The width of major thoroughfares shall be determined by the city council or the city's master thoroughfare plan; however, this classification carries a minimum right-of-way of 80 feet and a maximum of 120 feet.

(D) Minor arterial streets. Minor arterial streets shall have a minimum right-of-way width of 80 feet.

(8) Street horizontal alignment. The maximum deflection in alignment permitted without use of curve shall not exceed one degree.

(9) Major street curves. Curves along street centerlines shall conform to the following standards, with exceptions to these standards granted only by the city council:

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Classification	Design Speed (MPH)	Centerline Radius (feet)	
		Desirable	Minimum
Major	55	1,000	800
Secondary	40	550	425
Local	30	300	200

(10) Reverse curves. Reverse curves whenever possible shall be separated by a minimum tangent of 100 feet for minor arterial streets.

(11) Vertical curves. Vertical curves shall be provided for all grade changes greater than one degree (see appendix 1).[2]

(12) Dead-end streets/culs-de-sac.

(A) Turnarounds. Turnarounds are to have a minimum right-of-way radius of 50 feet and a pavement radius of 40 feet.

(B) Maximum length. The maximum length of a dead-end street with a permanent turnaround or a cul-de-sac with a permanent turnaround shall be 1,000 feet unless otherwise approved by the City Engineer due to topographic or other property constraints.

(C) Temporary turnaround. A temporary turnaround is to be provided at the end of streets more than 400 feet long that will be extended in the future. The following note should be placed on the plat: Cross-hatched area is temporary easement for turnaround until street is extended [give direction] in a recorded plat.

(13) Street intersections.

(A) Angle of intersection. Except where existing conditions will not permit, all streets, major and minor, shall intersect at a 90-degree angle. Variations of more than ten degrees on minor streets and more than five degrees on major or secondary streets must first be approved by the city council.

(B) Radius at acute corners. Acute angle intersections approved by the city council are to have 25 foot or greater radii at acute corners.

(C) Centerline tie with existing streets. Each new street intersecting with or extending to meet an existing street shall be tied to the existing street on centerline with dimensions and bearings to show relationship.

(14) Partial or half-streets. Partial or half-streets may be provided where the city council finds that a street should be located on a property line. The following note shall be used in all such dedications: "This _____foot strip is dedicated as easement for all utility purposes including storm and sanitary sewers and shall automatically become dedicated for street purposes when and insofar as a _____foot strip adjacent to it is so dedicated and the required improvements are installed."

(15) Reserve strips. Provisional one foot reserves may be used along the side or end of streets that

2. **Editor's note—Appendix 1 is included as an attachment to this chapter.**

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abut acreage tracts, accompanied by a note on the plat that states as follows: "One foot reserve to become automatically dedicated for street purposes when adjacent property is subdivided in a recorded plat."

(16) Street names. New streets shall be named so as to provide continuity of name with existing streets and so as to prevent conflict with identical or similar names in other parts of the city.

(17) Street and alley maintenance. The repair and maintenance of all streets and alleys shall be the responsibility of the city upon acceptance by the city.

(b) Lots.

(1) Use. All lots shown on the plat will be for residential purposes unless otherwise noted. The standards that follow apply to residential lots.

(2) Lot size. Lot size shall conform to the development agreement between the City and Chisholm Properties, LP dated 7-11-2007 and as amended by this Development Agreement.

(3) Minimum width. Minimum width shall conform to the development agreement between the City and Chisholm Properties, LP dated 7-11-2007 and as amended by this Development Agreement.

(4) Minimum depth. Minimum depth shall conform to the development agreement between the City and Chisholm Properties, LP dated 7-11-2007 and as amended by this Development Agreement.

(5) Lots on drainage easements. Minimum usable lot depths for lots backing on natural drainage easements shall not be less than 100 feet measured between front lot line and drainage easement.

(6) Lot width definition. The lot width is the average of front and rear lot dimensions.

(7) Lot shape. Lots should be rectangular insofar as practicable. Sharp angles between lot lines should be avoided. The ratio of depth to width should not ordinarily exceed two and one-half times.

(8) Lot lines. Side lot lines should be perpendicular or radial to street frontage and the following note may be used in lieu of bearings: All side lot lines are either perpendicular or radial to street frontage unless otherwise noted.

(9) Lot facing.

(A) Street frontage. Each lot shall be provided with adequate street access.

(B) Front facing. In general, an arrangement placing adjacent lots at right angles to each other should be avoided.

(10) Lot numbering. All lots are to be numbered consecutively within each block. Lot numbering

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may be cumulative throughout the subdivision if the numbering continues from block to block in a uniform manner that has been approved on an overall preliminary plan.

(11) Driveway restrictions. Rear and side driveway access to major thoroughfares shall be prohibited.

(c) Building lines.

(1) Front street. The front building lines shall not be less than 20 feet from the front property line.

(2) Side, rear. Side, front and rear shall conform to the development agreement between the City and Chisholm Properties, LP dated 7-11-2007 and as amended by this Development Agreement.

(d) Alleys.

(1) Alley width. Where provided, alley rights-of-way shall not be less than 20 feet.

(2) Alley intersections. All alleys intersecting with another alley shall have a centerline radius of 40 feet, a property line radius of 30 feet, and shall conform to the standard details.

(3) Dead-end alleys. Dead-end alleys will not be permitted. Alleys in new subdivisions shall connect to alleys in adjacent subdivisions wherever feasible.

(4) Alleys required. Alleys shall be required in all business areas and in those portions of new residential subdivisions where partial blocks are needed to complete existing blocks with alleys.

(e) Easements.

(1) Size. The size of easements for drainage shall be a minimum of 15 feet in width or as established by the city engineer.

(2) Use. Where necessary, easements shall be retained for wires, conduits, storm sewers, sanitary sewers, water lines, open drains, gas lines or other utilities. Such easements may be required across parts of lots (including side lines), other than as described above, if in the opinion of the city engineer same is needed.

(3) Underground utilities. All subdivisions shall place all internal utilities underground after the effective date of this article. Any 3-phase power shall be permitted overhead in designated areas.

(4) Major trees within utility easements. Every precaution shall be utilized to protect the natural environment of the subdivision, preserving prominent trees wherever possible, and the owner/ subdivider shall advise the city council of the necessity of destroying an inordinate amount of trees, and the method of restoration of the area in keeping with the spirit of the city.

(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-6)

§ 10.02.007. Improvements.

(a) Monuments. Concrete monuments eight inches in diameter and 15 inches long shall be placed at reasonable intervals at all corners of the boundary lines of a subdivision. The exact intersection point on the monument shall be marked by a reinforcing bar one-half inch in diameter and 12 inches long embedded in the concrete monument.

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Intermediate property corners, curve points and angle points shall be marked with a piece of one-half inch round reinforcing rod driven flush with the finished ground level or lower if necessary in order to keep same from being disturbed.

(b) Other required improvements, see engineering and construction standards.

(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-7)

§ 10.02.008. Landscape buffers.

(a) Street buffer. In all zoning districts, a 10-foot landscape edge or buffer must be provided along the entire length of the perimeter of a lot or subdivision where the perimeter is adjacent to a minor arterial street, exclusive of driveways and alleys. The paved and unpaved portion of any city right-of-way shall not be included in this 10-foot buffer.

(b) Zoning district buffer. Whenever a nonresidential use, mobile-home use, or multifamily use is adjacent to property used or zoned for single-family residential purposes, the more intensive land use shall provide a landscaped area edge of at least ten feet in width along the common property line.

(c) Subdivision entryways. These are for entrances along throughfares. These regulations do not include minor entrances off of collectors within the overall development limits.

(1) Entryways into and exits from subdivisions shall be landscaped. Both sides of streets, whether public or private, which serve as a means of ingress or egress from residential subdivisions that consist of at least ten lots shall be landscaped on both sides of the entry or exit way.

(2) Each landscape area shall consist of not less than 25 feet of frontage along the entry and exit way and 25 feet of frontage along the adjacent street, and shall have a depth of at least 10 feet.

(3) Subdivision entryway landscaping shall be designed so as to avoid an impairment of visibility of operators of motor vehicles entering and exiting the subdivision when the plant materials reach full maturity.

(4) The developer and/or property owners of residential subdivisions that consist of ten or more lots shall have a homeowners' association that shall be responsible for the perpetual maintenance and upkeep of all common landscape areas.

(d) Plant materials.

(1) Landscape buffers and landscaped areas of subdivision entryways shall be planted with at least one shade tree (minimum four inches in caliper measured at four feet above natural grade and 16 feet in height at time of planting) for each 30 linear feet or portion thereof of adjacent exposure.

(2) When required to be planted, tree types should include trees identified in the "approved replacement tree list" of the city's Tree Preservation Code. Landscape buffers and areas shall also consist of shrubs, ornamental trees, ground cover, or sod. All plant materials shall conform to the requirements described in the most current edition of "American Standards for Nursery Stock" published by the American Association of Nurserymen.

(3) No tree may be planted closer than five feet of the paved portion of any impermeable surface.

(4) No plant material shall be planted or located in such a way that, at full maturity, the plant material may obstruct or impair the view of operators of motor vehicles on any public or private

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street or interfere with the use and maintenance of utility fixtures or equipment.

(5) In the event that any plant materials shall die or be removed or destroyed within a period of one year after planting, the developer, property owner or homeowners' association shall replace the plant material with similar or suitable plantings.

(e) Waivers by city council.

(1) The city council may reduce the width of the required landscape buffer when the reduction is required for public improvements.

(2) The city council may waive or modify any of the requirements of this section upon application by the developer, property owner or homeowners' association, following recommendation by the planning and zoning commission, when deemed to be in the best interests of the public health, safety, morals or general welfare.

(f) Landscape plans.

(1) Prior to or simultaneously with the submission of an application for approval of a site plan or final plat, including replats of existing lots and subdivisions, a landscape plan must also be submitted.

(2) The landscape plan must show the location, type and species of all plants and plant materials and must affirmatively show compliance with the requirements of this section.

(3) Landscape plans shall make provisions for perpetual maintenance by the developer, property owner or homeowners' association.

(g) Lot coverage for nonresidential property. For nonresidential and multifamily property, at least 15 percent of the gross lot or tract (exclusive of rights-of-way) shall be maintained as a landscaped area. All screening, parking perimeter, and interior parking landscaping shall be included in the overall 15 percent of gross site landscaping. No parking lot tree island may be less than ten feet wide in any dimension and shall not contain less than 100 square feet of continuous permeable land.
(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-7A)

§ 10.02.009. Floodplains.

No permanent structures shall be built within any floodplain at an elevation below the 100-year flood line. The finished floor pad shall be a minimum two feet above the 100-year flood level. No septic tanks or on-site septic systems shall be built, located or situated in areas designated as a floodplain.
(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-8)

§ 10.02.010. Drainage requirements.

(a) General policy.

(1) The commission shall not recommend for approval any plat, development plan, or subdivision which does not make adequate provision for stormwater or floodwater runoff channels or basins and the city council may not approve such plats, development plans, or subdivisions without such provisions. Drainage provisions shall ensure the health and safety of the public and property in times of flood and such drainage facilities shall not cause excessive increases in flood heights or velocities, particularly to adjacent and downstream properties. When calculations indicate that curb capacities are exceeded at a point, no further allowance shall be

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made for flow beyond that point, and basins shall be used to intercept flow at that point.

(2) The owner/subdivider or applicant may be required by the planning and zoning commission or city council as a condition of preliminary plan and/or final plat approval to carry away by pipe or open ditch any spring or surface water that exists either previous to, or as a result of, the subdivision. Such drainage facilities shall be located in the road right-of-way where feasible, or in perpetual unobstructed easements of appropriate width, and shall be constructed in accordance with the construction standards and specifications of the town.

(b) General design standards. For all subdivisions consisting of more than ten lots, the following requirements must be demonstrated as a condition for the approval of any preliminary plan or final plat, and must be shown on the face of the plan or plat or by separate document filed contemporaneously with the application for approval of the plan or plat:

(1) Coordination with any comprehensive master drainage plan adopted by the city council is required and shall be demonstrated in the preliminary plan and/or final plat.

(2) The complete drainage system is composed of:

(A) The initial system, consisting of inlets, storm drains, and the associated appurtenances to convey the initial storm runoff (ten-year); and

(B) The major system of the major runoff (100-year), which consists of swales, creeks, channels, floodways and emergency overflows to prevent water encroachment into residential and commercial facilities.

(3) Channels to be designed to convey the 100-year flow. Adequate erosion control shall be provided based on design velocities as approved by the City Engineer.

(4) Utilization of retention ponds and dispersion areas and preservation of major floodplains, etc., shall be strongly encouraged and may be required if a proposed drainage improvement is found to create actual or potential upstream, adjacent or downstream property damage due to the creation of excessive flood velocities or heights.

(5) The city's major drainage floodplains that are still functioning in a natural or semi-natural state will require special drainage and other preservation considerations. To implement this policy of the natural 100-year floodplain for flooding areas draining one square mile or more, it may be recommended that these areas be zoned for planned development when zoning requests are made so that channel improvements and preservation efforts will be coordinated and defined on the site plan before detailed plans are submitted.

(6) Criteria for pipes.

(A) Minimum velocity with the pipe flowing full shall be three feet per second.

(B) The minimum storm drainpipe diameter shall be 15 inches.

(C) Pipe diameters shall not normally decrease downstream.

(D) Pipe crowns at change in sizes should be set at the same elevation.

(7) Vertical curves in the conduit will not be permitted, and horizontal curves will be permitted in accordance with pipe manufacturer's recommendations.

(8) Inverted crown sections will be permitted only in alleys.

(9) At streets with culverts or bridges, an emergency overflow shall be provided to contain the 100-

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year channel flow within the building lines.

(10) Detention ponds may be used to control the increase in runoff between the development and undeveloped areas if approved by the city council.

(c) Off-site drainage.

(1) The owner or developer of property to be developed shall be responsible for all storm drainage flowing on his property in the pre-developed condition. This responsibility includes the drainage directed to that property naturally flowing through the property by reason of topography.

(2) Adequate consideration shall be given by the owner in the development of property to determine how the discharge leaving the proposed development will affect adjacent and downstream property.

(3) On lots or tracts of three acres or more where stormwater runoff has been collected or concentrated, it shall not be permitted to drain onto adjacent property except in existing creeks, channels or storm sewers unless proper drainage easements or notarized letters of permission from the affected property owners are provided. If necessary easements or letters of permission cannot be obtained, the city engineer will review the downstream damage potential and make recommendations to the commission and city council.

(4) The owner/subdivider shall pay for the cost of all drainage improvements required for the development of the subdivision, including any necessary off-site channels or storm sewers and acquisition of the required easements.

(5) Where it is anticipated that additional runoff incidental to the development of the subdivision will overload an existing downstream drainage facility, whether natural or manmade, the commission or city council may withhold approval of the subdivision, and the city may refuse to issue building, construction or development permits, until improvements including storm sewer systems, channel grading, driveway adjustments, culvert improvements, etc., are made.

(6) In areas where downstream pipes or channels are adequate to handle proposed increased flows, the city as one alternative may consider accepting cash payment in lieu of actual drainage improvements. The developer must show that the proposed pipe system to handle the flow from his development would not function properly without substantial downstream improvements. Prior to permitting any development that will significantly increase flood heights downstream or upstream, a hearing before the planning and zoning commission is required with special notice to the adjacent property owners.

(d) Drainage easements.

(1) Where topography or other conditions are such as to make impractical the inclusion of drainage facilities within road rights-of-way, perpetual unobstructed easements for such drainage facilities shall be provided across property outside the road lines and with satisfactory access to the road. Easements shall be indicated on the plat. Drainage easements shall be carried from the road to a natural watercourse or to other drainage facilities.

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(2) When a proposed drainage system will carry water across private land outside the subdivision, appropriate drainage rights must be secured and indicated on the plat or other instrument as approved by the city. In the case of clear public interest, the city may participate in easement acquisition by power of condemnation.

(3) The owner/subdivider shall dedicate an appropriate drainage easement either in fee or by drainage easement or by conservation easement of land on both sides of existing watercourses to a distance to be determined by the planning and zoning commission or city council.

(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-9)

§ 10.02.011. Street, alley and drainage maintenance and repair.

The construction, maintenance and repair of all streets, roadways, alleys, and drainage improvements shall be the responsibility of the city upon acceptance by the city.
(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-10)

§ 10.02.012. Reservations.

(a) Permitted purposes. No land contained in the proposed subdivision shall be reserved for any use other than a use permitted by the zoning ordinance for the district in which the land to be reserved is located.

(b) Designated on plat. The specific use for which each piece of land is to be reserved must be shown by appropriate label or description on the subdivision plat. Provision for future abandonment of a reservation as may be appropriate must likewise be shown on said plat.

(c) Parks and open space. The location and size of parks and open space shall be in accordance with the city park sites plan. Park sites when purchased by the city shall be purchased at the developer's acreage cost plus a prorated cost of improvements.

(d) Schools. The location and size of schools shall be in accordance with the city school sites plan and with the requirements of the school district.

(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-11)

§ 10.02.013. Variances.

When an owner/subdivider can show that a provision of these regulations would cause unnecessary hardship if strictly adhered to and where, because of some condition peculiar to the site, in the opinion of the city council a departure may be made without destroying the intent of such provisions, the city council may authorize a variance.
(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-12)

§ 10.02.014. Penalty.

Any person violating this article or any portion thereof shall upon conviction be guilty of a misdemeanor and shall be assessed a fine of not less than one dollar nor more than $2,000.00, and each day that such violation continues shall be considered a separate offense and punishable accordingly.

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(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-13)

§ 10.02.015. Severability.

If any section, subsection, sentence, clause or phrase of this article is for any reason held to be unconstitutional, invalid, or unenforceable, the validity of the remaining portions of this article shall not be affected thereby, it being the intent of the city council in adopting this article that no portion thereof or provision or regulation contained herein shall become inoperative or fail by reason of the unconstitutionality or invalidity of any section, subsection, sentence, clause, phrase, or provision of this article.
(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-14)

§ 10.02.016. Effective date.

This article shall take effect immediately from and after its passage and the publication of the caption as the law in such cases provide.
(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, sec. 70-15; 2007 Code, ch. 70, app. 1, sec. 11)

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ARTICLE 10.03
STANDARD STREET SPECIFICATIONS AND CONSTRUCTION DETAILS IN SUBDIVISIONS

§ 10.03.001. Subdivider financial responsibility and duty.

Each subdivider shall, at his own expense and cost, pay for constructing all residential streets within his subdivision.
(Ordinance 91-1, adopted 1/13/92; 2007 Code, sec. 66-40)

§ 10.03.002. Street paving strength requirements.

A seven-inch thickness of concrete pavement on a compacted subbase shall be required unless otherwise approved by the City Engineer. The concrete must have a 28-day compressive strength of 3,000 pounds per square inch (ppsi). All steel reinforcing shall be deformed No. 3 bars on 18-inch centers both ways.
(Ordinance 91-1, sec. 1, adopted 1/13/92; 2007 Code, sec. 66-41)

§ 10.03.003. Stabilization of the subgrade.

Subgrade stabilization must be six inches thick with hydrated lime. This shall be spread uniformly and sprinkled to the proper moisture content. The soil, lime and water shall be mixed until a homogenous product is obtained that is free of clods and lumps. The mixture shall be immediately rolled and compacted to 95 percent of standard proctor density.
(Ordinance 91-1, sec. 2, adopted 1/13/92; 2007 Code, sec. 66-42)

§ 10.03.004. Paving width requirements.

The width of all residential streets shall be no less than 28 feet between both faces. The minimum right-of-way requirement shall be no less than 50 feet.
(Ordinance 91-1, sec. 3, 1/13/92; 2007 Code, sec. 66-43)

§ 10.03.005. Pavement slopes (traverse).

The traverse pavement slope shall consist of a parabolic curve from the pavement centerline to the curb. The crown of the curve shall be one-fourth-inch per one foot of street width above the curb level grade.
(Ordinance 91-1, sec. 4, adopted 1/13/92; 2007 Code, sec. 66-44)

§ 10.03.006. Sawed dummy joints; expansion joints.

(a) Sawed dummy joints (traverse) shall be required and shall not be more than 20 feet apart.

(b) Longitudinal sawed dummy joints shall be required when concrete is poured in a continuous width of 20 feet or more. The longitudinal dummy joints shall be located at the centerline of the total width.

(c) Expansion joints shall be placed at distances no greater than 600 feet.
(Ordinance 91-1, sec. 5, adopted 1/13/92; 2007 Code, sec. 66-45)

§ 10.03.007. Street arrangement.

(a) All streets shall be laid out so that they intersect at right angles with a maximum tolerance of plus or minus five percent.

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(b) Culs-de-sac shall not be longer than 1,000 feet from the nearest intersecting street unless otherwise approved by the City Engineer due to topographic or other property constraints and shall provide a turnaround having an outside roadway diameter of at least 100 feet in areas zoned SF2 and SF3. Culs-de-sac shall not be longer than 3,000 feet in areas zoned SF1.

(Ordinance 91-1, sec. 6, adopted 1/13/92; 2007 Code, sec. 66-46)

§ 10.03.008. Speed limits.

Speed limits on residential streets shall be no more than 30 mph. The subdivider shall at his own expense provide and install speed limit signs.

(Ordinance 91-1, sec. 7, adopted 1/13/92; 2007 Code, sec. 66-47)

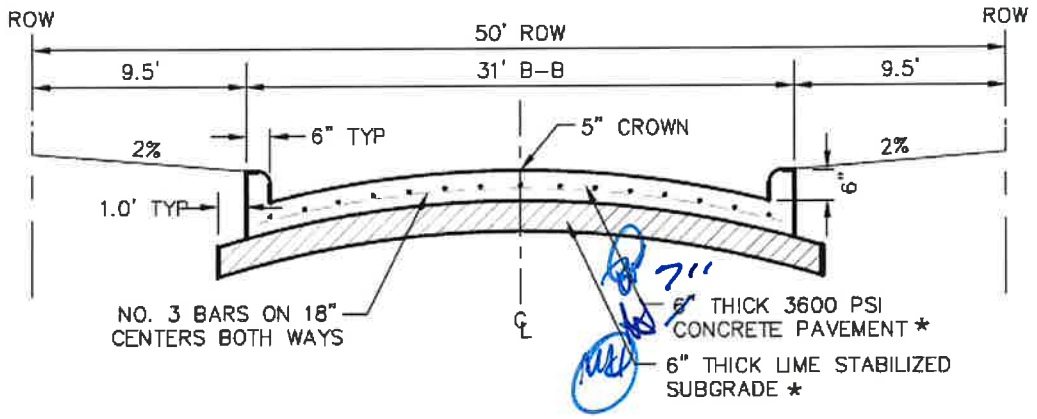
§ 10.03.009. Street names.

All streets must be named and the names must be approved by the city council.

(Ordinance 91-1, sec. 8, adopted 1/13/92; 2007 Code, sec. 66-48)

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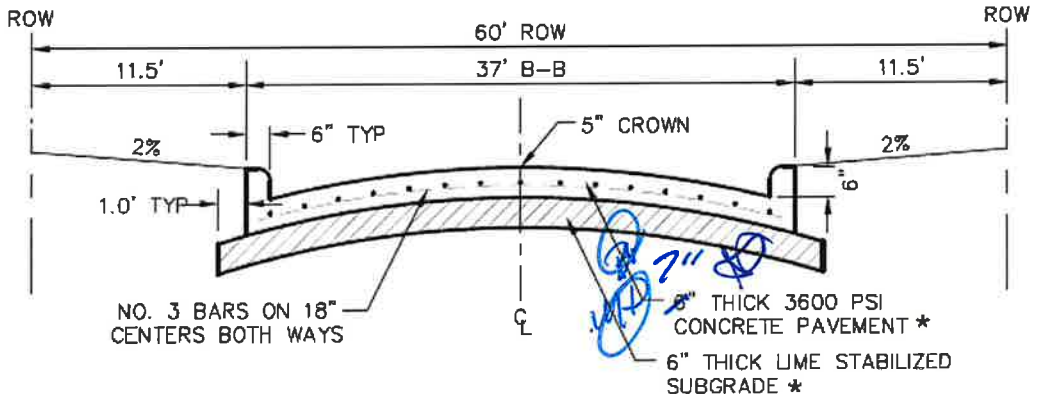
EXHIBIT E
STREET SECTIONS



PARABOLIC STREET SECTION (LOCAL STREETS)

NTS

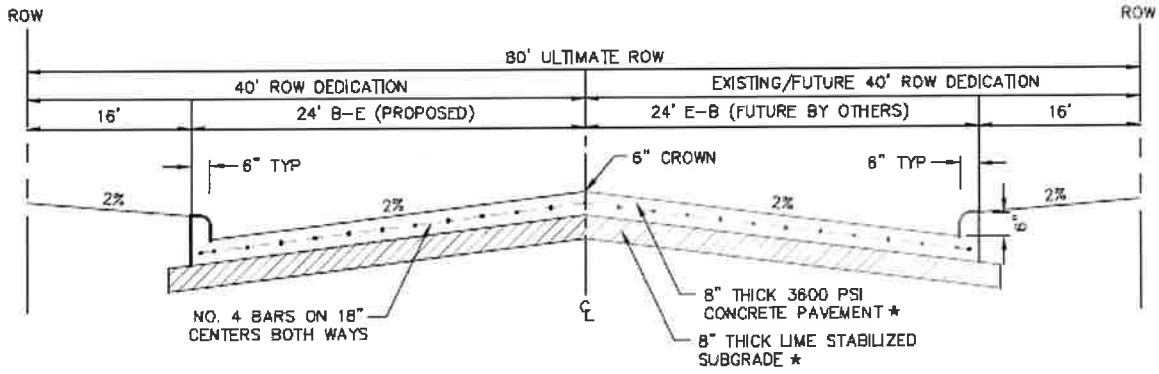
* NOTE: THESE REPRESENT THE MINIMUM PAVING STANDARDS. ALL PAVING SHALL BE IN ACCORDANCE WITH THE GEOTECHNICAL REPORT FOR THE PHASE.



PARABOLIC STREET SECTION (COLLECTOR STREETS)

NTS

* NOTE: THESE REPRESENT THE MINIMUM PAVING STANDARDS. ALL PAVING SHALL BE IN ACCORDANCE WITH THE GEOTECHNICAL REPORT FOR THE PHASE.



EDWARDS ROAD/LEAGUE ROAD
PROPOSED STREET SECTION

NTS

NOTE: *THESE REPRESENT THE MINIMUM PAVING STANDARDS. ALL PAVING SHALL BE IN ACCORDANCE WITH THE GEOTECHNICAL REPORT FOR THE PHASE.

EXHIBIT F
ENGINEERING STANDARDS

10 Attachment 1

APPENDIX 1
ENGINEERING AND CONSTRUCTION STANDARDS FOR STREETS AND DRAINAGE, WATER AND SEWER SYSTEMS

Section 1. Definitions pertaining to this section, Appendix 1, Engineering and construction standards

The following words, terms and phrases, when used in this appendix, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Building setback line. The line on a plat delineating the nearest point to which buildings may be located to a street line, alley line or building lot line.

City. The City of McLendon-Chisholm, Texas.

Dead-end street. A street, other than a cul-de-sac, with only one outlet.

Engineer. A person duly authorized under the provisions of the Texas Engineering Practice Act, as heretofore or hereafter amended, to practice the profession of engineering, and when reference is made to the city engineer, the designation means either an engineer directly employed by the city or the city's engineering consultants, as the case may be.

Inspector. A person duly authorized by the city who may be employed by the city or by the city's engineering consultants, as the case may be, and designated to inspect any portion or all of the construction performed in the subdivision either on a part-time or full-time basis. His duties shall consist of inspecting all work during construction and/or after completion to determine compliance with the plans, specifications and subdivision regulations, with authority to stop the work during construction for non-completion, if the work is defective.

Local residential or minor street. A public thoroughfare which is intended primarily to serve as access to residential property within a neighborhood interior or limited residential district and is not aligned or located to attract other than limited local traffic movements.

Lot. An undivided tract or parcel of land having frontage on a public street and which is, or in the future, may be offered for sale, conveyance, transfer or improvement as a building site; which is designated as a distinct and separate tract.

(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, ch. 70, app. 1, sec. 1)

Section 2. Policy

(a) Approval of city. It shall be unlawful for any owner of land to lay out, subdivide, plat or replat any land into lots, blocks and streets within the city, or within the extraterritorial jurisdiction of the city without the approval of the city council. It shall be unlawful for any such owner or agent to offer for sale or sell property therein or thereby, which has not been laid out, subdivided, platted or replatted with the approval of the city council.

(b) Design standards. Typical cross sections shall be shown on the plat of the type and width of paving proposed for the streets. Curbs and gutters, pavement types and drainage structure design standards of the city, per this development agreement, shall be used, subject to the approval of the city council and the city's engineer.

(c) Completion and inspection. Once the final plat has been approved by the city council, the filing of final plats will not be permitted until the streets have been completed and inspected by the city or a bond of an equivalent amount of money placed in escrow to cover the cost of the streets and utility installation.

(d) Recording required. The final approval of a final plat of a subdivision shall be invalid unless such approved plat of such subdivision is recorded in the office of the county clerk within 1 year after the date of its final approval by the city council.

(e) Building permits, utility connections. No building permit nor any water, sewer, plumbing or electrical connections shall be issued by the city to the owner or any other person with respect to any property in any subdivision covered by this article until:

(1) Such time as the developer and/or owner has complied with the requirements of this article and the final plat regarding improvements with respect to the block facing the street and/or streets on which the property abuts, including the installation of streets with proper base and paving, curb and gutter, alleys, water and sewer services and drain facilities where necessary, all according to the specifications of the city; or

(2) Until the developer and/or owner files a corporate surety bond with the city in a sum equal to the cost of such improvements for the designated area guaranteeing the installation thereof within the time stated in the bond, which time shall be fixed by the city.

(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, ch. 70, app. 1, sec. 2)

Section 3. Street improvements and oversizing

(a) When a proposed subdivision of land abuts on both sides of an existing standard road, or on one side of said road, being substandard according to the then-existing current Texas Department of Transportation Standard Specifications, the developer shall be

required to improve the existing road, to bring the same to the Texas Department of Transportation Standards, or replace it with a standard city street at no cost to the city. If the proposed subdivision is located along only one side of a substandard road, and when in the city council's judgment, it is not feasible to reconstruct said substandard road at the time of the development of said subdivision, the city council may permit the developer to pay into escrow an amount equal to 115 percent of the cost of said improvements as a condition of the approval of the final plat of the subdivision. If the proposed subdivision is located along a state road, which is

considered substandard, the developer shall be required to escrow funds for the cost of improvements for curb and gutter and storm drainage. State roads shall include St. Hwy. 205, FM 550 and FM 1139. The amount of the escrow shall be determined by the city engineer and shall be payable prior to construction of the subdivision streets and utilities. When funds have been provided and placed in escrow with the city for the development of a substandard road, and the road is reconstructed by a party other than the escrowing developer and at no cost to the city, the escrowed funds and accrued interest, if any, shall be refunded to the developer after completion and acceptance of the improvements. Where in its judgment, the public convenience and welfare will be substantially served and the appropriate use of the neighboring property will not be substantially injured, the city council may, in specific cases, at a regular meeting of the city council, and subject to appropriate conditions and safeguards, authorize special exceptions to these regulations in order to permit reasonable development and improvement of property where the literal enforcement of these regulations would result in an unnecessary hardship.

(b) All new roads within proposed subdivisions shall, at minimum be built to a width and design which will adequately serve that subdivision. In addition, when required by the city in the interest of the community, the developer may be required to build larger streets to the width shown on the thoroughfare plan. Streets which dead-end at power lines, railroads, or similar right-of-way, which are intended for future extension across these rights-of-way, shall be constructed in right-of-way for half the distance across the rights-of-way. Where streets are adjacent to undeveloped land and the property line is normally the centerline of the street, the developer shall provide right-of-way of sufficient width and shall construct paving a minimum width of 27 street width feet, if deemed necessary by city engineer or traffic planner. In the event the street and/or railroad crossing has been constructed or is being constructed by others, the developer shall pay his pro-rata share of the improvements. Escrow or pro-rata shall be payable prior to construction of streets and utilities.

(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, ch. 70, app. 1, sec. 3)

Section 4. Off-site access roadways

[Deleted]

Section 5. Street lighting

Developer shall be required to provide streetlights in all new subdivisions. Lights will be

the equivalent of 175-watt mercury vapor streetlights located at entrances, intersections and cul-de- sac with exceptions to be approved by the city council. All collector and thoroughfare, or commercial streets, shall have high-pressure sodium vapor fixtures with wattage of 250 to 400 watts as directed by the city. In some instances, greater wattage may be required by the city. The city reserves the right to inspect the street lighting construction. Initial cost of installation and cost of operation and maintenance shall be paid to the local utility company. Maintenance and operation costs shall be the responsibility of the city upon acceptance by the city.

Section 6. Street signs

The developer of a subdivision shall at his expense install street signs to the city specifications prior to any building permits being issued for this subdivision. (Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, ch. 70, app. 1, sec. 6)

Section 7. Inspection of construction by city personnel

All inspection of construction and verification of compliance to the plans and specifications shall be conducted by the city's staff under the direction of the engineer. Streets are included in this inspection requirement. The developer shall advise all of his construction contractors of this requirement. No development will be accepted by the city until all construction has been approved by the city's staff. The developer shall be responsible for any additional expense to the city, at a rate established by the city, at any time when inspection is done after normal business hours of the city, or when the improvements built will be privately owned. The developer will be responsible for furnishing to the city the original reproducible engineering drawings corrected to show "as-built" conditions before any utility improvements will be accepted. Building permits will not be issued until all public or required improvements are accepted by the city, unless in the opinion of the city engineer, issuance of building permits prior to completion will not be detrimental to the city. (Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, ch. 70, app. 1, sec. 7)

Section 8. Street system

(a) General. The street system, including the street layout, shall be in accordance with generally accepted engineering practices and in compliance with the comprehensive plan, the zoning ordinances, the subdivision regulations and other applicable regulations and ordinances. The plans and specifications, design computation, and other applicable data shall be submitted to the city for review. The subgrade materials will be tested in accordance to the standard specifications for construction, unless otherwise approved by the city. In general, the soils testing will include the testing of Atterburg limits. Lime stabilization of the subgrade will be required if the plasticity index (P.I.) is 15 or above. Lime stabilization or concrete stabilization may be required for soils showing a P.I. of 15 or less. Construction shall not commence prior to approval of the plans and specifications by the city. All changes during construction shall be submitted to the city engineer for

approval prior to any construction modifications.

(b) Street arrangement. Unless otherwise approved by the city, provisions shall be made for the extension of existing major arterials, collector streets and those residential streets which may be necessary to provide circulation with adjacent areas. The street arrangements shall conform with the intent of the thoroughfare plan as adopted by the city. Adequate collector streets shall be provided for the circulation of traffic throughout the development. Residential streets shall be provided to accommodate local area use within the development. Off-center street intersections will not be approved except under unusual circumstances. A minimum distance of 150 feet shall be provided for off-center street intersections unless approved by the city engineer. On major arterial streets the city may require distances greater than 150 feet for off-street intersections. Curvilinear streets are permissible and encouraged in residential areas.

(c) Horizontal curve limitations. The minimum radii at the centerline of the street shall be in accordance with Table 8.1.

Table 8.1 Minimum Radii Requirements at the Centerline of Streets

Type of Street	Minimum Radius in Feet
Residential Street	200

(d) Block lengths. In general, streets shall be provided at such intervals as to serve cross traffic adequately and to intersect with existing streets. Where no existing plats control, the blocks shall be not more than 1,600 feet in length or less than 300 feet in length except in unusual cases. Block arrangements must provide access to all lots, and in no case shall a block interfere with traffic circulation.

(e) Street intersections. More than two streets intersecting at one point shall be avoided except where it is otherwise impractical to secure a proper street system. Where several streets converge at one point, setback lines, special rounding or cut-off corners and/or a traffic circle may be required to ensure safety and to facilitate traffic movement. When possible, arterial and collector streets shall intersect other arterial and collector streets at an angle of 90 degrees. Arterial and collector street intersections shall have property line corner radii with a minimum tangent distance of 30 feet. Residential streets shall have as the property line corner the point of intersection of intersecting streets. In all cases the curb radii at intersections shall have a minimum radius of 20 feet as well as a minimum tangent distance of 20 feet measured from the face of the curb. In all cases of streets that intersect at angles other than 90 degrees, the city may require radii that in the city's judgment best serve the situation.

(f) Relation to adjoining streets. The system of streets designated for the development must, except in unusual cases, connect with streets already dedicated in adjacent developments. Where no adjacent connections are platted, the streets must be the reasonable projection of streets in the nearest subdivided tracts and must be continued to the boundaries of the tract development so that other developments may eventually

connect with the proposed development. Strips of land controlling access to or egress from other property or any street having the effect of restricting or damaging the adjoining property for development or subdivision purposes or which will not be taxable or accessible for special improvements shall not be permitted in any development unless such reserve strips are conveyed to the city in fee simple. When such access is needed to maintain permanent city-owned utilities, the roadway will be an improved right-of-way. If the utilities are temporary, an improved easement may be approved.

(g) Dead-end streets, culs-de-sac. Culs-de-sac or courts or similar dead-end streets may be permitted where the form or contour of the land or the shape of the property make such street design appropriate. Such culs-de-sac, courts or places shall provide proper access to all lots and shall generally not exceed 1,000 feet in length, and a cul-de-sac shall be provided at the closed end with a minimum right-of-way radius of 50 feet. The minimum right-of-way for streets and culs-de-sac are as set forth in Table 8.2.

Table 8.2 Minimum Right-of-Way Requirements	
Type of Street	**Minimum Right-of-Way in Feet**
Residential	50
Culs-de-sac	50**

The required right-of-way for state highways and streets may exceed this minimum right-of-way standard.

** The right-of-way radius in the cul-de-sac section shall be a minimum of 50 feet.

(h) Street grades. Thoroughfare streets may have a maximum grade of five percent, unless the natural topography is such as to require steeper grades, in which case a seven and one-half percent grade may be used for a maximum continuous distance of 200 feet. Collector streets may have a maximum grade of seven and one-half percent. Residential streets may have a maximum grade of ten percent, unless otherwise approved by the city where the natural topography is such as to require steeper grades. All streets must have a minimum grade of at least five-tenths of one percent. Centerline grade changes with an algebraic difference of more than one percent shall be connected with vertical curves in compliance with the minimum length requirements set forth in Table 8.1.

(i) Pavement design. Pavement design shall be in accordance with good engineering practice. All streets shall be constructed from Class "C" concrete. Pavement shall be reinforced with No. 3 bars at 18-inch centers in both directions. Minimum concrete thickness of pavement shall be six inches for residential and minor collector streets which are not subject to heavy truck or equipment traffic. The design speed shall be in accordance with the following tables:

Table 8.3 Minimum Length of Vertical Curves–In Feet

Crest Vertical Curves

Algebraic Difference In Grade – Percent	Design Speed		
	30 MPH	40 MPH	50 MPH
1.0	100	100	100
2.0	100	110	170
3.0	100	165	225
4.0	120	220	340
5.0	150	275	425
6.0	180	330	510
7.0	210	385	595
8.0	240	440	680
9.0	270	495	765
10.0	300	550	850

Sag Vertical Curves			
Algebraic Difference In Grade–Percent	Design Speed		
	30 MPH	40 MPH	50 MPH
1.0	100	100	100
2.0	100	110	150
3.0	105	165	225
4.0	140	220	300
5.0	175	275	375
6.0	210	330	450
7.0	245	385	525
8.0	280	440	600
9.0	315	495	675
10.0	350	550	750

Table 8.4 Maximum Design Speeds for Thoroughfares and Streets

Type of Street	Maximum Design Speed
Residential Streets	30 Miles Per Hour

The subgrades shall be compacted and finished to a smooth uniform surface. Subgrades of native material which have a Plasticity Index (P.I.) of 15 or more shall be lime stabilized to a minimum depth of six inches. The lime stabilization shall be used for the full width of the street, back of curb to back of curb, plus one foot on each side. The minimum lime content shall be six percent of the dry weight of the material.

(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, ch. 70, app. 1, sec. 8)

Section 9. Drainage and storm sewers

Adequate drainage shall be provided within the limits of the subdivisions and drainage design and improvements shall be shown on the plat. The protection of adjoining property and downstream properties shall be considered in the review of plans submitted. An application for approval of a preliminary plan or final plat may be denied if adequate provisions are not clearly displayed within the content of the application.

(1) Size. Sizing of inlets, storm sewers, out falls, culverts and drainage ditches will be based on the following:

Design storm. The design storm will be based on rainfall intensity-frequency data published by the U. S. Weather Bureau, Technical Paper 25. Pipe storm sewers and streets carrying storm will be designed with a combined capacity to carry the 50-year storm. Storm drainage systems with an emergency overflow will be designed to carry the 50-year storm. Bridges will be designed with a low point two feet above the 50-year storm line. Storm drains with no emergency overflow will be designed to carry the 100-year storm.

Runoff computations. To determine the runoff rates for the various areas, the standard rational method will be used, utilizing the formula Q=CIA, where Q
= rate of runoff in cubic feet per second, C = runoff coefficient, I = rainfall intensity for the particular duration in inches per hours, and A = the drainage area in acres.

Drainage areas will be arrived at by considering location of high and low points on street grades, drainage divides in the area, and general configuration of existing and finished grades.

Runoff coefficient. The runoff coefficient which considers the character of the land use and the imperviousness of the drainage area shall be determined from the zoning map or master plan for the city. The runoff coefficient for the appropriate land uses shall be as follows:

Commercial areas: 0.90

Industrial areas: 0.85

Residential areas: 0.50

Apartment areas: 0.80

Park areas: 0.35

Paved areas: 0.90.

(2) Time of concentration. The time of concentration will be calculated by determining the longest route the runoff will follow and dividing this length by the average velocity (FPS) of the water from the following chart:

Description of	Slope in Percent

Watercourse	0- (ft./sec.)	4–7 (ft./sec.)	8–11 (ft./sec.)	12–15 (ft./sec.)
Woodlands	1.0	2.0	3.0	3.5
Pastures	1.5	3.0	4.0	4.5
Cultivated	2.0	4.0	5.0	6.0
Pavements	5.0	12.0	15.5	18.0

Minimum time of concentration for residential is 15 minutes

(3) Sizing of sewers. Sewers shall be sized to carry the discharge (Q) derived from the above formula. Capacity of storm sewers will be determined by the use of Manning's formula on the basis of hydraulic gradients rather than the physical slope of the pipe. Minimum size of the storm sewer shall be 18 inches or equivalent.

(4) Sizing and spacing of inlets. Inlets shall be spaced so that maximum spread of water will provide one dry traveling lane on major and secondary thoroughfares, and major and secondary streets. Inlets will be provided at all sag points in gutter gradient. On thoroughfares, all inlets shall be recessed a minimum of 18 inches from the face of curb, and curbs shall be tapered to the inlet. Inlets will be sized using an allowable capacity of one cubic foot per second of opening for a throat height of seven and one-half inches.

(5) Manholes. Manholes (inlets or junction boxes) shall be provided at main sewer intersections, and at a maximum of 500 feet on straight lines. Design of manholes shall conform to city standards. Storm pipe can be designed using curves.

(6) Inlets. Design of inlets shall conform to city standards.

(7) Pipe. Pipe for storm drains shall be concrete pipe in sizes as shown on the approved plans. All pipe shall be reinforced concrete pipe (RCP), ASTM C76, Class 3. Where, in the opinion of the city building official or engineer, added strength of pipe is needed for traffic loads over minimum cover or for excessive height of backfill, concrete sewers may be used for storm sewers 36 inches and larger.

(8) Ditches. Drainage ditches, where approved by the city council, may be used for outfalls to natural or major drainage channels. Ditches shall have a minimum grade of not less than one-tenth percent and side slopes not steeper than 2:1, unless side slopes are paved.

(9) Out falls. Out falls from sewers and ditches into natural drainage ways shall enter at the grade of the natural drainage channel. If necessary, drop type outfall structures shall be used to prevent erosion.

(10) Major drainage ways and structures. Design of major drainage ways through a subdivision and major structures, such as box culverts or bridges, across a

major drainage channel, shall be coordinated with the county flood-control district, if such exists.

(Ordinance 2007-11, ex. A, adopted 7/23/07; 2007 Code, ch. 70, app. 1, sec. 9)

Section 10. Water service

An approved water service plan from a municipal water supply, rural water supply corporation, municipal utility district, or privately owned water system or individual wells shall be furnished. The location of all fire hydrants must be clearly shown. Fire hydrants shall only be placed on line of adequate size and pressure to provide fire water per state standards or city standards. Water sources to fill fire trucks may be required in the subdivision. Verification must be provided by letter from the applicable water supplier, accompanied by a copy of the minutes of the board and/or other corporate approval, which certifies that the water supply and proposed meter/water distribution system are sufficient in quality, quantity, and pressure to adequately meet the future needs of the inhabitants of the proposed subdivision. The minimum standards consist of six inch lines-looped.

(1) Water lines. Water systems shall be of sufficient size to furnish adequate domestic water supply, to furnish fire protection to all lots, and to conform with any master water plan of the city. All water mains shall generally be constructed in street rights-of-way.

(2) Pipe. Pipe shall be in accordance with Blackland requirements.

(3) Size. Pipe shall be in accordance with Blackland requirements.

(4) Fittings. Fittings shall be in accordance with Blackland requirements.

(5) Fire hydrants. Fire hydrants shall be in accordance with Blackland requirements.

(6) Embedment. Embedment shall be in accordance with Blackland requirements.

(7) Pressure test. Pressure test shall be in accordance with Blackland requirements.

(8) Disinfection. Disinfection shall be in accordance with Blackland requirements.

(9) Modeling analysis requirements.

(A) A water distribution modeling analysis shall be performed by the

applicable water supplier and submitted to the city engineer for review and approval with submittal of engineering plans of the final plat. In addition, once the fire hydrants are installed and pressurized, an independent testing laboratory shall field verify the residual pressure and flow required per the International Fire Code, as adopted by the city. The test results shall be submitted to the city engineer for review and comment as a part of the plat review process.

(B) All subdivisions within the city and the city's extraterritorial jurisdiction shall require a water distribution modeling analysis from the applicable water supplier's engineer demonstrating the water supplier's ability to provide water in sufficient volume and pressure for domestic use and fire protection. The modeling analysis must, at a minimum, depict adding the proposed subdivision's normal water demand in addition to providing model runs per IFC requirements of one (1) hour fire flow and demonstrating how this will affect the operation and performance of the existing water distribution system. The modeling analysis shall be submitted concurrently with the engineering plan review to the city engineer for review and approval.

(Ordinance 2007-11, ex. A, adopted 7/23/07; Ordinance 2009-07, sec. 1, adopted 10/27/09; 2007 Code, app. 1, sec. 10; Ordinance 2016-02 adopted 1/26/16)

Section 11. Sanitary sewers

The plan for sewage disposal must be shown; sanitary sewer facilities shall be provided to adequately service the subdivision and conform with the master sanitary sewer plan for the city and comply with the TCEQ rules and the city engineer or building official.

(1) Pipe. All sewer pipe in sizes 30 inches and smaller shall be plastic sewer pipe. All sewer pipe in sizes 36 inches and larger shall be plastic pipe. Sewer pipes may be curved in accordance with minimum radius recommendations per pipe manufacturers recommendations.

(2) Size. A minimum of eight-inch sewer pipe shall be specified, except that six-inch lines will be acceptable only on short lines less than 600 feet and serving a maximum of 25 lots.

(3) Pipe joints. All sanitary sewer pipe joints shall be of the pre-molded type conforming to A.S.T.M. Designation C425.

(4) Location. Wherever possible, sewers shall be located in street rights-of-way. Otherwise they shall be located in alleys or easements and shall be a minimum of four feet deep from top of pipe to finish grade.

(5) Grades. Grades and appurtenances of sanitary sewers shall conform to the

requirements of TCEQ rules and the city. The following are the minimum slopes which should be provided; however, slopes greater than these are desirable:

Sewer Size	Minimum Slope In Feet (Per 100 Feet)
6 inch	0.60
8 inch	0.40
10 inch	0.28

Sewer Size	Minimum Slope In Feet (Per 100 Feet)
12 inch	0.22
15 inch	0.15
18 inch	0.12
21 inch	0.10
24 inch	0.08
27 inch	0.067
30 inch	0.058
36 inch	0.046

(6) Manholes. Manholes shall be provided at all changes in grades, sewer intersections, and at a maximum of 500 feet.

(7) Infiltration. Prior to acceptance, sanitary sewers shall be subject to leakage tests. The outward or inward (exfiltration or infiltration) shall not exceed 300 gallons per inch of pipe diameter per mile per day for any section of the system. The use of a television camera or other visual methods for inspection prior to placing the sewer in service is recommended.

(8) Lift stations. All lift stations shall be designed and constructed with two or more sewage pumps with total capacity of twice the design maximum flow. Detailed design data, plans and specifications of the pumps shall be submitted to the city engineer or building official prior to the purchase and installation of the pumps.

(9) Force mains. All force mains shall be PVC or plastic pipe, Class 150, unless otherwise specified, with rubber gasket joint, and shall have a cement mortar lining of the "Enamaline" type or approved equal. At design average flow, a cleansing velocity of at least two feet per second shall be maintained. An automatic air relief valve shall be placed at high points in the force main to prevent air locking.

(10) Septic tanks. Septic systems may be permitted to serve residences in the city until such time as the septic system fails and a sewage collection system is

accessible to the residence or structure. Septic systems shall be installed according to TCEQ rules and specifications and shall be in compliance with such rules and specifications at all times.

(11) Water service. Water services shall be in accordance with Blackland requirements.

(12) Sewer service. Sanitary sewer service lines shall be a minimum of four inch, shall meet the same requirements for sanitary sewers described above, shall be constructed from the main to the lot property line using wyes and necessary bends, and shall have a minimum cover at the property line of four feet, and a maximum depth of six feet.

CITY OF MCLENDON-CHISHOLM 128 S. H. 205 ROCKWALL, TEXAS 75032 PRELIMINARY PLAT CHECKLIST

Copies: 10 copies required plus Letter of Transmittal

Fees: _____

Filing: At least 10 but not more than 21 calendar days prior to P & Z Meeting

[Sufficient number of copies of Preliminary Plat, Letter of Transmittal, completed application form, and check in appropriate amount must be submitted at least 10 days prior to Planning and Zoning Commission meeting prior to placement on Planning and Zoning Commission agenda. If filed within 10 days, the application will be considered as having been filed on the 21st day preceding the next succeeding meeting of the Commission.]

1. _____ 10 legible prints furnished to City.
2. Letter of Transmittal (10 copies) furnished with preliminary plat application stating:
   a) _____ type of street surfacing *N/A - shown on preliminary engineering plans
   b) _____ drainage *N/A - shown on preliminary engineering plans
   c) _____ soil test report results
   d) _____ sanitary facilities *N/A - shown on preliminary engineering plans
   e) _____ proposed water supply *N/A - shown on preliminary engineering plans
   f) _____ name and address of property owner/agent and engineer
3. _____ Drawn to scale, 1" - 200'
4. _____ Scale, date, and north point shown
5. _____ Legal description
6. Existing Features inside subdivision
   a) _____ existing boundaries lines of land to be subdivided
   b) _____ bearings and distances shown
   c) _____ location of existing watercourses, railroads and drainage/transportation features
   d) _____ location and width of existing streets, alleys, easements, pipelines, watercourses, existing water and sewer mains
7. Existing Features outside subdivision
   a) _____ names and property lines of adjoining property owners
   b) _____ names and locations of adjacent subdivisions, streets, easements, pipelines, watercourses, and existing water and sewer mains
8. New Features inside subdivision
   a) _____ Proposed name of subdivision

b) _____ location, right-of-way width and names of proposed streets
c) _____ width and depth of all lots
d) _____ location of building lines, alleys and easements
e) _____ location and size of sites for schools, churches, parks and special land uses
f) _____ location and size of areas to be dedicated to public or reserved for common use by owners in subdivision
g) _____ approximate acreage of property to be subdivided
h) _____ any proposed utility plant
i) _____ proposed use of any land/areas not within boundaries of lots or rights-of-way

9. Compliance with zoning regulations and/or proposed zoning (for subdivisions within City limits)
a) _____ proposed uses satisfy zoning use regulations
b) _____ all lots meet minimum lots size requirements
c) _____ all lots meet frontage, depth and width requirements
d) _____ building setback lines meet front, rear, and side-yard setbacks
e) _____ meets minimum dwelling size requirements
f) _____ meets lot coverage requirement
g) _____ meets off-street and covered parking requirements

10. _____ Proposed streets and alleys conform to comprehensive, traffic and thoroughfare plan
11. _____ Typical cross-sections of streets and location and width of sidewalks *N/A - shown on preliminary engineering plans
12. _____ Locations of floodplains shown
13. _____ Compliance with drainage requirements shown
14. _____ Approval block for Mayor and City Secretary

*This list is reference material and does not supersede any city ordinance.

CITY OF MCLENDON-
CHISHOLM 128 S. H. 205
ROCKWALL, TEXAS 75032
FINAL PLAT CHECKLIST

Copies: 10 legible prints and the original tracing of final plat required (24" × 36"); if more than one sheet is required, an index sheet of maximum size of 18" × 27" shall be filed showing entire subdivision.

Fees: _____

Filing: At least 10 but not more than 21 calendar days prior to P & Z Meeting

[Sufficient number of copies of Final Plat, completed application form, and check in appropriate amount must be submitted at least 10 days prior to Planning and Zoning Commission meeting prior to placement on Planning and Zoning Commission agenda. If filed within 10 days, the application will be considered as having been filed on the 21st day preceding the next succeeding meeting of the Commission.]

1. _____ 10 legible prints and original tracing with index sheet furnished to City
2. _____ All items required on preliminary plat shown on final (final plat also to show compliance with all items required for preliminary plat, without change)
3. _____ Plat prepared by registered surveyor, bears surveyor's seal
4. _____ Drawn to scale, 1"–100'
5. _____ Date, scale, north point, subdivision title, and name, address and seal of engineer shown
6. _____ Legal description
7. _____ Monuments and control points shown with description and location of all permanent survey monuments and control points. Suitable primary control points shall be referred. Dimensions to be shown in feet and decimals of a foot.
8. _____ Key map showing relation of subdivision to well-known streets in all directions for at least one (1) mile
9. _____ Dedications and certificates: certificate of dedication for all parks, public facilities and easements to be shown to the public use forever, signed by all owners and acknowledged before notary public.
10. Copy of subdivision covenants and deed restrictions showing creation of permanent homeowner's association
11. _____ Waiver of claim for damages against City occasioned by establishment of grades or alteration of surface of existing streets and alleys
12. Existing Features inside subdivision
    a) _____ existing boundaries lines of land drawn in heavy
    b) _____ accurate bearings and distances shown
    c) _____ location of existing watercourses, railroads and drainage/transportation features
    d) _____ true bearings and distances to nearest established street lines, official monuments, or subdivision corners
    e) _____ location and width of existing streets, alleys, easements, rights-of-way, buildings and structures to be maintained
    f) _____ topographical information with contour lines at 5-foot intervals *N/A - shown on preliminary plat
    g) _____ accurate location of property/subdivision in reference to county deed records (volume and page of recorded instrument in county records)
13. Existing Features outside subdivision (all lines outside of subdivision

_____ boundaries to be dashed)

a) _____ names and property lines of adjoining subdivisions and property owners

b) _____ references to plat or deeds of adjoining properties

c) _____ names and locations of adjacent streets, alleys, easements, watercourses

14. _____ Lines and names of all proposed streets, alleys and easements

15. _____ Streets, alleys and easements comply with engineering and construction standards (Appendix 1, Subdivision Regulations)

16. _____ Streets and alleys show complete curve data (Delta, Length, Radius, Tangent, Point of Curve, Point of Reverse Curve, Point of Tangent) shown on the centerline on each side of street; length and bearings of all tangents; dimensions from all angle points and points of curve to an adjacent side lot line

17. Streets to conform to major street plan (horizontal and vertical alignments and width, designed so as to discourage high-speed traffic)

a) _____ local street right-of-way width minimum 50'

b) _____ collector street right-of-way width minimum 60'

c) _____ minor arterial street right-of-way width minimum 80'

d) _____ major arterial street right-of-way width minimum 100'

e) _____ street alignments (without curves) not more than 5 degrees deflection

f) _____ street curves (major, reverse, and verticals) conform to City standards

g) _____ dead-ends, culs-de-sac comply with length, radius and turnaround requirements

h) _____ street intersections widths in compliance with established criteria

i) _____ street reserves (for future dedications, etc.) shown

j) _____ street names comply with established criteria

18. _____ Compliance with street plan in relation to adjoining street system shown and avoidance of street jogs shown.

19. _____ For large-lot subdivisions, consideration given to future street openings and access to future lots

20. _____ Location of all fire hydrants shown *N/A - shown on engineering plans

21. _____ Lot sizes conform to minimum sizes established in zoning regulations. Proper shape, square footage, frontage, all setbacks, width and depth shown

22. _____ All lots have street or right-of-way access

23. _____ Lots are consecutively numbered within each block

24. _____ Building lines meet setbacks

25. _____ Alleys conform to established requirements, re: width, intersections, no dead-ends, and are shown where required

26. _____ Easements show compliance with established criteria (size location, use, utilities underground, preservation of major trees shown)

27. _____ Watercourses and Easements: drainage easements will be provided covering all land within the subdivision that is subject to inundation by a 50-year storm. Lots adjacent to a major watercourse must show minimum finish floor elevations of two feet above the calculated 100- year base flood elevation.

28. _____ Floodplains must be shown on plat and show that no structure or septic system is to be built below 50-year flood line

29. _____ Adequate provision for drainage of stormwater, rainfall runoff, and floodwater shown

30. _____ Drainage facilities conform to design specifications and standards and are located in rights-of-way or perpetual unobstructed easements

31. _____ Proper certificate of Mayor and City Secretary shown

32. _____ Maintenance bond furnished of at least one percent (1%) of total street and alley construction costs

33. _____ Approval block for Mayor and City Secretary

*This document is reference material and does not supersede any city ordinance.

EXHIBIT G
SEWER STUDY

REPORT ON WASTEWATER IMPROVEMENTS FOR FUTURE DEVELOPMENT IN THE CITY OF MCLENDON-CHISHOLM FOR THE SLOAN TRACT, COMMERCIAL TRACTS ALONG S.H. 205, SCHOOL SITE AND RESIDENTIAL SUBDIVISION NEAR SCHOOL SITE



PREPARED BY LARRY J. FREEMAN, P.E. #29907

FREEMAN-MILLICAN, INC.

TEXAS REGISTERED ENGINEERING FIRM F-2827

January 14, 2025

Mr. Stephen Davis, Executive Vice President of Land Solutions SV, LLC (the Developer) has completed construction of the improvements for the Sonoma Verde subdivision including a total of 1,095 residential lots located in McLendon Chisholm, Texas. The Developer asked Freeman-Millican, Inc. to analyze the existing wastewater facilities currently serving the Sonoma Verde Subdivision in order to determine the upgrades and/or additional facilities needed to provide wastewater service for the future developments discussed in this report.

Evaluation of Existing Lift Stations and Force Mains

Freeman-Millican, Inc. reviewed documents that were available related to the existing lift station and force main currently serving the Sonoma Verde Subdivision.

Lift Station No. 1 is located near Via Toscana Lane and has a design capacity of 580 gpm. The location of the lift station is shown on Figure No. 1.

Lift Station No. 1 pumps into an existing 8" diameter force main which discharges into the North Texas Municipal Water District Metering facility near FM 550 and Rabbit Ridge Road and then into a gravity sewer located along FM 550 from the Metering facility to the Buffalo Creek Interceptor. The existing 8" force main is 27,000 feet in length and the gravity portion is both 12" and 15" sewers. The location of the 8" force main and gravity sewers is shown on Figure No. 2. The plans for the gravity sewers are in Appendix B.

Actual wastewater flow rates were measured for the Sonoma Verde subdivision and the data provided indicated the average flow rate per residential lot was 240 gallons per day and the peak flow rate was calculated as 3.1 times the average flow rate. Using the measured flow data, the existing Lift Station No. 1 and existing 8" force main, have a current capacity to serve 1,122 residential lots, which provides an additional capacity for 27 future lots.

An on-site visit to Lift Station No. 1 revealed that the facility is currently operating as designed. The operator stated that the pumps are running normally and the facility manages to meet the flows coming into the station. The on-site generator, according to the operator, is functioning as designed. Attached in Appendix C is the pump and lift station information for Lift Station No. 1.

Future Developments / Service Areas

The Developer is planning to develop an additional ~314-acre tract of land (the Sloan Tract) as a residential subdivision adjacent to the Sonoma Verde subdivision. The location of the Sloan Tract is shown on Figure No. 1. According to information provided by the Developer, the Sloan tract will include 820 lots.

The City of McLendon-Chisholm has a commercially zoned area along FM 205 (shown on Figure No. 2) that will be developed in the future by others. The equivalent number of lots represented by this commercial area of approximately 25 acres was estimated using data based on TCEQ Requirements 30TAC Chapter 217 Subchapter B which shows that the flow rate from Offices and similar facilities is 20 gpd which is 20% of the residential flow rates. Using 3 lots per acre and multiplying the flow rate by 20%, shows an equivalent flow rate of 15 residential lots.

The City of McLendon-Chisholm has a School Site and another area along FM 550 near City Hall that is zoned for residential development. An equivalent number of forty (40) lots are set aside for the School Site and 360 lots are set aside for the residential development for a total of 400 additional lot equivalents.

Therefore, the following chart shows the total number of lots for each of the tracts in the service area that need to be provided with wastewater service.

Tract Description	Equivalent Number of Lots
Sonoma Verde	1,095
Sloan Tract	820
Commercial	15
School Site	65
Residential Area Near School Site	335
Total	2,330

Future Flow Rates

As previously noted, actual wastewater flow rates were measured and the average flow rate per residential lot was 240 gallons per day and the peak flow rate was calculated as 3.1 times the average flow rate. The calculated flow rate values for each of the tracts in the service area are shown in the table below.

Tract	Number of Equivalent Lots	Average Flow Rate Gallons Per Minute	Peak Flow Rate Gallons Per Minute
Sonoma Verde	1,095	182.5	566
Sloan Tract	820	136.7	424
Commercial	15	2.5	8
School Site	65	10.8	34
Residential Area Near School Site	335	55.8	173
Total	2,330	388.3	1,205

The flows from existing Sonoma Verde Development (1,095 lots), the Sloan Tract (820 lots), and the Commercial Tract (15 lots) will flow to Lift Station No. 1 with a total flow of 998 gpm.

The flows from the 400 lot equivalents from the School Site and the residential area near the School Site will be served by a future lift station / force main (to be constructed by others) that will ultimately connect to the force main along FM 550 with a total flow of 207 gpm.

Recommended Improvements

To provide service to the total 2,330 lots the following will be required:

- Install a new 8" parallel force main, in the ROW of FM 550, from the existing Lift Station to the existing NTMWD flow meter near the intersection of FM 550 and Rabbit Ridge. See the Pump Curve labeled "Sonoma Verde Existing Lift Station Parallel 8" FM" in Appendix D.
- Portions of the existing gravity sewer from the NTMWD Meter to Buffalo Creek Interceptor will need to be increased to meet the increased flows. Install 1,260 feet of parallel 12" gravity sewer in the ROW of FM 550 in locations where the existing 12" gravity sewer has inadequate capacity. Six (6) new manholes, an aerial crossing and boring under Rabbit Ridge Road will be required and will be located in the ROW of FM 550. The existing 15" gravity sewer just upstream has enough capacity for this additional flow.
- The future lift station and force main for the School Site and residential area near the School Site will need to be constructed by others at the time those tracts are developed. Evaluation of those facilities is beyond the scope of this report.

The total estimated costs for the required facilities are as follows:

8" Parallel Force Main	$3,186,950
Parallel 12" Sewer and Manholes	$ 325,000
TOTAL	**$3,811,950**

The detailed cost estimates are provided in Appendix A. These cost estimates reflect the available information from contractors and equipment suppliers.

Gravity sewers and/or lift stations and force mains may also be needed in each Subdivision as they are developed. Design of these facilities is beyond the scope of this report.

APPENDIX A

COST ESTIMATES

Sonoma Verde 8" Force Main
Engineer's Estimate of Probable Construction Cost

7/30/2024

Item	Description	No. of Units	Units	Unit Cost	Total Cost
1	Mobilization	1	EA	25000	$ 25,000.00
2	8" PVC Force Main by Open Cut	17000	LF	75.00	$ 1,275,000.00
3	8" PVC Force Main by Bore with Encasement	100	LF	300.00	$ 30,000.00
4	8" PVC Force Main by Bore without Encasement	100	LF	150.00	$ 15,000.00
5	8" PVC Force Main by Open Cut	9600	LF	75.00	$ 720,000.00
6	8" PVC Force Main by Bore with Encasement	100	LF	300.00	$ 30,000.00
7	8" PVC Force Main by Bore without Encasement	100	LF	150.00	$ 15,000.00
8	8" Valve	2	EA	7,500.00	$ 15,000.00
9		0	EA	12,000.00	$ -
10	Fittings	5000	LB	12.00	$ 60,000.00
11	Pavement Relacement	70	SY	250.00	$ 17,500.00
12	Temporary Electrical	1	EA	5,000.00	$ 5,000.00
13	Temporary Gravel Road	1	EA	25,000.00	$ 25,000.00
14	Odor Control Units	1	EA	25,000.00	$ 25,000.00
15	Fence Repair	1	LS	30,000.00	$ 30,000.00
16	Water Service Repair	10	EA	1,500.00	$ 15,000.00
17	Sodding	12000	SY	5.00	$ 60,000.00
18	Crush Stone for Trench Stability	100	CY	100.00	$ 10,000.00
19	Trench Safety	27000	LF	2.00	$ 54,000.00
20	SWPPP	1	LS	25,000.00	$ 25,000.00
	Subtotal				$2,451,500
	Project Contingency and Engineering (30%)				$735,450
	Total Probable Construction Cost				**$3,186,950**

THE SEAL APPEARING ON THIS DOCUMENT WAS AUTHORIZED BY
LARRY J. FREEMAN, P.E. NO. 29907 ON JULY 30, 2024

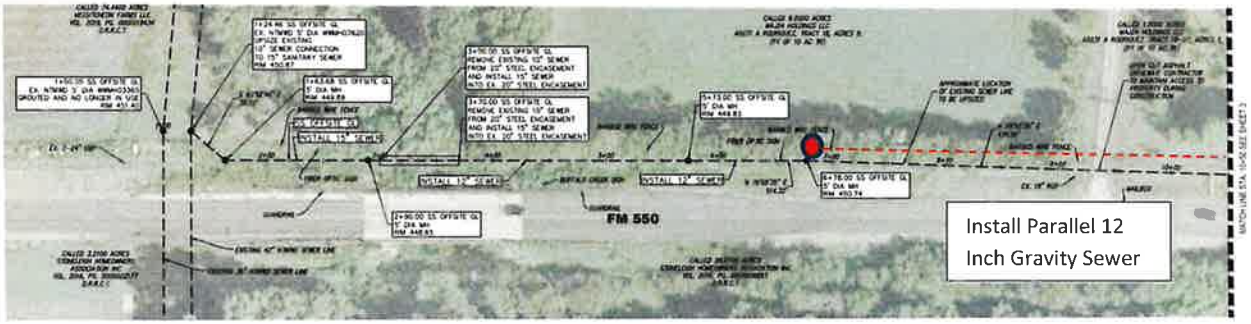
Sonoma Verde Gravity Sewer on FM 550
Engineer's Estimate of Probable Construction Cost

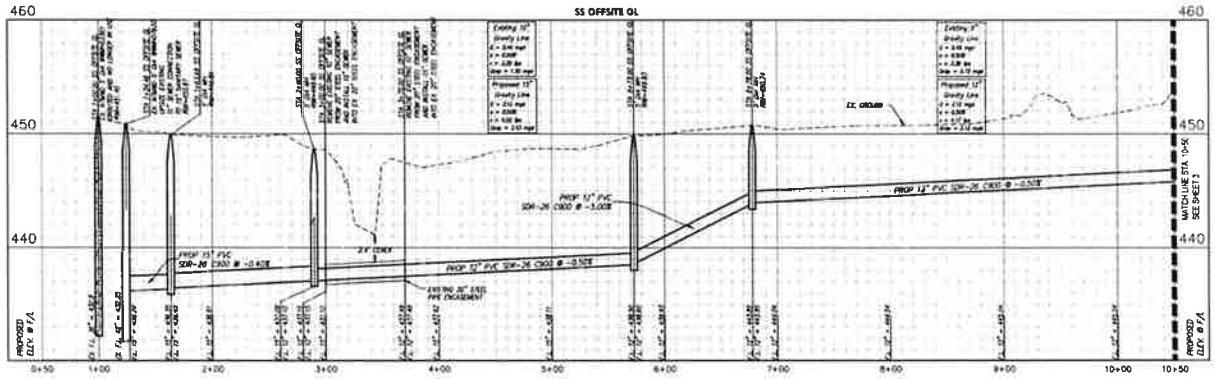
9/16/2024

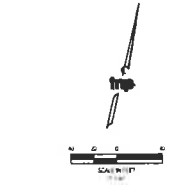
Item	Description	No. of Units	Units	Unit Cost	Total Cost
1	Mobilization	1	EA	10000	$ 10,000.00
2	12 PVC Gravity Sewer by Open Cut	1260	LF	114.00	$ 143,640.00
3	12" PVC Gravity Sewer by Bore with Encasement	40	LF	300.00	$ 12,000.00
4	12" PVC Gravity Sewer by Bore without Encasement	40	LF	200.00	$ 8,000.00
5	Manholes	6	EA	9,700.00	$ 58,200.00
6	Fence Repair	1	LS	1,220.00	$ 1,220.00
7	Connections to Existing Manholes	6	EA	4,800.00	$ 28,800.00
8	Crush Stone for Trench Stability	20	CY	73.50	$ 1,470.00
9	Trench Safety	1260	LF	2.25	$ 2,835.00
10	SWPPP	1	LS	4,000.00	$ 4,000.00
	Subtotal				$ 270,165.00
	Project Contingency and Engineering (20%)				54,833.00
	Total Probable Cost				$ 324,998.00

APPENDIX B

GRAVITY SEWER IMPROVEMENTS



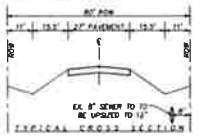




LEGEND

- EX. ROADWAY ASPHALT
- PROP. SANITARY SEWER LINE
- PROP. SANITARY SEWER MANHOLE
- EX. OVERHEAD ELECTRIC
- EX. SEWER LINE
- FLOODPLAIN
- PROP. STEEL ENCASEMENT







Texas 811

KEY MAP PLAN



no.	revision	by	date				

tnp

teague nall and perkins, inc



SCALES:	1 inch (arch)
Horiz.	1"=40'
Vert.	1"=4'
FEB 2024	

City of McLendon-Chisholm

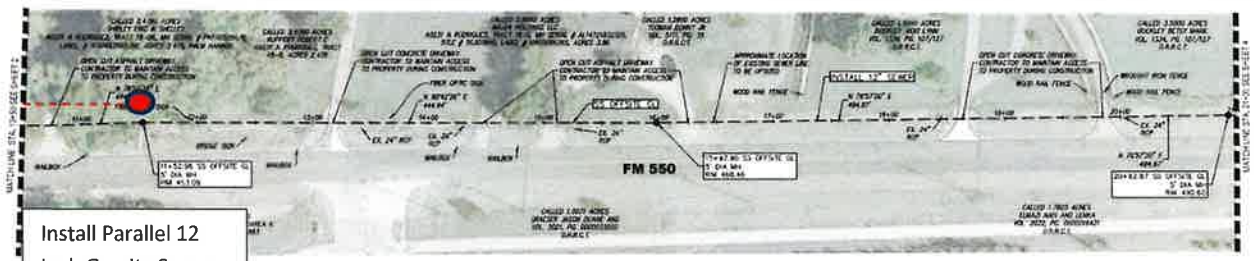
Improvements for

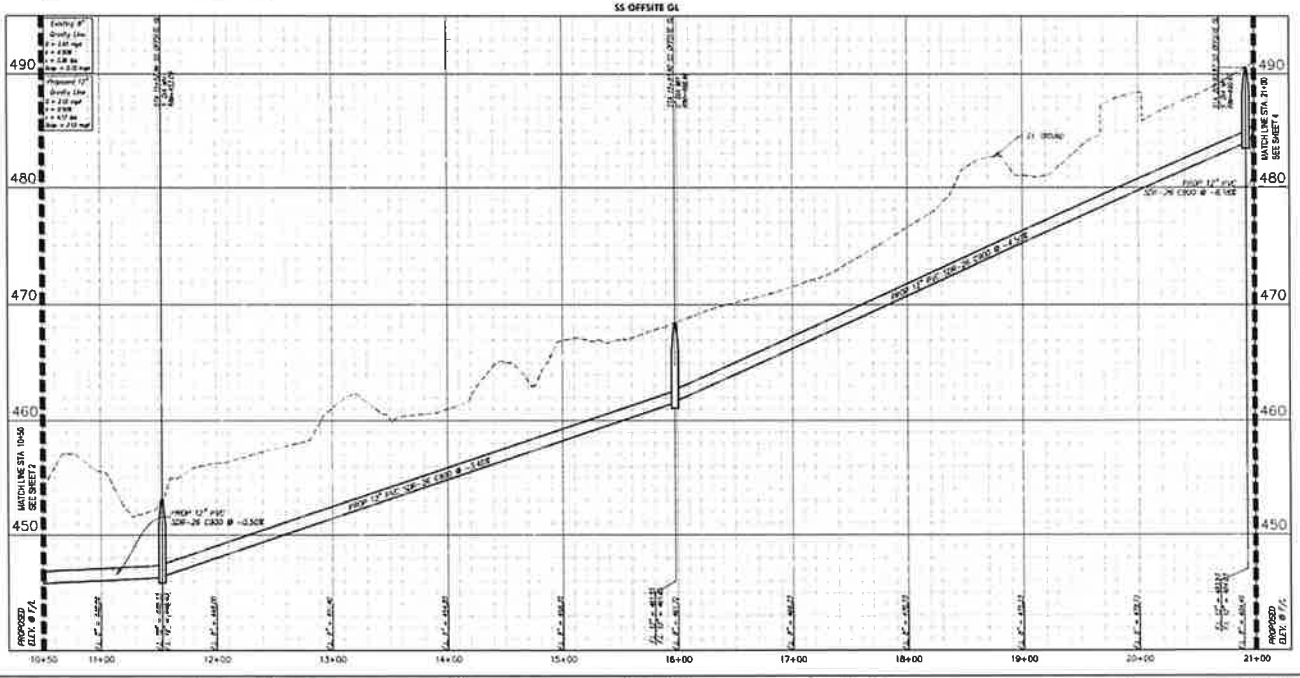
FM 550 SEWER

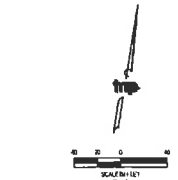
SANITARY SEWER PLAN AND PROFILE - GRAVITY LINE SHEET 1 OF 3

tnp project: 2023 31457

sheet: 2



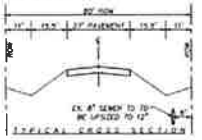


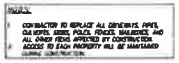


LEGEND

- EX. ROADWAY ASPHALT
- PROP. SANITARY SEWER LINE
- PROP. SANITARY SEWER MANHOLE
- EX. OVERHEAD ELECTRIC
- EX. SEWER LINE
- FLOODPLAIN
- PROP. STEEL ENCASEMENT



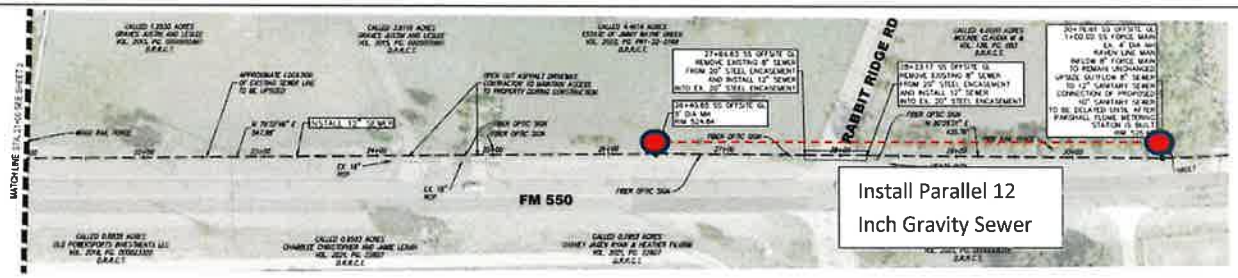


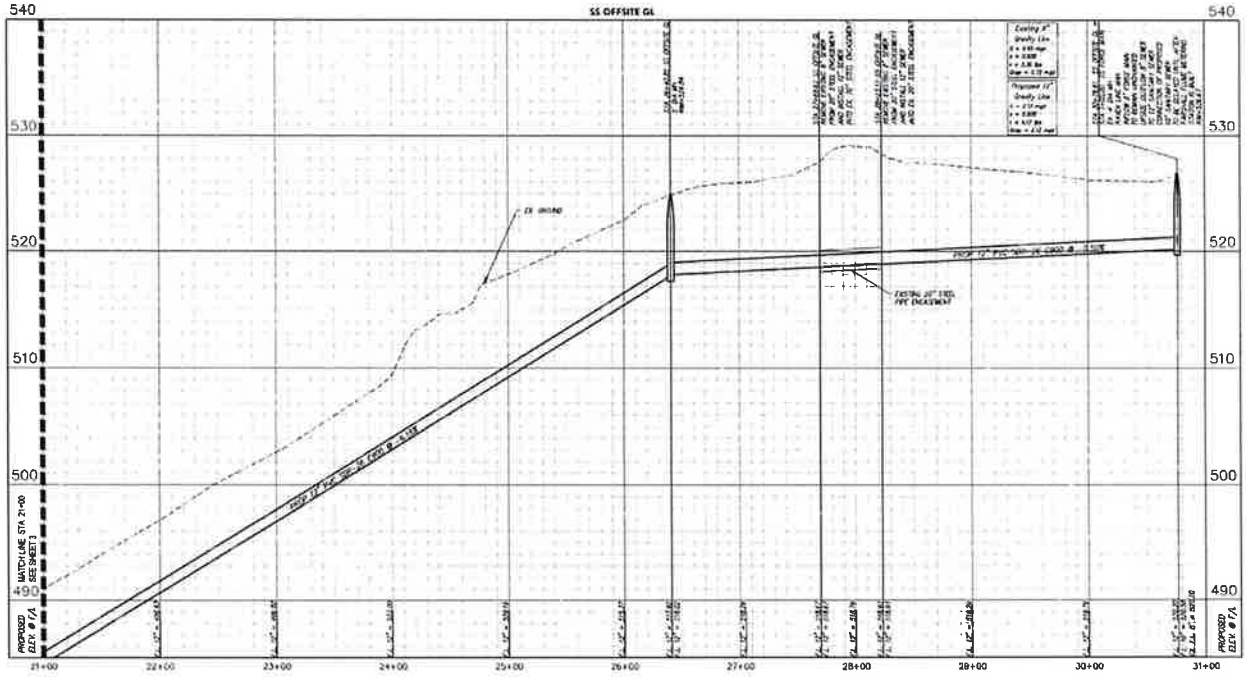


KEY MAP PLAN



	tnp	teague nall and perkins, inc			City of McLendon-Chisholm FM 550 SEWER SANITARY SEWER PLAN AND PROFILE - GRAVITY LINE SHEET 2 OF 3	sheet 3

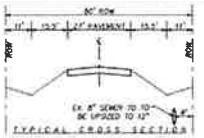


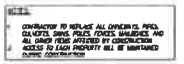














KEY MAP PLAN



no.	revision	by	date				

tnp

teague nall and perkins, inc

scale	
horiz.	1" = 40'
vert.	1" = 4'
date	FEB 2024

City of McLendon-Chisholm

improvements for

FM 550 SEWER

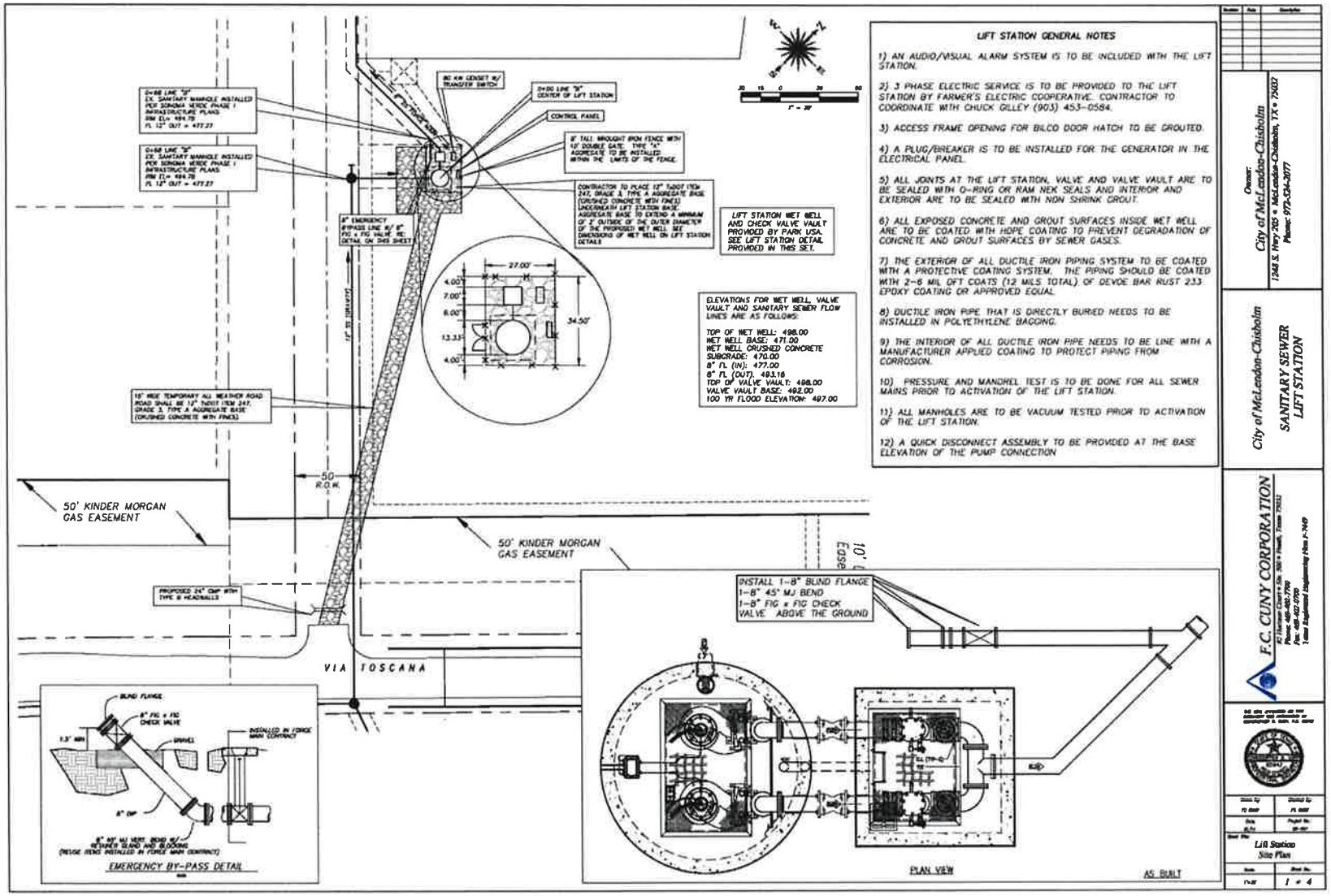
SANITARY SEWER PLAN AND PROFILE - GRAVITY LINE SHEET 3 OF 3

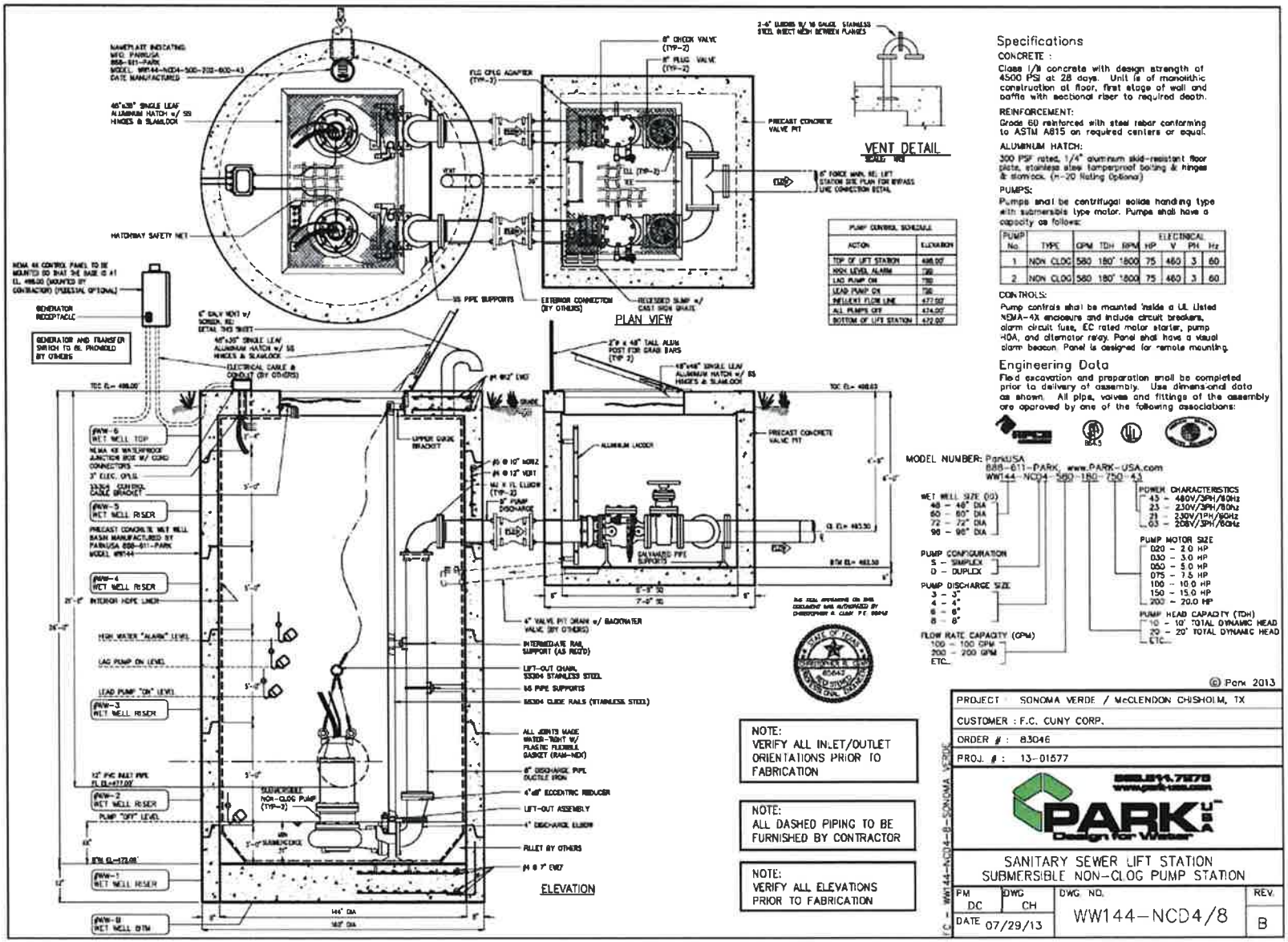
tnp project no. 2021.0147

sheet 4

APPENDIX C

EXISTING LIFT STATION NO. 1 INFORMATION


LIFT STATION GENERAL NOTES
1) AN AUDIO/VISUAL ALARM SYSTEM IS TO BE INCLUDED WITH THE LIFT STATION.
2) 3 PHASE ELECTRIC SERVICE IS TO BE PROVIDED TO THE LIFT STATION BY FARMER'S ELECTRIC COOPERATIVE. CONTRACTOR TO COORDINATE WITH CHUCK GILLEY (903) 453-0584.
3) ACCESS FRAME OPENING FOR BILCO DOOR HATCH TO BE GROUTED.
4) A PLUG/BREAKER IS TO BE INSTALLED FOR THE GENERATOR IN THE ELECTRICAL PANEL.
5) ALL JOINTS AT THE LIFT STATION, VALVE AND VALVE VAULT ARE TO BE SEALED WITH O-RING OR RAM NEK SEALS AND INTERIOR AND EXTERIOR ARE TO BE SEALED WITH NON SHRINK GROUT.
6) ALL EXPOSED CONCRETE AND GROUT SURFACES INSIDE WET WELL ARE TO BE COATED WITH HOPE COATING TO PREVENT DEGRADATION OF CONCRETE AND GROUT SURFACES BY SEWER GASES.
7) THE EXTERIOR OF ALL DUCTILE IRON PIPING SYSTEM TO BE COATED WITH A PROTECTIVE COATING SYSTEM. THE PIPING SHOULD BE COATED WITH 2-6 MIL DFT COATS (12 MILS TOTAL) OF DEVOE BAR RUST 233 EPOXY COATING OR APPROVED EQUAL.
8) DUCTILE IRON PIPE THAT IS DIRECTLY BURIED NEEDS TO BE INSTALLED IN POLYETHYLENE BAGGING.
9) THE INTERIOR OF ALL DUCTILE IRON PIPE NEEDS TO BE LINE WITH A MANUFACTURER APPLIED COATING TO PROTECT PIPING FROM CORROSION.
10) PRESSURE AND MANDREL TEST IS TO BE DONE FOR ALL SEWER MAINS PRIOR TO ACTIVATION OF THE LIFT STATION.
11) ALL MANHOLES ARE TO BE VACUUM TESTED PRIOR TO ACTIVATION OF THE LIFT STATION.
12) A QUICK DISCONNECT ASSEMBLY TO BE PROVIDED AT THE BASE ELEVATION OF THE PUMP CONNECTION
ELEVATIONS FOR WET WELL, VALVE VAULT AND SANITARY SEWER FLOW LINES ARE AS FOLLOWS:
TOP OF WET WELL: 498.00
WET WELL BASE: 471.00
WET WELL CRUSHED CONCRETE SUBGRADE: 470.00
8" I.L. (IN): 477.00
8" I.L. (OUT): 483.16
TOP OF VALVE VAULT: 498.00
VALVE VAULT BASE: 492.00
100 YR FLOOD ELEVATION: 497.00
LIFT STATION WET WELL AND CHECK VALVE VAULT PROVIDED BY PARK USA. SEE LIFT STATION DETAIL PROVIDED IN THIS SET.
80 KW GENSET W/ TRANSFER SWITCH
CONTROL PANEL
6' TALL WROUGHT IRON FENCE WITH 10' DOUBLE GATE, TYPE "A" AGGREGATE TO BE INSTALLED WITHIN THE LIMITS OF THE FENCE.
8" EMERGENCY BYPASS LINE W/ 6" FIG x FIG VALVE W/ DETAIL ON THIS SHEET
15' WIDE TEMPORARY ALL WEATHER ROAD
50' KINDER MORGAN GAS EASEMENT
50' KINDER MORGAN GAS EASEMENT
50 R.O.W.
VIA TOSCANA
INSTALL 1-8" BLIND FLANGE 1-8" 45° MJ BEND 1-8" FIG x FIG CHECK VALVE ABOVE THE GROUND
PLAN VIEW
AS BUILT
EMERGENCY BY-PASS DETAIL
Owner: City of McLendon-Chisholm
1348 S. Hwy 205 • McLendon-Chisholm, TX • 75032
Phone: 972-834-3077
City of McLendon-Chisholm
SANITARY SEWER LIFT STATION
F.C. CUNY CORPORATION
Lift Station Site Plan
1 of 4



Specifications

CONCRETE :

Class I/II concrete with design strength of 4500 PSI at 28 days. Unit is of monolithic construction at floor, first stage of wall and baffle with sectional riser to required depth.

REINFORCEMENT:

Grade 60 reinforced with steel rebar conforming to ASTM A615 or equal.

ALUMINUM HATCH:

300 PSF rated, 1/4" aluminum skid-resistant floor plate, stainless steel tamperproof bolting & hinges & stamlock. (H-20 Rating Optional)

PUMPS:

Pumps shall be centrifugal solids handling type with submersible type motor. Pumps shall have a capacity as follows:

PUMP No.	TYPE	GPM	TDH	RPM	ELECTRICAL HP	V	PH	Hz
1	NON CLOG	580	180'	1800	75	460	3	60
2	NON CLOG	580	180'	1800	75	460	3	60

CONTROLS:

Pump controls shall be mounted inside a UL listed NEMA-4X enclosure and include circuit breakers, alarm circuit fuse, EC rated motor starter, pump HOA, and alternator relay. Panel shall have a visual alarm beacon. Panel is designed for remote mounting.

Engineering Data

Field excavation and preparation shall be completed prior to delivery of assembly. Use dimensional data as shown. All pipe, valves and fittings of the assembly are approved by one of the following associations:

MODEL NUMBER: ParkUSA
888-611-PARK, www.PARK-USA.com
WW144 - NCD4 - 580 - 180 - 750 - 43

WET WELL SIZE (ID)
48 – 48" DIA
60 – 60" DIA
72 – 72" DIA
96 – 96" DIA

PUMP CONFIGURATION
S – SIMPLEX
D – DUPLEX

PUMP DISCHARGE SIZE
3 – 3"
4 – 4"
6 – 6"
8 – 8"

FLOW RATE CAPACITY (GPM)
100 – 100 GPM
200 – 200 GPM
ETC.

POWER CHARACTERISTICS
43 – 480V/3PH/60Hz
23 – 230V/3PH/60Hz
21 – 230V/1PH/60Hz
03 – 208V/3PH/60Hz

PUMP MOTOR SIZE
020 – 2.0 HP
030 – 3.0 HP
050 – 5.0 HP
075 – 7.5 HP
100 – 10.0 HP
150 – 15.0 HP
200 – 20.0 HP

PUMP HEAD CAPACITY (TDH)
10 – 10' TOTAL DYNAMIC HEAD
20 – 20' TOTAL DYNAMIC HEAD
ETC.

© Park 2013

PROJECT	SONOMA VERDE / McCLENDON CHISHOLM, TX
CUSTOMER	F.C. CUNY CORP.
ORDER #	83046
PROJ. #	13-01577

SANITARY SEWER LIFT STATION
SUBMERSIBLE NON-CLOG PUMP STATION

PM	DWG	DWG. NO.	REV.
DC	CH	WW144-NCD4/8	B
DATE 07/29/13			

APPENDIX D

PUMP CURVE FOR EXISTING LIFT STATION

Company:
Name: SONOMA VERDE
Date: 8/8/2013

Myers

Pump:

Size: 4VL/4VLX
Type: Non-clog
Synch speed: 1800 rpm
Speed: 1750 rpm
Dia: 13 in
Curve:
Impeller:
Specific Speeds:
Ns: ---
Nss: ---
Dimensions:
Suction: --
Discharge: 4 in

Search Criteria:

Flow: 580 US gpm
Head: 180 ft
Secondary Operating Point: 930 US gpm, 163 ft

Fluid:

Water
Density: 62.37 lb/ft³
Viscosity: 1.105 cP
Temperature: 60 °F
Vapor pressure: 0.2563 psi a
Atm pressure: 14.7 psi a
NPSHa: --

Pump Limits:

Temperature: ---
Pressure: --
Sphere size: 3 in
Power: ---
Eye area: —

Motor:

Standard: NEMA
Enclosure: TEFC
Sizing criteria: sized by user
Size: 75 hp
Speed: 1800
Frame: 365T

Pump Selection Warnings:

Selected motor does not meet sizing criteria.

— Data Point —

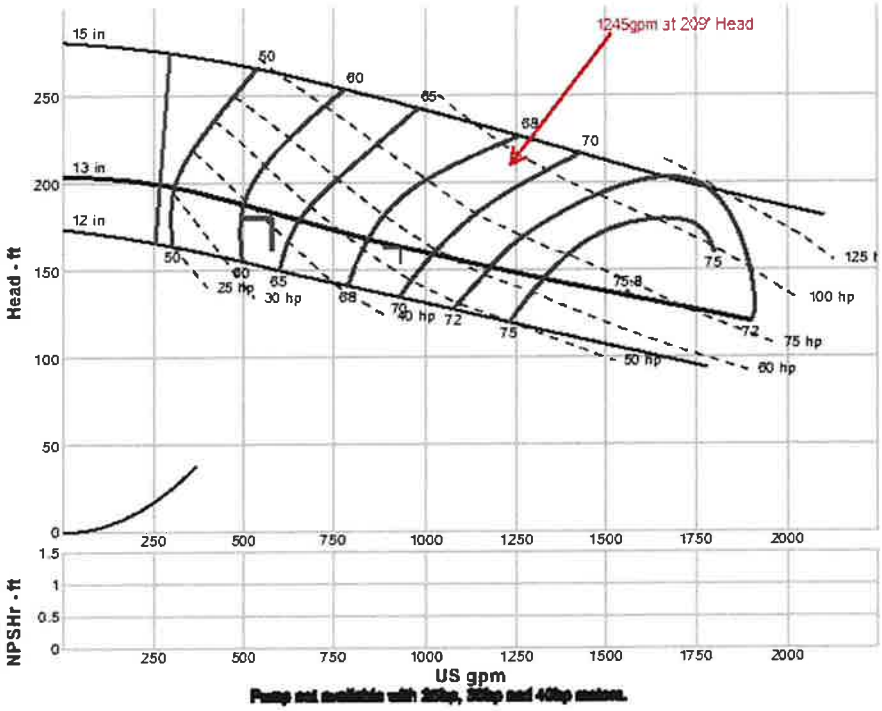
Flow:	580 US gpm
Head:	183 ft
Eff:	62.6%
Power:	42.8 hp
NPSHr:	---

— Design Curve —

Shutoff head:	204 ft
Shutoff dP:	88.4 psi
Min flow:	266 US gpm
BEP:	75.8% @ 1565 US gpm
NOL power:	80.5 hp @ 1900 US gpm

— Max Curve —

Max power: 139 hp @ 2101 US gpm



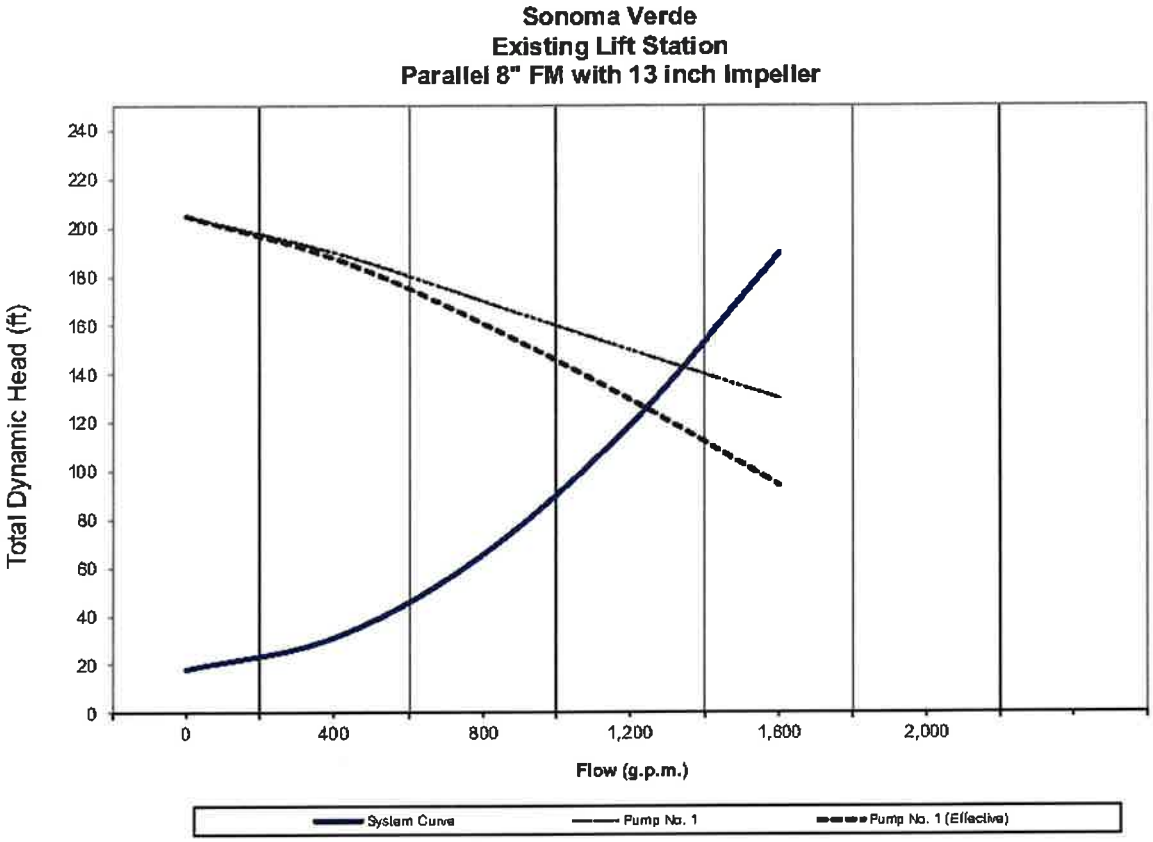
Pump not available with 25hp, 30hp and 40hp motors.

Performance Evaluation:

Flow US gpm	Speed rpm	Head ft	Efficiency %	Power hp	NPSHr ft
696	1750	177	65.6	47.2	---
580	1750	183	62.6	42.8	---
464	1750	190	58.1	38	---
348	1750	196	52.2	32.6	---
232	1750	---	---	---	---

Myers MAPS 6.6

Selected from catalog: Myers 60Hz Vers: Nov 2009


Sonoma Verde
Existing Lift Station
Parallel 8" FM with 13 inch Impeller
Total Dynamic Head (ft)
240
220
200
180
160
140
120
100
80
60
40
20
0
0
400
800
1,200
1,600
2,000
Flow (g.p.m.)
System Curve
Pump No. 1
Pump No. 1 (Effective)

FIGURES

FIGURE NO. 1
EXISTING AND PROPOSED DEVELOPMENTS



Figure 2

Location of Existing and Proposed Force Mains



EXHIBIT H
EDWARDS ROAD IMPROVEMENTS



EXHIBIT I
TRAIL PLAN



THE STATE OF TEXAS

COUNTY OF ROCKWALL

I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Rockwall County, Texas.

20250000003631 AGREEMENT
03/05/2025 01:22:19 PM Total Fees: $401.00

Jennifer Fogg, County Clerk
Rockwall County, TX

City of McLendon-Chisholm

Staff Report

Date: July 14, 2026

Agenda Item: Discuss and consider an ordinance amending Chapter 12, “Traffic and Vehicles,” of the Code of Ordinances by adding Section 12-01-007 “Restrictions on commercial vehicles and designation of truck routes”; prohibiting commercial vehicles from utilizing certain streets and roads within the city limits; designating truck routes; and providing exceptions.

Background:

The City has experienced increased commercial vehicle traffic on local and residential streets. In response, staff is proposing a citywide ordinance establishing a framework to regulate commercial vehicle traffic. The ordinance prohibits through commercial vehicles from utilizing non-designated streets and directs such traffic to designated truck routes, primarily SH 205 and FM 550.

The ordinance allows reasonable exceptions for local deliveries, emergency services, utilities, and permitted construction activity with written city authorization, while also providing for Road Use Agreements when necessary. This approach is intended to protect the City’s infrastructure investment, improve traffic safety, and reduce the use of residential streets as cut-through routes for commercial vehicles.

Fiscal Impact:

Short-term: Minimal costs associated with installation of signage and roadway markings identifying truck routes and restricted areas.

Long-term: Anticipated reduction in roadway maintenance and repair costs due to decreased wear and tear from heavy commercial vehicle traffic on local streets.

Options/Alternatives:

1. City Council may approve the Ordinance, as presented.
2. City Council may deny the Ordinance.

Recommendation:

Staff recommend approval of the Ordinance, as presented.

Attachments:

- Ordinance

Presenter: Fabrice Kabona, City Manager

ORDINANCE NO. 2026-

AN ORDINANCE OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, AMENDING CHAPTER 12 "TRAFFIC AND VEHICLES," ARTICLE 12.01 "GENERAL PROVISIONS" OF THE CODE OF ORDINANCES BY ADDING SECTION 12.01.007 "RESTRICTIONS ON COMMERCIAL VEHICLES AND DESIGNATION OF TRUCK ROUTES"; PROHIBITING COMMERCIAL VEHICLES FROM UTILIZING CERTAIN STREETS AND ROADS WITHIN THE CITY LIMITS; DESIGNATING AUTHORIZED TRUCK ROUTES; PROVIDING EXCEPTIONS; PROVIDING FOR ROAD USE AGREEMENTS; PROVIDING FOR ENFORCEMENT AND PENALTIES; PROVIDING FOR LIABILITY FOR DAMAGE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, City Council finds that the design, structural integrity, and intended use of residential and local streets within the City are not suitable for heavy commercial vehicle traffic; and

WHEREAS, excessive commercial vehicle traffic contributes to accelerated pavement deterioration, increased maintenance costs, and safety concerns for residents; and

WHEREAS, the City Council desires to protect the public health, safety, and welfare by regulating commercial vehicle traffic and preserving roadway infrastructure; and

WHEREAS, municipalities are authorized under Texas law to regulate traffic, designate truck routes, and restrict roadway use to promote safe and efficient transportation; and

WHEREAS, City Council finds that directing commercial vehicles to designated routes minimizes impacts on residential areas and improves overall traffic safety;

NOW, BE IT THERFORE ORDAINED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS:

SECTION 1. AUTHORIZATION

THAT the City Manager or the City Manager's designee is hereby authorized and directed to implement the applicable provisions of this ordinance.

SECTION 2. AMENDMENT TO CODE OF ORDINANCES.

THAT Chapter 12, "Traffic and Vehicles," Article 12.01, "General Provisions" of the Code of Ordinances of the City of McLendon-Chisholm, Texas, is hereby amended by adding a new section 12.01.007, and which shall read as follows:

"…

Sec. 12.01.007 – Restrictions on Commercial Vehicles and Designation of Truck Routes

(a) Definitions

1. Commercial Vehicle shall have the same meaning as "commercial motor vehicle" as defined in the Texas Transportation Code, as amended.
2. Local Commercial Vehicle means any commercial vehicle whose origin or destination lies within the City limits.
3. Through Commercial Vehicle means any commercial vehicle that is not a local commercial vehicle.
4. Truck Route means any street, roadway, or highway designated by the City Council for use by commercial vehicles.
5. Residential Street means any street not designated as a Truck Route and located within or adjacent to residential areas.

(b) Restrictions on Commercial Vehicle Operation

1. No person shall knowingly or recklessly operate or cause to be operated any through commercial vehicle upon any public street within the City except upon a designated Truck Route, United States Highway, or State Highway.
2. No person shall operate a commercial vehicle on any street not designated as a Truck Route except as provided in this section.
3. Commercial vehicles are prohibited from utilizing residential and local streets as through routes or shortcuts.
4. No commercial vehicle or diesel-powered tractor or truck-tractor combination shall be operated on any residential street between the hours of 10:00 p.m. and 7:00 a.m. unless a specific written exception has been granted by the City.

(c) Designated Truck Routes

The following roadways within the City are designated as Truck Routes:

1. State Highway 205;

2. Farm-to-Market Road 550
3. Farm-to-Market Road 548
4. Farm-to-Market Road 1139
5. All United States Highways within the City limits;
6. All State Highways within the City limits;
7. Any additional routes designated by ordinance or resolution of the City Council.

The City Manager or designee is authorized to designate temporary alternate Truck Routes when necessary due to construction, maintenance, or emergencies.

(d) Permitted Use by Local Commercial Vehicles

Commercial vehicles may depart from a designated Truck Route when:

1. It is necessary to load or unload goods or provide services within the City;
2. The vehicle travels by the most direct and practical route;
3. The vehicle returns to a designated Truck Route as soon as reasonably possible.

(e) Exceptions

The provisions of this article shall not apply to:

1. Emergency vehicles operating in response to any emergency call;
2. Construction vehicles directly associated with permitted development within or adjacent to the restricted area, provided such vehicles have obtained prior written authorization from the City;
3. Public utility vehicles engaged in providing or repairing services;
4. Government-owned vehicles performing official duties;
5. School buses and public transportation vehicles;
6. Vehicles operating under a valid permit or Road Use Agreement issued by the City;
7. Vehicles making deliveries or providing services to properties located along the restricted roadways, provided such travel presents the most direct route;
8. Vehicles operating on officially designated detour routes.

(f) Road Use Agreements

1. Any person desiring to operate commercial vehicles on streets not designated as Truck Routes, in a manner not otherwise authorized by this section, shall enter into a Road Use Agreement with the City.
2. The City may require:
    - A performance bond or financial guarantee;
    - Designated routes and time restrictions;
    - Inspection of road conditions;
    - Repair or reimbursement for damage caused to public infrastructure.

(g) Liability for Damage

Any person operating or causing a commercial vehicle to be operated in violation of this section shall be liable for any damage caused to City streets or infrastructure. The City may pursue recovery of such costs as permitted by law.

(h) Offense

It shall be unlawful for any person to operate or permit to be operated a commercial vehicle in violation of this section.

(i) Penalty

Any person, firm, or corporation who violates this ordinance shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined a sum not less than one hundred dollars ($100.00) and not to exceed five hundred dollars ($500.00) for each offense. Each day a violation continues or each use of an unauthorized street within the same day shall constitute a separate offense.

(j) Signage

The City shall install appropriate signage identifying designated Truck Routes and restricted streets.

(k) Affirmative Defense

It shall be an affirmative defense to prosecution if:

1. The vehicle qualifies as a local commercial vehicle operating in compliance with this section; or
2. The operator possessed a valid permit or Road Use Agreement.

…”

SECTION 3. If any section, subsection, sentence, clause, or phrase of this ordinance is held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4. This ordinance shall take effect immediately upon adoption and publication as required by law.

DULY PASSED by the City Council of the City of McLendon-Chisholm, Texas, on this the 14th day of July 2026.

APPROVED:

_____
Jerry Brewer, Mayor

ATTEST:

_____
Angela Jennings, City Secretary