LAKEWOOD VILLAGE TOWN HALL
100 HIGHRIDGE DRIVE
LAKEWOOD VILLAGE, TEXAS
TOWN COUNCIL MEETING
AUGUST 11, 2022 7:00 P.M.

REGULAR SESSION – AGENDA

Call to Order and Announce a Quorum is Present

A. PLEDGE TO THE FLAG:

B. VISITOR/CITIZENS FORUM: Pursuant to Texas Government code 551.007 (adopted in 2019): A governmental body shall allow each member of the public who desires to address the body regarding an item on an agenda for an open meeting of the body to address the body regarding the item at the meeting before or during the body's consideration of the item. A person who addresses the Council concerning an agenda item, including a Public Hearing, must limit his/her remarks to the specific subject matter being considered by the Council under that agenda item.

C. PUBLIC HEARING – A public hearing is scheduled to consider testimony regarding the levy of assessments against property within the Lakewood Village Public Improvement District No. 1.

D. PUBLIC HEARING: A public hearing is scheduled on the proposed fiscal year 2022-2023 budget to provide an opportunity for citizen comment. The Town Council may adopt the budget with or without amendment by ordinance on one (1) reading.

E. PUBLIC HEARING – A public hearing is scheduled on the proposed combined property tax rate of $0.45/$100 to provide an opportunity for citizen comment.

F. PUBLIC HEARING – A public hearing is scheduled on the critical water emergency to provide an opportunity for citizen comment.

G. REGULAR AGENDA:

1. Consider and act upon an ordinance accepting and approving a final Lakewood Village Public Improvement District No. 1 Service and Assessment Plan, including the assessment roll attached thereto; making a finding of special benefit to property within the Lakewood Village Public Improvement District No. 1; levying special assessments against such property and establishing a lien on such property; providing for the method of assessment and the payment of the assessments levied against the assessed property, in accordance with Chapter 372 of the Texas Local Government Code, as amended. (Vargus)
2. Consider and act upon an ordinance approving and authorizing the issuance and sale of the Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project); approving and authorizing related agreements; and providing an effective date. (Vargus)
3. Consideration of a Resolution disapproving the proposed 2023 Denton Central Appraisal District budget (Ruth)
4. Consideration of Critical Water Emergency Ordinance (Vargus)
5. Discussion of Water/Wastewater Capital Improvement Projects (Vargus)

6. Consider and adopt a resolution providing for the defeasance and redemption of the outstanding "Town of Lakewood Village, Texas, Certificates of Obligation, Series 2014" and resolving other matters incident and related thereto (Vargus)
7. Consideration of 2022-2023 Fiscal Year Budget (Vargus)
8. Consideration of Minutes of July 28, 2022 Council Meeting (Ruth)

H. EXECUTIVE SESSION: – In accordance with Texas Government Code, Section 551.001, et seq., the Town Council will recess into Executive Session (closed meeting) to discuss the following:

1. § 551.087 Texas Government Code to wit: Economic Development Negotiations regarding First Texas Homes, Taylor Morrison-South Oak, Project Lakewood Village Partners, Project Slade Rock, Project Lightning Bolt; and
2. § 551.071(2), Texas Government Code to wit: consultation with Town Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter to receive legal advice re: Development agreements, development and zoning standards; and
3. § 551.072 Texas Government Code to wit: deliberations about real property regarding First Texas Homes, Taylor Morrison-South Oak, Project Lakewood Village Partners, Project Slade Rock, and Project Lightning Bolt.

I. RECONVENE: Reconvene into regular session and consideration of action, if any, on items discussed in executive session.

J. ADJOURNMENT

I do hereby certify that the above notice of meeting was posted on the designated place for official notice at 5:30 p.m. on Monday, August 8, 2022.

Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary

The Town Council reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development), 418.183 (Homeland Security)

This facility is wheelchair accessible and accessible parking spaces are available. Please contact the Town Secretary's office at 972-294-5555 or FAX 972-292-0812 for further information.

One or more board members of the LAKEWOOD VILLAGE MUNICIPAL DEVELOPMENT DISTRICT may attend this meeting. No action will be taken by the MDD board.

ORDINANCE NO. 22-16

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS ACCEPTING AND APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR THE LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY WITHIN THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, a petition was submitted and filed with the Town Secretary (the "Town Secretary") of the Town of Lakewood Village, Texas (the "Town") 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 consisting of certain property located within the extraterritorial jurisdiction of the Town; and

WHEREAS, the petition contained the signature of the owner of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Denton Central Appraisal District, and the signature of the record owner of 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 June 30, 2022, after due notice, the Town Council of the Town (the "Town Council") held a public hearing in the manner required by law on the advisability of the public improvements and services described in the petition as required by Section 372.009 of the PID Act and made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 22-17 (the "Authorization Resolution") adopted by a majority of the members of the Town Council, authorized and created the Lakewood Village Public Improvement District No. 1(the "District") in accordance with its finding as to the advisability of the Authorized Improvements; and

WHEREAS, the Town filed a copy of the Authorization Resolution with the county clerk of Denton County as required by the PID Act; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the Town Secretary within twenty (20) days after June 30, 2022; and

WHEREAS, on July 28, 2022, the Town Council adopted a resolution approving a preliminary service and assessment plan, including a proposed assessment roll for the District; calling for a public hearing to consider an ordinance levying assessments on property within the

District (the "Assessments"); authorizing and directing the Town Secretary of the Town to file the proposed assessment roll for the District and make such assessment roll available for public inspection; authorizing and directing the publication of notice of a public hearing to consider the levying of the Assessments against the property within the District (the "Levy and Assessment Hearing"); authorizing and directing the mailing of notice of the Levy and Assessment Hearing to owners of property liable for assessment; and directing related action; and

WHEREAS, on July 29, 2022, the Town Secretary filed the Assessment Roll and made the same available for public inspection; and

WHEREAS, the Town Secretary, pursuant to Section 372.016(b) of the PID Act, published notice of the Levy and Assessment Hearing on July 30, 2022 in the *Dallas Morning News*, a newspaper of general circulation in the Town and in the part of the Town's extraterritorial jurisdiction in which the District is located or in which the improvements are to be undertaken; and

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

WHEREAS, the Town Council opened the Levy and Assessment Hearing on August 11, 2022, and 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 Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Actual Costs of the improvements to be undertaken for the benefit of the Assessed Property (as defined in the Service and Assessment Plan) (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 Town Council finds and determines that the Assessment Roll and the Lakewood Village Public Improvement District No. 1 Service and Assessment Plan, dated August 11, 2022, in a form substantially similar to the attached ***Exhibit A*** (as updated, the "Service and Assessment Plan"), and which is incorporated herein for all purposes, should be approved and that the Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan and the assessment roll attached thereto as Exhibit E-1 (the "Assessment Roll"); and

WHEREAS, the Town Council further finds that there were no objections or evidence submitted to the Town Secretary in opposition to the Service and Assessment Plan, the allocation of the Actual Costs of the Authorized Improvements (as described in the Service and Assessment Plan), the Assessment Roll, or the levy of the Assessments against the Assessed Property; and

WHEREAS, the owners (the "Landowners"), or their representatives, of the majority of the privately-owned and taxable property located within the District, who are the persons to be assessed pursuant to this Ordinance, have indicated their approval and acceptance of the Service

and Assessment Plan, approval of the Assessment Roll, approval of this Ordinance, and approval of the levy of the Assessments against their property located within the District; and

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

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:

Section 1. **Terms**.

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

Section 2. **Findings**.

The findings and determinations set forth in the preambles hereof 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. The Town Council hereby finds, determines, and ordains, as follows:

(a) The apportionment of the Actual Costs of the Authorized Improvements (as reflected in the Service and Assessment Plan), and the Annual Collection Costs (as defined in and as described by the Service and Assessment Plan) is fair and reasonable, reflects an accurate presentation of the special benefit each assessed parcel within the Assessed Property will receive from the construction of the Authorized Improvements identified in the Service and Assessment Plan, and is hereby approved;

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

(c) The Service and Assessment Plan apportions the Actual Costs of the Authorized Improvements to be assessed against the Assessed Property as Assessments and such apportionment is made on the basis of special benefits accruing to the property because of the Authorized Improvements;

(d) All of the real property in the District which is being assessed in the amounts shown in the Assessment Roll will be benefited by the Authorized Improvements proposed to be constructed as described in the Service and Assessment Plan, and each assessed parcel of Assessed Property will receive special benefits during the term of the Assessments equal to or greater than the total amount assessed;

(e) The method of apportionment of the Actual Costs of the Authorized Improvements and Annual Collection Costs set forth in the Service and Assessment Plan results in imposing equal shares of the Actual Costs of the Authorized Improvements and

Annual Collection Costs on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the Actual Costs;

(f) The Service and Assessment Plan should be approved as the service plan and assessment plan for the District as described in Sections 372.013 and 372.014 of the PID Act;

(g) The Assessment Roll in the form attached to the Service and Assessment Plan as Exhibit E-1 should be approved as the assessment roll for the Assessed Property within the District;

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

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

Section 3. Service and Assessment Plan.

The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the PID Act as the service plan and the assessment plan for the District.

Section 4. Assessment Roll.

The Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Assessment Roll of the District.

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

(a) The Town Council hereby levies an assessment on each parcel of Assessed Property (excluding Non-Benefitted Property, as defined in the Service and Assessment Plan), as shown and described in the Service and Assessment Plan and the Assessment Roll, in the respective amounts shown on the Assessment Roll, as a special assessment on the properties set forth in the Assessment Roll.

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

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

(d) Each Assessment may be paid in a lump sum at any time or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

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

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

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

Section 6. **Method of Assessment**.

The method of apportioning the Actual Costs of the Authorized Improvements and Annual Collection Costs 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 Section VI of the Service and Assessment Plan, the owner of any Assessed Property subject to an Assessment may prepay the Assessments levied by this Ordinance.

Section 9. **Lien Priority**.

The Town Council and the Landowners intend for the obligations, covenants and burdens on the Landowners of each parcel of Assessed Property, including without limitation such Landowners' obligations related to payment of the Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Assessments and the Annual Installments thereof which are levied hereby shall be binding upon the Landowners, as the owners of each parcel of Assessed Property, and their respective transferees, legal representatives, heirs, devisees, successors and assigns 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 PID Act.

Section 10. **Appointment of Administrator and Collector of Assessments**.

(a) Appointment of Administrator.

P3Works, LLC is hereby appointed and designated to initially serve, until otherwise determined by the Town Council, as the Administrator of the Service and Assessment Plan and

of the Assessments levied by this Ordinance. The Administrator shall perform the duties of the Administrator described in the Service and Assessment Plan and in this Ordinance. The Administrator's fees, charges and expenses for providing such service shall constitute Annual Collection Costs.

(b) Appointment of Collector.

The Town's Chief Financial Officer is hereby appointed and designated as the temporary collector of the Assessments. The Chief Financial Officer shall serve in such capacity until such time as the Town shall arrange for the Denton County Tax Assessor/Collector to be designated as and perform the duties of the collector for the Assessments.

Section 11. Applicability of Tax Code.

To the extent not inconsistent with this Ordinance, and not inconsistent with the PID Act or the other laws governing public improvement districts, the provisions of the Texas Tax Code shall be applicable to the imposition and collection of the Assessments by the Town.

Section 12. Filing in Land Records. The Town Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan and the Assessment Roll, to be recorded in the real property records of Denton County, not later than the seventh day after the date the Town Council adopts this Ordinance approving the Service and Assessment Plan. The Town Secretary is further directed to similarly file each Annual Service Plan Update (as defined in the Service and Assessment Plan) approved by the Town Council not later than the seventh day after the date that the Town Council approves each Annual Service Plan Update.

Section 13. Severability.

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of the 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 Town 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 14. Effective Date.

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

PASSED AND APPROVED THIS THE 11TH DAY OF AUGUST, 2022.

_____
Dr. Mark E. Vargus
Mayor

ATTESTED:

(Town Seal)

_____
Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the 11th day of August, 2022 by Dr. Mark Vargus, Mayor of the Town of Lakewood Village, Texas on behalf of said Town.

_____
Notary Public, State of Texas

(SEAL)

EXHIBIT A

Service and Assessment Plan

Lakewood Village Public Improvement District No. 1

PRELIMINARY SERVICE AND ASSESSMENT PLAN

JULY 28, 2022

P3 WORKS

AUSTIN, TX | NORTH RICHLAND HILLS, 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 June 30, 2022, the Town Council passed and approved Resolution No. 22-17 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 70.16 acres located within the extraterritorial jurisdiction of the Town, as described on **Exhibit J** and depicted on **Exhibit A**.

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 C.**

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 District will include an Operation and Maintenance Assessment and a separate Operation and Maintenance Service and Assessment Plan that will be prepared and presented to Town Council prior to the adoption of the levy, after the preparation of a budget for the operation and maintenance of the District.

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

SECTION I: DEFINITIONS

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

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

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

"Administrator" means the Town or independent firm designated by the Town who shall have the responsibilities provided in this Service and Assessment Plan, any Indenture, or any other agreement or document approved by the Town 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) Town staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the Town; (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 Town'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 Town Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest related to the PID Bonds.

"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 Town Council.

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

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

"Assessment Ordinance" means an ordinance adopted by the Town 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 as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including Annual Service Plan Updates.

"Authorized Improvements" means the improvements authorized by Section 372.003 of the PID Act, and described in Section III, including PID Improvements and Town Improvements, as further depicted on **Exhibits F-1** and **F-2.**

"Authorized Improvement Projects" means, collectively, (1) the PID Improvements; (2) the Town Improvements, (3) the first year's Annual Collection Costs related to the PID Bonds; (4) District Formation Costs; and (5) Bond Issuance Costs incurred in connection with the issuance of the PID Bonds.

"Bond Issuance Costs" means the costs associated with issuing PID Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter's discount, fees

charged by the Texas Attorney General, and any other cost or expense incurred by the Town directly associated with the issuance of any series of PID Bonds.

"County" means Denton 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 C and C Land, LLC, a Texas limited liability company and any successors or assigns thereof that intends to develop the property in the District on behalf of the Owner, for the ultimate purpose of transferring title to end users.

"District" means Lakewood Village Public Improvement District No. 1 containing approximately 70.16 acres located within the extraterritorial jurisdiction of the Town, and more specifically described in **Exhibit J** and depicted on **Exhibit A**.

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

"Engineer's Report" means report(s) 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 Owner and confirmed by the Town 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 Town, may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit G.**

"Initial Parcel" means all of the Assessed Property within the District against which the entire Assessment is initially levied, as shown on the Assessment Roll.

"Indenture" means the Indenture of Trust entered into between the Town and the Trustee in connection with the issuance of the PID Bonds, as amended from time to time, setting forth the terms and conditions related to the 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 by the Administrator and confirmed by the Town Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as provided by the Owner, and confirmed by the Town Council, as shown on **Exhibit G.**

"Lot Type 1" means a Lot within the District marketed to homebuilders as a 40'. The buyer disclosure for Lot Type 1 is attached as **Appendix C-2.**

"Lot Type 2" means a Lot within the District marketed to homebuilders as a 50'. The buyer disclosure for Lot Type 2 is attached as **Appendix C-3.**

"Lot Type 3" means a Lot within the District marketed to homebuilders as a 60'. The buyer disclosure for Lot Type 3 is attached as **Appendix C-4.**

"Lot Type 4" means a Lot within the District marketed to homebuilders as a .6-acre Lot. The buyer disclosure for Lot Type 4 is attached as **Appendix C-5.**

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

"Non-Benefitted Property" means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the Town 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 H.**

"Operations and Maintenance Assessment" means a separate assessment levied against a Parcel and imposed pursuant to an Assessment Ordinance, which pays for the Town's operation and maintenance of the Authorized Improvements and public safety services, as shown on an Assessment Roll in the Operations and Maintenance Service and Assessment Plan, and will never secure the PID Bonds.

"Operations and Maintenance Service and Assessment Plan" means the Operations and Maintenance Service and Assessment Plan, expected to be adopted in 2023, which will govern the Operations and Maintenance Assessment, as it may be modified, amended, supplemented and updated by the Town Council from time to time.

"Owner" or **"Owners"** means Taylor Morrison of Texas, Inc. and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

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

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

"PID Bonds" means those certain "Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District Improvement No. 1 Project)" that are secured by Assessments, or any bonds issued to refund such series of bonds that are secured by Assessments.

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

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

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

"Service and Assessment Plan" means this Lakewood Village Public Improvement District No. 1 Service and Assessment Plan as updated, amended, or supplemented from time to time.

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

"Town" means the Town of Lakewood Village, Texas.

"Town Council" means the governing body of the Town.

"Town Improvements" means a portion of Authorized Improvements, consisting of water and sewer improvements to be constructed by the Town which are allocable to the District and that confer special benefit to the Assessed Property within the District, as further described in **Section III.**

"Trustee" means the trustee or successor trustee under the Indenture.

SECTION II: THE DISTRICT

The District includes approximately 70.16 contiguous acres located within the extraterritorial jurisdiction of the Town, the boundaries of which are more particularly described on **Exhibit J** and depicted on **Exhibit A**. Development of the District is anticipated to include approximately 285 Lots developed with single-family homes. 65 Lots are classified as Lot Type 1, 125 Lots are classified as Lot Type 2, 94 Lots are classified as Lot Type 3, and 1 Lot is classified as Lot Type 4.

SECTION III: AUTHORIZED IMPROVEMENTS

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

A. PID Improvements

- *Roads*

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

- *Water*

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

- *Sewer*

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

- *Drainage*

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

- *Soft Costs*

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

B. Town Improvements[1]

- *Sewer*

  Improvements including sewer treatment plant, trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control, design, Town fees, engineering, soil testing, survey, construction management, contingency and all necessary appurtenances required to provide wastewater service to all Lots within the District.

- *Water*

  Improvements including water well, ground storage tank, trench excavation and embedment, trench safety, PVC piping and fittings, manholes, ductile iron encasement, boring, testing, related earthwork, excavation, and erosion control, design, Town fees, engineering, soil testing, survey, construction management, contingency, and all necessary appurtenances required to provide water service to all Lots within the District.

C. District Formation Costs

- Costs associated with forming the District, including, but not limited to, attorney fees, and any other cost or expense incurred by the Town directly associated with the establishment of the District.

D. Bond Issuance Costs

- *Debt Service Reserve Fund*

[1] Per cost allocation letter from Town Engineer dated June 8, 2022, which is attached hereto as **Appendix B.**

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

- *Capitalized Interest*

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

- *Underwriter's Discount*

  Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds plus a fee for underwriter's counsel.

- *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, Town's costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

E. Other Costs

- *Deposit to Administrative Fund*

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

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also required to include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the 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 C1, C-2, C-3, C-4** and **C-5.**

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

SECTION V: ASSESSMENT PLAN

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

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

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

A. Assessment Methodology

Acting in its legislative capacity and based on information provided by the Owner and its engineer and reviewed by the Town staff and by third-party consultants retained by the Town, the Town Council has determined that the costs of the Authorized Improvements shall be initially allocated entirely to the Initial Parcel. Upon subdivision of an Assessed Property, the Actual Costs of the Authorized Improvements shall be reallocated based on Estimated Buildout Value as further described in **Section VI**.

Assessments will be levied on the Assessed Property according to the Assessment Roll, attached hereto as **Exhibit E-1**. The projected Annual Installments are shown on **Exhibit E-2**, subject to revisions made during any Annual Service Plan Update. Upon division or subdivision of the Initial Parcel, the Assessments will be reallocated pursuant to **Section VI**.

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

B. Findings of Special Benefit

Acting in its legislative capacity and based on information provided by the Owner and its engineer and reviewed by the Town staff and by third-party consultants retained by the Town, the Town Council has found and determined:

- The costs of the Authorized Improvement Projects equal $21,018,927 as shown on **Exhibit B**;
- The Assessed Property receives special benefit from the Authorized Improvement Projects equal to or greater than the Actual Cost of the Authorized Improvement Projects;
- The Initial Parcel will be allocated 100% of the Assessment levied for the Authorized Improvement Projects, which equals $17,633,000 as shown on the Assessment Roll attached hereto as **Exhibit E-1**;
- The special benefit (≥ $21,018,927) received by the Initial Parcel from the Authorized Improvement Projects is equal to or greater than the amount of the Assessment ($17,633,000) levied on the Initial Parcel for the Authorized Improvement Projects; and
- At the time the Town Council approved the Service and Assessment Plan, the Owner owned 100% of the Initial Parcel. The Owner acknowledged that the Authorized

Improvement Projects confer a special benefit on the Initial Parcel and consented to the imposition of the Assessment to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the Town Council as to the special benefits described herein and the applicable Assessment Ordinance; (2) the Service and Assessment Plan and the applicable Assessment Ordinance; and (3) the levying of the Assessment on the Initial Parcel.

C. Annual Collection Costs

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

D. Additional Interest

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

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

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

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

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot
B = the Assessment for the Parcel prior to subdivision
C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type
D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefitted Property
E= the number of newly subdivided Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the Town an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the Town Council based on Estimated Buildout Value information provided by the Owner, homebuilders, third party

consultants, and/or the Official Public Records of the County regarding the Lot. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, and Lot Type 4 are shown on **Exhibit G** and will not change in future Annual Service Plan Updates.

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

3. Upon Consolidation

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

B. Mandatory Prepayment of Assessments

If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel or portion thereof shall pay to the Town, or cause to be paid to the Town, 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 Town receives such payment. Following payment of the foregoing costs in full, the Town shall provide the owner with a recordable "Notice of Assessment Termination," a form of which is attached hereto as **Exhibit H.**

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

Prior to the Town 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 Town, or cause to be paid to the Town, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the Town approving the final plat. The Town's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement the Actual Costs of any Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds are not issued, the Town Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the Project Fund created under the Indenture affected by such reduction in Actual Costs, that are not expected to be used for the purposes of the Project Fund specified in the Indenture to redeem outstanding PID Bonds, unless otherwise directed by the Indenture. Excess PID Bond proceeds shall be applied to redeem outstanding PID Bonds or for such other purposes authorized by the 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 Town 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 Town 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 Town 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 Town shall provide the owner with a recordable "Notice of Assessment Termination."

If an Assessment on an Assessed Property is prepaid in part with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the Town 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 E-2** shows the estimated Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

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

The Administrator shall prepare and submit to the Town Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under the 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 Town 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 Town. The Town Council may provide for other means of collecting Annual Installments, to the extent permitted by the PID Act or other applicable law, but in no case shall the Town 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 Town reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2023.

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

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

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

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

made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remainder Property.

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

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

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

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

SECTION VII: ASSESSMENT ROLL

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

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following Town Council's approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the Town Council and the owner not later than 30 days of such receipt of a written notice of error by the Administrator. The Town 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 Town Council shall make a final determination as to whether an error has been made. If the Town Council determines that an error has been made, the Town 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 Town Council. The determination by the Town Council as to whether an error has been made, and any corrective action taken by the Town 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 Town 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 Town 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 Town Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the Town Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the Town Council shall be final and binding on the owners of Assessed Property and developers and their successors and assigns.

D. Form of Buyer Disclosure

Within seven days of approval by the Town Council, the Town shall file and record in the Official Public Records of the County the executed ordinance of this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving 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	Map of the District
Exhibit B	Project Costs
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E-1	Assessment Roll
Exhibit E-2	Annual Installments
Exhibit F-1	Maps of PID Improvements
Exhibit F-2	Maps of Town Improvements
Exhibit G	Maximum Assessment and Tax Rate Equivalent
Exhibit H	Form of Notice of Assessment Termination
Exhibit I	Debt Service Schedules for PID Bonds
Exhibit J	District 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	Town Improvements Allocation Letter
Appendix C-1	Initial Parcel Buyer Disclosure
Appendix C-2	Lot Type 1 Buyer Disclosure
Appendix C-3	Lot Type 2 Buyer Disclosure
Appendix C-4	Lot Type 3 Buyer Disclosure
Appendix C-5	Lot Type 4 Buyer Disclosure

EXHIBIT A – MAP OF THE DISTRICT

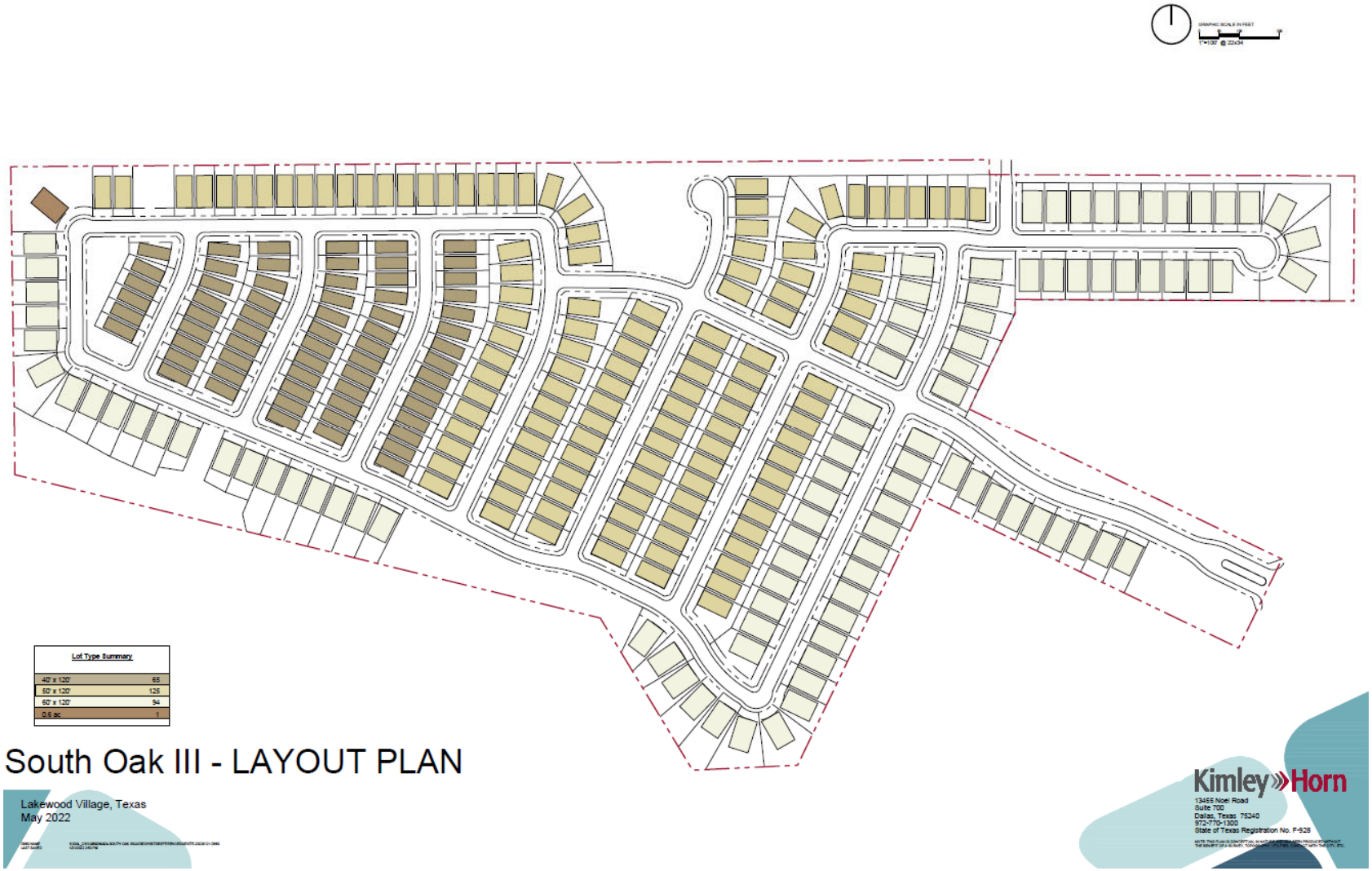


EXHIBIT B – PROJECT COSTS

	Total[1]	Private[2]	Town Portion[3]	Authorized Improvement Projects
PID Improvements				
Roads	$ 3,655,364	$ -	$ -	$ 3,655,364
Water	1,777,806	-	-	1,777,806
Sewer	2,997,514	-	-	2,997,514
Drainage	1,732,294	-	-	1,732,294
Soft Costs[4]	2,083,408	-	-	2,083,408
	$ 12,246,386	$ -	$ -	$ 12,246,386
Town Improvements [3]				
Sewer	$ 5,193,790	$ -	$ 2,233,330	$ 2,960,460
Water	5,274,330	-	3,406,176	1,868,154
	$ 10,468,120	$ -	$ 5,639,505	$ 4,828,615
Private Improvements				
Clearing & Excavation	$ 805,345	$ 805,345	$ -	$ -
Retaining Walls	1,475,419	1,475,419	-	-
Erosion Control	14,200	14,200	-	-
Amenities, Landscape & Screening	1,025,000	1,025,000	-	-
Franchise Utilities	666,800	666,800	-	-
Miscellaneous & Other	76,354	76,354	-	-
Soft Costs[4]	832,940	832,940	-	-
	$ 4,896,058	$ 4,896,058	$ -	$ -
Bond Issuance Costs				
Debt Service Reserve Fund	$ 1,310,243			$ 1,310,243
Capitlized Interest	1,016,714			1,016,714
Underwriter's Discount	528,990			528,990
Costs of Issuance	1,057,980			1,057,980
	$ 3,913,927			$ 3,913,927
Other Costs				
Deposit to Administrative Fund	$ 30,000			$ 30,000
	$ 30,000			$ 30,000
Total	**$ 31,554,491**	**$ 4,896,058**	**$ 5,639,505**	**$ 21,018,927**

Notes:

[1] Per Preliminary Opinion of Probable Construction Costs provided by Owner's engineer dated June 29, 2022, which is derived from bid documents and attached as **Appendix A.**

[2] These amounts are being paid for by the Owner and will not be repaid with Assessments. Developer has separately agreed to complete the private improvements with its own avilable funds, as and when needed.

[3] Allocation of Town Improvements based on Town Engineer calculations in Cost Allocation letter dated June 8, 2022, attached hereto as **Appendix B.** The Town's portion of the Town Improvements are not considered part of the Authorized Improvement Projects and are being paid by the Town without reimbursement from Assessments. The Town Improvements will be constructed by the Town. A portion of these costs, the Town Portion, will be paid from proceeds of the Town's Certificates of Obligation and a portion will be paid from the proceeds of the PID Bonds.

[4] Soft Costs includes Planning, survey, platting, engineering, LA permitting, staking, city fees, miscellaneous and contingency.

EXHIBIT C – SERVICE PLAN

Lakewood Village PID No. 1						
Annual Installment Due		**1/31/2023**	**1/31/2024**	**1/31/2025**	**1/31/2026**	**1/31/2027**
Principal		$ -	$ 237,000.00	$ 251,000.00	$ 266,000.00	$ 282,000.00
Interest		$ 1,016,714.00	$ 1,013,897.50	$ 1,000,270.00	$ 985,837.50	$ 970,542.50
Capitalized Interest		$ (1,016,714.00)	$ -	$ -	$ -	$ -
	(1)	$ -	$ 1,250,897.50	$ 1,251,270.00	$ 1,251,837.50	$ 1,252,542.50
Additional Interest	(2)	$ -	$ 88,165.00	$ 86,980.00	$ 85,725.00	$ 84,395.00
Annual Collection Costs	(3)	$ -	$ 30,600.00	$ 31,212.00	$ 31,836.24	$ 32,472.96
Total Annual Installment	**(4) = (1) + (2) + (3)**	**$ -**	**$ 1,369,662.50**	**$ 1,369,462.00**	**$ 1,369,398.74**	**$ 1,369,410.46**

EXHIBIT D – SOURCES AND USES OF FUNDS

	Private	PID
Sources		
PID Bond Par	$ -	$ 17,633,000
Owner Contribution - Private[1]	4,896,058	-
Town Contribution[2]	5,639,505	-
Owner Contribution[1]	-	3,385,927
Total Sources	**$ 10,535,563**	**$ 21,018,927**
Uses		
PID Improvements	-	12,246,386
Town Improvements	5,639,505	4,828,615
Private Improvements	4,896,058	-
	$ 10,535,563	$ 17,075,001
Bond Issuance Costs		
Debt Service Reserve Fund	$ -	$ 1,310,243
Capitalized Interest	-	1,016,714
Underwriter's Discount	-	528,990
Costs of Issuance	-	1,057,980
	$ -	$ 3,913,927
District Formation Costs		
Deposit to Administrative Fund	$ -	$ 30,000
	$ -	$ 30,000
Total Uses	**$ 10,535,563**	**$ 21,018,927**

Notes:

[1] Not reimburseable to the Owner through Assessments. Developer has separately agreed to complete the improvements with its own available funds, as and when needed.

[2] The Town Improvements will be constructed by the Town. A portion of the proceeds from the Town's previously issued Certificates of Obligation will be used to make the Town Contribution and will only be used to fund a portion of the Town Improvements.

EXHIBIT E-1 –ASSESSMENT ROLL

Property ID[1]	Lot Type	Outstanding Assessment	Total Annual Installment Due 1/31/2023
168221, 205956, 205957, 205958, 205959, 205960, 205961, 205962, 205963, 206964	Initial Parcel	$ 17,633,000.00	$ -
Total		**$ 17,633,000.00**	**$ -**

Notes:

[1] Per information on Denton CAD website. Property IDs are preliminary and subject to change.

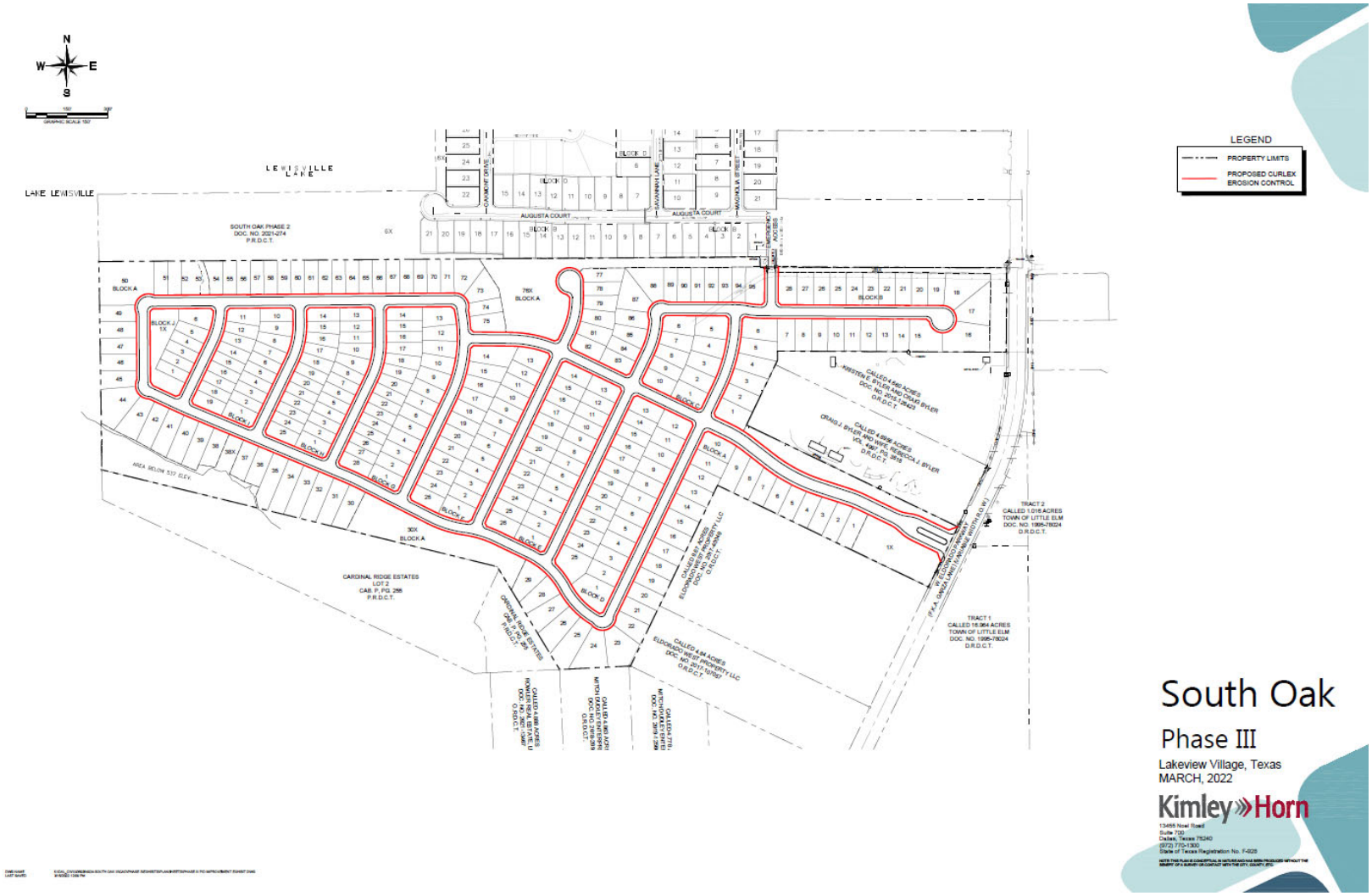
EXHIBIT E-2 –ANNUAL INSTALLMENTS

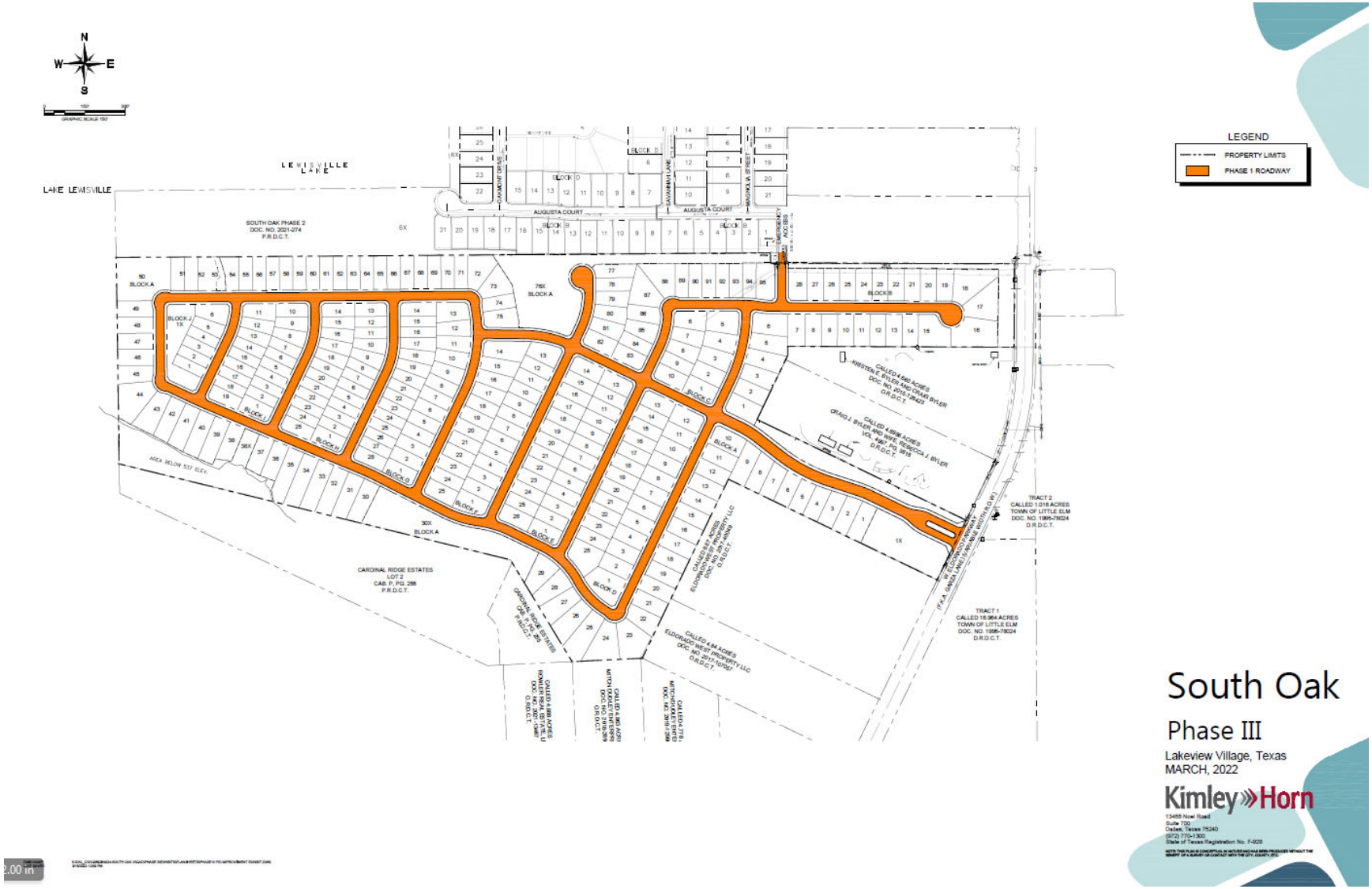
Annual Installment Due 1/31	Principal	Interest[1]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	$ -	$ 1,016,714	$ (1,016,714)	$ -	$ -	$ -
2024	$ 237,000	$ 1,013,898	$ -	$ 88,165	$ 30,600	$ 1,369,663
2025	$ 251,000	$ 1,000,270	$ -	$ 86,980	$ 31,212	$ 1,369,462
2026	$ 266,000	$ 985,838	$ -	$ 85,725	$ 31,836	$ 1,369,399
2027	$ 282,000	$ 970,543	$ -	$ 84,395	$ 32,473	$ 1,369,410
2028	$ 299,000	$ 954,328	$ -	$ 82,985	$ 33,122	$ 1,369,435
2029	$ 317,000	$ 937,135	$ -	$ 81,490	$ 33,785	$ 1,369,410
2030	$ 336,000	$ 918,908	$ -	$ 79,905	$ 34,461	$ 1,369,273
2031	$ 356,000	$ 899,588	$ -	$ 78,225	$ 35,150	$ 1,368,962
2032	$ 378,000	$ 879,118	$ -	$ 76,445	$ 35,853	$ 1,369,415
2033	$ 401,000	$ 857,383	$ -	$ 74,555	$ 36,570	$ 1,369,507
2034	$ 425,000	$ 834,325	$ -	$ 72,550	$ 37,301	$ 1,369,176
2035	$ 451,000	$ 809,888	$ -	$ 70,425	$ 38,047	$ 1,369,360
2036	$ 478,000	$ 783,955	$ -	$ 68,170	$ 38,808	$ 1,368,933
2037	$ 507,000	$ 756,470	$ -	$ 65,780	$ 39,584	$ 1,368,834
2038	$ 538,000	$ 727,318	$ -	$ 63,245	$ 40,376	$ 1,368,939
2039	$ 571,000	$ 696,383	$ -	$ 60,555	$ 41,184	$ 1,369,121
2040	$ 606,000	$ 663,550	$ -	$ 57,700	$ 42,007	$ 1,369,257
2041	$ 643,000	$ 628,705	$ -	$ 54,670	$ 42,847	$ 1,369,222
2042	$ 682,000	$ 591,733	$ -	$ 51,455	$ 43,704	$ 1,368,892
2043	$ 724,000	$ 552,518	$ -	$ 48,045	$ 44,578	$ 1,369,141
2044	$ 769,000	$ 510,888	$ -	$ 44,425	$ 45,470	$ 1,369,782
2045	$ 816,000	$ 466,670	$ -	$ 40,580	$ 46,379	$ 1,369,629
2046	$ 866,000	$ 419,750	$ -	$ 36,500	$ 47,307	$ 1,369,557
2047	$ 919,000	$ 369,955	$ -	$ 32,170	$ 48,253	$ 1,369,378
2048	$ 975,000	$ 317,113	$ -	$ 27,575	$ 49,218	$ 1,368,906
2049	$ 1,035,000	$ 261,050	$ -	$ 22,700	$ 50,203	$ 1,368,953
2050	$ 1,099,000	$ 201,538	$ -	$ 17,525	$ 51,207	$ 1,369,269
2051	$ 1,167,000	$ 138,345	$ -	$ 12,030	$ 52,231	$ 1,369,606
2052	$ 1,239,000	$ 71,243	$ -	$ 6,195	$ 53,275	$ 1,369,713
Total	**$ 17,633,000**	**$ 20,235,112**	**$ (1,016,714)**	**$ 1,671,165**	**$ 1,187,042**	**$ 39,709,605**

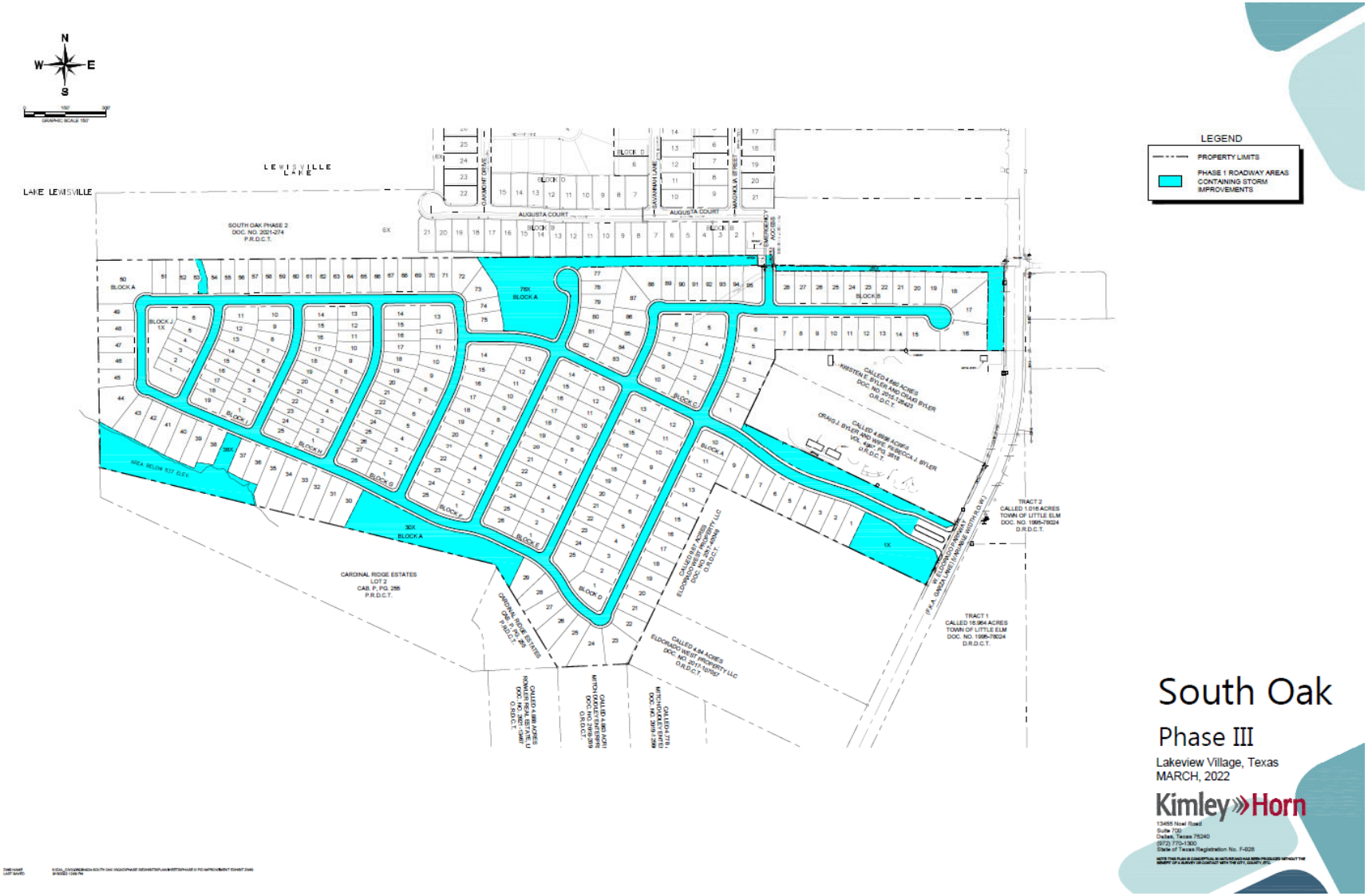
[1] Interest is calculated at a 5.75% rate.

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

EXHIBIT F-1– MAPS OF AUTHORIZED IMPROVEMENTS




N
W
E
S
LEGEND
PROPERTY LIMITS
PHASE 1 ROADWAY
LEWISVILLE LAKE
LAKE LEWISVILLE
SOUTH OAK PHASE 2
DOC. NO. 2021-274
P.R.D.C.T.
AUGUSTA COURT
CARDINAL RIDGE ESTATES
LOT 2
CAB. P, PG. 255
P.R.D.C.T.
TRACT 2
CALLED 1.016 ACRES
TOWN OF LITTLE ELM
DOC. NO. 1995-78024
D.R.D.C.T.
TRACT 1
CALLED 16.964 ACRES
TOWN OF LITTLE ELM
DOC. NO. 1995-78024
D.R.D.C.T.
South Oak
Phase III
Lakeview Village, Texas
MARCH, 2022
Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
(972) 770-1300
State of Texas Registration No. F-928

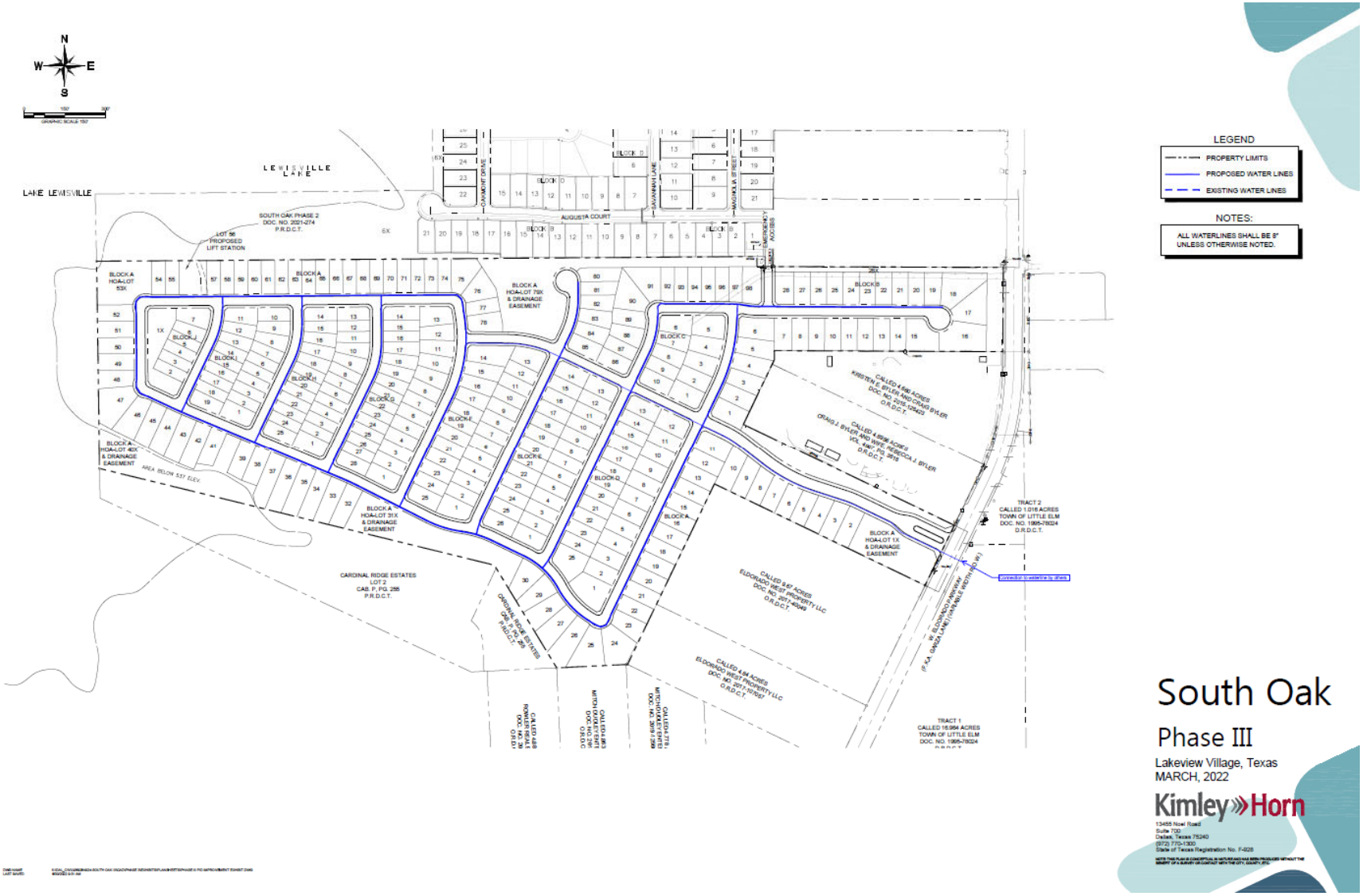


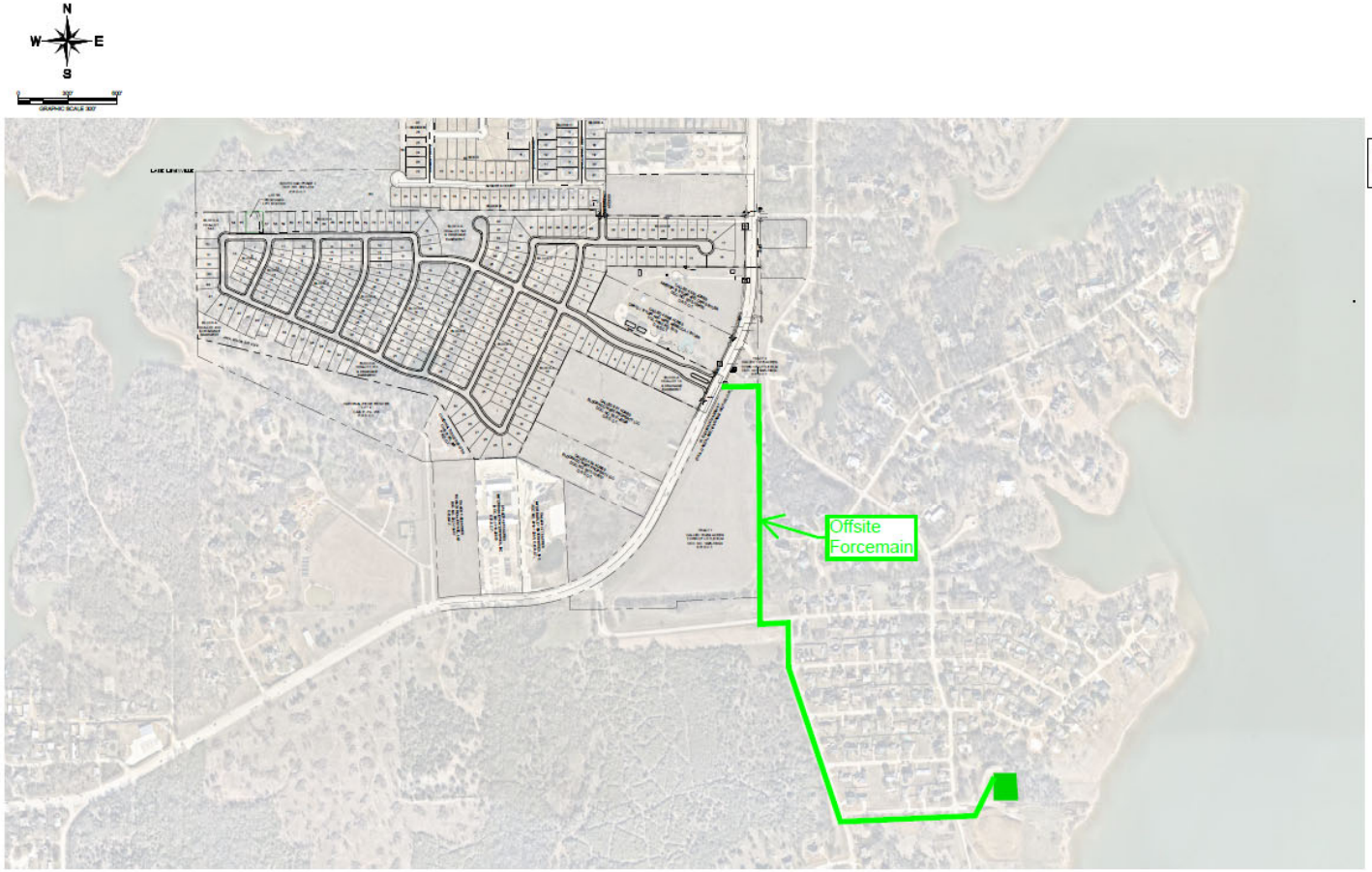
South Oak

Phase III

Lakeview Village, Texas
MARCH, 2022

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
(972) 770-1300
State of Texas Registration No. F-928


N
W
E
S
LEGEND
PROPERTY LIMITS
PROPOSED WATER LINES
EXISTING WATER LINES
NOTES:
ALL WATERLINES SHALL BE 8" UNLESS OTHERWISE NOTED.
LAKE LEWISVILLE
LEWISVILLE LAKE
SOUTH OAK PHASE 2
DOC. NO. 2021-274
P.R.D.C.T.
LOT 56
PROPOSED
LIFT STATION
CANYMONT DRIVE
AUGUSTA COURT
SAVANNAH LANE
HANOVER STREET
EMERGENCY ACCESS
BLOCK A
HOA-LOT 53X
BLOCK A
HOA-LOT 78X
& DRAINAGE
EASEMENT
BLOCK A
HOA-LOT 40X
& DRAINAGE
EASEMENT
AREA BELOW 537 ELEV.
BLOCK A
HOA-LOT 31X
& DRAINAGE
EASEMENT
BLOCK A
HOA-LOT 1X
& DRAINAGE
EASEMENT
CARDINAL RIDGE ESTATES
LOT 2
CAB. P, PG. 255
P.R.D.C.T.
CARDINAL RIDGE ESTATES
CAB. P, PG. 255
P.R.D.C.T.
CALLED 2.586 ACRES
KRISTEN C. BYLER AND CRAIG BYLER
DOC. NO. 2016-125423
O.R.D.C.T.
CALLED 4.9836 ACRES
CRAIG J. BYLER AND WIFE, REBECCA J. BYLER
VOL. 4847, PG. 3815
O.R.D.C.T.
CALLED 9.87 ACRES
ELDORADO WEST PROPERTY LLC
DOC. NO. 2017-40049
O.R.D.C.T.
CALLED 4.84 ACRES
ELDORADO WEST PROPERTY LLC
DOC. NO. 2017-107697
O.R.D.C.T.
TRACT 2
CALLED 1.016 ACRES
TOWN OF LITTLE ELM
DOC. NO. 1995-78024
D.R.D.C.T.
TRACT 1
CALLED 16.994 ACRES
TOWN OF LITTLE ELM
DOC. NO. 1995-78024
D.R.D.C.T.
CALLED 0.48
RANKIN REALTY
DOC. NO. 2015-
O.R.D.C.T.
CALLED 0.463
MITCH GAGER
DOC. NO. 2015-
O.R.D.C.T.
CALLED 0.778
MITCH GAGER
DOC. NO. 2015-
O.R.D.C.T.
W. ELDORADO PARKWAY
(F.K.A. SANDA LANE / VILLAGE WITH RD. W.)
connector to waterline by others
South Oak
Phase III
Lakeview Village, Texas
MARCH, 2022
Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
(972) 770-1300
State of Texas Registration No. F-928



South Oak

Phase III

Lakeview Village, Texas
MARCH, 2022

Kimley»Horn

EXHIBIT F-2 – MAPS OF TOWN IMPROVEMENTS

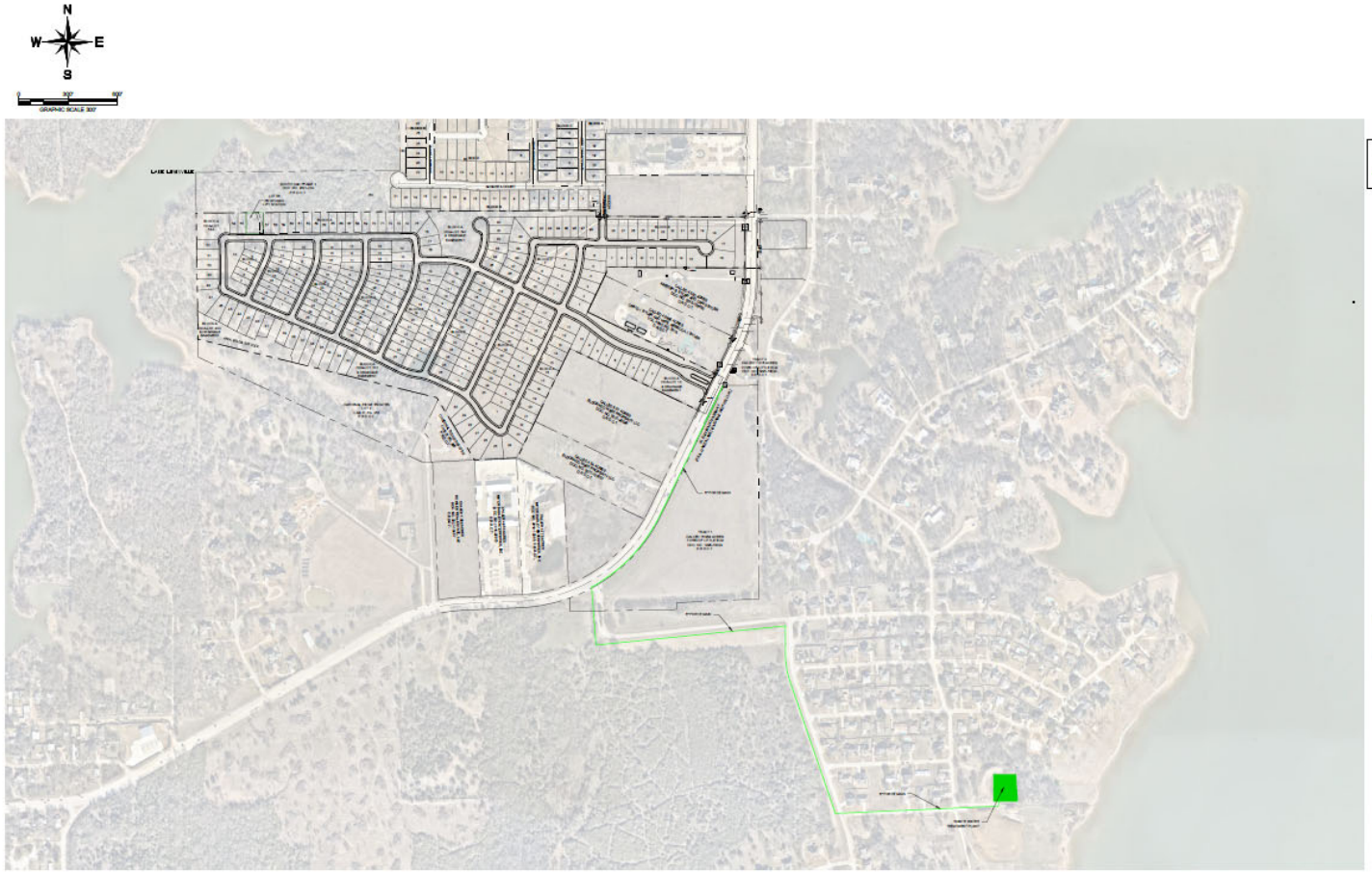


EXHIBIT I

South Oak

Phase III

Lakeview Village, Texas
MARCH, 2022

Kimley»Horn

EXHIBIT G – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units[1]	Estimated Buildout Value per Lot[1]	Total Estimated Buildout Value	Assessment	Maximum Assessment per Unit	Average Annual Installment	Average Annual Installment per Unit	PID TRE
Lot Type 1	65	$ 448,000	$ 29,120,000	$ 3,343,249.41	$ 51,434.61	$ 250,967.15	$ 3,861.03	$ 0.8618
Lot Type 2	125	$ 529,000	$ 66,125,000	$ 7,591,770.84	$ 60,734.17	$ 569,890.21	$ 4,559.12	$ 0.8618
Lot Type 3	94	$ 610,000	$ 57,340,000	$ 6,583,170.36	$ 70,033.73	$ 494,177.76	$ 5,257.21	$ 0.8618
Lot Type 4	1	$ 1,000,000	$ 1,000,000	$ 114,809.39	$ 114,809.39	$ 8,618.38	$ 8,618.38	$ 0.8618
Total	**285**		**$ 153,585,000**	**$ 17,633,000.00**		**$ 1,323,653.50**		

Notes:

[1] Per information provided by Owner.

EXHIBIT H – FORM OF NOTICE OF ASSESSMENT TERMINATION

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

[Date]
Denton County Clerk's Office
Honorable [County Clerk]
1450 E McKinney St
Denton, TX 76209

Re: Town of Lakewood Village Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the Town of Lakewood Village 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:

Town of Lakewood Village
Attn: Town Secretary
100 Highridge Dr
Little Elm, TX 75068

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:

[Town Secretary Name]
100 Highridge Dr
Little Elm, TX 75068

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS	§	
	§	**KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF DENTON	§	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the Town of Lakewood Village, Texas, a Texas general law municipality (the "Town").

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "Town Council" of the Town, Texas is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits of the Town; and

WHEREAS, on June 30, 2022, the Town Council of the Town approved Resolution No. 22-17 creating the Lakewood Village Public Improvement District No. 1 (the "District"); and

WHEREAS, the District consists of approximately 70.16 contiguous acres within the corporate limits of the Town; and

WHEREAS, on _____, the Town Council, approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the real property located with the District, the Assessment Ordinance being recorded on _____, as Instrument No. _____ in the Official Public Records of Denton County, TX; 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 Town of [Town], [County], Texas, according to the map or plat thereof recorded as Instrument No. _____ in the Map Records of Denton 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 Town 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__.

TOWN OF LAKEWOOD VILLAGE, TEXAS,
A Texas general law municipality,

By: _____
[Manager Name], Town Manager

ATTEST:

_____
[Secretary Name], Town Secretary

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the ____ day of _____, 20__, by the Town Manager for the Town of Lakewood Village, Texas, a Texas general law municipality, on behalf of said municipality.

_____
Notary Public, State of Texas

EXHIBIT I – DEBT SERVICE SCHEDULE FOR PID BONDS

EXHIBIT J – DISTRICT LEGAL DESCRIPTION

EXHIBIT A
METES AND BOUNDS DESCRIPTION OF THE PROPERTY

Legal Description

Being a tract of land situated in the Christopher C. Dickson Survey, Abstract No. 339, Denton County, Texas, and being Lots 1-9 of Cardinal Ridge Estates, an Addition in Denton County, Texas, according to the map recorded in Cabinet P, Page 256, Map Records, Denton County, Texas, said being conveyed to The Sanctuary Texas LLC, a Texas limited liability company, by Special Warranty Deed recorded in Instrument No. 106441, Real Property Records, Denton County, Texas, and a tract of land conveyed to The Sanctuary Texas LLC, a Texas limited liability company, by Special Warranty Deed recorded in Instrument No. 106442, Real Property Records, Denton County, Texas, and together being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod found at the Northeast corner of a tract of land conveyed to Kristen E. Byler and Craig Byler by Deed recorded in Document No. 2015-128423, Real Property Records, Denton County, Texas, said point being on the West right-of-way line of W. Eldorado Parkway (public right-of-way);

THENCE North 89 degrees 43 minutes 58 seconds West, along the North line of said Byler tract, a distance of 840.58 feet to a 5/8 inch iron rod found at the Northwest corner of said Byler tract (Doc. No. 2015-128423);

THENCE South 00 degrees 25 minutes 48 seconds East, along the West line of said Byler tract (Doc. No. 2015-128423), a distance of 33.54 feet to a point for corner from which a 5/8 inch iron rod found for witness with a bearing and distance of North 75 degrees 01 minutes 01 seconds West, 0.82 feet;

THENCE South 25 degrees 42 minutes 12 seconds West, continuing along said West line of Byler tract (Doc. No. 2015-128423), a distance of 263.78 feet to a 5/8 inch iron rod found at the West corner of a tract of land conveyed to Craig Byler and Rebecca J. Byler by Deed recorded in Volume 4997, Page 3818, Deed Records, Denton County, Texas;

THENCE South 64 degrees 14 minutes 49 seconds East, along the Southwest line of said Byler tract (Vol. 4997, Pg. 3818), a distance of 862.58 feet to a point for corner at the South corner of said Byler tract (Vol. 4997, Pg. 3818), said point being on the Northwest right-of-way line of said W. Eldorado Parkway;

THENCE South 26 degrees 06 minutes 08 seconds West, along said Northwest right-of-way line of W. Eldorado Parkway, a distance of 245.99 feet to a point for corner at the East corner of a tract of land conveyed to John W. Plagman and Cynthia J. Plagman by Deed recorded in Document No. 94-R0078360, Real Property Records, Denton County, Texas;

THENCE North 64 degrees 15 minutes 46 seconds West, along the Northeast line of said Plagman tract, a distance of 860.82 feet to a 5/8 inch iron rod found at the North corner of said Plagman tract;

THENCE South 25 degrees 45 minutes 30 seconds West, along the Northwest line of said Plagman tract, a distance of 737.20 feet to a point for corner at the common West corner of a tract of land conveyed to Eldorado West Property LLC, by Deed recorded in Instrument No. 107057, Real Property Records, Denton County, Texas, and the Northeast corner of a tract of land conveyed to Mitch Dudley Enterprises, Inc., by Deed recorded in Instrument No. 12560, Real Property Records, Denton County, Texas;

THENCE South 87 degrees 19 minutes 23 seconds West, along the North line of said Mitch Dudley Enterprises tract (Inst. No. 12560); passing at a distance of 4.88 feet, a 5/8 inch iron rod found at the common Northwest corner of said Mitch Dudley Enterprises (Inst. No. 12560) and the Northeast corner of a tract of land conveyed to Mitch Dudley Enterprises, Inc., by Deed recorded in Instrument No. 28970, Real Property Records, Denton County, Texas, and having a total distance of 260.64 feet to a 1/2 inch iron rod found at the common Northwest corner of said Mitch Dudley Enterprises tract (Inst. No. 28970), the Northeast corner of a tract of land conveyed to Rohwer Real Estate, LLC., by Deed recorded in Instrument No. 13467, Real Property Records, Denton County, Texas, and the Southeast corner of a tract of land conveyed to Michael Kohlsmidt and Kara Kohlschmidt by Deed recorded in Instrument No. 42768, Real Property Records, Denton County, Texas;

THENCE North 31 degrees 14 minutes 01 seconds West, along the Northeast line of said Kohlsmidt tract, a distance of 441.82 feet to a 1/2 inch iron rod found at the Northeast corner of a tract of land conveyed to Rohwer Management Trust by Deed recorded in Instrument No. 13466, Real Property Records, Denton County, Texas;

THENCE North 76 degrees 14 minutes 15 seconds West, along the North line of said Rohwer Management Trust tract, a distance of 1,496.73 feet to a 1/2 inch iron rod found at the Northwest corner of said Rohwer Management Trust tract, said point being on the East line of a tract of land conveyed to the City of Dallas by Deed recorded in Volume 192, Page 364, Deed Records, Denton County, Texas;

THENCE Northerly, traversing along said East line of City of Dallas tract as follows:

North 00 degrees 43 minutes 39 seconds West, a distance of 171.07 feet to a 5/8 inch iron rod found for corner;

North 00 degrees 45 minutes 26 seconds West, a distance of 593.96 feet to a 1/2 inch iron rod found at the Southwest corner of Lot 6X, Block B of South Oak - Phase 2, an Addition to Denton County, Texas, according to the map recorded in Document No. 2021-274, Map Records, Denton County, Texas;

THENCE North 89 degrees 36 minutes 11 seconds East, along the South line of said Lot 6X, Block B, a distance of 2,430.16 feet to a 5/8 inch iron rod found at the most Southern Northwest corner of Augusta Court right-of-way (variable width emergency access right-of-way), said point being on the South line of Lot 1, Block B of South Oak - Phase 1, an Addition in Denton County, Texas, according to the map recorded in Document No. 2019-354, Real Property Records, Denton County, Texas;

THENCE South 00 degrees 39 minutes 13 seconds East, along said Augusta Court right-of-way, a distance of 36.98 feet to a 5/8 inch iron rod found for corner;

THENCE South 89 degrees 46 minutes 35 seconds East, along said Augusta Court right-of-way, a distance of 906.95 feet to a 5/8 inch iron rod found for corner on the South line of a tract of land conveyed to Duyen Nguyen and Canh-Van Nguyen by Deed recorded in Document No. 93-R0030424, Real Property Records, Denton County, Texas, said point being on the aforementioned West right-of-way line of W. Eldorado Parkway;

THENCE South 00 degrees 25 minutes 36 seconds West, along said West right-of-way line of W. Eldorado Parkway, a distance of 309.84 feet to the POINT OF BEGINNING and containing 3,056,159 square feet or 70.16 acres of land.

APPENDIX A – ENGINEER'S REPORT

[Remainder of page left intentionally blank.]

Kimley»Horn

Re: **Engineer's Report**
South Oak Ph III
Town of Lakewood Village ETJ, Texas

Introduction:
South Oak Phase III is a proposed single family development including approximately 70.2 contiguous acres and is anticipated to include approximately 285 single-family homes located southwest of the intersection of Fishermans Cove and W. Eldorado Parkway and east of Lake Lewisville in the Town of Lakewood Village ETJ, Texas as depicted on Exhibit A. This Engineer's report includes the documents requested by the Town of Lakewood Village for the formation of the PID and the issuance of bonds by the Town. Bonds are anticipated to be used to finance public infrastructure projects vital for the development within the PID.

Development Costs:
An Engineers' opinion of probable cost (EOPC) has been prepared for all off-site and on-site infrastructure and is included as Exhibit B.

Development Improvements:
Development improvements have been separated into Direct, Offsite Public, and Private improvements. The Direct and Offsite Public will be included in the PID.

Direct Improvements for Improvement Area are depicted in Exhibit C through G.

Offsite Public Projects for Improvement Area are depicted in Exhibit H.

Development Schedule:

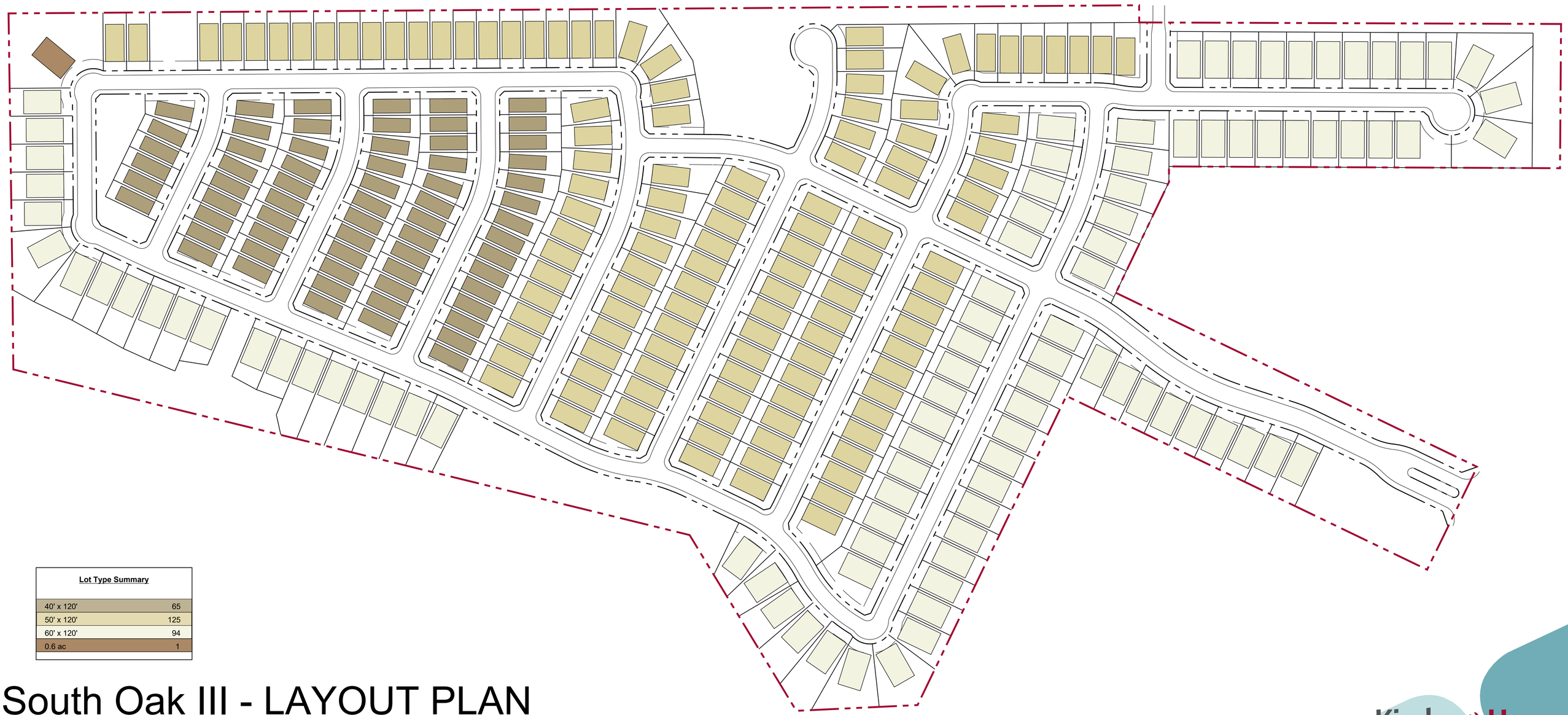
Design Stage
The Preliminary Plat for Improvement Area and the Master Improvements have been approved by the Town of Lakewood Village.

Design of the on-site civil construction plans for Improvement Area are completed and have been submitted to the Town for review.

Construction Stage
The construction is estimated to begin in April of 2022 with final acceptance estimated in July 2023. A project schedule for construction is depicted in Exhibit I.

GRAPHIC SCALE IN FEET
0 50 100 200
1"=100' @ 22x34

EXHIBIT A



Lot Type Summary	
40' x 120'	65
50' x 120'	125
60' x 120'	94
0.6 ac	1

South Oak III - LAYOUT PLAN

Lakewood Village, Texas
May 2022

DWG NAME K:\DAL_CIVIL\069264\924-SOUTH OAK III\CAD\EXHIBITS\REFERENCES\XESITE-20220121.DWG
LAST SAVED 1/21/2022 2:50 PM

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
972-770-1300
State of Texas Registration No. F-928

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

EXHIBIT B

Kimley»Horn

COST SUMMARY - SOUTH OAK III / TOWN OF LAKEWOOD VILLAGE ETJ
INARY OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY
JUNE 29, 2022

DIVISION / PHASE / COST TYPE SUMMARY - TOWN OF LWV IMPROVEMENTS

DIVISION	DIRECT PUBLIC *TOTAL*	OFFSITE PUBLIC *TOTAL*	PRIVATE *TOTAL*	*TOTAL*
CLEARING & EXCAVATION	$553,619	$0	$805,345	$1,358,964
WATER	$1,777,806	$0	$0	$1,777,806
SEWER	$2,676,230	$321,284	$0	$2,997,514
STORM SEWER	$1,732,294	$0	$0	$1,732,294
PAVEMENT	$2,931,995	$0	$0	$2,931,995
RETAINING WALLS	$0	$0	$1,475,419	$1,475,419
EROSION CONTROL	$169,750	$0	$14,200	$183,950
AMENITIES, LANDSCAPE, & SCREENING	$0	$0	$1,025,000	$1,025,000
FRANCHISE UTILITIES	$0	$0	$666,800	$666,800
MISCELLANEOUS & OTHER	$0	$0	$76,354	$76,354
SUB-TOTAL	$9,841,694	$321,284	$4,063,117	$14,226,095
PLANNING, SURVEY, PLATTING, ENG., LA, PERMITTING, & STAKING	$984,169	$32,128	$406,312	$1,422,609
CONSTRUCTION MANAGEMENT	$0	$0	$0	$0
CITY FEES	$49,208	$1,606	$20,316	$71,130
MISCELLANEOUS & CONTINGENCY	$984,169	$32,128	$406,312	$1,422,609
TOTAL	**$11,859,241**	**$387,147**	**$4,896,056**	**$17,142,444**

PHASE TOTAL SUMMARY - TOWN OF LWV IMPROVEMENTS

COST TYPE	*TOTAL*
DIRECT PUBLIC	$11,859,241
OFFSITE PUBLIC	$387,147
PRIVATE	$4,896,056
TOTAL	**$17,142,444**

Notes:

Misc

1 OPC based on draft plans dated June 20, 2022; and preliminary bids dated 6/28/2022
2 Project is located in the Town of Lakewood Village ETJ and based on the August 2020 approved subdivision
3 Estimate does not include land cost, land maintenance, interest, HOA support, legal, financing, marketing, impact fees, assessments, credits, construction administration, development management, offsite easement acquisition,
4 Professional fees included are for budgeting purposes only and do not constitute proposals. Fees are subject to change based on actual scope of services required.
5 This estimate is based on on the ground topography and boundary survey.
6 Unit prices to be confirmed by developer. Inflation or unit price variations are not within the scope of this estimate. Contractors or suppliers should be consulted for unit price inquiries that match the construction timing.
7 Unit prices do not reflect rock excavation, need Geotech to confirm.
8 Budgeting by line item, sections, or divisions should be avoided. OPC line items cost are less accurate than section/division subtotals, and section/division subtotals are less accurate than the total project cost.
9 Existing easements and land encumbrances based on ALTA survey provided by Developer dated 9/22/2021
10 Estimate does not include water CCN release budget.
11 No improvements to Eldorado per the development agreement.
12 No park dedication or fees included per the development agreement.
13 No tree mitigation costs included per the development agreement.

Erosion Control

14 Temporary sediment ponds assumed not required as not found in the subdivision ordinance.
15 Public portion of the clearing & excavation is based on 100% of the ROW area. Private portion is the lot area of the project.

Earthwork

16 Moisture conditioning based on geotech report.
17 Public portion of the clearing & excavation is based on 100% of the ROW area. Private portion is the lot area of the project.
18 Estimate with a preliminary grading plan.

Retaining Walls

19 Gravity, Millsap, or equivalent walls assumed for unit pricing. Developer to confirm.
20 Wall cost includes structural engineering.

Water

21 No water modeling performed, OPC assumes 8" WL is adequate for on-site, 12" WL is adequate for offsite, and no PRV's are required.
22 Water line includes all fittings, tees, crossings, etc.
23 Assumes all waterlines are less than 10' deep.
24 Water storage and new well not included.
25 Estimate provides full cost of water infrastructure, cost sharing and proportionality is not included.
26 Offsite water to be provided by others.

Sewer

27 Lift station to be designed and constructed for ultimate flows. i.e. no phasing assumed.
28 Estimate provides full cost of sewer infrastructure, cost sharing and proportionality is not included.
29 Offsite alignment to be confirmed with developer, Town, and adjacent property owner. Additional cost may be necessary if alignment varies.

Storm / Drainage

30 It is assumed that detention for the western portion of the tract is not necessary.
31 TCEQ Dam Safety Program permitting or improvements is not assumed or included.
32 Offsite grade to drain's or easements are not included.

Dry Utilities

33 Assumed Co-Serv standard light poles, Developer to confirm pricing.
34 Gas and electric service per lot provided as a placeholder, to be confirmed by Developer.
35 No on-site franchise relocation assumed or estimated in this OPC.

Streets

36 A traffic signal at Eldorado Pkwy is not assumed or included.
37 Typical section based on the approved preliminary plat.
38 Offsite trails not included.

Fees

39 4% Town inspection fee included per Subdivision Ordinance

Landscaping

40 Budget provided as a placeholder, developer to confirm.

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY

SOUTH OAK III - LWV ETJ

Kimley»Horn

PUBLIC IMPROVEMENTS

JUNE 29, 2022

A. CLEARING & EXCAVATION

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
DEMOLITION & CLEARING	LS	$281,830.00	1	$281,830
ROUGH GRADE MOBILIZATION	LS	$25,000.00	1	$25,000
FINAL GRADE MOBILIZATION	LS	$2,000.00	1	$2,000
CONSTRUCTION STAKING	LS	$1,000.00	1	$1,000
PERMIT AND REMOVE EX WATER WELL	LF	$2.00	2,357	$4,714
PERMIT AND REMOVE EX 6" WATERLINE	LF	$10.00	2,357	$23,570
ROW CLEARING, GRUBBING, AND SITE PREP	AC	$800.00	30	$24,240
ROW AND EASEMENTS UNCLASSIFIED ON-SITE EXCAVATION	CY	$2.40	44,186	$106,046
POND EXCAVATION (ABOVE NORMAL POOL)	CY	$2.50	3,500	$8,750
POND DEWATERING & DEMUCKING EX POND	LS	$15,000.00	2	$30,000
FLEXBASE SUBGRADE FOR LIFT STATION	LS	$35.00	120	$4,200
EXCAVATE 6" OF TOPSOIL AND STOCKPILE	LS	$2.50	5,000	$12,500
PLACE TOPSOIL IN COMMON AREAS AFTER FINAL GRADING	LS	$5.00	5,000	$25,000
TESTING	CY	$0.10	47,686	$4,769
TOTAL CLEARING & EXCAVATION				**$553,619**

B. WATER

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
C900 Minimum DR 18 8" Water Pipe (including blocking, fittings, bends, tees, reducers & plugs)	LF	$68.50	12,155	$832,587
C900 Minimum DR 18 12" Water Pipe (including blocking, fittings, bends, tees, reducers & plugs)	LF	$133.31	137	$18,264
20" Steel Encasement Pipe by Bore	LF	$615.49	75	$46,162
1" Water Service (includes corp stop, cut off angle valve, & connector pipe)	EA	$1,418.20	285	$404,187
Concrete Encasement	LF	$72.83	40	$2,913
Fire Hydrant Assembly (including lead, tee, valve, and blocking)	EA	$7,294.45	27	$196,950
8" Gate Valve & Box (including blocking)	EA	$2,358.10	45	$106,114
12" Gate Valve & Box (including blocking)	EA	$4,178.32	2	$8,357
2" Automatic Flush Valve	EA	$11,348.69	1	$11,349
Pressure Test and Chlorination	LF	$1.79	12,292	$21,972
Trench Safety	LF	$0.36	12,292	$4,425
Process, Haul, & Stockpile Trench Spoils within 1500 LF of Site at the Direction of the Owner	CY	$6.33	3,500	$22,146
TESTING (GEOTECH)	LF	$0.50	3,500	$1,750
BONDS	%	2.00%	1,677,176	$33,544
INSPECTION FEE	%	4.00%	1,677,176	$67,087
TOTAL WATER				**$1,777,806**

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY

SOUTH OAK III - LWV ETJ

Kimley»Horn

PUBLIC IMPROVEMENTS

JUNE 29, 2022

C. SEWER

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
8" PVC SDR 35 Sewer Line	LF	$62.42	10,088	$629,668
8" PVC SDR 26 Sewer Line	LF	$72.87	1,432	$104,343
6" PVC forcemain	LF	$61.68	3,240	$199,827
12" Steel Encasement by Bore	LF	$435.94	70	$30,516
Blow Off Air Release Valve (including blocking, fittings & bends)	EA	$9,894.83	2	$19,790
4' Diameter Standard Manhole	EA	$5,466.12	33	$180,382
4' Diameter Standard Drop Manhole	EA	$8,023.47	3	$24,070
5' Diameter Standard Drop Manhole	EA	$12,027.89	2	$24,056
6" Sewer Cleanout	EA	$1,039.62	2	$2,079
4" - Sanitary Sewer Service	EA	$1,371.29	285	$390,818
Lift Station - Concrete Wetwell & Valve Vault	LS	$248,586.67	1	$248,587
Lift Station - Piping and Valves	LS	$156,583.33	1	$156,583
Lift Station - Pump and motor	LS	$64,583.33	1	$64,583
Lift Station - Pump and Motor Controls	LS	$61,333.33	1	$61,333
Lift Station - Electrical Equipment and Conduit	LS	$230,000.00	1	$230,000
Lift Station - Equipment Pads	LS	$49,066.67	1	$49,067
Lift Station - Flexbase	LS	$15,333.33	1	$15,333
Lift Station - Bollards	LS	$3,833.33	1	$3,833
Concrete Encasement	LF	$72.83	60	$4,370
Trench Safety	LF	$0.44	14,830	$6,525
Sanitary Sewer Testing	LF	$1.95	14,830	$28,844
TV Inspection	LF	$1.39	14,830	$20,577
Process, Haul, & Stockpile Trench Spoils within 1500 LF of Site at the Direction of the Owner	CY	$6.33	3,500	$22,146
TESTING (GEOTECH)	LF	$0.50	14,830	$7,415
BONDS	%	2.00%	2,524,745	$50,495
INSPECTION FEE	%	4.00%	2,524,745	$100,990
TOTAL SEWER				**$2,676,230**

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY

SOUTH OAK III - LWV ETJ

Kimley»Horn

PUBLIC IMPROVEMENTS

JUNE 29, 2022

D. STORM SEWER

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
18" Class III RCP	LF	$86.01	1,756	$151,029
21" Class III RCP	LF	$93.49	189	$17,669
24" Class III RCP	LF	$107.74	109	$11,744
27" Class III RCP	LF	$116.19	908	$105,498
30" Class III RCP	LF	$135.01	1,070	$144,463
36" Class III RCP	LF	$168.86	1,171	$197,735
42" Class III RCP	LF	$226.57	960	$217,505
4'X4' RCB	LF	$444.54	202	$89,798
5'X3' RCB	LF	$490.61	83	$40,720
Standard 10' Curb Inlet	EA	$7,947.73	32	$254,327
Standard 15' Curb Inlet	EA	$10,335.45	8	$82,684
4'x4' Junction Box	EA	$6,705.88	7	$46,941
5'x5' Junction Box	EA	$8,672.70	6	$52,036
5'x5' Junction Box w/ Debris Separator	EA	$12,524.70	1	$12,525
6'x6' Junction Box	EA	$9,737.13	1	$9,737
6'x6' Junction Box w/ Debris Separator	EA	$14,472.13	1	$14,472
Standard Debris Separator	EA	$22,954.45	1	$22,954
7'x5' Junction Box	EA	$13,235.95	1	$13,236
2'x2' Wye Inlet	EA	$4,269.00	3	$12,807
36" Headwall	EA	$5,657.25	1	$5,657
42" Sloped-End Headwall	EA	$5,870.75	1	$5,871
4'X4' Headwall	EA	$19,703.65	1	$19,704
TxDOT SW-0 Headwall	EA	$15,872.15	1	$15,872
12" Rip-rap	SY	$157.48	252	$39,686
Trench Safety	LF	$0.47	6,448	$3,014
Process, Haul, & Stockpile Trench Spoils within 1500 LF of Site at the Direction of the Owner	CY	$6.33	4,500	$28,474
DETENTION POND OUTFALL	EA	$15,000.00	1	$15,000
TESTING (GEOTECH)	LF	$0.50	6,163	$3,082
BONDS	%	2.00%	1,634,239	$32,685
INSPECTION FEE	%	4.00%	1,634,239	$65,370
TOTAL STORM SEWER				**$1,732,294**

E. PAVEMENT

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
6" Reinforced Concrete Pavement (4000 psi, No. 3 bars on 18" centers both ways, including curb	SY	$46.85	44,038	$2,063,180
8" Lime Stabilized Subgrade Preparation	SY	$4.04	46,694	$188,799
Hydrated Lime (36 #/SY)	TON	$243.24	841	$204,565
5' Concrete Sidewalk (4", 3600 psi concrete sidewalk paving with #3 bars @ 14", 2" sand bedding,	LF	$33.56	2,648	$88,858
5' Barrier Free Ramp	EA	$1,732.78	36	$62,380
Sawcut & Dispose existing Curb	LF	$14.92	110	$1,641
Sawcut & Dispose existing pavement	SY	$32.68	130	$4,248
Traffic Control at Eldorado	LS	$9,683.33	1	$9,683
30" R1-1 Stop Sign and Street Name Blades; including decorative pole	EA	$1,680.00	19	$31,920
Street Name Blades Sign; including decorative pole	EA	$1,412.67	5	$7,063
CLUSTER BOXES	LOT	$200.00	285	$57,000
TESTING	SY	$1.00	46,694	$46,694
BONDS	%	2.00%	2,766,033	$55,321
INSPECTION FEE	%	4.00%	2,766,033	$110,641
TOTAL PAVEMENT				**$2,931,995**

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY

SOUTH OAK III - LWV ETJ

Kimley»Horn

PUBLIC IMPROVEMENTS

JUNE 29, 2022

F. EROSION CONTROL

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
MISC EROSION CONTROL	LOT	$400.00	285	$114,000
ROCK CHECK DAM	LS	$2,000.00	12	$24,000
CONST ENTRANCE	EA	$2,500.00	1	$2,500
SWPPP/NOI/INSPECTIONS	LS	$10,000.00	1	$10,000
INLET PROTECTION	EA	$175.00	1	$175
SILT FENCE	LF	$1.75	10,900	$19,075
TOTAL EROSION CONTROL				**$169,750**

G. FRANCHISE UTILITIES

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
TOTAL FRANCHISE UTILITIES				**$0**

H. MISCELLANEOUS & OTHER

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
TOTAL MISCELLANEOUS & OTHER				**$0**

SUMMARY - DIRECT PUBLIC IMPROVEMENTS - TOWN OF LWV	***TOTAL***
A. CLEARING & EXCAVATION	$553,619
B. WATER	$1,777,806
C. SEWER	$2,676,230
D. STORM SEWER	$1,732,294
E. PAVEMENT	$2,931,995
F. EROSION CONTROL	$169,750
G. FRANCHISE UTILITIES	$0
H. MISCELLANEOUS & OTHER	$0
SUB-TOTAL	$9,841,694
SURVEY, PLATTING, ENG., PERMITTING, & STAKING	$984,169
CONSTRUCTION MANAGEMENT	$0
MISC CITY FEES (0.5%)	$49,208
MISCELLANEOUS & CONTINGENCY (10%)	$984,169
TOTAL DIRECT PUBLIC IMPROVEMENTS COST	**$11,859,241**

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY

Kimley»Horn

South Oak III - LWV ETJ

Offsite Public Costs

June 29, 2022

C. SEWER				
			TOTAL	
DESCRIPTION	*UNIT*	*UNIT PRICE*	*QUANTITY*	*TOTAL*
6" FORCE MAIN	LF	$40.00	4,000	$160,000
6" FORCE MAIN BY BORE AND ENCASEMENT	LF	$245.00	450	$110,250
PROCESS, HAUL, & STOCKPILE TRENCH SPOILS	CY	$5.00	897	$4,485
TEMPORAARY TRAFFIC CONTROL	LS	$5,000.00	1	$5,000
CONCRECTE ENCASEMENT (40lf/1000)	LF	$40.00	160	$6,400
PROCESS, HAUL, & STOCKPILE TRENCH SPOILS	CY	$10.00	296	$2,963
TRENCH SAFETY	LF	$1.00	4,000	$4,000
TESTING (EXCLUDING GEOTECH)	LF	$1.00	4,000	$4,000
TESTING (TV)	LF	$1.00	4,000	$4,000
TESTING (GEOTECH)	LF	$0.50	4,000	$2,000
BONDS	%	2.00%	303,098	$6,062
INSPECTION FEE	%	4.00%	303,098	$12,124
TOTAL SEWER				**$321,284**

SUMMARY - OFFSITE PUBLIC IMPROVEMENTS - TOWN OF LWV	***TOTAL***
A. CLEARING & EXCAVATION	$0
B. WATER	$0
C. SEWER	$321,284
D. STORM SEWER	$0
E. PAVEMENT	$0
F. EROSION CONTROL	$0
G. FRANCHISE UTILITIES	$0
H. MISCELLANEOUS & OTHER	$0
SUB-TOTAL	$321,284
SURVEY, PLATTING, ENG., PERMITTING, & STAKING	$32,128
CONSTRUCTION MANAGEMENT	$0
MISC CITY FEES (0.5%)	$1,606
MISCELLANEOUS & CONTINGENCY (10%)	$32,128
TOTAL OFFSITE PUBLIC IMPROVEMENTS COST	**$387,147**

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY

SOUTH OAK III - LWV ETJ

Kimley»Horn

PRIVATE IMPROVEMENTS

JUNE 29, 2022

A. CLEARING & EXCAVATION

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
LOT CLEARING, GRUBBING, AND SITE PREP	AC	$800.00	40	$32,080
LOT AND EASEMENTS UNCLASSIFED ON-SITE EXCAVATION	CY	$2.40	103,102	$247,445
POND EXCAVATION BELOW WATER SURFACE	CY	$2.50	3,500	$8,750
2' MOISTURE CONDITIONING PADS	CY	$2.60	96,600	$251,160
6 MIL POLY	LOT	$400.00	284	$113,600
ROUGH LOT GRADING	LOT	$300.00	284	$85,200
FINAL LOT GRADING	LOT	$200.00	284	$56,800
TESTING	CY	$0.10	103,102	$10,310
TOTAL CLEARING & EXCAVATION				**$805,345**

B. RETAINING WALLS

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
GRAVITY STONE WALLS	LS	$1,446,489.00	1	$1,446,489
INSPECTION FEE	%	2.00%	$1,446,489	$28,930
TOTAL RETAINING WALLS				**$1,475,419**

C. EROSION CONTROL

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
OVERSEED LOTS	LOT	$50.00	284	$14,200
TOTAL EROSION CONTROL				**$14,200**

D. AMENITIES, LANDSCAPE, & SCREENING

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
SOFTSCAPE	LS	$250,000	1	$250,000
HARDSCAPE	LS	$400,000.00	1	$400,000
SCREEN WALL	LF	$300	750	$225,000
MONUMENT SIGNAGE	LS	$150,000.00	1	$150,000
AMENITY CENTER	LS	$0	1	$0
TOTAL AMENITIES, LANDSCAPE, & SCREENING				**$1,025,000**

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY

SOUTH OAK III - LWV ETJ

Kimley»Horn

PRIVATE IMPROVEMENTS

JUNE 29, 2022

E. FRANCHISE UTILITIES

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
ELECTRIC SERVICE ALLOWANCE	LOT	$1,500.00	284	$426,000
LIFT STATION 3-PHASE POWER	LF	$80.00	3,010	$240,800
GAS SERVICE ALLOWANCE	LOT	$0.00	284	$0
TOTAL FRANCHISE UTILITIES				**$666,800**

F. MISCELLANEOUS & OTHER

DESCRIPTION	*UNIT*	*UNIT PRICE*	*TOTAL*	
			QUANTITY	*TOTAL*
4" PVC Irrigation Sleeves	LF	$35.01	270	$9,453
3/4" Irrigation Water Service (includes corp stop, cut off angle valve,	EA	$1,254.96	5	$6,275
1" Irrigation Water Service (includes corp stop, cut off angle valve, &	EA	$1,793.69	3	$5,381
FINAL GEOTECHNICAL REPORT	LS	$55,245.00	1	$55,245
TOTAL MISCELLANEOUS & OTHER				**$76,354**

SUMMARY - PRIVATE IMPROVEMENTS - TOWN OF LWV	***TOTAL***
A. CLEARING & EXCAVATION	$805,345
B. RETAINING WALLS	$1,475,419
C. EROSION CONTROL	$14,200
D. AMENITIES, LANDSCAPE, & SCREENING	$1,025,000
E. FRANCHISE UTILITIES	$666,800
F. MISCELLANEOUS & OTHER	$76,354
SUB-TOTAL	$4,063,117
PLANNING, SURVEY, PLATTING, ENG., LA, PERMITTING, & STAKING	$406,312
CONSTRUCTION MANAGEMENT	$0
MISC CITY FEES (0.5%)	$20,316
MISCELLANEOUS & CONTINGENCY (10%)	$406,312
TOTAL PRIVATE IMPROVEMENTS COST	**$4,896,056**

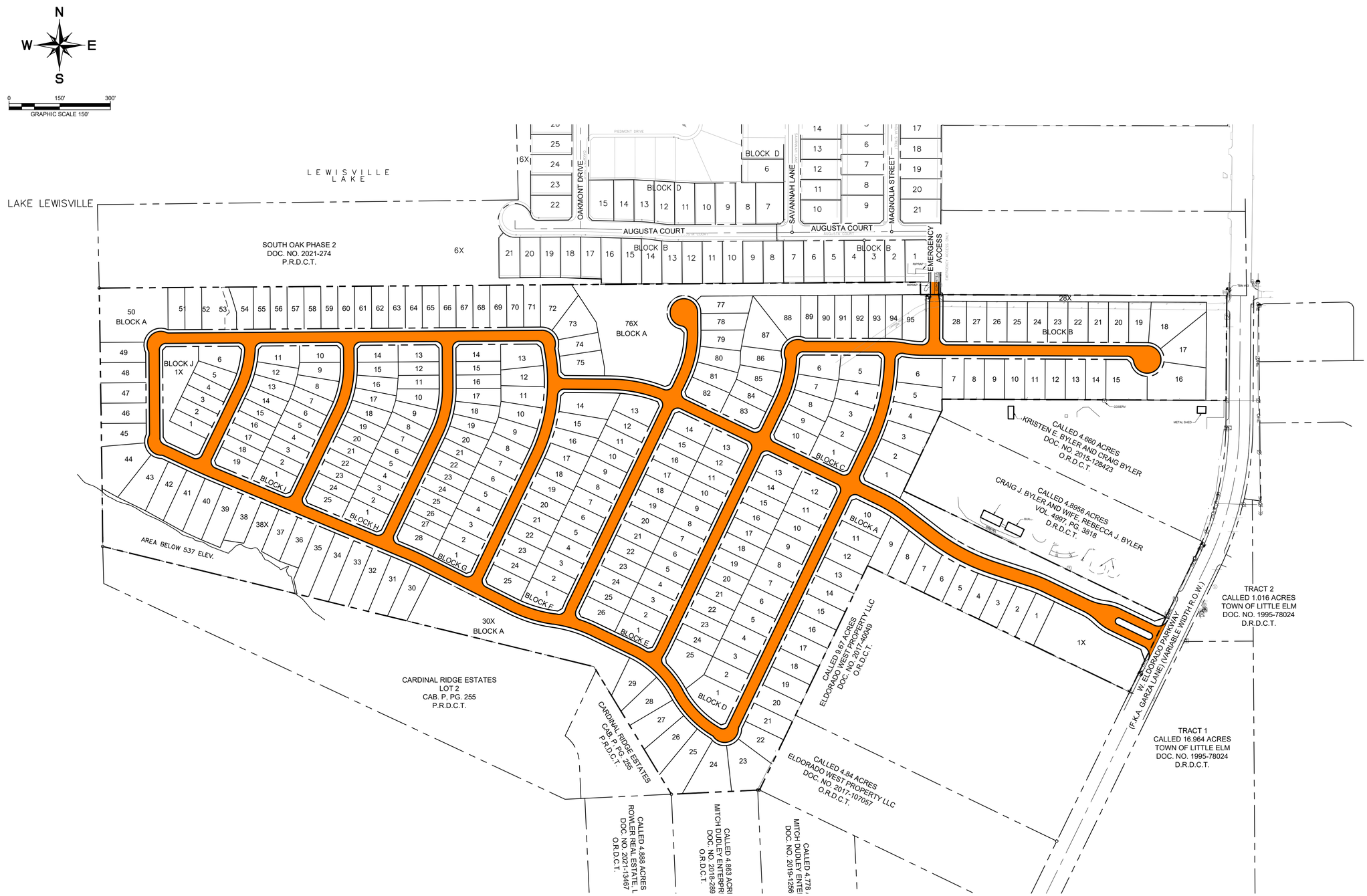


EXHIBIT C

South Oak

Phase III

Lakeview Village, Texas
MARCH, 2022

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
(972) 770-1300
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.

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LEGEND

- PROPERTY LIMITS
- PROPOSED SANITARY SEWER LINES
- PROPOSED LIFT STATION LOT

EXHIBIT D

South Oak

Phase III

Lakeview Village, Texas
MARCH, 2022

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
(972) 770-1300
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.

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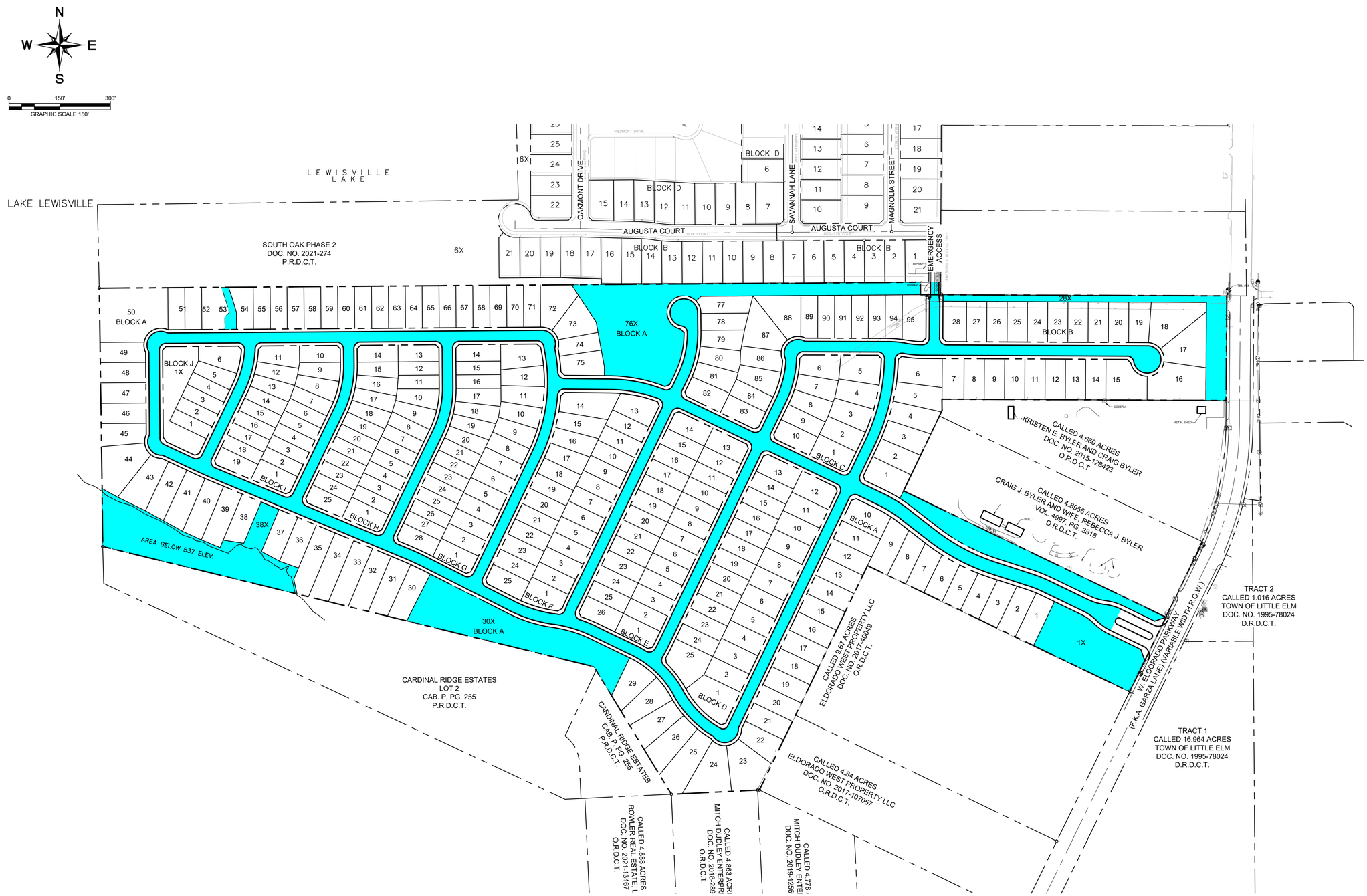

LEGEND

- PROPERTY LIMITS
- PHASE 1 ROADWAY AREAS CONTAINING STORM IMPROVEMENTS

EXHIBIT E

South Oak

Phase III

Lakeview Village, Texas
MARCH, 2022

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
(972) 770-1300
State of Texas Registration No. F-928

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DWG NAME K:\DAL_CIVIL\069264924-SOUTH OAK III\CAD\PHASE 3\EXHIBITS\PLANSHEETS\PHASE III PID IMPROVEMENT EXHIBIT.DWG
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LEGEND

- PROPERTY LIMITS
- PROPOSED WATER LINES
- EXISTING WATER LINES

NOTES:

ALL WATERLINES SHALL BE 8" UNLESS OTHERWISE NOTED.

EXHIBIT F

South Oak

Phase III

Lakeview Village, Texas
MARCH, 2022

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
(972) 770-1300
State of Texas Registration No. F-928

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DWG NAME K:\DAL_CIVIL\069264924-SOUTH OAK III\CAD\PHASE 3\EXHIBITS\PLANSHEETS\PHASE III PID IMPROVEMENT EXHIBIT.DWG
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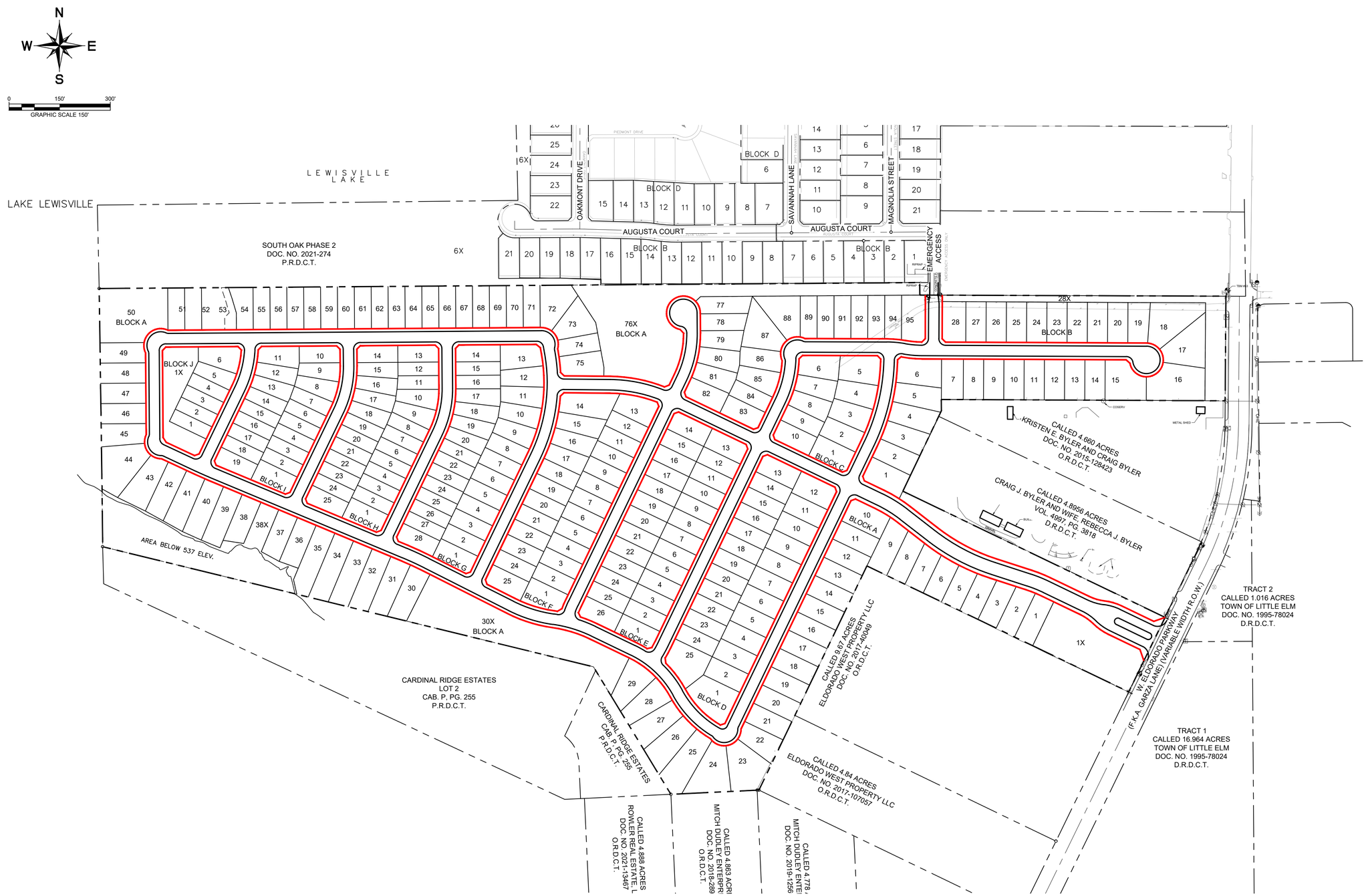

EXHIBIT G

South Oak

Phase III

Lakeview Village, Texas
MARCH, 2022

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
(972) 770-1300
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.

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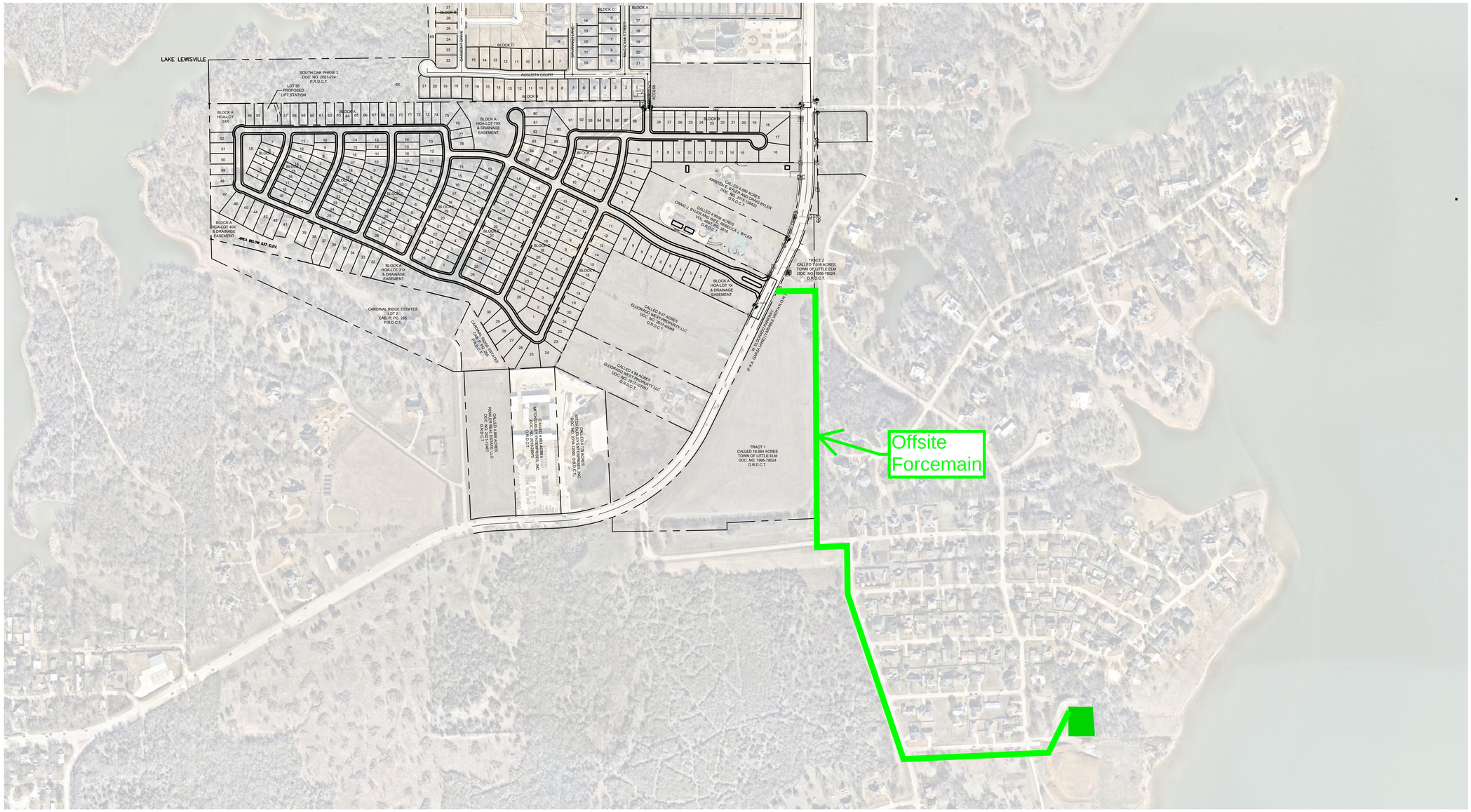

LEGEND

- PROPERTY LIMITS
- PROPOSED SANITARY SEWER LINES

EXHIBIT H

South Oak

Phase III

Lakeview Village, Texas
MARCH, 2022

Kimley»Horn
13455 Noel Road
Suite 700
Dallas, Texas 75240
(972) 770-1300
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.

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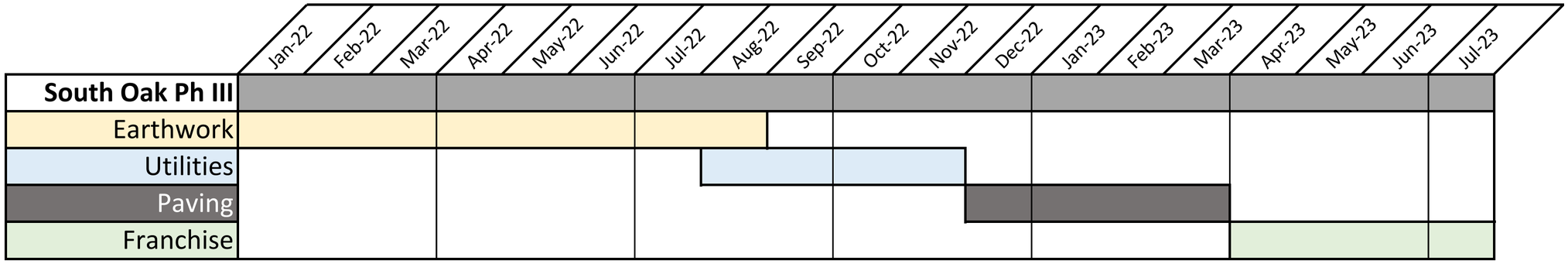
EXHIBIT I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South Oak Ph III
Earthwork
Utilities
Paving
Franchise

APPENDIX B – TOWN IMPROVEMENTS ALLOCATION LETTER

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Enprotec | Hibbs & Todd

June 8, 2022

Town of Lakewood Village
100 Highridge Dr.
Lakewood Village, TX 75068
Attn: The Honorable Dr. Mark Vargus, Mayor

Re: Public Improvement District (PID) Cost Allocation Analysis
Town of Lakewood Village

Dear Dr. Vargus:

Per your request, Enprotec / Hibbs & Todd, Inc. (eHT) has prepared the following cost allocation analysis for the PID that has been established in Lakewood Village. We understand that there will be 285 new homes within this PID.

The calculations to establish the PID proportion of the overall Project Cost are as follows:

WWTP: 200,000 gallons per day expansion

PID Share = 285 houses × 4 people / house × 100 gal/person/day = 114,000 gallons per day (LWV population =1,102 with 255 houses = 4.32 people/house)

(1) PID Proportion = 114,000 / 200,000 = **57.0%**

Well: 500 gpm

PID Share = 285 houses × 0.6 gallons per connection (per TCEQ) = 171 gallons per minute (gpm)

(2) PID Proportion = 171 / 500 = **34.2%**

GST: 300,000 gallons

PID Share = 285 houses × 200 gal per connection (per TCEQ) + 1,000 gal/minute × 60 minutes (Fireflow per International Fire Code) = 117,000 gallons

(3) PID Proportion = 117,000 / 300,000 = **39.0%**

I have included eHT's most current Opinions of Probable Project Cost for each of the three (3) projects as attachments to this letter. Using these OPPC's and the above calculated PID Proportions, the following cost allocations have been determined:

WWTP: 57.0% of $5,193,790 = $2,960,460
Well: 34.2% of $3,934,050 = $1,345,445
GST: 39.0% of $1,340,280 = $522,709

Please let me know if there are any questions.

Sincerely,

Enprotec / Hibbs & Todd, Inc.

Jordan S. Hibbs, P.E.
Vice President

JSH/jd

Attachment: OPPC's for Three (3) Lakewood Village Projects

c: P:\Projects\Lakewood Village, Town of\PID Evaluation\Letter for City with OPPCs\220608_PIDCosts.docx

OPINION OF PROBABLE PROJECT COST

TOWN OF LAKEWOOD VILLAGE WASTEWATER TREATMENT PLANT EXPANSION

CONVENTIONAL PACKAGE PLANT EXPANSION OF 0.2 MGD FOR A FINAL CAPACITY OF 0.3 MGD

Item	Item Description	Qty.	Unit	Unit Cost	% Mark-Up	Line Total	Subtotals
Preliminary Treatment							
	Structure	1	LS	$40,000		$40,000	
	Mechanical auger screen	1	LS	$60,000	20%	$72,000	
	Manual backup screen	1	LS	$3,000	20%	$3,600	
	Odor control	1	LS	$35,000	20%	$42,000	
	Piping and valves	1	LS	$15,000		$15,000	
	Category Total						**$ 173,000**
Influent Lift Station							
	New larger lift pumps for expansion	0	LS	$0		$0	
	Piping and valves	0	LS	$0		$0	
	Category Total						**$ -**
Secondary Treatment							
	Excavation, backfill, and foundation	1	LS	$50,000		$50,000	
	0.2 MGD field erected package plant - AUC	1	LS	$1,695,000	10%	$1,864,500	
	Structural repairs to existing 0.1 MGD package plant	1	LS	$25,000		$25,000	
	Modifications to existing package plant aeration piping and blowers	1	LS	$75,000		$75,000	
	Odor control	1	LS	$50,000	20%	$60,000	
	New process air blowers (in plant package)	1	LS	$0		$0	
	Piping and valves	1	LS	$50,000		$50,000	
	Category Total						**$ 2,125,000**
Disinfection							
	Excavation, backfill, and foundation	1	LS	$10,000		$10,000	
	New chlorine contact basin (included in plant package)	0	LS	$0		$0	
	New chlorine feed equipment (included in plant package)	0	LS	$0	20%	$0	
	Piping and valves	1	LS	$5,000		$5,000	
	Category Total						**$ 15,000**
Solids Handling							
	Excavation, backfill, and foundation (for 2 containers)	1	LS	$15,000		$15,000	
	Polymer system for dewatering container	1	LS	$25,000	20%	$30,000	
	Dewatering container	2	LS	$30,000		$60,000	
	Piping and valves	1	LS	$15,000		$15,000	
	Category Total						**$ 120,000**
Support Systems							
	Generator & ATS	1	LS	$150,000	20%	$180,000	
	Category Total						**$ 180,000**
Yard Piping		1	LS	$2,613,000	5.0%	$131,000	
	Category Total						**$ 131,000**
Protective Coatings		1	LS	$2,613,000	2.5%	$65,000	
	Category Total						**$ 65,000**
Site Work, Paving, SWPPP							
	Site work, paving , and SWPPP	1	LS	$2,809,000	5.0%	$140,000	
	Category Total						**$ 140,000**
Electrical and SCADA Controls		1	LS	$2,613,000	25.0%	$653,000	
	Category Total						**$ 653,000**
Mobilization, Bonds & Insurance		10%	JOB	$3,602,000		$360,000	**$ 360,000**

BASE SUBTOTAL		$ 3,962,000
CONTINGENCY	15%	$ 594,000
CONSTRUCTION SUBTOTAL		$ 4,556,000
ENGINEERING, INSPECTION, TESTING, ETC.	14%	$ 637,790
GRAND TOTAL		$ 5,193,790

DISCLAIMER: This opinion of probable project cost is released under the authority of Brittany White, Texas PE license number 128714, on May 13, 2022, and represents the design professional's best judgment. Enprotec / Hibbs & Todd, Inc. has no control over the cost of labor, materials, or equipment; over the Contractor's methods of determining bid prices; or over competitive bidding or market and industry conditions. Accordingly, Enprotec / Hibbs & Todd, Inc. cannot and does not guarantee that bids will not vary from this cost estimate.

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TOWN OF LAKEWOOD VILLAGE
WASTEWATER TREATMENT PLANT EXPANSION

PRELIMINARY OPINION OF PROBABLE PROJECT COST

ITEM #	ITEM DESCRIPTION	UNIT PRICE		ESTIMATED QUANTITY		ESTIMATED COST
1	Preliminary Treatment	$173,000	/LS	1	LS	$173,000
2	Influent Lift Station	$0	/LS	1	LS	$0
3	Secondary Treatment	$2,125,000	/LS	1	LS	$2,125,000
4	Disinfection	$15,000	/LS	1	LS	$15,000
5	Solids Handling	$120,000	/LS	1	LS	$120,000
6	Support Systems	$180,000	/LS	1	LS	$180,000
7	Yard Piping	$131,000	/LS	1	LS	$131,000
8	Protective Coatings	$65,000	/LS	1	LS	$65,000
9	Site Work, Paving, SWPPP	$140,000	/LS	1	LS	$140,000
10	Electrical and SCADA Controls	$653,000	/LS	1	LS	$653,000
11	Mobilization, Bonds & Insurance	$360,000	/LS	1	LS	$360,000
CONSTRUCTION COST ESTIMATE						**$3,962,000**
Contingency		$594,000	/LS	1	LS	$594,000
CONSTRUCTION COST ESTIMATE WITH CONTINGENCY						**$4,556,000**
Engineering, Inspection, Testing, Etc.		$637,790	/LS	1	LS	$637,790
TOTAL						**$5,193,790**

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OPINION OF PROBABLE PROJECT COST

TOWN OF LAKEWOOD VILLAGE
NEW DRINKING WATER WELL

Item	Item Description	Qty.	Unit	Unit Cost	% Mark-Up	Line Total	Subtotals
Well Drilling, Casing, and Pump							
	Drilling well borehole for test and completion	1,800	LF	$150		$270,000	
	Geophysical logging	1,800	LF	$20		$36,000	
	Casing/screens	1,800	LF	$250		$450,000	
	Drop pipe	1,000	LF	$150		$150,000	
	Gravel pack	552	CY	$125		$69,000	
	Bentonite seal	1	LS	$1,500		$1,500	
	Concrete casing	441	CY	$1,000		$441,000	
	Well Head concrete	5	CY	$1,200		$6,000	
	Submersible well pump	1	LS	$550,000	20%	$660,000	
	Well head piping	1	LS	$5,000		$5,000	
	Category Total						**$ 2,089,000**
Well Development & Discharge Piping							
	Develop well	1	LS	$20,000		$20,000	
	Development test	1	LS	$75,000		$75,000	
	Flow test	1	LS	$10,000		$10,000	
	Water quality sampling/analyses	1	LS	$15,000		$15,000	
	Disinfection and bacteriological testing	1	LS	$4,000		$4,000	
	Piping between well and storage tank site	420	LF	$225		$94,500	
	Category Total						**$ 219,000**
Protective Coatings		1	LS	$2,308,000	1.0%	$23,000	
	Category Total						**$ 23,000**
Site Work, Paving, SWPPP							
	Site work, Paving , and SWPPP	1	LS	$2,331,000	10.0%	$233,000	
	Category Total						**$ 233,000**
Electrical and SCADA Controls		1	LS	$2,564,000	7.0%	$179,000	
	Category Total						**$ 179,000**
Mobilization, Bonds & Insurance		10%	JOB	$2,743,000		$274,000	**$ 274,000**
BASE SUBTOTAL							$ 3,017,000
CONTINGENCY		15%					$453,000
CONSTRUCTION SUBTOTAL							$ 3,470,000
ENGINEERING, INSPECTION, TESTING, ECT.		13%					$464,050
GRAND TOTAL							$ 3,934,050

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TOWN OF LAKEWOOD VILLAGE
NEW DRINKING WATER WELL

PRELIMINARY OPINION OF PROBABLE PROJECT COST

ITEM #	ITEM DESCRIPTION	UNIT PRICE		ESTIMATED QUANTITY		ESTIMATED COST
1	Well Drilling, Casing, and Pump	$2,089,000	/LS	1	LS	$2,089,000
2	Well Development & Discharge Piping	$219,000	/LS	1	LS	$219,000
3	Protective Coatings	$23,000	/LS	1	LS	$23,000
4	Site Work, Paving, SWPPP	$233,000	/LS	1	LS	$233,000
5	Electrical and SCADA Controls	$179,000	/LS	1	LS	$179,000
6	Mobilization, Bonds & Insurance	$274,000	/LS	1	LS	$274,000
CONSTRUCTION COST ESTIMATE						**$3,017,000**
Contingency		$453,000	/LS	1	LS	$453,000
CONSTRUCTION COST ESTIMATE WITH CONTINGENCY						**$3,470,000**
Engineering, Inspection, Testing, Etc.		$464,050.00	/LS	1	LS	$464,050
TOTAL						**$3,934,050**

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OPINION OF PROBABLE PROJECT COST

TOWN OF LAKEWOOD VILLAGE

NEW 300,000–GALLON GROUND STORAGE TANK

Item	Item Description	Qty.	Unit	Unit Cost	% Mark-Up	Line Total	Subtotals
Demolition							
	Demolish existing FRP tanks	2	LS	$2,000		$4,000	
	Demolish existing FRP tank foundations	2	LS	$5,000		$10,000	
	Demolish existing piping associated with FRP tanks	1	LS	$10,000		$10,000	
	Category Total						**$ 24,000**
300,000-Gallon Ground Storage Tank							
	Excavation and backfill for foundation	1	LS	$35,000		$35,000	
	Concrete ringwall foundation	21	CY	$1,200		$25,200	
	300,000–gal welded steel GST (including paint)	1	LS	$600,000	20%	$720,000	
	Category Total						**$ 780,000**
Yard Piping		1	LS	$804,000	5.0%	$40,000	
	Category Total						**$ 40,000**
Protective Coatings		1	LS	$844,000	0.5%	$4,000	
	Category Total						**$ 4,000**
Site Work, Paving, SWPPP							
	Site work, Paving , and SWPPP	1	LS	$848,000	5.0%	$42,000	
	Category Total						**$ 42,000**
Electrical and SCADA Controls		1	LS	$890,000	2.0%	$18,000	
	Category Total						**$ 18,000**
Mobilization, Bonds & Insurance		10%	JOB	$908,000		$91,000	**$ 91,000**
BASE SUBTOTAL							$ 999,000
CONTINGENCY		15%					$150,000
CONSTRUCTION SUBTOTAL							$ 1,149,000
ENGINEERING, INSPECTION, TESTING, ECT.		17%					$ 191,280
GRAND TOTAL							$ 1,340,280

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TOWN OF LAKEWOOD VILLAGE
NEW 300,000–GALLON GROUND STORAGE TANK

PRELIMINARY OPINION OF PROBABLE PROJECT COST

ITEM #	ITEM DESCRIPTION	UNIT PRICE		ESTIMATED QUANTITY		ESTIMATED COST
1	Demolition	$24,000	/LS	1	LS	$24,000
2	300,000-Gallon Ground Storage Tank	$780,000	/LS	1	LS	$780,000
3	Yard Piping	$40,000	/LS	1	LS	$40,000
4	Protective Coatings	$4,000	/LS	1	LS	$4,000
5	Site Work, Paving, SWPPP	$42,000	/LS	1	LS	$42,000
6	Electrical and SCADA Controls	$18,000	/LS	1	LS	$18,000
7	Mobilization, Bonds & Insurance	$91,000	/LS	1	LS	$91,000
CONSTRUCTION COST ESTIMATE						**$999,000**
Contingency		$150,000	/LS	1	LS	$150,000
CONSTRUCTION COST ESTIMATE WITH CONTINGENCY						**$1,149,000**
Engineering, Inspection, Testing, Etc.		$191,280	/LS	1	LS	$191,280
TOTAL						**$1,340,280**

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APPENDIX C-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
TOWN OF LAKEWOOD VILLAGE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

INITIAL PARCEL PRINCIPAL ASSESSMENT: $17,633,000

As the purchaser of the real property described above, you are obligated to pay assessments to Town of Lakewood Village, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Lakewood Village Public Improvement District No. 1*** (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 Town of Lakewood Village. The exact amount of each annual installment will be approved each year by the Lakewood Village Town 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 Twn of Lakewood Village.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County 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 Denton 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 Denton County.

ANNUAL INSTALLMENTS - INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest[1]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	$ -	$ 1,016,714	$ (1,016,714)	$ -	$ -	$ -
2024	$ 237,000	$ 1,013,898	$ -	$ 88,165	$ 30,600	$ 1,369,663
2025	$ 251,000	$ 1,000,270	$ -	$ 86,980	$ 31,212	$ 1,369,462
2026	$ 266,000	$ 985,838	$ -	$ 85,725	$ 31,836	$ 1,369,399
2027	$ 282,000	$ 970,543	$ -	$ 84,395	$ 32,473	$ 1,369,410
2028	$ 299,000	$ 954,328	$ -	$ 82,985	$ 33,122	$ 1,369,435
2029	$ 317,000	$ 937,135	$ -	$ 81,490	$ 33,785	$ 1,369,410
2030	$ 336,000	$ 918,908	$ -	$ 79,905	$ 34,461	$ 1,369,273
2031	$ 356,000	$ 899,588	$ -	$ 78,225	$ 35,150	$ 1,368,962
2032	$ 378,000	$ 879,118	$ -	$ 76,445	$ 35,853	$ 1,369,415
2033	$ 401,000	$ 857,383	$ -	$ 74,555	$ 36,570	$ 1,369,507
2034	$ 425,000	$ 834,325	$ -	$ 72,550	$ 37,301	$ 1,369,176
2035	$ 451,000	$ 809,888	$ -	$ 70,425	$ 38,047	$ 1,369,360
2036	$ 478,000	$ 783,955	$ -	$ 68,170	$ 38,808	$ 1,368,933
2037	$ 507,000	$ 756,470	$ -	$ 65,780	$ 39,584	$ 1,368,834
2038	$ 538,000	$ 727,318	$ -	$ 63,245	$ 40,376	$ 1,368,939
2039	$ 571,000	$ 696,383	$ -	$ 60,555	$ 41,184	$ 1,369,121
2040	$ 606,000	$ 663,550	$ -	$ 57,700	$ 42,007	$ 1,369,257
2041	$ 643,000	$ 628,705	$ -	$ 54,670	$ 42,847	$ 1,369,222
2042	$ 682,000	$ 591,733	$ -	$ 51,455	$ 43,704	$ 1,368,892
2043	$ 724,000	$ 552,518	$ -	$ 48,045	$ 44,578	$ 1,369,141
2044	$ 769,000	$ 510,888	$ -	$ 44,425	$ 45,470	$ 1,369,782
2045	$ 816,000	$ 466,670	$ -	$ 40,580	$ 46,379	$ 1,369,629
2046	$ 866,000	$ 419,750	$ -	$ 36,500	$ 47,307	$ 1,369,557
2047	$ 919,000	$ 369,955	$ -	$ 32,170	$ 48,253	$ 1,369,378
2048	$ 975,000	$ 317,113	$ -	$ 27,575	$ 49,218	$ 1,368,906
2049	$ 1,035,000	$ 261,050	$ -	$ 22,700	$ 50,203	$ 1,368,953
2050	$ 1,099,000	$ 201,538	$ -	$ 17,525	$ 51,207	$ 1,369,269
2051	$ 1,167,000	$ 138,345	$ -	$ 12,030	$ 52,231	$ 1,369,606
2052	$ 1,239,000	$ 71,243	$ -	$ 6,195	$ 53,275	$ 1,369,713
Total	**$ 17,633,000**	**$ 20,235,112**	**$ (1,016,714)**	**$ 1,671,165**	**$ 1,187,042**	**$ 39,709,605**

[1] Interest is calculated at a 5.75% rate.

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

APPENDIX C-2 – 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[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
TOWN OF LAKEWOOD VILLAGE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: $51,434.61

As the purchaser of the real property described above, you are obligated to pay assessments to the Town of Lakewood Village, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Lakewood Village Public Improvement District No. 1*** (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 Town of Lakewood Village The exact amount of each annual installment will be approved each year by the Lakewood Village Town Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the Town of Lakewood Village.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County 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 Denton 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 Denton County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Annual Installment Due 1/31	Principal	Interest[1]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	$ -	$ 2,965.71	$ (2,965.71)	$ -	$ -	$ -
2024	$ 691.32	$ 2,957.49	$ -	$ 257.17	$ 89.26	$ 3,995.24
2025	$ 732.15	$ 2,917.74	$ -	$ 253.72	$ 91.04	$ 3,994.65
2026	$ 775.91	$ 2,875.64	$ -	$ 250.06	$ 92.86	$ 3,994.47
2027	$ 822.58	$ 2,831.03	$ -	$ 246.18	$ 94.72	$ 3,994.50
2028	$ 872.17	$ 2,783.73	$ -	$ 242.06	$ 96.62	$ 3,994.58
2029	$ 924.67	$ 2,733.58	$ -	$ 237.70	$ 98.55	$ 3,994.50
2030	$ 980.10	$ 2,680.41	$ -	$ 233.08	$ 100.52	$ 3,994.10
2031	$ 1,038.43	$ 2,624.05	$ -	$ 228.18	$ 102.53	$ 3,993.20
2032	$ 1,102.61	$ 2,564.34	$ -	$ 222.99	$ 104.58	$ 3,994.52
2033	$ 1,169.70	$ 2,500.94	$ -	$ 217.47	$ 106.67	$ 3,994.79
2034	$ 1,239.70	$ 2,433.69	$ -	$ 211.62	$ 108.81	$ 3,993.82
2035	$ 1,315.55	$ 2,362.40	$ -	$ 205.43	$ 110.98	$ 3,994.36
2036	$ 1,394.30	$ 2,286.76	$ -	$ 198.85	$ 113.20	$ 3,993.11
2037	$ 1,478.89	$ 2,206.59	$ -	$ 191.88	$ 115.47	$ 3,992.82
2038	$ 1,569.32	$ 2,121.55	$ -	$ 184.48	$ 117.77	$ 3,993.13
2039	$ 1,665.58	$ 2,031.31	$ -	$ 176.64	$ 120.13	$ 3,993.66
2040	$ 1,767.67	$ 1,935.54	$ -	$ 168.31	$ 122.53	$ 3,994.06
2041	$ 1,875.60	$ 1,833.90	$ -	$ 159.47	$ 124.98	$ 3,993.96
2042	$ 1,989.36	$ 1,726.06	$ -	$ 150.09	$ 127.48	$ 3,992.99
2043	$ 2,111.87	$ 1,611.67	$ -	$ 140.14	$ 130.03	$ 3,993.72
2044	$ 2,243.14	$ 1,490.23	$ -	$ 129.59	$ 132.63	$ 3,995.59
2045	$ 2,380.23	$ 1,361.25	$ -	$ 118.37	$ 135.29	$ 3,995.14
2046	$ 2,526.08	$ 1,224.39	$ -	$ 106.47	$ 137.99	$ 3,994.93
2047	$ 2,680.68	$ 1,079.14	$ -	$ 93.84	$ 140.75	$ 3,994.41
2048	$ 2,844.03	$ 925.00	$ -	$ 80.43	$ 143.57	$ 3,993.03
2049	$ 3,019.04	$ 761.47	$ -	$ 66.21	$ 146.44	$ 3,993.17
2050	$ 3,205.73	$ 587.88	$ -	$ 51.12	$ 149.37	$ 3,994.09
2051	$ 3,404.08	$ 403.55	$ -	$ 35.09	$ 152.35	$ 3,995.07
2052	$ 3,614.10	$ 207.81	$ -	$ 18.07	$ 155.40	$ 3,995.39
Total	**$ 51,434.61**	**$ 59,024.84**	**$ (2,965.71)**	**$ 4,874.71**	**$ 3,462.55**	**$ 115,830.99**

[1] Interest is calculated at a 5.75% rate.

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

APPENDIX C-3 – 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[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
TOWN OF LAKEWOOD VILLAGE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: $60,734.17

As the purchaser of the real property described above, you are obligated to pay assessments to the Town of Lakewood Village, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Lakewood Village Public Improvement District No. 1*** (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 Town of Lakewood Village The exact amount of each annual installment will be approved each year by the Lakewood Village Town Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the Town of Lakewood Village.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County 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 Denton 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 Denton County.

ANNUAL INSTALLMENTS - LOT TYPE 2

Annual Installment Due 1/31	Principal	Interest[1]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	$ -	$ 3,501.92	$ (3,501.92)	$ -	$ -	$ -
2024	$ 816.31	$ 3,492.21	$ -	$ 303.67	$ 105.40	$ 4,717.59
2025	$ 864.53	$ 3,445.28	$ -	$ 299.59	$ 107.50	$ 4,716.90
2026	$ 916.20	$ 3,395.57	$ -	$ 295.27	$ 109.66	$ 4,716.68
2027	$ 971.31	$ 3,342.88	$ -	$ 290.69	$ 111.85	$ 4,716.72
2028	$ 1,029.86	$ 3,287.03	$ -	$ 285.83	$ 114.09	$ 4,716.81
2029	$ 1,091.86	$ 3,227.82	$ -	$ 280.68	$ 116.37	$ 4,716.72
2030	$ 1,157.30	$ 3,165.04	$ -	$ 275.22	$ 118.69	$ 4,716.25
2031	$ 1,226.19	$ 3,098.49	$ -	$ 269.43	$ 121.07	$ 4,715.18
2032	$ 1,301.96	$ 3,027.99	$ -	$ 263.30	$ 123.49	$ 4,716.74
2033	$ 1,381.18	$ 2,953.12	$ -	$ 256.79	$ 125.96	$ 4,717.06
2034	$ 1,463.85	$ 2,873.70	$ -	$ 249.89	$ 128.48	$ 4,715.92
2035	$ 1,553.40	$ 2,789.53	$ -	$ 242.57	$ 131.05	$ 4,716.55
2036	$ 1,646.40	$ 2,700.21	$ -	$ 234.80	$ 133.67	$ 4,715.08
2037	$ 1,746.28	$ 2,605.55	$ -	$ 226.57	$ 136.34	$ 4,714.74
2038	$ 1,853.06	$ 2,505.13	$ -	$ 217.84	$ 139.07	$ 4,715.10
2039	$ 1,966.72	$ 2,398.58	$ -	$ 208.57	$ 141.85	$ 4,715.73
2040	$ 2,087.27	$ 2,285.50	$ -	$ 198.74	$ 144.69	$ 4,716.20
2041	$ 2,214.71	$ 2,165.48	$ -	$ 188.30	$ 147.58	$ 4,716.08
2042	$ 2,349.04	$ 2,038.13	$ -	$ 177.23	$ 150.53	$ 4,714.94
2043	$ 2,493.71	$ 1,903.06	$ -	$ 165.48	$ 153.54	$ 4,715.80
2044	$ 2,648.70	$ 1,759.67	$ -	$ 153.02	$ 156.61	$ 4,718.01
2045	$ 2,810.59	$ 1,607.37	$ -	$ 139.77	$ 159.75	$ 4,717.48
2046	$ 2,982.80	$ 1,445.76	$ -	$ 125.72	$ 162.94	$ 4,717.23
2047	$ 3,165.35	$ 1,274.25	$ -	$ 110.80	$ 166.20	$ 4,716.61
2048	$ 3,358.24	$ 1,092.25	$ -	$ 94.98	$ 169.52	$ 4,714.99
2049	$ 3,564.90	$ 899.15	$ -	$ 78.19	$ 172.91	$ 4,715.15
2050	$ 3,785.34	$ 694.17	$ -	$ 60.36	$ 176.37	$ 4,716.24
2051	$ 4,019.55	$ 476.51	$ -	$ 41.44	$ 179.90	$ 4,717.40
2052	$ 4,267.55	$ 245.38	$ -	$ 21.34	$ 183.50	$ 4,717.77
Total	**$ 60,734.17**	**$ 69,696.74**	**$ (3,501.92)**	**$ 5,756.07**	**$ 4,088.59**	**$ 136,773.65**

[1] Interest is calculated at a 5.75% rate.

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

APPENDIX C-4 – 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[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
TOWN OF LAKEWOOD VILLAGE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

LOT TYPE 3 PRINCIPAL ASSESSMENT: $70,033.73

As the purchaser of the real property described above, you are obligated to pay assessments to the Town of Lakewood Village, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Lakewood Village Public Improvement District No. 1*** (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 Town of Lakewood Village The exact amount of each annual installment will be approved each year by the Lakewood Village Town Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the Town of Lakewood Village.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County 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 Denton 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 Denton County.

ANNUAL INSTALLMENTS - LOT TYPE 3

Annual Installment Due 1/31	Principal	Interest[1]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	$ -	$ 4,038.13	$ (4,038.13)	$ -	$ -	$ -
2024	$ 941.30	$ 4,026.94	$ -	$ 350.17	$ 121.54	$ 5,439.95
2025	$ 996.91	$ 3,972.81	$ -	$ 345.46	$ 123.97	$ 5,439.15
2026	$ 1,056.48	$ 3,915.49	$ -	$ 340.48	$ 126.45	$ 5,438.90
2027	$ 1,120.03	$ 3,854.74	$ -	$ 335.20	$ 128.97	$ 5,438.95
2028	$ 1,187.55	$ 3,790.34	$ -	$ 329.60	$ 131.55	$ 5,439.04
2029	$ 1,259.04	$ 3,722.06	$ -	$ 323.66	$ 134.18	$ 5,438.94
2030	$ 1,334.51	$ 3,649.66	$ -	$ 317.36	$ 136.87	$ 5,438.40
2031	$ 1,413.94	$ 3,572.93	$ -	$ 310.69	$ 139.61	$ 5,437.17
2032	$ 1,501.32	$ 3,491.63	$ -	$ 303.62	$ 142.40	$ 5,438.96
2033	$ 1,592.67	$ 3,405.30	$ -	$ 296.11	$ 145.25	$ 5,439.33
2034	$ 1,687.99	$ 3,313.72	$ -	$ 288.15	$ 148.15	$ 5,438.01
2035	$ 1,791.26	$ 3,216.66	$ -	$ 279.71	$ 151.11	$ 5,438.74
2036	$ 1,898.49	$ 3,113.67	$ -	$ 270.75	$ 154.14	$ 5,437.05
2037	$ 2,013.67	$ 3,004.50	$ -	$ 261.26	$ 157.22	$ 5,436.66
2038	$ 2,136.80	$ 2,888.72	$ -	$ 251.19	$ 160.36	$ 5,437.07
2039	$ 2,267.86	$ 2,765.85	$ -	$ 240.51	$ 163.57	$ 5,437.80
2040	$ 2,406.88	$ 2,635.45	$ -	$ 229.17	$ 166.84	$ 5,438.34
2041	$ 2,553.83	$ 2,497.05	$ -	$ 217.14	$ 170.18	$ 5,438.20
2042	$ 2,708.73	$ 2,350.21	$ -	$ 204.37	$ 173.58	$ 5,436.89
2043	$ 2,875.54	$ 2,194.46	$ -	$ 190.82	$ 177.05	$ 5,437.87
2044	$ 3,054.27	$ 2,029.11	$ -	$ 176.44	$ 180.60	$ 5,440.42
2045	$ 3,240.94	$ 1,853.49	$ -	$ 161.17	$ 184.21	$ 5,439.81
2046	$ 3,439.53	$ 1,667.14	$ -	$ 144.97	$ 187.89	$ 5,439.53
2047	$ 3,650.03	$ 1,469.37	$ -	$ 127.77	$ 191.65	$ 5,438.82
2048	$ 3,872.45	$ 1,259.49	$ -	$ 109.52	$ 195.48	$ 5,436.94
2049	$ 4,110.75	$ 1,036.82	$ -	$ 90.16	$ 199.39	$ 5,437.13
2050	$ 4,364.94	$ 800.45	$ -	$ 69.60	$ 203.38	$ 5,438.38
2051	$ 4,635.02	$ 549.47	$ -	$ 47.78	$ 207.45	$ 5,439.72
2052	$ 4,920.99	$ 282.96	$ -	$ 24.60	$ 211.60	$ 5,440.15
Total	**$ 70,033.73**	**$ 80,368.64**	**$ (4,038.13)**	**$ 6,637.44**	**$ 4,714.63**	**$ 157,716.31**

[1] Interest is calculated at a 5.75% rate.

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

APPENDIX C-5 – LOT TYPE 4 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
TOWN OF LAKEWOOD VILLAGE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

LOT TYPE 4 PRINCIPAL ASSESSMENT: $114,809.39

As the purchaser of the real property described above, you are obligated to pay assessments to the Town of Lakewood Village, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Lakewood Village Public Improvement District No. 1*** (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 Town of Lakewood Village The exact amount of each annual installment will be approved each year by the Lakewood Village Town Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the Town of Lakewood Village.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County 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 Denton 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 Denton County.

ANNUAL INSTALLMENTS - LOT TYPE 4

Annual Installment Due 1/31	Principal	Interest[1]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	$ -	$ 6,619.88	$ (6,619.88)	$ -	$ -	$ -
2024	$ 1,543.12	$ 6,601.54	$ -	$ 574.05	$ 199.24	$ 8,917.94
2025	$ 1,634.27	$ 6,512.81	$ -	$ 566.33	$ 203.22	$ 8,916.64
2026	$ 1,731.94	$ 6,418.84	$ -	$ 558.16	$ 207.29	$ 8,916.23
2027	$ 1,836.12	$ 6,319.25	$ -	$ 549.50	$ 211.43	$ 8,916.30
2028	$ 1,946.80	$ 6,213.68	$ -	$ 540.32	$ 215.66	$ 8,916.46
2029	$ 2,064.00	$ 6,101.74	$ -	$ 530.59	$ 219.98	$ 8,916.30
2030	$ 2,187.71	$ 5,983.05	$ -	$ 520.27	$ 224.37	$ 8,915.41
2031	$ 2,317.93	$ 5,857.26	$ -	$ 509.33	$ 228.86	$ 8,913.39
2032	$ 2,461.18	$ 5,723.98	$ -	$ 497.74	$ 233.44	$ 8,916.33
2033	$ 2,610.93	$ 5,582.46	$ -	$ 485.43	$ 238.11	$ 8,916.93
2034	$ 2,767.20	$ 5,432.33	$ -	$ 472.38	$ 242.87	$ 8,914.78
2035	$ 2,936.48	$ 5,273.22	$ -	$ 458.54	$ 247.73	$ 8,915.97
2036	$ 3,112.28	$ 5,104.37	$ -	$ 443.86	$ 252.68	$ 8,913.20
2037	$ 3,301.10	$ 4,925.42	$ -	$ 428.30	$ 257.74	$ 8,912.55
2038	$ 3,502.95	$ 4,735.60	$ -	$ 411.79	$ 262.89	$ 8,913.23
2039	$ 3,717.81	$ 4,534.18	$ -	$ 394.28	$ 268.15	$ 8,914.42
2040	$ 3,945.70	$ 4,320.41	$ -	$ 375.69	$ 273.51	$ 8,915.31
2041	$ 4,186.61	$ 4,093.53	$ -	$ 355.96	$ 278.98	$ 8,915.08
2042	$ 4,440.54	$ 3,852.80	$ -	$ 335.03	$ 284.56	$ 8,912.93
2043	$ 4,714.00	$ 3,597.47	$ -	$ 312.82	$ 290.25	$ 8,914.55
2044	$ 5,007.00	$ 3,326.42	$ -	$ 289.25	$ 296.06	$ 8,918.73
2045	$ 5,313.02	$ 3,038.51	$ -	$ 264.22	$ 301.98	$ 8,917.73
2046	$ 5,638.57	$ 2,733.01	$ -	$ 237.65	$ 308.02	$ 8,917.26
2047	$ 5,983.66	$ 2,408.80	$ -	$ 209.46	$ 314.18	$ 8,916.09
2048	$ 6,348.28	$ 2,064.74	$ -	$ 179.54	$ 320.46	$ 8,913.02
2049	$ 6,738.94	$ 1,699.71	$ -	$ 147.80	$ 326.87	$ 8,913.32
2050	$ 7,155.65	$ 1,312.22	$ -	$ 114.11	$ 333.41	$ 8,915.38
2051	$ 7,598.40	$ 900.77	$ -	$ 78.33	$ 340.08	$ 8,917.57
2052	$ 8,067.19	$ 463.86	$ -	$ 40.34	$ 346.88	$ 8,918.27
Total	**$ 114,809.39**	**$ 131,751.87**	**$ (6,619.88)**	**$ 10,881.04**	**$ 7,728.90**	**$ 258,551.32**

[1] Interest is calculated at a 5.75% rate.

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

ORDINANCE NO. 22-17

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 PROJECT); AND APPROVING AND AUTHORIZING RELATED AGREEMENTS.

WHEREAS, the Town of Lakewood Village, Texas (the "Town"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code (the "PID Act"), has previously established the “Lakewood Village Public Improvement District No. 1” (the "District"), pursuant to Resolution No. 22-17 adopted by the Town Council of the Town (the "Town Council") on June 30, 2022; and

WHEREAS, pursuant to the PID Act, the Town Council mailed and published notice of and convened a public hearing on August 11, 2022, regarding the levy of special assessments against benefitted property located within the District, and, after hearing testimony at such public hearing, the Town Council closed the public hearing and adopted Ordinance No. 2022-16 (the “Assessment Ordinance”) on August 11, 2022; and

WHEREAS, in the Assessment Ordinance, the Town Council approved and accepted the Lakewood Village Public Improvement District No. 1 Service and Assessment Plan, dated August 11, 2022 (as updated, amended, and/or restated, the “Service and Assessment Plan”) relating to the District and levied special assessments (the “Assessments”) against the Assessed Property as shown on the Assessment Roll that is attached to the Service and Assessment Plan as Exhibit E-1; and

WHEREAS, capitalized terms used in this Ordinance and not otherwise defined herein shall have the meanings assigned to them in the Service and Assessment Plan; and

WHEREAS, the Town is authorized by the PID Act to issue its revenue bonds payable from the Assessments and other revenues received for the purposes of (i) paying a portion of the Actual Costs of the Authorized Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Authorized Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying costs of issuance of the Bonds; and

WHEREAS, the Town Council hereby finds and determines that it is in the best interests of the Town to issue its bonds to be designated “Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project)” (the “Bonds”), such series to be payable from and secured by the Trust Estate (as defined in the Indenture); and

WHEREAS, the Town Council hereby finds and determines to (i) approve the issuance of the Bonds for the purposes described below, (ii) approve the form, terms, and provisions of an Indenture (defined below) securing the Bonds authorized hereby, (iii) approve the form, terms and provisions of a Bond Purchase Agreement (defined below) between the Town and the purchaser of the Bonds, (iv) approve a Preliminary Limited Offering Memorandum (defined below) and a Limited Offering Memorandum (defined below), (v) approve the form, terms and provisions of a Continuing Disclosure Agreement (defined below), and (vi) approve the form, terms and provisions of a Construction, Funding, and Acquisition 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; now, therefore

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:

SECTION 1. Approval of Issuance of Bonds and Indenture of Trust.

(a) The issuance of the Bonds in the principal amount of $_____ for the purpose of providing funds for (i) paying a portion of the Actual Costs of the Authorized Improvements; (ii) paying the District Formation Costs; (iii) paying the first year's Annual Collection Costs related to the Bonds; and (iv) paying the Bond Issuance Costs related to the issuance of the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture") dated as of August 1, 2022, between the Town and BOKF, NA, as trustee (the "Trustee"), which Indenture is hereby approved in substantially the form attached hereto as **Exhibit A,** which is incorporated herein as a part hereof for all purposes, with such changes or additions thereto as may be approved by the Mayor or Mayor Pro Tem of the Town (upon the advice of the Town Administrator) as evidenced by the execution and delivery thereof. The Mayor or Mayor Pro Tem of the Town is hereby authorized and directed to execute the Indenture and the Town Secretary is hereby authorized and directed to attest such signature of the Mayor or Mayor Pro Tem and such officials are hereby authorized to deliver the Indenture.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture with such insertions, omissions and modifications as may be required to conform the form of bond to the actual terms of the Bonds. The Bonds shall be payable from and secured by the Trust Estate, including Pledged Revenues (as defined in the Indenture), and shall never be payable from ad valorem taxes.

SECTION 2. Sale of Bonds; Approval of Bond Purchase Agreement. The Bonds shall be sold to FMSbonds, Inc. (the "Underwriter") under that certain Bond Purchase Agreement (the "Bond Purchase Agreement"), dated the date hereof, between the Town and the Underwriter, substantially in the form attached hereto as **Exhibit B** which is incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interests of the Town at the price and on the terms and provisions set forth in the Bond Purchase Agreement. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Town Administrator, such approval to be evidenced by the execution and delivery of the Bond Purchase Agreement by the Mayor or Mayor Pro Tem. The Mayor or Mayor Pro Tem of the Town is hereby authorized and directed to execute and deliver the Bond Purchase Agreement.

SECTION 3. Limited Offering Memorandum. The form and substance of the Preliminary Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto (the "Preliminary Limited Offering Memorandum") and the final Limited Offering Memorandum (the "Limited Offering Memorandum") are hereby in all respects approved and adopted. The Preliminary Limited Offering Memorandum and the Limited Offering

Memorandum, as thus approved and delivered, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem of the Town and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The Town Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum and 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 and the Limited Offering Memorandum in the offering of the Bonds is hereby ratified, approved and confirmed and the Preliminary Limited Offering Memorandum is hereby deemed "final" as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Mayor or Mayor Pro Tem, this Town Council, including the Mayor and Mayor Pro Tem, are not responsible for and proclaim no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum pertaining to the Development (as defined in the Limited Offering Memorandum), the Landowner (as defined in the Limited Offering Memorandum), the Development Manager (as defined in the Limited Offering Memorandum) or their financial ability, or of any builders, any landowners, or the appraisal of the property in the District.

SECTION 4. Continuing Disclosure Agreement. That certain "Continuing Disclosure Agreement of Issuer" (the "Continuing Disclosure Agreement") among the Town, P3Works, LLC, and BOKF, NA, is hereby authorized and approved in substantially the form attached hereto as **Exhibit C** which is incorporated herein as a part hereof for all purposes and the Mayor and Mayor Pro Tem of the Town are authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of this Ordinance and as approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 5. Construction, Funding, and Acquisition Agreement. That certain "Lakewood Village Public Improvement District No. 1 Construction, Funding, and Acquisition Agreement" (the "Construction, Funding, and Acquisition Agreement") between the Town and C and C Land, LLC, is hereby authorized and approved in substantially the form attached hereto as **Exhibit D** which is incorporated herein as a part hereof for all purposes and the, Mayor, and Mayor Pro Tem of the Town is authorized and directed to execute and deliver such Construction, Funding, and Acquisition Agreement with such changes as may be required to carry out the purpose of this Ordinance and as approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 6. Additional Actions. The Mayor, the Mayor Pro Tem, the Chief Financial Officer, the Town Administrator, and the Town Secretary are each hereby authorized and directed to take any and all actions on behalf of the Town necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance. The Mayor, the Mayor Pro Tem, the Town Administrator, the Chief Financial Officer, and the Town Secretary are each 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 or any other certificates, agreements, or other documents subsequent to the delivery of the Bonds which may be necessary or appropriate to carry out or fulfill the purpose and intent of the Service and Assessment Plan and the acquisition and construction of the Authorized Improvements.

SECTION 7. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 8. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 9. Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance or the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 10. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 11. Incorporation of Findings and Determinations. The findings and determinations of the Town Council contained in the preamble of this Ordinance 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.

SECTION 12. Effective Date. This Ordinance shall take effect and be in force immediately from and after its adoption on the date shown below in accordance with Texas Government Code, Section 1201.028, as amended.

[Remainder of Page Intentionally Left Blank]

PASSED AND APPROVED THIS THE 11TH DAY OF AUGUST, 2022.

_____
Dr. Mark E. Vargus
Mayor

ATTESTED:

(Town Seal)

_____
Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary

EXHIBIT A

INDENTURE OF TRUST

INDENTURE OF TRUST

By and Between

TOWN OF LAKEWOOD VILLAGE, TEXAS

and

BOKF, NA,
as Trustee

DATED AS OF AUGUST 1, 2022

SECURING

$_____
TOWN OF LAKEWOOD VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1
PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of August 1, 2022 is by and between the TOWN OF LAKEWOOD VILLAGE, TEXAS (the "Town"), and BOKF, NA, HOUSTON, TEXAS, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted and filed with the Town Secretary of the Town (the "Town Secretary") pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), requesting the creation of a public improvement district located in the extraterritorial jurisdiction of the Town to be known as the Lakewood Village Public Improvement District No. 1 (the "District"); and

WHEREAS, the petition contained the signature of the owner of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Denton Central Appraisal District, and the signature of the property owner who owns 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 June 30, 2022, after due notice, the Town Council of the Town (the "Town Council") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on June 30, 2022, the Town Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 22-17, adopted by a majority of the members of the Town Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on July 6, 2022, the Town Secretary filed a copy of Resolution No. 22-17 with the county clerk of each county in which all or a part of the District is located in accordance with the provisions 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 Town Secretary within 20 days after June 30, 2022; and

WHEREAS, on July 28, 2022, the Town Council by Resolution No. _____ made findings and determinations relating to the Actual Costs of certain Authorized Improvements, received and accepted a preliminary service and assessment plan and a proposed assessment roll, called a public hearing for August 11, 2022 and directed Town staff to (i) file said proposed assessment roll with the Town Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail notice relating to the July 28, 2022 hearing as required by Sections 372.016(b) and 372.016(c) of the PID Act; and

WHEREAS, on July ____, 2022, the Town Council, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Denton Record-Chronicle*, a newspaper of general circulation in the Town and in the part of the Town's extraterritorial jurisdiction in which the District is located or in which the Authorized Improvements are to be undertaken, to consider the proposed Service and Assessment Plan and the Assessment Roll and the levy of the Assessments on property within the District; and

WHEREAS, the Town Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the Town Council opened and convened the hearing on August 11, 2022 and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Assessment Roll and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of estimated costs of 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 there were no written objections or evidence submitted to the Town Secretary in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Authorized Improvements, the Assessment Roll, and the levy of the Assessments; and

WHEREAS, the Town Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the Town, the Town approved Ordinance No. _____ which levied the Assessments and approved the Service and Assessment Plan, in conformity with the requirements of the PID Act; and

WHEREAS, the Town Secretary filed a copy of the Assessment Ordinance with the county clerk of each county in which all or a part of the District is located not later than the seventh day after the Town approved the Assessment Ordinance in accordance with the provisions of the PID Act; and

WHEREAS, the Town Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Actual Costs of the Authorized Improvements; (ii) paying the District Formation Costs; (iii) paying the first year's Annual Collection Costs related to the Bonds; and (iv) paying the Bond Issuance Costs related to the issuance of the Bonds; and

WHEREAS, the Town Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled "Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project)" (the "Bonds"), such Bonds being payable solely from a lien on and pledge of the Trust Estate (defined below) and for the purposes set forth in the preamble of 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 Town, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN, and DELIVER to the Trustee for the benefit of the Owners, a security interest in all of the moneys, rights and properties described in the Granting Clauses hereof, as follows (collectively, the "Trust Estate"):

FIRST GRANTING CLAUSE

The Pledged Revenues, as herein defined, and all moneys and investments held in the Pledged Funds, including any and all proceeds thereof and any contract or any evidence of indebtedness related thereto or other rights of the Town 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 Town 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;

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, that if and to the extent any Assessments have been prepaid, the lien on real property associated with such Assessment prepayment shall be released and any rights of the Trustee and the Owners as provided in this Indenture to request the Town to proceed with foreclosure procedures for the purpose of protecting and enforcing the rights of the Owners with respect to the Assessments levied against such property shall terminate;

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

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 Town has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

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

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

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

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

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

"Additional Interest Reserve Account" means the reserve account administered by the Town and segregated from other funds of the Town in accordance with the provisions of Section 6.7 of this Indenture.

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

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

"Administrative Fund" means that Fund established by Section 6.1 and administered pursuant to Section 6.9 hereof.

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

“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 expense for: (1) the Administrator, (2) Town staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the Town; (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 the Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with the Service and Assessment Plan, the PID Act, and this Indenture with respect to the issuance and sale of the Bonds, 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, assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

“Annual Installment” means, with respect to each Assessed Parcel, each annual payment of the Assessments (including both principal of and interest on the Assessments) as shown on the Assessment Roll attached to the Service and Assessment Plan as Exhibit E-2 and related to the Authorized Improvements; which annual payment includes the Additional Interest and the Annual Collection Costs collected on each annual payment of the Assessments as respectively described in Sections 6.7 and 6.9 herein and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

"Annual Service Plan Update" means the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan and approved by the Town Council.

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

“Assessed Parcel” means each parcel of land located within the District against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

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

“Assessment Ordinance” means, Ordinance No. _____ adopted by the Town Council on August 11, 2022, which levied the Assessments on the Assessed Property located within the District.

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

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

"Assessment Roll" means the Assessment Roll attached as Exhibit E-1 to the Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Assessments against each Assessed Parcel related to the Bonds and the Authorized Improvements, as updated, modified, or amended from time to time, in accordance with the terms of the Service and Assessment Plan and the PID Act.

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

"Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act, including, but not limited to the PID Improvements and the Town Improvements, as described in Section III of the Service and Assessment Plan.

"Bond" means any of the Bonds.

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

"Bond Date" means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

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

"Bond Ordinance" means Ordinance No. _____ adopted by the Town Council on August 11, 2022, authorizing the issuance of the Bonds pursuant to this Indenture.

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

"Bond Year" means the one-year period beginning on September 15 in each year and ending on September 14 in the following year.

"Bonds" means the Town's bonds authorized to be issued by Section 3.1 of this Indenture entitled "Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project)".

"Bond Issuance Costs" means the costs associated with issuing Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, fees and expenses of the Trustee and Paying

Agent/Registrar (including the fees and expenses of its attorney), and any other cost or expense incurred by the Town directly associated with the issuance of any series of Bonds.

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

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

"Collections Fund" means that fund of such name established pursuant to Section 6.1 and administered pursuant to Section 6.3 herein.

"Closing Date" means the date of the initial delivery of and payment for the Bonds.

"Closing Disbursement Request" means a certificate substantially in the form of Exhibit A attached to the Construction, Funding, and Acquisition Agreement.

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

"Completion Agreement" means the "Completion Agreement - Lakewood Village Public Improvement District No. 1 by and between the Trustee and the Taylor Morrison of Texas, Inc. dated as of August 11, 2022, which provides, in part, for the completion of the PID Improvements.

"Construction, Funding and Acquisition Agreement" means the Town of Lakewood Village Public Improvement District No. 1 Construction, Funding and Acquisition Agreement by and between the Town and the Developer dated as of August 11, 2022, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Authorized Improvements within the District, the issuance of bonds, and other matters related thereto.

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

"County" means Denton County, Texas

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

"Delinquent Collection Costs" means the costs related to the foreclosure on an Assessed Parcel and the costs of collection of the respective delinquent Assessment, in accordance with the PID Act, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

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

"Developer" means C and C Land, LLC, and its successors and assigns.

“District Administration Account” means the Account of such name established pursuant to Section 6.1 and administered as provided in Section 6.9.

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

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

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

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

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

“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 Town who, or each of whom: (i) is judged by the Town, 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 Town; (iii) does not have any substantial interest, direct or indirect, with or in the Town, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the Town as an officer or employee of the Town, but who may be regularly retained to make reports to the Town.

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

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 15 and September 15 of each year, commencing March 15, 2023.

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

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

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

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

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

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

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

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

"PID Improvements" means the Authorized Improvements, excluding the Town Improvements, which are to be constructed by the Developer or its designee, that confer a special benefit to all of the Assessed Property within the District, as further described in the Service and Assessment Plan.

"PID Improvements Account" means the Account of such name established pursuant to Section 6.1.

"PID Improvements Certification for Payment" means a certificate substantially in the form of Exhibit B attached to the Construction, Funding, and Acquisition Agreement, and or otherwise approved by the Developer and a Town Representative executed by a Person approved by a Town Representative, delivered to the Town Representative and the Trustee specifying the amount of work performed related to the PID Improvements and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in the PID Improvements Account of the Project Fund, as further described in the Construction, Funding, and Acquisition Agreement and Section 6.5 herein. This term includes a Closing Disbursement Request made pursuant to the Construction, Funding, and Acquisition Agreement related to PID Improvements.

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

"Pledged Revenue Fund" means that fund of such name established pursuant to Section 6.1 and administered pursuant to Section 6.3 herein.

"Pledged Revenues" means the sum of (i) Assessment Revenue less the Annual Collection Costs and (ii) any additional revenues that the Town may pledge to the payment of Bonds.

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

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

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

“Purchaser” means the initial purchaser of the Bonds.

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

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

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

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

“Redemption Price” means, when used with respect to any Bond or portion thereof subject to optional redemption pursuant to the provisions hereof, the applicable redemption price shown in Article IV of this Indenture.

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

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

“Release Certificate” shall have the meaning assigned to such term in Section 6.5(c) hereof. The Release Certificate may be included as a part of the PID Improvements Certification for Payment or it may be a separate Town Certificate.

“Release Restriction” shall have the meaning assigned to such term in Section 6.5(d) hereof.

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

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

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

“Service and Assessment Plan” means the “Lakewood Village Public Improvement District No. 1, Service and Assessment Plan”, dated August 11, 2022, including the Assessment Roll, as

amended, updated, and/or restated by an Annual Service Plan Update or otherwise, a version of which is attached as an exhibit to the Assessment Ordinance.

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

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

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

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

"Tax Assessor-Collector" means Denton County Tax Assessor/Collector.

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

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

"Town Improvements" means a portion of the Authorized Improvements, consisting of water and sewer improvements to be constructed by the Town which are allocable to the District and that confer special benefit to all of the Assessed Property, as further described in the Service and Assessment Plan.

"Town Improvements Account" means the Account of such name established pursuant to Section 6.1.

"Town Improvements Certification for Payment" means a certificate substantially in the form of Exhibit C attached to the Construction, Funding, and Acquisition Agreement, and or otherwise approved by the Developer and a Town Representative executed by a Person approved by a Town Representative and acknowledged a representative of the Developer, delivered to the Town Representative and the Trustee specifying the amount of work performed related to the Town Improvements and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in the Town Improvements Account of the Project Fund, as further described in the Construction, Funding, and Acquisition Agreement and Section 6.5 herein. This term includes a Closing Disbursement Request made pursuant to the Construction, Funding, and Acquisition Agreement related to Town Improvements.

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

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

"Trustee" means BOKF, NA, Houston, Texas, a national banking association duly organized and validly existing under the laws of the United States of America, with a corporate trust office in Houston, Texas, serving in its capacity as trustee, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

"Unrestricted Amount" means $_____.

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.

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

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the Town under this Indenture, and such pledge is therefore valid, effective and

perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the Town under this Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the Owners of the Bonds the perfection of the security interest in said pledge, the Town agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

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

Section 2.3. Authorization for Indenture.

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

Section 2.4. 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 Town 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 Town with the Owners, and shall be deemed to be and shall constitute a contract among the Town, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of $_____ for the purpose of (i) paying a portion of the Actual Costs of the Authorized Improvements; (ii) paying the District Formation Costs; (iii) paying the first year's Annual Collection Costs related to the Bonds; and (iv) paying the Bond Issuance Costs related to the issuance of the Bonds.

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

(a) The Bonds shall be dated August 15, 2022 (the "Bond Date") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid or otherwise provided for. Such interest shall be payable semiannually on September 15 and March 15 of each year, commencing March 15, 2023, 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 as 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 herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to this Indenture.

Section 3.3. Conditions Precedent to Delivery of Bonds.

(a) As a condition precedent to the delivery of the Bonds and for the benefit of the Owners of the Bonds, the Trustee is hereby instructed to execute the Completion Agreement and to deliver the same to the Developer for its execution, unless otherwise instructed by the Town in a Town Certificate.

(b) The Bonds shall be executed by the Town 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 Town, but only upon delivery to the Trustee of:

(i) a certified copy of the executed Assessment Ordinance;

(ii) a copy of the executed Bond Ordinance;

(iii) a copy of the executed Construction, Funding, and Acquisition Agreement;

(iv) a copy of this Indenture executed by the Trustee and the Town;

(v) a copy of the approving opinion of the Texas Attorney General and registration with the Office of the Texas Comptroller;

(vi) a copy of the executed Bond Counsel Opinion;

(vii) a copy of the executed Completion Agreement; and

(viii) a Town Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the Town.

Section 3.4. Medium, Method and Place of Payment.

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

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

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

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

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

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for two years after the applicable payment or redemption date shall be applied to the next payment or payments on such Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the Town

to be used for any lawful purpose. Thereafter, none of the Town, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any Owners for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State of Texas.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the Town by the Mayor or Mayor Pro Tem and Town Secretary, by their manual or facsimile signatures, and the official seal of the Town 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 Town had been manually impressed upon each of the Bonds.

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

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

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor or Mayor Pro Tem and the Town Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser 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 Town, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the relevant Record Date) and for all other purposes, whether or not such Bond is overdue, and neither the Town nor the Trustee, nor the Paying Agent/Registrar, shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond shall be valid and effectual and shall discharge the liability of the Town, 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 Town 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, upon written instruction, file and maintain a copy of the Register with the Town, 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 bearing the same interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged for other Bonds in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first-class, postage prepaid, to the Owner or his designee. Each transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the Town 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 Town 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 Town nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity within 45 days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond redeemed in part.

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. The Paying Agent/Registrar shall dispose of cancelled Bonds in accordance with the records retention requirements of the Trustee.

Section 3.9. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the Town may execute and, upon the Town's request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the Town 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 Town, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in an Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Town 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 Town shall issue and the Trustee, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

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

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the Town 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 Town 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 Town 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 Town, the Paying Agent/Registrar or the Trustee in connection therewith.

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

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

Section 3.11. Book-Entry Only System.

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

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Town 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 Town and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer

with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the Town to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the 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 Town determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the Town to DTC, the Town shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13. Payments to Cede & Co.

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the Town in part at the price of par plus accrued and unpaid interest to the redemption date (the "Redemption Price") from moneys available for such purpose

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

Term Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment ($)

_____
* maturity

Term Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment ($)

_____
* maturity

Term Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment ($)

_____
* maturity

Term Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment ($)

_____
* maturity

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

Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

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

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

Section 4.3. Optional Redemption.

The Town reserves the right and option to redeem Bonds maturing on or after September 15, 20__, before their respective scheduled maturity date, in whole or in part, on any date on or after September 15, 20__, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

Notwithstanding any provision in this Indenture to the contrary, the Town reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part and in an amount specified in a Town Certificate, on the first day of any month, at the Redemption Price of 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to the terms of this Indenture) or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of this Indenture or any other transfers to the Redemption Fund pursuant to the terms of this Indenture. The Town will provide the Trustee a Town Certificate directing the Bonds to be redeemed pursuant to this Section 4.4, in accordance with the provisions of Section 4.5 hereof.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4, Bonds shall be redeemed in minimum principal amounts of $1,000 or any integral multiple thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such 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 amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000, may be issued.

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

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

(d) If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds to be redeemed shall be selected by the Town in the following manner:

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

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

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

Section 4.6. Notice of Redemption to Owners.

(a) Upon receipt of a Town Certificate, the Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds are in book-entry-only form and held by DTC as security depository, references to Owner in this Indenture means Cede & Co., as nominee for DTC.

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

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

(d) The Town has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(e) With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the principal or Redemption Price of and interest amount due on the Bonds to be redeemed before giving of a notice of redemption, the notice may state the Town may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force

and effect, the Town shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

Section 4.7. Payment Upon Redemption.

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

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the principal or Redemption Price of and interest 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 principal or Redemption Price of and interest on such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. CUSIP Registration.

The Town may secure identification numbers through the CUSIP Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association, New York, New

York, and authorizes 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 Town, the Trustee, nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds and that neither the Town nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 5.3. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the Town Secretary of the Town, 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) Collections Fund;

(ii) Pledged Revenue Fund;

(iii) Bond Fund;

(iv) Project Fund;

(v) Reserve Fund;

(vi) Redemption Fund;

(vii) Rebate Fund; and

(viii) Administrative Fund.

(b) Creation of Accounts.

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

(A) Bond Pledged Revenue Account.

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

(A) Capitalized Interest Account; and

(B) Principal and Interest Account.

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

(A) PID Improvements Account;

(B) Town Improvements Account; and

(C) Costs of Issuance Account.

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

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

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

(A) District Administration Account.

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

(d) 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 Town pursuant to a Town Certificate, create additional Funds or Accounts hereunder as may be necessary for the receipt and application of the Assessment Revenues to account properly for the payment of the Actual Costs of the Authorized Improvements or to facilitate the payment or redemption for the Bonds.

Section 6.2. Initial Deposits to Funds and Accounts.

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

(i) to the Capitalized Interest Account of the Bond Fund: $_____;

(ii) to the Reserve Account of the Reserve Fund: $_____;

(iii) to the PID Improvements Account of the Project Fund: $_____;

(iv) to the Town Improvements Account of the Project Fund: $_____;

(v) to the Costs of Issuance Account of the Project Fund: $_____; and

(vi) to the District Administration Account of the Administrative Fund: $_____.

Section 6.3. Collections Fund and Pledged Revenue Fund.

(a) While any of the Bonds are Outstanding, the County acting by and through its Tax Assessor-Collector or another taxing unit or appraisal district, by agreement with the Town, may collect Assessment Revenues on the Town's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Assessment Revenues for deposit

on the Town's behalf, the Trustee shall accept such Assessment Revenues and deposit the same into the Collections Fund. The Trustee shall notify the Town of such deposit and, upon receipt of and in accordance with a Town Certificate, shall deposit or cause to be deposited (i) all of that portion of the Assessment Revenues deposited into the Collections Fund that consists of the Annual Collection Costs to the Administrative Fund and (ii) all of that portion of the Assessment Revenues deposited into the Collections Fund that consists of the Pledged Revenues into the Pledged Revenue Fund and shall further deposit or cause to be deposited such Pledged Revenues pursuant to Section 6.3(b). The Town shall provide such Town Certificate(s) on or before March 1, 2023 and on or before every September 1 and March 1 thereafter while the Bonds are Outstanding. The Town will provide additional Town Certificate(s) as soon as practicable to the Trustee from time to time upon notice from the Trustee that additional Assessment Revenues have been received and deposited to the Collections Fund and the Trustee will make the transfers contemplated by this Section and Section 6.3(b) as necessary to ensure the deposits set forth in (i) and (ii) of Section 6.3(b) are made in full. The Collections Fund is not a Pledged Fund.

(b) On or before March 1 of each year while the Bonds are Outstanding and beginning March 1, 2023, the Town shall deposit or cause to be deposited (including pursuant to a Town Certificate provided as described in Section 6.3(a)) all Pledged Revenues into the Pledged Revenue Fund. Upon the Trustee's receipt of the Pledged Revenues, including the Pledged Revenues deposited into the Pledged Revenue Fund pursuant to Section 6.3(a), the Trustee shall deposit or cause to be deposited the Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, if necessary, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement in accordance with Section 6.7(a) hereof, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected in accordance with Section 6.7(b) hereof, (iv) fourth, to pay Actual Costs of the Authorized Improvements, and (v) fifth, to pay other costs permitted by the PID Act.

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

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

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

(f) Notwithstanding Section 6.3(b) hereof, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds, <u>first,</u> to the Reserve Account to restore any transfers from the

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

(g) After satisfaction of the requirement to provide for the payment of the principal of and interest on the Bonds and to fund any deficiency that may exist in an account of the Reserve Fund, the Trustee shall, at the direction of the Town pursuant to a Town Certificate, apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid. The Trustee may rely on such Town Certificate and shall have no obligation to determine the lawful purposes permitted under the PID Act.

(h) Any additional Pledged Revenue remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the Town pursuant to a Town Certificate, for any lawful purpose permitted by the PID Act. The Trustee may rely on such Town Certificate and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Section 6.4. Bond Fund.

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

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

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

Date	**Amount ($)**

Not later than five (5) Business Days prior to the Interest Payment Dates specified above, the Trustee shall withdraw from the Capitalized Interest Account and transfer to the Principal and Interest Account of the Bond Fund the amounts specified above.

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the PID Improvements Account of the Project Fund or the Town Improvements Account of the Project Fund, pursuant to directions provided in a Town Certificate, or, if both the PID Improvements Account of the Project Fund and the Town Improvements Account of the Project Fund have been closed as provided herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1 hereof.

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

(c) Disbursements from the PID Improvements Account shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed PID Improvements Certification for Payment or written direction from the Town or its designee approving the disbursement to the Developer or the Developer's designee; provided that the Trustee shall not release funds from the PID Improvements Account in excess of the Unrestricted Amount until such time as the Trustee receives a Town Certificate confirming that the Release Restriction set forth in Section 6.5(d) of this Indenture has been satisfied (the "Release Certificate"). Once the Trustee has received the Release Certificate disbursements of funds in excess of the Unrestricted Amount from the PID Improvements Account of the Project Fund may resume.

(d) Moneys in excess of the Unrestricted Amount may be disbursed from the PID Improvements Account of the Project Fund only if the Town has issued a certificate of occupancy for at least 50 homes within the District (the "Release Restriction"). Until such time as the Release Restriction has been satisfied and the Town has submitted a Release Certificate, the Town may not approve a PID Improvements Certification for Payment and the Trustee may not disburse funds from the PID Improvement Account of the Project Fund in an amount that would cause the total amount that has been disbursed from the PID Improvements Account of the Project Fund to exceed the Unrestricted Amount. In the event all amounts deposited into the PID Improvements Account of the Project Fund pursuant to Section 6.2(a)(iii) have not been expended by August 30, 2025, the Town, pursuant to a Town Certificate, shall direct the Trustee to transfer all funds then on deposit in the PID Improvements Account of the Project Fund to the Redemption Fund in order to redeem Bonds pursuant to Section 4.4 hereof. Following such transfer, the PID Improvements Account of the Project Fund shall be closed.

(e) Disbursements from the Town Improvements Account of the Project Fund to pay the Actual Costs of the Town Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Town Improvements Certification for Payment or written direction from the Town or its designee approving the disbursement to the Developer or the Developer's designee.

(f) The disbursement of funds from the Accounts of the Project Fund shall be pursuant to and in accordance with the disbursement procedures set forth herein and as described in the Construction, Funding and Acquisition Agreement or as provided in such written direction from the Town, including restrictions contained in the Construction, Funding and Acquisition Agreement regarding the disbursement of funds from the PID Improvements Account in excess of the Unrestricted Amount. Such provisions and procedures related to such disbursements contained in the Construction, Funding and Acquisition Agreement, and no other provisions of the Construction, Funding and Acquisition Agreement, are herein incorporated by reference and deemed set forth herein in full, provided that the Trustee shall be permitted to rely fully on any Release Certificate or other written direction received pursuant to this section of the Indenture without investigation.

(g) If a Town Representative determines in his or her sole discretion that amounts then on deposit in the PID Improvements Account are not expected to be expended for the purposes of the PID Improvements Account, due to the abandonment, or constructive

abandonment, of the PID Improvements, as the case may be, such that, in the opinion of the Town Representative, it is unlikely that the amounts in the PID Improvements Account will ever be expended for the purposes of such Account, the Town Representative shall file a Town Certificate with the Trustee which identifies the amounts then on deposit in the PID Improvements Account that are not expected to be used for purposes of such Account. If such Town Certificate is so filed, the amounts so identified shall be transferred from the PID Improvements Account to the Town Improvement Account of the Project Fund, or, if the Town Improvement Account has been closed, such amounts shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture, and the PID Improvements Account of the Project Fund shall be closed.

(h) If a Town Representative determines in his or her sole discretion that amounts then on deposit in the Town Improvements Account are not expected to be expended for the purposes of the Town Improvements Account, due to the abandonment, or constructive abandonment, of the Town Improvements, as the case may be, such that, in the opinion of the Town Representative, it is unlikely that the amounts in the Town Improvements Account will ever be expended for the purposes of such Account, the Town Representative shall file a Town Certificate with the Trustee which identifies the amounts then on deposit in the Town Improvements Account that are not expected to be used for purposes of such Account. If such Town Certificate is so filed, the amounts so identified shall be transferred from the Town Improvements Account to the PID Improvement Account of the Project Fund, or, if the PID Improvement Account has been closed, such amounts shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture, and the Town Improvements Account of the Project Fund shall be closed.

(i) Upon the filing of a Town Certificate stating that all PID Improvements have been completed and that all Actual Costs of the PID Improvements have been paid, or that any such Actual Costs of the PID Improvements are not required to be paid from the PID Improvements Account of the Project Fund pursuant to a PID Improvements Certification for Payment or written direction from the Town or its designee, the Trustee shall (i) transfer the amount, if any, remaining within the PID Improvements Account of the Project Fund to the Town Improvement Account, or if the Town Improvement Account has been closed, to the Bond Fund, and (ii) shall close the PID Improvements Account of the Project Fund.

(j) Upon the filing of a Town Certificate stating that all Town Improvements have been completed and that all Actual Costs of the Town Improvements have been paid, or that any such Actual Costs of the Town Improvements are not required to be paid from the Town Improvements Account of the Project Fund pursuant to a Town Improvements Certification for Payment or written direction from the Town or its designee, the Trustee shall (i) transfer the amount, if any, remaining within the Town Improvements Account of the Project Fund to the PID Improvements Account, or if the PID Improvements Account has been closed, to the Bond Fund, and (ii) shall close the Town Improvements Account of the Project Fund.

(k) If all other Accounts of the Project Fund have been closed as described herein and the Cost of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(l), the Project Fund shall be closed.

(l) Not later than 6 months following the Closing Date, or upon an earlier determination by the Town Representative that all costs of issuance of the Bonds have been

paid, any amounts remaining in the Costs of Issuance Account shall be transferred to another Account of the Project Fund and used to pay the Actual Costs of the respective Authorized Improvements, or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the Town in a Town Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

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

Section 6.6. Redemption Fund.

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

Section 6.7. Reserve Fund.

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

(b) The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 15 and September 15 of each year, commencing March 15, 2023, an amount equal to the Additional Interest collected, if any, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the Town, in writing, of the amount of such shortfall, and the Town shall resume collecting the Additional Interest and shall file a Town Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the Town shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished to the Additional Interest Reserve Requirement. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the Town of such transfer in writing. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan or

an Annual Service Plan Update unless and until it receives a Town Certificate directing that a different amount be used.

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

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

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a Town Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the Town 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 debt service on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within thirty days of such notice to the Town Representative, the Trustee receives a Town Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to an Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (iii) for such other use specified in such Town Certificate if the Town receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond.

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

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

(h) If, after a Reserve Account withdrawal pursuant to Section 6.7(f) hereof, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account

Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with Section 6.3.

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

Section 6.8. Rebate Fund; Rebate Amount.

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

(b) In order to assure that Rebate Amount 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.

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

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

Section 6.9. Administrative Fund.

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

(b) Moneys in the District Administration Account of the Administrative Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered hereunder and used as directed by a Town Certificate solely for the purposes set forth in the Service and Assessment Plan. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account established pursuant to this Indenture shall be invested by the Trustee, as directed by the Town pursuant to a Town Certificate filed with the Trustee at least two (2) days in advance of the making of such investment (or as directed below) in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies

or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time. The Town Certificate shall direct investment in such deposits and investments (which may include purchase agreements for such investment with any primary dealer of such agreements) so that the money required to be expended from any Fund will be available at the proper time or times. Absent written direction, the Trustee shall invest funds into the Short-Term Cash Mgmt I Fund (CUSIP JAG081829) as standing instructions, such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds, unless and until the Town receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold in order to make the disbursements required or permitted by this Indenture or to prevent any default.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any Town Certificate and to insure that an investment it is directed to purchase is a permitted investment pursuant to the terms of this Indenture. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments or whether investments comply with Section 6.10(a) above. The parties hereto 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 the Town and the Administrator monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder and, unless the Trustee receives a written request, the Trustee is not required to provide

brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.

(f) The Trustee may conclusively rely on any Town Certificate and shall not be required to make any investigation in connection therewith.

Section 6.11. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

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

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding, the Town covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

(b) The Town will determine or cause to be determined, no later than March 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the Town 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 Town shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Parcel. Furthermore, nothing shall obligate the Town, the Town Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the Town and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds issued to refund all or a portion of the Bonds, or liens created in connection with indebtedness issued in compliance with Section 13.2 hereof, the Town shall not create and, to the extent Pledged Revenues are timely received, shall not suffer to

remain, any lien, encumbrance or charge upon the Trust Estate, other than that specified in Section 9.7 of this Indenture, or upon any other property pledged under this Indenture other than the pledge created for the security of the Bonds.

(b) So long as Bonds are Outstanding hereunder, and except as set forth in Section 13.2 hereof, the Town shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds and Refunding Bonds issued to refund all or a portion of the Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture.

Section 7.4. Records, Accounts, Accounting Reports.

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

Section 7.5. Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) No Private Loan.

(i) Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Town shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates

a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

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

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

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

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

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

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

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

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Town shall, pursuant to a Town Certificate, direct the Trustee to transfer to the Rebate Fund from the

funds or subaccounts designated in such Town Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The Town shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Town shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The Town hereby directs and authorizes the Mayor, Mayor Pro Tem, Town Administrator, or Town Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

ARTICLE VIII

LIABILITY OF TOWN

The Town 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 Town 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 Town shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or Event of Default thereunder.

In the absence of bad faith, the Town 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 Town and conforming to the requirements of this Indenture. The Town shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds, the 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 (the "Bond Documents"), shall require the Town to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues and the Annual Collection Costs) 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 Town there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the Town or any of its officers, officials, agents, employees, or any person designated by the Town Council to act on behalf of the Town, for damages suffered as a result of the Town'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 Town, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Pledged Revenues, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay Annual Collection Costs 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 Town or any of its officers, officials, agents, employees, or any person designated by the Town Council to act on behalf of the Town to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

The Town 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 Town 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 Town 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 Town, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector, or Town Manager or other independent third party designated by the Town Council to so act on behalf of the Town, and such certificate shall be full warrant to the Town for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the Town may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations hereunder, the Town may employ such persons or entities as it deems necessary or advisable. The Town shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Trustee as Paying Agent/Registrar.

The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and in respect to the Bonds.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified, to the extent permitted by law, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, the Trustee may not request or require indemnification as a condition to making any deposits, payments, or transfers when required hereunder, or delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its sole and exclusive judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the District Administration Account of the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue Fund, to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the Town and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the offering documents, this Indenture, or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the Town 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 in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the Town or pursuant to this Indenture. The Trustee has the right to act through agents and attorneys and shall have no liability for the negligence or willful misconduct of the agents and attorneys appointed by it with due care.

The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct, both before and after default by the Town. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Improvement Area #1 Improvements.

The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the Town or by the holders of at least fifty-one percent (51%) of the aggregate principal amount of Bonds then Outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default.

In case a default or an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified), the Trustee shall exercise those rights and powers vested in it by this Indenture and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

The permissive rights 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 9.4. Trustee Joining in Supplemental Indentures; Supplemental Indentures Part of Indenture

The Trustee is authorized to join with the Town in the execution of any such Supplemental Indentures and to make the further agreements and stipulations which may be contained therein. Any Supplemental Indenture executed accordance with the provisions of this Section shall thereafter form a part of this Indenture, and all the terms and conditions contained in any such Supplemental Indenture as to any provisions authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of any Bonds issued thereafter, if deemed necessary or desirable by the Trustee or the Town.

Upon execution of any Supplemental Indenture pursuant to the provisions of this Section, this Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the Town and the Trustee and all Owners of Outstanding Bonds shall thereafter be determined exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 9.5. 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 9.6. Trustee Protected in Relying on Certain Documents.

The Trustee may conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in

accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a Town Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such Town Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its sole discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the Town to the Trustee shall be sufficiently executed if executed in the name of the Town by the Town Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.14 herein.

Section 9.7. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the District Administration Account of the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient then from any moneys in its possession under the provisions of this Indenture. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the Town shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession in the Administrative Fund.

Section 9.8. 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 Town or any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the Owners of a majority in aggregate outstanding principal amount of the Bonds.

Section 9.9. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the Town and each Owner of any Outstanding Obligation. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.11 and the acceptance of such appointment by such successor.

Section 9.10. Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least a majority of the aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the Town, or (ii) so long as the Town is not in default under this Indenture, the Town. Copies of each such instrument shall be delivered by the Town 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 Town or the Owners of not less than 10% of the aggregate outstanding principal of the Bonds.

Section 9.11. Successor Trustee.

If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least twenty-five percent (25%) of the aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the Town.

Until such successor Trustee shall have been appointed by the Owners of the Bonds, the Town shall forthwith (and in no event in excess of thirty (30) days after such vacancy occurs) appoint a Trustee to act hereunder. Copies of any instrument of the Town providing for any such appointment shall be delivered by the Town to the Trustee so appointed. The Town 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 Town immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

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 9.9 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the Town shall be responsible for the costs of such appointment process.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least $50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

Section 9.12. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.11 shall execute, acknowledge, and deliver to its predecessor and the Town 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 Town or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the Town 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 Town.

Section 9.13. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.11, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.14. Trustee to File Continuation Statements.

If necessary, the Trustee shall file or cause to be filed, such continuation statements as are delivered to the Trustee by the Town, or on behalf of the Town, 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.

Section 9.15. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds. Permissive rights of the Trustee are not to be construed as duties.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

This Indenture and the rights and obligations of the Town 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 at least fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Town to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the Town of any pledge or lien upon any portion of the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by both Applicable Laws and this Indenture), or reduce the percentage of Owner of Bonds required for the amendment of this Indenture, as provided herein. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

This Indenture and the rights and obligations of the Town 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 Town 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 Town;

(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 Town and the Trustee may

deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to provide for the issuance of Refunding Bonds as set forth in Section 13.2 herein;

(v) to appoint or accept a successor trustee in accordance with the provisions of Section 9.10 hereof; provided, however, in no event shall this provision limit the Owners ability to appoint a successor trustee pursuant to Section 9.10(b) hereof; and

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

Any modification or amendment made pursuant to this paragraph shall not be subject to the notice procedures specified in Section 10.3 below.

Notwithstanding the above, no Supplemental Indenture under this Section shall be effective unless the Town first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment or supplement (i) is permitted under Applicable Laws and the provisions of this Indenture in effect after taking into account the proposed amendment or supplement; (ii) will not adversely affect the interests of the Owners in any material respect; provided however, that an appointment of a successor trustee in accordance with the provisions hereof is deemed to not be a material adverse effect for purposes of such opinion; and (iii) will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation.

Section 10.2. Owners' Meetings.

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

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

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

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture, and a notice shall have been mailed as hereinafter in this Section provided and the Town or Bond Counsel, acting on the Town's behalf, has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the

Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the Town 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 Town and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such forty-five day period; provided, however, that the Trustee during such forty-five day period and any such further period during which any such action or proceeding may be pending shall be entitled in its sole discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture, as it may deem expedient; provided, further, that the Trustee shall have no obligation to take or refrain from taking any such action and the Trustee shall have no liability with respect to any action taken or any instance of inaction.

Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the Town, 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 10.5. Endorsement or Replacement of Bonds Issued After Amendments.

The Town 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 Town, 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 Town may select and designate for that purpose, a suitable notation shall be made on such Bond. The Town may determine that new Bonds, so modified as in the opinion of the Town is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.6. Amendatory Endorsement of Bonds.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.7. Waiver of Default

Subject to the second and third sentences of Section 10.1 hereof, with the written consent of at least fifty-one (51%) of the Owners in aggregate principal amount of the Bonds then Outstanding, the Owners may waive non-compliance by the Town and certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners. For the avoidance of doubt, any waiver giver pursuant to this Section shall be subject to Section 11.5 hereof.

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in conclusively relying upon, an opinion of counsel addressed and delivered to the Trustee and the Town 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 and immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

(a) Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the Town to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;

(ii) The failure of the Town to enforce the collection of the Assessments, including the prosecution of foreclosure proceedings;

(iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within 30 days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the Town to make the payments; and

(iv) Default in the performance or observance of any covenant, agreement or obligation of the Town under this Indenture and the continuation thereof for a period of 90 days after written notice to the Town by the Trustee, or by the Owners of at least 25% of the aggregate outstanding principal of the Bonds with a copy to the Trustee, specifying such default and requesting that the failure be remedied.

(b) Nothing in Section 11.1(a) will be an Event of Default if action necessary to prevent the same would be a violation of any applicable state law or court order.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners of at least 25% of the aggregate outstanding principal of the Bonds then Outstanding and its receipt of indemnity satisfactory to it, shall proceed against the Town for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by this Indenture or by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the Town 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) THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

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

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the Town, 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 Town shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least 51% of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, as advised by counsel, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the Town 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 Town, 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, Pledged Funds, and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), 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 hereof, shall be applied by the Trustee, on behalf of the Town, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment

thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and

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

Within 10 days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the Town to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bonds in respect of anything done or suffered to be done by the Town or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first-class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the Town 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 Town shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

Section 11.10. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

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

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

(c) The Town will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

(d) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of the Town, to the affected property owners on the same statement or such other mechanism that is used by the Town, 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 Town.

Section 12.2. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the Town and the Owner or Owners of not less than 10% in principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

Section 12.3. General.

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

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the Town 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 Town will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Additional Obligations and Other Liens.

(a) The Town reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations that do not constitute or create a lien on any portion of the Trust Estate and are not payable from the Pledged Revenues.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the Town will not create or voluntarily permit to be created any debt, lien or charge on the Trust

Estate, and will not do or omit to do or suffer to be or omit to be done anything whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired.

(c) Additionally, the Town has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of the Pledged Revenues securing payment of the Bonds.

(d) Notwithstanding anything to the contrary herein, no Refunding Bonds, Additional Obligations, or subordinate obligations described by Section 13.2(c) may be issued by the Town unless: (1) the principal (including sinking fund installments) of such Refunding Bonds, Additional Obligations or subordinate obligations are scheduled to mature on September 15 of the years in which principal is scheduled to mature, and (2) the interest on such Refunding Bonds, Additional Obligations, or subordinate obligations must be scheduled to be paid on March 15 and/or September 15 of the years in which interest is scheduled to be paid.

Section 13.3. Books of Record.

(a) The Town 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 dealing, business and affairs of the Town, which relate to the Pledged Revenues, the Pledged Funds, 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 the same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the Town 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 Town 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 Town 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 Town may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in 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 Town.

Section 14.3. Bonds Deemed Paid.

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

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the Town, 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 Town 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 Town 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 Town or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Town or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, employee of the Town, nor any person designated by the Town Council to act on behalf of the Town shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on Town and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any Town Certificate, shall be in writing and shall be telexed, cabled, delivered by hand, mailed by first-class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the Town:	Town of Lakewood Village, Texas 100 Highridge Drive Lakewood Village, Texas 75068 Attention: Chief Financial Officer
If to the Trustee or the Paying Agent/Registrar:	BOKF, NA Attention: Corporate Trust 1401 McKinney St., Suite 1000 Houston, Texas 77010

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of a Bond notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Outstanding.

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Town shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Town whenever a person is to be added or deleted from the listing. If the Town elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Town understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Town shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the Town and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Town. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Town agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Town; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Town hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas. With respect to this Indenture and any conflicts arising therefrom, the parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal district or state district court with jurisdiction in Denton County, Texas, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party. Each of the parties hereto hereby waives the right to trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Indenture.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original. The Town and the Trustee agree that electronic signatures to this Indenture may be regarded as original signatures.

Section 15.10. 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, to the extent this Indenture is a contract for goods or services, will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to enable the Town to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. As used in this Section, the Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 15.11. Iran, Sudan, and Foreign Terrorist Organizations.

The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to enable the Town to comply with Section 2252.152, Texas Government Code, and to the

extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section, the Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 15.12. No Discrimination Against Fossil Fuel Companies.

To the extent this Indenture 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 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. The foregoing verification is made solely to enable the Town to comply with such Section and to the extent such Section does not contravene applicable Texas or federal 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. The Trustee understands 'affiliate' to mean 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.

Section 15.13. No Discrimination Against Firearm Entities and Firearm Trade Associations.

(a) To the extent this Indenture 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 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. The foregoing verification is made solely to enable the Town to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification and the following definitions:

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and

(B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(ii) '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

(iii) '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.

(b) The Trustee understands 'affiliate' to mean 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.

[Remainder of Page Intentionally Left Blank]

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

TOWN OF LAKEWOOD VILLAGE, TEXAS

By: _____
Mayor

Attest:

_____
Town Secretary

[TOWN SEAL]

BOKF, NA,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

(c) Form of Bond.

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

REGISTERED
No. _____

REGISTERED
$_____

United States of America
State of Texas

TOWN OF LAKEWOOD VILLAGE, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2022
(LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 PROJECT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	September 15, 20___	_____	_____

The Town of Lakewood Village, Texas (the "Town"), for value received, hereby promises to pay, solely from the Trust Estate, to

_____

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

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on September 15 and March 15 of each year, commencing, March 15, 2023, until maturity or prior redemption.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Houston, Texas (the "Designated Payment/Transfer Office"), of BOKF, NA, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar,

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

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

This Bond is one of a duly authorized issue of assessment revenue bonds of the Town having the designation specified in its title (herein referred to as the "Bonds"), dated August 15, 2022 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, 2022 (the "Indenture"), by and between the Town 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 Owners of the Bonds, the Trustee, and the Town, 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 Owner 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 Actual Costs of the Authorized Improvements; (ii) paying the District Formation Costs; (iii) paying the first year's Annual Collection Costs related to the Bonds; and (iv) paying the Bond Issuance Costs related to the issuance of the Bonds.

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

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

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of $100,000 and any multiple of $1,000 in excess thereof.

The Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the Town in part at a price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Redemption Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

Term Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment ($)

* maturity

Term Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment ($)

* maturity

Term Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment ($)

* maturity

Term Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment ($)

_____
* maturity

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

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

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

The Town reserves the right and option to redeem Bonds maturing on or after September 15, 20__, before their respective scheduled maturity date, in whole or in part, on any date on or after September 15, 20__, at the Redemption Price.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on the first day of any month, at a redemption price equal to 100% of the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, pursuant to the provisions of the Indenture, from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Town and the rights of the Owners of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the Owners of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the Owners of all the Bonds, to waive compliance by the Town with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the Owner of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such Owner and upon all future Owners 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 Town nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond redeemed in part.

The Town, 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 Town nor the Trustee shall be affected by notice to the contrary.

The Town has reserved the right to issue Additional Obligations on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

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

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

_____
Mayor, Town of Lakewood Village, Texas

_____
Town Secretary, Town of Lakewood Village, Texas

[Town Seal]

(d) Form of Comptroller's Registration Certificate.

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

_____
Comptroller of Public Accounts
of the State of Texas

[SEAL]

(e) 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.

BOKF, NA
Houston, Texas, as Trustee

DATED: _____

By:_____
Authorized Signatory

(f) Form of Assignment.

ASSIGNMENT

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

_____

_____

_____

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

Date: _____ _____

Signature Guaranteed By:

_____

_____

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.

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

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

(ii) in the first paragraph of the Bond, the words "on the Maturity Date 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 (%)"

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

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

EXHIBIT B

BOND PURCHASE AGREEMENT

$17,633,000
TOWN OF LAKEWOOD VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(TOWN OF LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 PROJECT)

BOND PURCHASE AGREEMENT

August 11, 2022

Town of Lakewood Village, Texas
100 Highridge Dr.
Lakewood Village, Texas 75068

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the "Underwriter"), offers to enter into this Bond Purchase Agreement (this "Agreement") with the Town of Lakewood Village, Texas (the "Town"), which will be binding upon the Town and the Underwriter upon the acceptance of this Agreement by the Town. This offer is made subject to its acceptance by the Town 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 Town at any time prior to the acceptance hereof by the Town. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture (defined herein), between the Town and BOKF, NA, as trustee (the "Trustee"), authorizing the issuance of the Bonds (defined herein), and the Limited Offering Memorandum (defined herein).

1. Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Town, and the Town hereby agrees to sell to the Underwriter, all (but not less than all) of the $_____ aggregate principal amount of the "Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project)" (the "Bonds"), at a purchase price of $_____ (representing the aggregate principal amount of the Bonds, less an Underwriter's discount of $_____) and no accrued interest.

Inasmuch as this purchase and sale represents a negotiated transaction, the Town understands, and hereby confirms, that the Underwriter is not acting as a municipal advisor or fiduciary of the Town (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 Town 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 Town 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 Town, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Town 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 Town on other matters) and the Underwriter has no obligation to the Town with respect to the offering described herein except the obligations expressly set forth in this Agreement, (iv) the Town 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 Town, and (vi) the Underwriter has provided to the Town prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB"), which have been received by the Town. The Town 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 Town regarding the expenditure of Bond proceeds and the construction of the Authorized Improvements 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 Town.

The Bonds shall be dated as of the Closing Date (defined below), 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 30, 2022 (or such other date as may be agreed to by the Town and the Underwriter) (the "Closing Date").

2. Authorization Instruments and Law. The Bonds were authorized by an ordinance enacted by the Town Council of the Town (the "Town Council") on August 11, 2022 (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, 2022, between the Town and the Trustee, authorizing the issuance of the Bonds (the "Indenture"). The Bonds shall be substantially in the form described in, and shall be secured under the provisions of, the Indenture.

The Bonds and interest thereon shall be secured by the Trust Estate (as defined in the Indenture) consisting primarily of revenue from assessments (the "Assessments") levied pursuant to a separate ordinance adopted by the Town Council on August 11, 2022 (the "Assessment Ordinance") against assessable property (the "Assessed Property") located within the Lakewood Village Public Improvement District No. 1 (the "District") all to the extent and upon the conditions described in the Indenture. The District was established by a resolution (the "Creation Resolution"), enacted by the Town Council on June 30, 2022, in accordance with the Act. The service and assessment plan for the District was approved on August 11, 2022 (the "Service and Assessment Plan"). The Creation Resolution, the Assessment Ordinance, the Bond Ordinance, and the Indenture are collectively referred to herein as the "Authorizing Documents."

The Bonds shall be as described in Schedule I attached hereto, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for the purposes described 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."

The Town has been advised that the Reserve Account, funded at the Reserve Account Requirement, is reasonably required for the purposes for which the Reserve Account has been established, is a vital factor in marketing the Bonds, and facilitates the marketing of the Bonds at interest rates comparable to those of other bonds of a similar type.

3. Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds in accordance with Section 4 hereof to no more than thirty-five persons that qualify as "Accredited Investors" (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended and as then in effect (the "Securities Act")) or "Qualified Institutional Buyers" (within the meaning of 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.

a. The Underwriter agrees to assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town on or before the third (3rd) business day prior to the Closing Date 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 Town and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Town under this Section to establish the issue price of the Bonds may be taken on behalf of the Town by the Financial Advisor (defined below) and any notice or report to be provided to the Town may be provided to the Financial Advisor or to Bond Counsel.

b. The Underwriter confirms that it has offered all the Bonds of each maturity to the public on or before the date of this Agreement at the respective offering price (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. The Town will treat the first price at which 10% of each maturity of the Bonds is sold to the public as of the sale date as the issue price of that maturity (the "10% test"). At or promptly after the execution of this Agreement, the Underwriter shall report to the Town on Schedule A to the Issue Price Certificate the first price at which the Underwriter has sold to the public each maturity of Bonds and shall identify to the Town on Schedule A to the Issue Price Certificate those maturities of the Bonds for which the 10% test has not been satisfied. If different interest coupons apply within a maturity, each separate CUSIP number within that maturity will be treated as a separate maturity for this purpose.

c. The Town and the Underwriter agree that the restrictions set forth in the next sentence shall apply to those maturities of the Bonds for which the 10% test has not been met as of the date of this Agreement, which will allow the Town to treat the initial

offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Town when the Underwriter has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if such sale occurs prior to the close of the fifth (5th) business day after the sale date.

d. The Underwriter confirms that any selling group agreement and each third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter and as set forth in the related pricing wires, (B) promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public, and (C) acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public. The Town acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial 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-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Town further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

e. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) "public" means any person other than an underwriter or a related party to an underwriter;

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Town (or with the lead 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);

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) 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), (ii) 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 (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests 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); and

(iv) "sale date" means the date of execution of this Agreement by all parties.

5. Limited Offering Memorandum.

a. Delivery of Limited Offering Memorandum. The Town previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Limited Offering Memorandum for the Bonds dated July [28], 2022 (the "Preliminary Limited Offering Memorandum"), in a "designated electronic format," as defined in the MSRB Rule G-32 ("Rule G-32"). The Town 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 Town shall provide to the Underwriter, upon request,

sufficient quantities (which may be in electronic format) of the Preliminary Limited Offering Memorandum as the Underwriter reasonably deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer.

b. Preliminary Limited Offering Memorandum Deemed Final. The Preliminary Limited Offering Memorandum has been prepared for use by the Underwriter in connection with the public offering, sale, and distribution of the Bonds. The Town hereby represents and warrants that the Preliminary Limited Offering Memorandum has been deemed "final" by the Town 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 Town hereby authorizes the Limited Offering Memorandum and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Town consents to the use by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with the public offering of the Bonds. The Town shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Town'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 Town'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 Town 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 Town 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 Town will promptly notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the Town 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 Town in accordance herewith, the Town makes no representations with respect to the following information (collectively, the "Non-Town 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 of the District therein or under the captions and subcaptions "PLAN OF FINANCE" (except for the information under the subcaptions "– The Bonds" and "– O&M Assessments"), "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS," "BOOK-ENTRY ONLY SYSTEM," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPMENT MANAGER AND THE LANDOWNER," "THE PID ADMINISTRATOR," "APPRAISAL," "BONDHOLDERS' RISKS" (only as it pertains to the Development Manager, the Landowner, the Authorized Improvements, and the Development (as defined in the Limited Offering Memorandum)), "LEGAL MATTERS – Litigation – The Development Manager and the Landowner," "CONTINUING DISCLOSURE – The Development Manager" and "– The Development Manager's Compliance with Prior Undertakings," "INFORMATION RELATING TO THE TRUSTEE," "APPENDIX E-2," and "APPENDIX H." If such notification shall be subsequent to the Closing (as defined herein), the Town, 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 Town shall provide any such amendment or supplement or cause any such amendment or supplement to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

e. Filing with MSRB. The Underwriter hereby agrees to timely file the Limited Offering Memorandum with the MSRB through its Electronic Municipal Market Access ("EMMA") system within one (1) business day after receipt but no later than the Closing Date. Unless otherwise notified in writing by the Underwriter, the Town can assume that the "end of the underwriting period" for purposes of Rule 15c2-12 is the Closing Date.

f. Limited Offering. The Underwriter hereby represents, warrants and covenants that the Bonds were initially sold pursuant to a limited offering. The Bonds were sold to not more than thirty-five (35) persons that qualify as "Accredited Investors" (as defined in Rule 501 of Regulation D under the Securities Act) or "Qualified Institutional Buyers" (within the meaning of Rule 144A under the Securities Act).

6. Town Representations, Warranties and Covenants. The Town represents, warrants and covenants that:

a. Due Organization, Existence and Authority. The Town 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, executed September 28, 2022, between the Town and The Sanctuary Texas, LLC, a Texas limited liability company (the "Previous Owner"), assigned to C and C Land, LLC, a Texas limited liability company (the "Development Manager") by the Previous Owner in October 2021, as amended by the First Amendment to Development Agreement, dated as of November 10, 2022, between the Town and the Development Manager, and as partially assigned to Taylor Morrison of Texas, Inc., a Texas corporation (the "Landowner"), by the Development Manager by the Partial Assignment and Assumption of Development Agreement on November 12, 2022 (as amended and assigned, the "Development Agreement");

(4) the Construction, Funding and Acquisition Agreement, effective August 11, 2022, between the Town and the Development Manager (the "CFA Agreement"); and

(5) the Continuing Disclosure Agreement of the Issuer with respect to the Bonds, dated as of August 1, 2022 (the "Continuing Disclosure Agreement of the Issuer"), executed and delivered by the Town, P3Works, LLC, as PID Administrator (the "PID Administrator), and BOKF, NA, 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 the Issuer, (6) the Limited Offering Memorandum and (7) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (7) being referred to collectively herein as the "Town Documents").

b. Due Authorization and Approval of Town. By all necessary official action of the Town, the Town has duly authorized and approved the adoption or execution and

delivery by the Town of, and the performance by the Town of the obligations on its part contained in, the Town 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 Town Documents will constitute the legally valid and binding obligations of the Town enforceable upon the Town 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 Town 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 Town Documents.

c. Due Authorization for Issuance of the Bonds. The Town has duly authorized the issuance and sale of the Bonds pursuant to the Bond Ordinance, the Indenture, and the Act. The Town 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 Town 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 Town described by the Bond Ordinance and the other Town Documents.

d. No Breach or Default. As of the time of acceptance hereof, and to its knowledge, the Town is not, and as of the Closing Date the Town 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 Town 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 Town's ability to perform its obligations under the Bonds or the Town Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the Town Documents and compliance by the Town with 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 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 Town (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be permitted by the Town 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 Town with respect to which the Town has been served with process, nor to the knowledge of the Town is any Action threatened against the Town, in which any such Action (i) in any way questions the existence of the Town or the rights of the members of the Town 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 Town Documents or the consummation of the transactions on the part of the Town 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 Town; and, as of the time of acceptance hereof, to the Town'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 Town 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 Town subject to the terms of the Indenture, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the Assessments received by the Town, all to the extent provided for in the Indenture. The Indenture creates a valid pledge of certain revenues and the monies in certain funds and accounts established pursuant to the Indenture to the extent provided for in the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

g. Assessments. The Assessments constituting the security for the Bonds have been levied by the Town in accordance with the Act on those parcels of land identified in the Assessment Roll (as defined in the Service and Assessment Plan). According to the Act, such Assessments constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipality ad valorem taxes.

h. Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the Town of, its obligations in connection with the Town 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 Town will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities,

direct or contingent, payable from or secured by a pledge of the Assessments which secure the Bonds without the prior approval of the Underwriter.

j. Preliminary Limited Offering Memorandum. The information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Town makes no representations with respect to the Non-Town Disclosures.

k. Limited Offering Memorandum. At the time of the Town's acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to paragraph (d) of Section 5 of this Agreement) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the "end of the underwriting period," the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Town makes no representations with respect to the Non-Town Disclosures; and further provided, however, that if the Town 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 Town 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 Town has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with Rule 15c2-12, except as described in the Limited Offering Memorandum.

n. Use of Bond Proceeds. The Town 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 Town 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 Town, (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 Town 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 Town 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 Town. Any certificate signed by any official of the Town authorized to do so in connection with the transactions described in this Agreement shall be deemed a representation and warranty by the Town 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 Town covenants that between the date hereof and the Closing it will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

r. Financial Advisor. The Town has engaged SAMCO Capital Markets, Inc. (the "Financial Advisor"), in connection with its offering and issuance of the Bonds.

By delivering the Limited Offering Memorandum to the Underwriter, the Town shall be deemed to have reaffirmed, with respect to the Limited Offering Memorandum, the representations, warranties, and covenants set forth above.

7. Development Manager Letter of Representations. At the signing of this Agreement, the Town and Underwriter shall receive (a) from the Development Manager an executed Development Manager Letter of Representations (the "Development Manager Letter of Representations") in the form of Appendix A-1 hereto, and at the Closing, a certificate signed by the Development Manager as set forth in Section 10(e) hereof (the "Development Manager Closing Certificate"); and (b) from the Landowner an executed Landowner Letter of Representations (the "Landowner Letter of Representations") in the form of Appendix A-2 hereto, and at the Closing, a certificate signed by the Landowner as set forth in Section 10(e) hereof (the "Landowner 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 Town and the Underwriter, (i) the Town 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 Town and authenticated by the Trustee as provided in the Indenture, and (ii) the Town will deliver the closing documents hereinafter mentioned to Norton Rose Fulbright US LLP ("Bond Counsel"), or a place to be mutually agreed upon by the Town 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 Town 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 Development Manager Letter of Representations and the performance by the Town 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 Town 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 Town. The representations and covenants of the Town 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 Town Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented except with the written consent of the Underwriter;

(ii) the Authorizing Documents shall be in full force and effect;

(iii) there shall be in full force and effect such other resolutions or actions of the Town 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 Town described in this Agreement and the Town Documents;

(iv) there shall be in full force and effect such other resolutions or actions of the Development Manager as, in the opinion of Winstead PC ("Development Manager's Counsel"), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Development Manager described in the Development Manager Letter of Representations, the Development Agreement, the CFA Agreement, the Infrastructure Development Agreement,

effective November 12, 2022, by and between the Landowner and CCD-Development, LLC, and affiliate of the Development Manager, as assigned by such affiliate to the Development Manager on June 7, 2022 (as assigned, the "Infrastructure Development Agreement"), and the Continuing Disclosure Agreement of Development Manager with respect to the Bonds, dated as of August 1, 2022, executed and delivered by the Development Manager, the PID Administrator, and the Dissemination Agent (the "Continuing Disclosure Agreement of Development Manager" and, together with the Development Manager Letter of Representations, the Development Agreement, and the CFA Agreement, the Infrastructure Development Agreement, the "Development Manager Documents"); and

(v) the Town shall perform or have performed its obligations required or specified in the Town 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 Town Documents, the Development Manager Documents, or other documents relating to the financing and construction of the Authorized Improvements and the Development (as defined in the Limited Offering Memorandum), and the Landowner 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 Landowner to pay the Assessments when due or the ability of the Development Manager to complete the PID Improvements.

d. Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 10 below.

e. Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Agreement without liability therefor by written notification to the Town if, between the date of this Agreement and the Closing, in the Underwriter's reasonable judgment, 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:

(i) legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either the House or the Senate 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 the House or the Senate of the Congress of the United States by a Committee of such the House or the Senate 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 Town or upon interest on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the holders thereof; or

(ii) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as described herein or by the Limited Offering Memorandum, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act"); or

(iii) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so; or

(iv) there shall have occurred (whether or not foreseeable) (i) any outbreak of hostilities (including, without limitation, an act of terrorism) including, but not limited to, an escalation of hostilities that existed prior to the date hereof, (ii) national or international calamity or crisis, including, but not limited to, an escalation in the scope or magnitude of any pandemic or natural disaster, or (iii) material financial crisis or adverse change in the financial or economic conditions affecting the United States government or the securities markets in the United States, 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

(v) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Town, except as disclosed or described in the Limited Offering Memorandum; or

(vi) 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

(vii) 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 Town, 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

(viii) 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

(ix) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which change shall occur subsequent to the date of this Agreement and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter; or

(x) 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

(xi) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and shall be in force; or

(xii) a material disruption in securities settlement, payment or clearance services shall have occurred; or

(xiii) 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

(xiv) 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 (viii), (xiii) and (xiv) 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, together with a reliance letter from Bond Counsel, dated the Closing Date and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 10(b) hereof, to the effect that the foregoing opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

b. Supplemental Opinion. A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Town and the Underwriter, in form and substance acceptable to 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 statements and information appearing therein under the captions and subcaptions "PLAN OF FINANCE – The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology," "Assessment Amounts," and "– O&M Assessments"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS – Legal Proceedings" (first paragraph only), "– Legal Opinions," "CONTINUING DISCLOSURE – The Town," "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, subcaptions, and appendices 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 Town has or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance (including approving the Service and Assessment Plan) and the Bond Ordinance (collectively, the foregoing documents are referred to herein as the "Town Actions") and perform its obligations thereunder and the Town Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and

(iv) The Indenture, the Development Agreement, the CFA Agreement, the Continuing Disclosure Agreement of the Issuer, and this Agreement have been duly authorized, executed and delivered by the Town 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 Town, 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. Town Legal Opinion. An opinion of an attorney for the Town, dated the Closing Date and addressed to the Underwriter, the Town, Bond Counsel, Development Manager's Counsel, and the Trustee, with respect to matters relating to the Town, substantially in the form of Appendix C hereto or in form otherwise agreed upon by the Underwriter.

d. Opinion of Counsel to the Development Manager. (i) An opinion of Development Manager's Counsel, substantially in the form of Appendix D hereto, dated the Closing Date, which shall be addressed to the Town, Bond Counsel, the attorney for the Town, the Underwriter, and the Trustee. Such opinions shall be in substantially such forms unless the Town and the Underwriter mutually agree upon changes thereto.

e. Development Manager and Landowner Closing Certificates. The Development Manager Closing Certificate, dated as of the Closing Date, signed by authorized officers of the Development Manager in substantially the form of Appendix E-1 hereto, and the Landowner Closing Certificate, dated as of the Closing Date, signed by authorized officers of the Landowner in substantially the form of Appendix E-2 hereto.

f. Town Closing Certificate. A certificate of the Town, dated the Closing Date, to the effect that:

(i) the representations and warranties of the Town contained herein and in the Town Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) the Authorizing Documents and Town 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 Town 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 Town to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Town or the establishment of the District, (c) contest the validity, due authorization and execution of the Bonds or the Town Documents, or (d) attempt to limit, enjoin or otherwise restrict or prevent the Town from levying and collecting the Assessments pledged to pay the principal of and interest on the Bonds, or the pledge thereof; and

(iv) the Town has, to the best of such person's knowledge, complied with all agreements and covenants and satisfied all conditions set forth in the Town 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 Town and Bond Counsel, in form and substance acceptable to Underwriter's Counsel, the Town and Bond Counsel to the following effect:

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

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

(iii) The Indenture has been duly authorized, executed and delivered by the Trustee and is valid and enforceable against the Trustee in accordance with its terms.

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

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

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

(ii) 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 it has not 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 Town, and its counsel, Norton Rose Fulbright US LLP, as bond counsel, SAMCO Capital Markets, Inc., as Financial Advisor, the PID Administrator, the Development Manager, and its 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, with respect to the Limited Offering Memorandum, did not extend beyond its date), and in reliance thereon, on oral and written statements and representations of the Town, the Development Manager, the Landowner, and others and on the records, documents, certificates, opinions and matters herein mentioned, such counsel advises the Underwriter as a matter of fact and not opinion that, during the course of such counsel's representation of the Underwriter on this matter, (a) no facts had come to the attention of the attorneys in such counsel's firm rendering legal services to the Underwriter in connection with the Preliminary Limited Offering Memorandum which caused such counsel to believe, as of the date of the Preliminary Limited Offering Memorandum and as of the date of this Agreement, based on the documents, drafts and facts in existence and reviewed as of those dates, that the Preliminary Limited Offering Memorandum contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission 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 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 opinion or conclusion, with respect to both the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, about any CUSIP numbers, financial, accounting, statistical or 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., 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; and

(iii) The Continuing Disclosure Agreement of the Issuer satisfies the requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) for an undertaking by the Town for the benefit of the holders of the Bonds to provide the information at the times and in the manner required by said Rule; provided that, for purposes of this opinion, such counsel is not expressing any view regarding the content of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum that is not expressly stated in numbered paragraph ii, above.

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

k. Delivery of Town Documents and Development Manager Documents. The Town Documents and Development Manager Documents shall have been executed and delivered in form and content satisfactory to the Underwriter.

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

m. Federal Tax Certificate. A certificate of the Town 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 the Issuer and the Continuing Disclosure Agreement of Development Manager 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 the Appraiser. (i) Letter of Representation of the Appraiser, substantially in the form of Appendix F hereto, addressed to the Town, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter, and (ii) a copy of the real estate appraisal of the property in the District dated July 11, 2022.

q. Letter of Representation of PID Administrator. Letter of Representation of PID Administrator, substantially in the form of Appendix G hereto, addressed to the Town, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter.

r. Evidence of Filing of Creation Resolution and Assessment Ordinance. Evidence that the Creation Resolution and the Assessment Ordinance, including the legal description of the property within the District, the Assessment Roll, and the Service and Assessment Plan, have been filed of record in the real property records of Denton County, Texas.

s. Reserved.

t. Development Manager Organizational Documents. The Development Manager shall have delivered to the Underwriter and the Town (i) fully executed copies of the Development Manager's organizational documents, (ii) a Certificate of Status from the Texas Secretary of State and (iii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Development Manager.

u. Landowner Organizational Documents. The Landowner shall have delivered to the Underwriter and the City (i) fully executed copies of the Landowner's organizational documents, (ii) a Certificate of Status from the Texas Secretary of State and (iii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Landowner.

v. Rule 15c2-12 Certification. A resolution, an ordinance (including the Bond Ordinance) or a certificate of the Town whereby the Town has deemed the Preliminary Limited Offering Memorandum final as of its date, except for permitted omissions, as contemplated by Section (b)(1) of Rule 15c2-12 in connection with the offering of the Bonds, which action may be based on the approval of the release of the Preliminary Limited Offering Memorandum by an authorized Town official (if such official has been duly authorized to take such action by the Town Council), or certification, if made in the form of a certificate, may be included in the Town Certificate required by Section 10(f) hereof.

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

x. Blanket Letter of Representations. A copy of the Blanket Issuer Letter of Representation to DTC relating to the Bonds and signed by the Town.

y. Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or Underwriter's Counsel may reasonably deem necessary.

11. Town's Closing Conditions. The obligation of the Town 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 and the opinion of Bond Counsel described in Section 10(a) hereof.

12. Consequences of Termination. If the Town shall be unable to satisfy the conditions contained in this Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and the Underwriter and the Town shall have no further obligation hereunder, except as further set forth in Sections 13, 15 and 20 hereof.

13. Costs and Expenses.

a. The Underwriter shall be under no obligation to pay, and the Town shall cause to be paid from proceeds of the Bonds the following expenses incident to the issuance of the Bonds and performance of the Town'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 Town's Financial Advisor, the Trustee's counsel, Bond Counsel, Development Manager's Counsel, and the Trustee relating to the issuance of the Bonds; (iv) the Attorney General's review fees; (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the Town or the Development Manager, including but not limited to the fees and expenses of the Appraiser and the PID Administrator; and (vi) the expenses incurred by or on behalf of Town employees and representatives that are incidental to the issuance of the Bonds and the performance by the Town of its obligations under this Agreement.

b. The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the limited offering of the Bonds; (ii) fees of 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 Town 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 ("Texas MAC") 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 Town under this Agreement may be given by delivering the same in writing to: Town of Lakewood Village, Texas, 100 Highridge Drive, Lakewood Village, Texas 75068, Attention: Mayor.

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: Mr. R.R. "Tripp" Davenport, III, Director.

15. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or in connection with the transactions described in or by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

16. 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 Town and the Underwriter agree that electronic signatures to this Agreement may be regarded as original signatures.

17. 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.

18. State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State.

19. No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by the Underwriter or the Town without the prior written consent of the other party hereto.

20. No Personal Liability. None of the members of the Town Council, nor any officer, representative, agent, or employee of the Town, 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.

21. Anti-Boycott Verification. 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 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. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

22. Iran, Sudan and Foreign Terrorist Organizations. 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, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to enable the Issuer to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law and excludes the Underwriter and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

23. No 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 Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the Town to comply with such Section and to the extent such Section does not contravene applicable federal or Texas law. As used in the foregoing verification, "boycott energy companies," shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and State law; or (B) does business with a company described by (A) above.

24. 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 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. The foregoing verification is made solely to enable the Town to comply with such Section and to the extent such Section does not contravene applicable federal or State law.

As used in the foregoing verification,

(a) "discriminate against a firearm entity or firearm trade association" (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business

relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association,

(b) "firearm entity" means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and

(c) "firearm trade association" means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

25. Affiliate. As used in Sections 21 through 24, the Underwriter understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17 C.F.R. § 230.133(f), and exists to make a profit.

26. 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 Town hereby confirms receipt of the Form 1295 from the Underwriter, and the Town agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Underwriter and the Town understand and agree that, with the exception of information identifying the Town and the contract identification number, neither the Town 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 Town nor its consultants have verified such information.

27. Entire Agreement. This Agreement is made solely for the benefit of the Town 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 Town'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 Town shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase of the Bonds; or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in this Section and in Sections 13 and 15 shall survive any termination of this Agreement.

[*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.

Town of Lakewood Village, Texas

By: _____
Mayor

SCHEDULE I

$17,633,000
TOWN OF LAKEWOOD VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(TOWN OF LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 PROJECT)

Dated Date: August 15, 2022
Interest Accrues From: Date of Delivery

$_____ ___% Term Bonds, Due September 1, 20___, Priced to Yield ___% [(a)(c)(e)]
$_____ ___% Term Bonds, Due September 1, 20___, Priced to Yield ___% [(a)(c)(e)]
$_____ ___% Term Bonds, Due September 1, 20___, Priced to Yield ___% [(a)(b)(c)(d)(e)]
$_____ ___% Term Bonds, Due September 1, 20___, Priced to Yield ___% [(a)(b)(c)(d)(e)]

(a) The initial reoffering prices or yields of the Bonds have been determined in accordance with the 10% test.

(b) The Bonds maturing on or after September 1, 20__, may be redeemed before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20_, such redemption date or dates to be fixed by the Town, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date fixed of redemption.

(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 yield shown is the yield to the first optional call date, September 1, 20__.

(e) The Bonds are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installments as set forth in the following schedules.

$_____ Term Bonds maturing September 1, 20__

Redemption Date	Sinking Fund Installment Amount
September 1, 20____	$
September 1, 20____	
September 1, 20____	
September 1, 20____	
September 1, 20____†	

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† Stated maturity.

APPENDIX A-1

FORM OF DEVELOPMENT MANAGER LETTER OF REPRESENTATIONS

$17,633,000
TOWN OF LAKEWOOD VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(TOWN OF LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 PROJECT)

DEVELOPMENT MANAGER
LETTER OF REPRESENTATIONS

August 11, 2022

Town of Lakewood Village, Texas
100 Highridge Dr.
Lakewood Village, Texas 75068

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

Ladies and Gentlemen:

This letter is being delivered to the Town of Lakewood Village, Texas (the "Town"), 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 the $17,633,000 "Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project)" (the "Bonds"). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the Town, and the Town has agreed to sell to the Underwriter, the Bonds. In order to induce the Town to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the Town and the purchase of them by the Underwriter, C and C Land, LLC, a Texas limited liability company (the "Development Manager"), makes the representations, warranties, and covenants contained in this Development Manager Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Development Manager Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Development Manager understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Development Manager, 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 Development Manager 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 Development Manager 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 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 Development Manager will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request); provided, however, that for the purposes of this Development Manager Letter of Representations and any certificate delivered by the Development Manager in accordance with the Bond Purchase Agreement, the Development Manager 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 of the District therein and under the captions and subcaptions "PLAN OF FINANCE – Development Plan" (excluding the information in the fourth and fifth paragraphs), "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," and "THE DEVELOPMENT MANAGER AND THE LANDOWNER" (only as it pertains to the Development Manager) and, to the Development Manager's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Development Manager, the PID Improvements and the Development (as defined in the Limited Offering Memorandum)), "LEGAL MATTERS – Litigation – The Development Manager and the Landowner," "CONTINUING DISCLOSURE – The Development Manager" and "– The Development Manager's Compliance with Prior Undertakings," "SOURCES OF INFORMATION – Source of Certain Information," "APPENDIX E-2," "APPENDIX F" and "APPENDIX G" (collectively, the "Development Manager Disclosures") in accordance with subsection 4(f) herein.

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

a. this Development Manager Letter of Representations;

b. the Development Agreement, executed September 28, 2022, between the Town and The Sanctuary Texas, LLC, a Texas limited liability company (the "Previous Owner"), assigned to the Development Manager by the Previous Owner in October 2021, as amended by the First Amendment to Development Agreement, dated as of November 10, 2022, between the Town and the Development Manager, and as partially assigned to Taylor Morrison of Texas, Inc., a Texas corporation (the "Landowner"), by the Development Manager by the Partial Assignment and Assumption of Development Agreement on November 12, 2022;

c. the Construction, Funding and Acquisition Agreement, effective August 11, 2022, between the Town and the Development Manager;

d. the Infrastructure Development Agreement, effective November 12, 2022, by and between the Landowner and CCD-Development, LLC, and affiliate of the Development Manager, as assigned by such affiliate to the Development Manager on June 7, 2022; and

e. the Continuing Disclosure Agreement of Development Manager with respect to the Bonds, dated as of August 1, 2022, executed and delivered by the Development Manager, P3Works, LLC, as PID Administrator, and BOKF, NA, as Dissemination Agent.

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

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

4. Development Manager Representations, Warranties and Covenants. The Development Manager represents, warrants, and covenants to the Town and the Underwriter that:

a. Due Organization and Existence. The Development Manager is duly formed and validly existing as a limited liability company under the laws of the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Development Manager provided by the Development Manager (the "Development Manager Organizational Documents") to the Town and the Underwriter are fully executed, true, correct, and complete copies of such documents and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

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

d. No Litigation. There are no proceedings pending or threatened in writing before any court or administrative agency against the Development Manager that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Development Manager to perform its obligations under the Development Manager 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 Development Manager to the Town 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 Development Manager represents and warrants that the information set forth in the Development Manager 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 light of the circumstances under which they were made, not misleading. The Development Manager 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 Development Manager under any of the Development Manager Documents, any documents to which the Development Manager is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Authorized Improvements to which the Development Manager 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 Development Manager has occurred and is continuing.

5. Indemnification.

a. The Development Manager will indemnify and hold harmless the Town and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act of 1933 or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Development Manager 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 Town, the Development Manager or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Development Manager Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Development Manager Letter of Representations will be binding upon the Development Manager and its successors and assigns and inure solely to the benefit of the Underwriter and the Town, and no other person or firm or entity will acquire or have any right under or by virtue of this Development Manager Letter of Representations.

[*Signature page follows.*]

Dated: _____

C and C Land, LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

APPENDIX A-2

FORM OF LANDOWNER LETTER OF REPRESENTATIONS

$17,633,000
TOWN OF LAKEWOOD VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(TOWN OF LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 PROJECT)

LANDOWNER LETTER OF REPRESENTATIONS

August 11, 2022

Town of Lakewood Village, Texas
100 Highridge Dr.
Lakewood Village, Texas 75068

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

Ladies and Gentlemen:

This letter is being delivered to the Town of Lakewood Village, Texas (the "Town"), 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 the $17,633,000 "Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project)" (the "Bonds"). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the Town, and the Town has agreed to sell to the Underwriter, the Bonds. In order to induce the Town to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the Town and the purchase of them by the Underwriter, Taylor Morrison of Texas, Inc., a Texas corporation (the "Landowner"), makes the representations, warranties, and covenants contained in this Landowner Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Landowner Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Landowner understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Landowner, 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 Landowner 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 Landowner 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 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 Landowner will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request); provided, however, that for the purposes of this Landowner Letter of Representations and any certificate delivered by the Landowner in accordance with the Bond Purchase Agreement, the Landowner 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 under the captions and subcaptions "PLAN OF FINANCE – Development Plan" (in the fourth and fifth paragraphs only), and "– Landowner as Homebuilder," "THE DEVELOPMENT – Infrastructure Development Agreement" and "Completion Agreement," "THE DEVELOPMENT MANAGER AND THE LANDOWNER" (only as it pertains to the Landowner) and, to the Landowner's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Landowner and the Development (as defined in the Limited Offering Memorandum)), "LEGAL MATTERS – Litigation – The Development Manager and the Landowner" (only as it pertains to the Landowner) and "SOURCES OF INFORMATION – Source of Certain Information" (collectively, the "Landowner Disclosures") in accordance with subsection 4(f) herein.

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

a. this Landowner Letter of Representations;

b. the Partial Assignment and Assumption of Development Agreement, dated as of November 12, 2022, between C and C Land, LLC, a Texas limited liability company (the "Development Manager") and the Landowner;

c. the Infrastructure Development Agreement, effective November 12, 2022, by and between the Landowner and CCD-Development, LLC, and affiliate of the Development Manager, as assigned by such affiliate to the Development Manager on June 7, 2022; and

d. the Completion Agreement, effective August 30, 2022, by and between the Landowner and the Trustee.

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

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

4. Landowner Representations, Warranties and Covenants. The Landowner represents, warrants, and covenants to the Town and the Underwriter that:

a. Due Organization and Existence. The Landowner is duly formed and validly existing as a corporation under the laws of the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Landowner provided by the Landowner (the "Landowner Organizational Documents") to the Town and the Underwriter are fully executed, true, correct, and complete copies of such documents and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

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

d. No Litigation. There are no proceedings pending or threatened in writing before any court or administrative agency against the Landowner that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Landowner to perform its obligations under the Landowner 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 Landowner to the Town 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 Landowner represents and warrants that the information set forth in the Landowner 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 light of the circumstances under which they were made, not misleading. The Landowner 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 Landowner under any of the Landowner Documents, any documents to which the Landowner is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Authorized Improvements to which the Landowner 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 Landowner has occurred and is continuing.

5. Indemnification.

a. The Landowner will indemnify and hold harmless the Town and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act of 1933 or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Landowner 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 Town, the Landowner or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Landowner Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Landowner Letter of Representations will be binding upon the Landowner and its successors and assigns and inure solely to the benefit

of the Underwriter and the Town, and no other person or firm or entity will acquire or have any right under or by virtue of this Landowner Letter of Representations.

[*Signature page follows.*]

Dated: _____

Taylor Morrison of Texas, Inc.,
a Texas corporation

By: _____

Name: _____

Title: _____

APPENDIX B

$17,633,000
TOWN OF LAKEWOOD VILLAGE, TEXAS,
ASSESSMENT REVENUE BONDS, SERIES 2022
(TOWN OF LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 PROJECT)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of FMSbonds, Inc. ("FMS"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") of the Town of Lakewood Village, Texas (the "Issuer").

1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) FMS offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, FMS agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day

after the Sale Date, or (ii) the date on which FMS sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 11, 2022.

(h) *Underwriter* means (i) any 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, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The remainder of this page is left blank intentionally.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents FMS'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 Certificate as to Tax Exemption with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP 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.

FMSbonds, Inc.,
as Underwriter

By:_____

Name: R.R. "Tripp" Davenport, III
Title: Director, Investment Banking

Date: _____, 2022

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(*Attached*)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

APPENDIX C

LETTERHEAD OF BOYLE & LOWRY, L.L.P.

August 30, 2022

Town of Lakewood Village
100 Highridge Dr.
Lakewood Village, Texas 75068

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

Norton Rose Fulbright US, LLP
2200 Ross Avenue
Suite 3600
Dallas, Texas 75201-7932

BOKF, NA., as Trustee
1401 McKinney St., Suite 1000
Houston, Texas 77010

Winstead PC
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75201

$17,633,000
TOWN OF LAKEWOOD VILLAGE, TEXAS,
ASSESSMENT REVENUE BONDS, SERIES 2022
(TOWN OF LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 PROJECT)

Ladies and Gentlemen:

We represent the Town of Lakewood Village, Texas (the "Town") as its Town Attorney. In that capacity and on behalf of our client the Town we are rendering this opinion in connection with the issuance and sale of $17,633,000 "Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project)" (the "Bonds"), by the Town, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to an ordinance enacted by the Town Council of the Town (the "Town Council") on August 11, 2022 (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, 2022 (the "Indenture") by and between the Town and BOKF, NA, as trustee (the "Trustee"). Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In connection with rendering this opinion, we have reviewed the:

(a) The Resolution No. 22-17 (the "Creation Resolution") enacted by the Town Council on June 30, 2022;

(b) An ordinance accepted and approved by Town Council on August 11, 2022, and the Service and Assessment Plan attached as an exhibit thereto (the "Assessment Ordinance");

(c) The Bond Ordinance;

(e) The Indenture;

(f) the Development Agreement, executed September 28, 2022, between the Town and The Sanctuary Texas, LLC, a Texas limited liability company (the "Previous Owner"), assigned to the Development Manager by the Previous Owner in October 2021, as amended by the First Amendment to Development Agreement, dated as of November 10, 2022, between the Town and the Development Manager, and as partially assigned to Taylor Morrison of Texas, Inc., a Texas corporation (the "Landowner"), by the Development Manager by the Partial Assignment and Assumption of Development Agreement on November 12, 2022;

(g) the Construction, Funding and Acquisition Agreement, effective August 11, 2022, between the Town and the Development Manager; and

(h) The Continuing Disclosure Agreement of the Issuer, dated as of August 1, 2022, executed and delivered by the Town, P3Works, LLC, as Administrator, and BOKF, NA, as dissemination agent.

The Creation Resolution, the Assessment Ordinance, the Indenture, and the Bond Ordinance shall herein after be referred to as the "Authorizing Documents" and the remaining documents shall herein after be collectively referred to as the "Town Documents."

In all such examinations, we have assumed that all signatures on documents and instruments executed by the Town are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution and delivery of the Town Documents by all parties other than the Town.

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

1. The Town 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 Town Documents. The Town 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 Town 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 Town: (a) affecting the existence of the Town 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 Town's performance of the Town 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 Town or its ability to timely complete the Town Improvements (as defined in the Indenture).

3. The Authorizing Documents were enacted by the Town and are effective as of the date hereof.

4. The Town Documents have been approved, executed, and delivered by the Town and constitute legal, valid, and binding obligations of the Town enforceable against the Town in accordance with their terms. However, the enforceability of the obligations of the Town under such Town 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 Town of the obligations under the Authorizing Documents and the Town 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 Town as a condition precedent to the performance by the Town of its obligations under the Authorizing Documents and the Town Documents.

7. The Town has approved and delivered the Preliminary 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 representations of the Town, the statements and information contained in the Limited Offering Memorandum with respect to the Town under the captions and subcaptions "ASSESSMENT PROCEDURES," "THE TOWN," "THE DISTRICT," "LEGAL MATTERS — Litigation — The Town," "CONTINUING DISCLOSURE — The Town" and " — The Town'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 Town Documents and the compliance with the provisions of the Authorizing Documents and the Town Documents under the circumstances contemplated thereby, to the best of our knowledge: (a) do not and will not in any material respect conflict with or constitute on the part of the Town a breach of or default under any agreement to which the Town 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 Town a violation, breach of or default under any existing law, regulation, court order or consent decree to which the Town is subject.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

[Signature page follows]

Sincerely,

BOYLE & LOWRY, LLP

_____

MATTHEW C. G. BOYLE
TOWN ATTORNEY

APPENDIX D

[LETTERHEAD OF WINSTEAD PC]

August 30, 2022

Town of Lakewood Village
100 Highridge Dr.
Lakewood Village, Texas 75068

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

Norton Rose Fulbright US, LLP
2200 Ross Avenue
Suite 3600
Dallas, Texas 75201-7932

BOKF, NA., as Trustee
1401 McKinney St., Suite 1000
Houston, Texas 77010

Boyle and Lowry, L.L.P.
4201 Wingren, Suite 108
Irving, Texas 75062

$17,633,000
TOWN OF LAKEWOOD VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(TOWN OF LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 PROJECT)

I. Introduction

We have acted as special counsel to C and C Land, LLC, a Texas limited liability company (the "Development Manager"), in connection with the issuance and sale by the Town of Lakewood Village, Texas (the "Town"), of $17,633,000 Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project) (the "Bonds"), pursuant to the Indenture of Trust, dated as of August 1, 2022 (the "Indenture"), by and between the Town and BOKF, NA, 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 "South Oak" (the "Development") located in the extraterritorial jurisdiction of the Town.

The Bonds are being sold by FMSbonds, Inc. (the "Underwriter"), pursuant to that certain Bond Purchase Agreement, dated August 11, 2022, (the "Bond Purchase Agreement"), between the Town and the Underwriter. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

In our capacity as special counsel to the Development Manager, 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 Development Agreement, executed September 28, 2022, between the Town and The Sanctuary Texas, LLC, a Texas limited liability company (the "Previous Owner"), assigned to the Development Manager by the Previous Owner in October 2021, as amended by the First Amendment to Development Agreement, dated as of November 10, 2022, between the Town and the Development Manager, and as partially assigned to Taylor Morrison of Texas, Inc., a Texas corporation (the "Landowner"), by the Development Manager by the Partial Assignment and Assumption of Development Agreement on November 12, 2022;

(2) the Construction, Funding and Acquisition Agreement, effective August 11, 2022, between the Town and the Development Manager;

(3) the Infrastructure Development Agreement, effective November 12, 2022, by and between the Landowner and CCD-Development, LLC, and affiliate of the Development Manager, as assigned by such affiliate to the Development Manager on June 7, 2022;

(4) the Continuing Disclosure Agreement of Development Manager with respect to the Bonds, dated as of August 1, 2022 (the "Continuing Disclosure Agreement of Development Manager"), executed and delivered by the Development Manager, P3Works, LLC, as PID Administrator, and BOKF, NA, as dissemination agent;

(5) the Development Manager Letter of Representations effective as of August 11, 2022, relating to the Bonds (the "Development Manager Letter of Representations");

(6) the Closing Certificate of Development Manager with respect to the Bonds, dated August 30, 2022 (the "Closing Certificate"); and

(7) the General Certificate of the Development Manager with respect to the Bonds, effective as of August 30, 2022 (the "Development Manager Certificate").

(b) The Preliminary Limited Offering Memorandum, dated July [28], 2022, relating to the issuance of the Bonds (the "Preliminary Limited Offering Memorandum");

(c) The final Limited Offering Memorandum, dated August 11, 2022, relating to the issuance of the Bonds (the "Limited Offering Memorandum"); and

(d) Such other documents, records, agreements, and certificates of the Development Manager as we have deemed necessary or appropriate to render the opinions expressed below.

In basing the opinions and other matters set forth herein on "our knowledge," the words "our knowledge" signify that, in the course of our representation of the Development Manager the principal attorneys in this firm involved in the current actual transaction do not have actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of

the documents, certificates, reports and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters. The words "our knowledge" and similar language used herein are intended to be limited to the knowledge of the attorneys within our firm who have worked on the matters contemplated by our representation as special counsel.

In rendering the opinions set forth herein, we have assumed, without independent investigation (other than the Development Manager, as applicable), that: (i) the due authorization, execution, and delivery of each of the documents referred to in this opinion letter by all parties thereto (other than the authorization, execution, and delivery by the Development Manager) and that each such document constitutes a valid, binding, and enforceable obligation of each party (other than the Development Manager) thereto, (ii) all of the parties to the documents referred to in this opinion letter are duly organized, validly existing, in good standing and have the requisite power, authority (corporate, limited liability company, partnership or other) and legal right to execute, deliver, and perform its obligations under such documents (except to the extent set forth in our opinions set forth herein regarding valid existence and power and authority of the Development Manager to execute, deliver, and perform its respective obligations under the Material Documents), (iii) each certificate from governmental officials reviewed by us is accurate, complete, and authentic, and all official public records are accurate and complete, (iv) the legal capacity of all natural persons, (v) the genuineness of all signatures (other than those of the Development Manager 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 entity of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein, and (ix) that the execution and delivery by each party of, and performance of its agreements in, the Material Documents do not breach or result in a default under any existing obligation of such party under any agreements, contracts or instruments to which such party is a party to or otherwise subject to or any order, writ, injunction, or decree of any court applicable to such party.

In addition, we have assumed that the Material Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and obligations of the parties thereunder. We have also assumed that the terms and conditions of the transaction as reflected in the Material Documents have not been amended, modified, or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the Material Documents.

We assume that none of the parties to the Material Documents (other than the Development Manager) 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 Development Manager) 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 Town nor their respective counsel has any current actual knowledge of any facts not known to us or any law or judicial decision which would make the opinions set forth herein incorrect, and that no party upon whom we have relied for purposes of this opinion letter has perpetrated a fraud.

We have only been engaged by our clients in connection with the Material Documents (and the transactions contemplated in the Material Documents) and do not represent these clients generally.

II. Opinions and Assurances

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

(a) The Development Manager is a limited liability company formed under the laws of the State of Texas and qualified to transact business as a limited liability company, and in good standing under the laws of the State of Texas.

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

(c) The execution and delivery by the Development Manager of the Material Documents to which it is a party, and the performance by the Development Manager of its obligations under the Material Documents will not (i) violate any applicable law; or (ii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Development Manager Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Development Manager, the conflict with which or breach of which would have a material, adverse effect on the ability of the Development Manager to perform its obligations under the Material Documents to which it is a party.

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

(e) Based solely on the Development Manager Certificate, the Development Manager has duly executed and delivered each of the Material Documents to which it is a party, and each of the Material Documents constitute the legal, valid, and binding obligations of the Development Manager, enforceable against the Development Manager in accordance with their respective terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights of creditors generally, (ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity), and (iii) the effect that enforceability of the indemnification provisions therein may be limited, in whole or in part. The execution, delivery, and performance by the Development Manager of its respective obligations under the Material

Documents do not violate any existing laws of the State of Texas applicable to the Development Manager.

(f) To our knowledge, there are no actions, suits, or proceedings pending or threatened against the Development Manager identified in the Development Manager Certificate, or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion in any court of law or equity, or before or by any governmental instrumentality with respect to: (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the titles of the parties executing the Material Documents; (iv) the execution, delivery, validity, or enforceability of the Material Documents on behalf of the Development Manager; (v) the operations or financial condition of the Development Manager that would materially adversely affect those operations or the financial condition of the Development Manager; or (vi) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum the cost of which is to be funded or reimbursed, in whole or in part, by proceeds of the Bonds.

(g) Based solely on the Development Manager Certificate, the execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, indenture, bond note, resolution, agreement, or other instrument to which the Development Manager is a party or is otherwise subject and which have been identified in the Development Manager Certificate, which violation, breach, or default would materially adversely affect the Development Manager or its performance of its respective obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Development Manager, except as expressly described in the Material Documents (a) under applicable law, or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

(h) The information set forth in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in the maps included therein, and under the captions "PLAN OF FINANCE – Development Plan" (excluding the information in the fourth and fifth paragraphs), "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPMENT MANAGER AND THE LANDOWNER" (only as it pertains to the Development Manager), "BONDHOLDERS' RISKS" (only as it pertains to the Development Manager, the PID Improvements, the Private Improvements, and the Development (as defined in the Limited Offering Memorandum))," "LEGAL MATTERS – Litigation – The Development Manager and the Landowner" (only as it pertains to the Development Manager), and "CONTINUING DISCLOSURE – The Development Manager," and "– The Development Manager's Compliance with Prior Undertakings" adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

(i) Subject to the below qualifications and based upon our participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and our participation at conferences with representatives of the Underwriter and its counsel, of the Town and its counsel, and with representatives of the Development Manger at

which the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and any amendment or supplement thereto, no facts have come to our attention that lead us to believe that the information set forth under the captions referenced in the preceding paragraph with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of August 11, 2022, and with respect to the Limited Offering Memorandum, as of the date of the Limited Offering Memorandum and the date hereof, contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

III. Qualifications

In addition to any assumptions, qualifications, and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

(a) We have not examined any court dockets, agency files or other public records regarding the entry of any judgments, writs, decrees, or orders or the pendency of any actions, proceedings, investigations, or litigation.

(b) We have relied upon the Development Manager Certificate, as well as the representations of the Development Manager 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. With respect to our opinion in II(a) relating to the Developer's good standing, we have relied solely on a Certificate of Fact being issued by the Secretary of State of Texas with respect to the Development Manager and an online search of the Franchise Tax Account Status page of the website of the Texas Comptroller of Public Accounts which indicated the right of the Development Manager to do business in the State of Texas is intact.

(c) Our opinion delivered pursuant to Section II(c) above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws affecting creditors' rights generally and to the effect of general principles of equity, including (without limitation) remedies of specific performance and injunctive relief and concepts of materiality, reasonableness, good faith, and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(d) Except for the Material Documents, we have not reviewed, and express no opinion as to, any other contracts or agreements to which the Development Manager is a party or by which the Development Manager is or may be bound.

(e) The opinions expressed herein are based upon and limited to the applicable laws of the State of Texas and the laws of the United States of America, excluding the principles of conflicts of laws thereof, as in effect as of the date hereof, and our knowledge of the facts relevant

to such opinions on such date. In this regard, we note that we are members of the Bar of the State of Texas, we do not express any opinion herein as to matters governed by the laws of any other jurisdiction, except the United States of America, we do not purport to be experts in any other laws, and we can accept no responsibility for the applicability or effect of any such laws. In addition, we assume no obligation to supplement the opinions expressed herein if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances that affect the opinions expressed herein.

(f) This letter is strictly limited to the matters expressly set forth herein and no statements or opinions should be inferred beyond such matters.

(g) Notwithstanding anything contained herein to the contrary, we express no opinion whatsoever concerning the status of title to any real or personal property.

(h) The opinions expressed herein regarding the enforceability of the Material Documents are subject to the qualification that certain of the remedial, waiver or other provisions thereof may not be enforceable; but such unenforceability will not, in our judgment, render the Material Documents invalid as a whole or substantially interfere with the practical realization of the principal legal benefits provided in the Material Documents, except to the extent of any economic consequences of any procedural delays which may result therefrom.

(i) The opinion expressed herein as to the enforceability of the Material Documents is specifically subject to the qualification that enforceability of the Material Documents is limited by the following: (i) the rights of the United States under the Federal Tax Lien Act of 1966, as amended; (ii) principles of equity, public policy and unconscionability which may limit the availability of certain remedies; (iii) bankruptcy, insolvency, reorganization, fraudulent conveyance, liquidation, probate, conservatorship, and other laws applicable to creditors' rights or the collection of debtors' obligations generally; and (iv) requirements of due process under the United States Constitution, the Constitution of the State of Texas, and other laws or court decisions limiting the rights of creditors to repossess, foreclose, or otherwise realize upon the property of a debtor without appropriate notice or hearing or both.

(j) We express no opinion as to whether a court would grant specific performance or any other equitable remedy with respect to the enforcement of the Material Documents.

(k) We express no opinion as to the validity, binding effect, or enforceability of: (i) provisions which purport to waive rights or notices, including rights to trial by jury, counterclaims or defenses, jurisdiction, or venue; (ii) provisions relating to consent judgments, waivers of defenses or the benefits of statutes of limitations, marshaling of assets, the transferability of any assets which by their nature are nontransferable, sales in inverse order of alienation, or severance; (iii) provisions purporting to waive the benefits of present or of future laws relating to exemptions, appraisement, valuation, stay of execution, redemption, extension of time for payment, setoff, and similar debtor protection laws; or (iv) provisions requiring a party to pay fees and expenses regardless of the circumstances giving rise to such fees or expenses or the reasonableness thereof.

(l) The opinions expressed herein are subject to the effect of generally applicable rules of law that provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected.

(m) We express no opinion as to the enforceability of any provisions in the Material Documents purporting to entitle a party to indemnification in respect of any matters arising in whole or in part by reason of any negligent, illegal, or wrongful act or omission of such party.

This opinion is furnished to those parties addressed in this letter solely in connection with the transactions, for the purposes and on the terms described above and may not be relied upon for any other purpose or by any other person in any manner or for any purpose.

Very truly yours,

APPENDIX E-1

CLOSING CERTIFICATE OF DEVELOPMENT MANAGER

C and C Land, LLC, a Texas limited liability company (the "Development Manager"), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Offering Memorandum.

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

2. Representatives of the Development Manager have provided information to the Town of Lakewood Village, Texas (the "Town"), and FMSbonds, Inc. (the "Underwriter") to be used in connection with the offering by the Town of its $17,633,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project) (the "Bonds"), pursuant to the Preliminary Limited Offering Memorandum, dated July [28], 2022 (the "Preliminary Limited Offering Memorandum"), and Limited Offering Memorandum dated August 11, 2022 (the "Limited Offering Memorandum").

3. The Development Manager has delivered to the Underwriter and the Town true, correct, complete and fully executed copies of the Development Manager's organizational documents, and such documents have not been amended or supplemented since delivery to the Underwriter and the Town and are in full force and effect as of the date hereof.

4. The Development Manager has delivered to the Underwriter and the Town 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 Development Manager.

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

(a) the Development Manager Letter of Representations, dated August 11, 2022;

(b) the Development Agreement, executed September 28, 2022, between the Town and The Sanctuary Texas, LLC, a Texas limited liability company (the "Previous Owner"), assigned to the Development Manager by the Previous Owner in October 2021, as amended by the First Amendment to Development Agreement, dated as of November 10, 2022, between the Town and the Development Manager, and as partially assigned to Taylor Morrison of Texas, Inc., a Texas corporation (the "Landowner"), by the Development Manager by the Partial Assignment and Assumption of Development Agreement on November 12, 2022;

(c) the Construction, Funding and Acquisition Agreement, effective August 11, 2022, between the Town and the Development Manager;

(d) the Infrastructure Development Agreement, effective November 12, 2022, by and between the Landowner and CCD-Development, LLC, and affiliate of the Development Manager, as assigned by such affiliate to the Development Manager on June 7, 2022; and

(e) the Continuing Disclosure Agreement of Development Manager with respect to the Bonds, dated as of August 1, 2022, executed and delivered by the Development Manager, P3Works, LLC, as PID Administrator, and BOKF, NA, as Dissemination Agent.

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

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

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

9. The Development Manager has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in the maps of the District therein and under the captions and subcaptions "PLAN OF FINANCE – Development Plan" (excluding the information in the fourth and fifth paragraphs), "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," and "THE DEVELOPMENT MANAGER AND THE LANDOWNER" (only as it pertains to the Development Manager) and, to the Development Manager's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Development Manager, the Authorized Improvements and the Development (as defined in the Limited Offering Memorandum)), "LEGAL MATTERS – Litigation – The Development Manager and the Landowner" (only as it pertains to the Development Manager), "CONTINUING DISCLOSURE – The Development Manager" and "– The Development Manager's Compliance with Prior Undertakings," "APPENDIX E-2," "APPENDIX F," and "APPENDIX G" (collectively, the "Development Manager Disclosures") and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the

circumstances under which they are made, not misleading, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum; provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

10. The Development Manager has reviewed and approved the information contained in the Development Manager Disclosures in the Limited Offering Memorandum and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Limited Offering Memorandum and as of the date hereof; provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

11. To the Development Manager's knowledge, the Development Manager is in compliance in all material respects with all provisions of applicable law relating to the Development Manager in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) to the Development Manager's knowledge, there is no default of any zoning condition, land use permit, or development agreement binding upon the Development Manager or any portion of the Development that would materially and adversely affect the Development Manager'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 Development Manager 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 Development Manager 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 Development Manager is not in default under any mortgage, trust indenture, lease, or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the Development Manager's ability to perform its obligations under the Development Manager Documents.

14. The Development Manager has no knowledge of any physical condition of the Development owned or to be developed by the Development Manager 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: _____

DEVELOPMENT MANAGER:

C and C Land, LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

APPENDIX E-2

CLOSING CERTIFICATE OF LANDOWNER

Taylor Morrison of Texas, Inc., a Texas corporation (the "Landowner"), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Offering Memorandum.

1. The Landowner is a Texas corporation organized, validly existing, and in good standing under the laws of the State of Texas.

2. Representatives of the Landowner have provided information to the Town of Lakewood Village, Texas (the "Town"), and FMSbonds, Inc. (the "Underwriter") to be used in connection with the offering by the Town of its $17,633,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project) (the "Bonds"), pursuant to the Preliminary Limited Offering Memorandum, dated July [28], 2022 (the "Preliminary Limited Offering Memorandum"), and Limited Offering Memorandum dated August 11, 2022 (the "Limited Offering Memorandum").

3. The Landowner has delivered to the Underwriter and the Town true, correct, complete and fully executed copies of the Landowner's organizational documents, and such documents have not been amended or supplemented since delivery to the Underwriter and the Town and are in full force and effect as of the date hereof.

4. The Landowner has delivered to the Underwriter and the Town 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 Landowner.

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

(a) the Landowner Letter of Representations, dated August 11, 2022;

(b) the Development Agreement, executed September 28, 2022, between the Town and The Sanctuary Texas, LLC, a Texas limited liability company (the "Previous Owner"), assigned to the C and C Land, LLC (the "Development Manager") by the Previous Owner in October 2021, as amended by the First Amendment to Development Agreement, dated as of November 10, 2022, between the Town and the Development Manager, and as partially assigned to the Landowner by the Development Manager by the Partial Assignment and Assumption of Development Agreement on November 12, 2022; and

(c) the Infrastructure Development Agreement, effective November 12, 2022, by and between the Landowner and CCD-Development, LLC, and affiliate of the

Development Manager, as assigned by such affiliate to the Development Manager on June 7, 2022.

6. The Landowner owned all of the Assessed Property (as defined in the Service and Assessment Plan) located in the District on the date that the Assessment Ordinance was adopted and is not an entity that may claim a homestead right under Texas law.

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

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

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

10. The 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 Plan" (in the fourth and fifth paragraphs only) and "– Landowner as Homebuilder" and "THE DEVELOPMENT MANAGER AND THE LANDOWNER" (only as it pertains to the Landowner) and, to the Landowner's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Landowner), "LEGAL MATTERS – Litigation – The Development Manager and the Landowner" (only as it pertains to the Landowner), and "APPENDIX F" (collectively, the "Landowner Disclosures") and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum; provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

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

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

13. The 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.

14. The levy of 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.

15. 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 or the Landowner's ability to perform its obligations under the Landowner Documents.

16. 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.

[*Signature page follows.*]

Dated: _____

LANDOWNER:

Taylor Morrison of Texas, Inc.,
a Texas corporation

By: _____

Name: _____

Title: _____

APPENDIX F

LETTERHEAD OF PEYCO SOUTHWEST REALTY, INC.

August 30, 2022

Town of Lakewood Village, Texas
100 Highridge Dr.
Lakewood Village, Texas 75068

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

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201

BOKF, NA., as Trustee
1401 McKinney St., Suite 1000
Houston, Texas 77010

Re: Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project) (the "Bonds")

Ladies and Gentlemen:

The undersigned, an authorized representative of Peyco Southwest Realty, Inc. ("Appraiser"), the appraiser of the undeveloped property contained in Lakewood Village Public Improvement District No. 1 (the "District"), does hereby represent the following:

1. Appraiser has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated July [28], 2022 and the Limited Offering Memorandum for the Bonds, dated August 11, 2022 (together, the "Limited Offering Memorandum"), relating to the issuance of the Bonds by the Town of Lakewood Village, Texas, as described above. The information Appraiser provided for the Limited Offering Memorandum is the real estate appraisal of the property in the District, located in APPENDIX H 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 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 30, 2022) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any statement in the Appraisal materially misleading.

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

Sincerely yours,

PEYCO SOUTHWEST REALTY, INC.

_____

By: _____

Its: _____

APPENDIX G

LETTERHEAD OF P3WORKS, LLC

August 30, 2022

Town of Lakewood Village, Texas
100 Highridge Dr.
Lakewood Village, Texas 75068

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

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-2784

BOKF, NA., as Trustee
1401 McKinney St., Suite 1000
Houston, Texas 77010

Re: Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project) (the "Bonds")

Ladies and Gentlemen:

The undersigned, an authorized representative of P3Works, LLC ("P3Works"), consultant in connection with the creation by the Town of Lakewood Village, Texas (the "Town"), of Lakewood Village Public Improvement District No. 1 (the "District"), does hereby represent the following:

1. P3Works has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated July [28], 2022, and the final Limited Offering Memorandum for the Bonds, dated August 11, 2022 (together, the "Limited Offering Memorandum"), relating to the issuance of the Bonds by the Town, as described above. The information P3Works provided for the Limited Offering Memorandum is located (a) under the captions "ASSESSMENT PROCEDURES" and "THE PID ADMINISTRATOR" and (b) in the Service and Assessment Plan (the "SAP") for the Town located in APPENDIX C to the Limited Offering Memorandum.

2. To our professional knowledge and belief, the portions of the Limited Offering Memorandum described above do not contain an untrue statement of a material fact as to the information and data set forth therein and does not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

3. 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.

4. 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 30, 2022) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any such information materially misleading.

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

Sincerely yours,

P3Works, LLC

By: _____
Name: _____
Title: _____

EXHIBIT C

CONTINUING DISCLOSURE AGREEMENT

TOWN OF LAKEWOOD VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of August 1, 2022 (this "Disclosure Agreement"), is executed and delivered by and among the Town of Lakewood Village, Texas (the "Issuer"), P3Works, LLC (the "Administrator"), and BOKF, NA, acting solely in its capacity as dissemination agent (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project)" (the "Bonds"). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

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

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of August 1, 2022, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Administrator" shall mean an employee or designee of the Issuer who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities for the administration of the District. The initial Administrator is P3Works, LLC

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"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 Installment" shall have the meaning assigned to such term in the Indenture.

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

"Annual Service Plan Update" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Audited Financial Statements" shall mean the audited financial statements of the Issuer that have been prepared in accordance with generally accepted accounting principles applicable

from time to time to the Issuer and that have been audited by an independent certified public accountant.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Developer" shall have the meaning assigned to such term in the Indenture.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of Developer related to the Bonds, dated as of August 1, 2022, executed and delivered by the Developer, the Administrator, and the Dissemination Agent in connection with the Bonds.

"Disclosure Representative" shall mean the Chief Financial Officer 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 BOKF, NA, a national banking association duly organized and existing under the laws of the United States, 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 Lakewood Village Public Improvement District No. 1.

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

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

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

"Fiscal Year" shall mean the Issuer's fiscal year, currently the twelve-month period from October 1 through September 30.

"Listed Events" shall mean any of the events listed in subsection 5(a) of this Disclosure Agreement.

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

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

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

"Prepayment" shall have the meaning assigned to such term in the Indenture.

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

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Town Improvements" shall have the meaning assigned to such term in the Indenture.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2022, the Issuer shall provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the next following Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement. The audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the Annual Issuer Report, and may be submitted later than the date required in this paragraph for the filing of the Annual Issuer Report if audited financial statements are not available by that date. If, however, the audited financial statements are not complete by the deadline specified in Section 4, then the Issuer shall provide unaudited financial statements within such period.

In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Filing Date. 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 Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent together with written direction to file such Annual Issuer Report with the MSRB. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer, but in no event later than the Filing Date for such Fiscal Year, provided that the Issuer provides the Annual Issuer Report to the Dissemination Agent no later than two Business Days prior to the Filing Date.

If by the fifth (5th) day before the Filing Date, the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Filing Date; or (ii) instruct the

Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Filing Date, state the date by which the Annual Issuer Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB, no later than the 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 Filing Date.

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

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

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

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

SECTION 4. Content and Timing of Annual Issuer Reports and Audited Financial Statements.

(a) The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Filing Date the following (any or all of which may be unaudited):

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

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

(B) The amounts in the funds and accounts under the Indenture securing the Bonds and a description of the related investments; and

(C) Any other assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type, in substantially similar form to that shown in the tables provided under Sections 4(a)(ii)(A) and 4(a)(ii)(B) of Exhibit B attached hereto. Such information shall be provided: (a) as of the end of the Fiscal Year (for tables in Section 4(a)(ii)(A) of Exhibit B), and (b) both as of the end of the Fiscal Year and through February 1 of the calendar year immediately succeeding such Fiscal Year (for tables in Section 4(a)(ii)(B) of Exhibit B);

(iii) Updates to the information in the Service and Assessment Plan or the Annual Service Plan Update, as most recently amended or supplemented, including any changes to the methodology for levying the Assessments;

(iv) Until building permits have been issued for parcels or lots representing, in the aggregate, ninety-five percent (95%) of the total Assessments levied within the District, the Annual Issuer Report (in the Annual Service Plan Update or otherwise) shall include the number of certificates of occupancy ("COs") issued for new homes completed in the District during such Fiscal Year and the aggregate number of COs issued for new homes completed within the District since filing the initial Annual Issuer Report for Fiscal Year ending September 30, 2022;

(v) If the total amount of delinquencies greater than 150 days equals or exceeds ten percent (10%) of the amount of Assessments due in any fiscal year, a list of delinquent property owners; and

(vi) 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) The Issuer agrees to provide or cause to be provided to the Dissemination Agent the Annual Financial Statements of the Issuer for the most recently ended Fiscal Year. Such Annual Financial Statements shall be provided to the Dissemination Agent within 12 months after the end of each Fiscal Year. If the audit of such Annual Financial Statements is not complete within 12 months after any such Fiscal Year, then the Issuer shall provide unaudited Annual Financial Statements within such 12-month period and audited Annual Financial Statements for the applicable Fiscal Year when and if the audit report on such statements becomes available.

(c) See Exhibit B hereto for a form for submitting the information set forth in Section 4(a) above. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Issuer Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

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

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the issuance of additional bonds, if any, under the Indenture or 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 5 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer; provided, however, any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide Audited Financial Statements (or unaudited financial statements, if Audited Financial Statements are not available) or Annual Issuer Report, as applicable, as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting "Notice To MSRB of Failure To File."

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures made under this Section 5. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than the Business Day immediately following the day on which it receives written instructions from the Disclosure Representative. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual

fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to Bond calls only), 10, 13, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after 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 6. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until it receives written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Administrator and Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent. If the Issuer discharges the Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with sixty (60) days' notice to the Issuer and the Administrator, provided that if the Dissemination Agent is serving in the same capacity under the Disclosure Agreement of Developer, the Dissemination Agent shall resign under the Disclosure Agreement of Developer simultaneously with its resignation hereunder. with or without appointing a successor Dissemination Agent. 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 BOKF,NA, solely in its capacity as Dissemination Agent. In addition, pursuant to the Disclosure Agreement of Developer, the Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer, and any other party responsible for providing Quarterly Information pursuant to the Disclosure Agreement of Developer, in carrying out their respective obligations under the Disclosure Agreement of Developer, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. In the event the Issuer appoints a new Dissemination Agent under the Disclosure Agreement of Developer, the Issuer shall give written notice of such change to the Administrator and any Party responsible for providing Quarterly Information at least fifteen (15) days prior to the next Quarterly Filing Date. With the exception of the term "Disclosure Agreement of Developer," capitalized terms used in this paragraph shall have the meanings given to such terms in the Disclosure Agreement of Developer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested 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, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

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

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

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Issuer Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Issuer Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-

five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement by the Issuer shall not be deemed a default under the Disclosure Agreement of Developer, and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not 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 hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the 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 resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the 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.

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

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 OTHER 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 IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. 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 C 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 13. 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 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or

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

SECTION 15. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its 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 Dissemination Agent has entered into a separate agreement with the Issuer, which agreement provides for the payment of the fees and expenses of the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Anti-Boycott Verification. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Dissemination Agent and Administrator each separately verify that it and any parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

SECTION 20. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent and the Administrator each separately represent that neither it nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to enable the Issuer to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal or Texas law, and excludes the Dissemination Agent, the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

SECTION 21. No Discrimination Against Fossil-Fuel Companies. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Dissemination Agent and the Administrator, each respectively, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies" shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable Federal or Texas law; or (B) does business with a company described by (A) above.

SECTION 22. No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Dissemination Agent and the Administrator, each respectively, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade

association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. As used in the foregoing verification, (a) "firearm entity" means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (b) "firearm trade association" means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which insures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

SECTION 23. Affiliate. As used in Sections 19 through 22, the Dissemination Agent and Administrator, each respectively, understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of SEC Rule 405, 17.C.F.R. § 230.405, and exists to make a profit.

SECTION 24. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement.

SECTION 25. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 26. 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.

TOWN OF LAKEWOOD VILLAGE, TEXAS

By: _____
Mayor

BOKF, NA
(as Dissemination Agent)

By: _____
Authorized Officer

P3Works, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL ISSUER REPORT

Name of Issuer:	Town of Lakewood Village, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the Town of Lakewood Village, Texas (the "Issuer"), has not provided [an Annual Issuer Report][annual audited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of August 1, 2022, between the Issuer, P3Works, LLC, as "Administrator," and BOKF, NA, as "Dissemination Agent." The Issuer anticipates that [the Annual Issuer Report][annual audited financial statements] will be filed by _____.

Dated: _____

BOKF, NA,
on behalf of the Town of Lakewood Village, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: Town of Lakewood Village, Texas

EXHIBIT B

TOWN OF LAKEWOOD VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 PROJECT)

ANNUAL ISSUER REPORT*

Delivery Date: _____, 20__

CUSIP NOSs: [insert CUSIP NOs.]

DISSEMINATION AGENT

Name: BOKF, NA
Address: [_____]
City: [_]
Telephone: (___) ___-____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value(1)	Book Value(1)	Market Value(1)	Cost Basis(1)

(1) As such information is provided by the Trustee.

*Excluding Audited Financial Statements of the Issuer

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

ASSETS

Bonds (Proceeds Balance, if any)	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

LIABILITIES

Outstanding Bond Principal	_____
Outstanding Expenses (if any)	_____
TOTAL LIABILITIES	_____

EQUITY

Assets Less Liabilities	_____
Parity Ratio	_____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

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Section 4(a)(ii)(A)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

Year Ending (September 30)	Principal	Interest	Total

Town Improvements Budget and Timeline Overview					
	Budgeted Costs	Actual Costs Drawn from Town Improvements Account of the Project Fund as of [*Insert Ending Date*]	Actual Costs financed with sources other than Bond proceeds as of [*Insert Ending Date*]	Forecast Completion Date	Actual Completion Date
Total costs required to complete Town Improvements: • Sewer • Water	$_____ $_____	$_____ $_____	$_____ $_____	_____ _____	_____ _____

Narrative update on construction milestones for Town Improvements since last Annual Issuer Report:

_____

_____

Top Assessment Payers [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 the District

The [YEAR] certified total assessed value for the Assessed Property in the District is approximately $[AMOUNT] according to the applicable appraisal district(s).

Section 4(a)(ii)(B)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR AND AS OF FEBRUARY 1 OF THE NEXT SUCCEEDING YEAR

Foreclosure History Related to the Assessments

Time Period	Parcels in Foreclosure Proceedings	Delinquent Assessment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
[FISCAL YEAR END]		$		$
[FEB. 1 OF CURRENT YEAR] (1)		$		$

(1) As of February 1, 20__.

Collection and Delinquency History of Assessments

Time Period	Total Assessment Levied	Parcels Levied (1)	Delinquent Amount as of 2/1	Delinquent % as of 2/1	Delinquent Amount as of 8/1	Delinquent % as of 8/1	Total Assessments Collected (2)
[FISCAL YEAR END]	$		$	%	$	%	$
[FEB 1. OF CURRENT YEAR] (3)	$		$	%	N/A	N/A	$

(1) Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and September 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.
(2) [Does/does not] include interest and penalties.
(3) Collected as of February 1, 20__.

History of Prepayment of Assessments

Time Period	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Bonds Redeemed
[FISCAL YEAR END]		$		$
[FEB. 1 OF CURRENT YEAR] (1)		$		$

(1) As of February 1, 20__.

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

EXHIBIT C

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.
		Upon receipt but no later than February 1, Issuer forwards payment to Trustee for all collections received as of February 1, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.
		Issuer and/or Administrator should be aware of actual and specific delinquencies.
		Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. **If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing**.
		Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding February and August.
		At this point, if total delinquencies are under 5% and if there is adequate funding for February and August payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the Issuer's counsel or an appropriate designee, will begin process to cure deficiency. **For properties delinquent by more than one year or if the delinquency exceeds $10,000 the matter will be**

[1] Illustrates anticipated dates and procedures for pursuing the collection of delinquent Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the 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.

		referred for commencement of foreclosure, in accordance with the Tax/Assessor Collector's procedures.
		If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full February and August payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the Tax/Assessor Collector's procedures.
February 15	15	Issuer and/or Administrator should be aware of actual and specific delinquencies. Trustee pays bond interest payments to Owners. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.
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 Tax/Assessor Collector's procedures. **Issuer and/or Administrator to notify Dissemination Agent in writing for disclosure to MSRB of all delinquencies.** **Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.** If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer. If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the

		Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
September 15	197/198	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than September 15 (day 197/198). **Foreclosure action to be filed with the court**. **Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners**. If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

EXHIBIT D

CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

THIS LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this "Agreement"), dated as of August 11, 2022, is by and between the **TOWN OF LAKEWOOD VILLAGE, TEXAS**, a Type A General Law municipality of the State of Texas (the "Town"), and **C AND C LAND, LLC**, a Texas limited liability company (the "Developer").

ARTICLE I
DEFINITIONS

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

"Act" means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

"Actual Costs" means, as applicable, (i) the costs of the PID Improvements actually paid or incurred for construction and installation of the PID Improvements in accordance with the Service and Assessment Plan or (ii) the costs of the Town Improvements actually paid or incurred for construction and installation of the Town Improvements in accordance with the Service and Assessment Plan.

"Administrator" means, initially, P3 Works, LLC, or any other individual or entity designated by the Town 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, collectively, the PID Improvements and the Town Improvements.

"Bond Ordinance" means the ordinance adopted by the Town Council on August 11, 2022 authorizing the issuance of the Bonds pursuant to the Indenture.

"Bonds" means the Town's bonds designated "Town of Lakewood Village, Texas, Special Assessment Revenue Bonds, Series 2022 (Lakewood Village Public Improvement District No. 1 Project)".

"Budgeted Costs" means the anticipated, agreed upon costs of the Authorized Improvements as shown in the Service and Assessment Plan.

"Certificates of Obligation" means the Town's $4,990,000 Town of Lakewood Villages Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022.

"Closing Disbursement Request" means the certificate, substantially in the form of **Exhibit A** hereto or otherwise mutually agreed to by the Developer, Administrator, and Town Representative, executed by an engineer, construction manager or other person or entity acceptable to the Town, as evidenced by the signature of a Town 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 and PID Improvements, if any.

"Construction Contracts" means the contracts for the construction of a PID Improvement. "Construction Contract" means any one of the Construction Contracts.

"Cost" means the Budgeted Costs or the cost of a PID Improvement as reflected in a Construction Contract, if greater than the Budgeted Costs.

"Costs of Issuance Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"Development Agreement" means that certain Development Agreement by and between the Town and The Sanctuary Texas, LLC, effective October 1, 2021, as assigned to the Developer, as amended by that First Amendment to Development Agreement dated November 10, 2022 between the Developer and the Town, and as the same may be further amended from time to time, as partially assigned to and assumed by Taylor Morrison of Texas, Inc.

"District" shall mean the Lakewood Village Public Improvement District No. 1 created June 30, 2022.

"Final Completion" means completion of a PID Improvement in compliance with existing Town standards for dedication under the Town's ordinances and the Development Agreement.

"Indenture" means that certain Indenture of Trust between the Town and BOKF, NA, as trustee, dated as of August 1, 2022 relating to the Bonds.

"Mayor" means the Mayor of the Town, or its designee.

"PID Cost Overrun" means, with respect to each PID Improvement, the Actual Cost, as appropriate, of such PID Improvement in excess of the Budgeted Cost.

"PID Improvements Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"PID Improvements" shall have the meaning ascribed to it in the Service and Assessment Plan.

"PID Improvements Certification for Payment" means a certificate, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the Developer, the Administrator and the Town Representative, provided no more frequently than once per each month to the Town Representative and the Trustee, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment for Actual Costs of PID Improvements under the Indenture.

"Plans" means the plans, specifications, schedules and related construction contracts for the PID Improvements, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the Town, 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.

"**Release Restrictions**" shall have the meaning ascribed to such term in the Indenture.

"Service and Assessment Plan" means the Lakewood Village Public Improvement District No. 1 Service and Assessment Plan adopted by a Town ordinance on August 11, 2022 by the Town Council, prepared pursuant to the Act.

"Town Cost Overrun" means, with respect to each Town Improvement, the Actual Cost, as appropriate, of such Town Improvement in excess of the Budgeted Cost.

"Town Improvements" shall have the meaning ascribed to it in the Service and Assessment Plan.

"Town Improvements Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"Town Improvements Certification for Payment" means a certificate, substantially in the form of **Exhibit C** hereto or otherwise agreed to by the Administrator, the Town Representative and the Developer, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment for Actual Costs of Town Improvements under the Indenture.

"Town Inspector" means an individual employed by or an agent of the Town whose job is, in part or in whole, to inspect infrastructure to be owned by the Town for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

"Town Representative" means the Mayor or any other official or agent of the Town later authorized by the Town to undertake the action referenced herein.

"Trustee" shall have the meaning ascribed to such term in the Indenture.

"**Unrestricted Amount**" shall have the meaning ascribed to such term in the Indenture.

ARTICLE II
RECITALS

Section 2.01. The District and the Authorized Improvements.

(a) The Town has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Authorized Improvements.

(b) The Town 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 Authorized Improvements in accordance with the terms and limitations of the Development Agreement, this Agreement, and the Service and Assessment Plan.

(c) All Authorized Improvements are eligible to be financed with proceeds of the Bonds to the extent specified herein.

(d) The proceeds from the issuance and sale of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the PID Improvements for acquisition and acceptance by the Town, in accordance with the terms and conditions contained in the Development Agreement and this Agreement.

(f) The Town will undertake, oversee, or ensure the construction and development of the Town Improvements 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 Town 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 Town, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) The projects to be financed in part with the proceeds of the Bonds are the Authorized Improvements. The payment of costs from the proceeds of the Bonds for the PID Improvements shall be made from the PID Improvements Account of the Project Fund established under the Indenture. The payment of costs from the proceeds of the Bonds for the Town Improvements shall be made from the Town Improvements Account of the Project Fund established under the Indenture.

(c) The Town's obligation with respect to the payment of the PID Improvements shall be limited to the lesser of the Actual Costs or Budgeted Costs, and shall be payable solely from amounts on deposit for the payment of such costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all PID Cost Overruns and all expenses related to the PID Improvements, qualified, however, by the distribution of PID Cost Underrun (as defined in Section 4.04 hereof) monies, as detailed in Section 4.04. Notwithstanding the foregoing, in the event of a Town Cost Underrun (as defined herein), the Town and Developer acknowledge that after completion of the Town Improvements, amounts on the deposit in the Town Improvements Account of the Project Fund may be transferred to the PID Improvements Account of the Project Fund for payment of Actual Costs associated with the PID Improvements as specified in the Indenture.

(d) The Town shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment.

(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 PID Improvements shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the PID Improvements required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

(f) The Developer acknowledges that some funds may not be immediately available for reimbursement for Actual Costs submitted and approved with an approved PID Improvements Certification for Payment. Both parties acknowledge that these remaining amounts will be disbursed, subject to the provisions of Section 5.02(b), to the extent of available monies in the Project Fund under the terms of the Indenture and this Agreement for the payment of such costs.

(g) The Town shall construct the Town Improvements utilizing funds from the Certificates of Obligation and funds deposited in the Town Improvements Account of the Project Fund (the "Available Town Improvement Funds"). The Town and the Developer agree that the costs of the Town Improvements shall be paid from the Available Town Improvement Funds on a pro-rata basis based on the allocation provided for in the Town Improvements Allocation Letter attached as Appendix B to the Service and Assessment Plan (the "Allocation Letter"). The Town shall request no more than the percentage of the costs for each category of the Town Improvements

allocated to the Developer as provided in the Allocation Letter from the Town Improvements Account of the Project Fund.

Section 3.02 Accounts. All disbursements from the PID Improvements Account of the Project Fund shall be made by the Town in accordance with provisions of the Development Agreement, the Service and Assessment Plan, this Agreement, and the Indenture. Disbursements from the Town Improvements Account of the Project Fund shall be made in accordance with this Agreement and the Indenture, and pursuant to the Town Improvements Certification for Payment attached hereto as **Exhibit C**.

ARTICLE IV
CONSTRUCTION OF THE PID IMPROVEMENTS

Section 4.01. Duty of Developer to Construct.

(a) All PID Improvements shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of PID Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all PID Improvements, to be acquired and accepted by the Town, 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 PID Improvement and, upon completion, inspection, and acceptance, convey each such PID Improvement to the Town, in accordance with the terms hereof, even if there are insufficient funds in the Project Fund or other funds or account 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 PID Improvements required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The PID Improvements shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the Town with respect to the PID Improvements.

Section 4.04. Remaining Funds After Completion of an Authorized Improvement. Upon the Final Completion of a PID Improvement and payment of all outstanding invoices for such PID Improvement, if the Actual Cost of such PID Improvement is less than the Budgeted Cost of such PID Improvement (a "PID Cost Underrun"), any remaining Budgeted Cost may be made available to pay PID Cost Overruns on any other PID Improvement. The Town shall promptly confirm to the Administrator that such remaining amounts are available to pay such PID Cost Overruns, and the Developer, the Administrator and the Town Representative will agree how to use such moneys to secure the payment and performance of the work for other PID Improvements and shall include this update in the next Annual Service Plan Update. Any PID Cost Underrun for any PID Improvement is available to pay PID Cost Overruns on any other PID Improvement.

Upon the completion of a Town Improvement and payment of all outstanding invoices for such Town Improvement, if the Actual Cost of such Town Improvement is less than the Budgeted Cost of such Town Improvement (a "Town Cost Underrun"), any remaining Budgeted Cost may be made available to pay Town Cost Overruns on any other Town Improvement. The Town shall promptly confirm to the Administrator that such remaining amounts are available to pay such Town Cost Overruns, and the Administrator, the Town Representative, and the Developer will agree how to use such moneys to secure the payment and performance of the work for other Town Improvements and shall include this update in the next Annual Service Plan Update. Any Town Cost Underrun for any Town Improvement is available to pay Town Cost Overruns on any other Town Improvement. Town Cost Underruns for any Town Improvements shall be applied pro-rata to the portion of the Town Improvements allocable to the District and the portion of such Town Improvements funded by the Certificates of Obligation.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as "change orders") required for the construction of the PID Improvements. Developer or its contractors may approve and implement any change orders, even if such change order would increase the Cost of a PID Improvement, but the Developer shall be solely responsible for payment of any PID Cost Overruns resulting from such change orders except to the extent amounts are available pursuant to Section 4.04. If any change order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the Town for approval by the Town's engineer prior to execution of the change order.

Change orders resulting in increases in the Budgeted Cost of the Town Improvements shall be apportioned between the Developer, the Town, and additional participating developers as described in the Development Agreement.

ARTICLE V
ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Payment Requests for Disbursements at Closing. In order to receive the disbursement from the Costs of Issuance Account of the Project Fund or the PID Improvements Account of the Project Fund at closing of the Bonds related to costs of issuance of the Bonds or costs incurred in the creation of the District, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise acceptable and agreed to by the Town, to be delivered to the Town, with a copy to the Administrator, no less than three (3) 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 the disbursement for a PID Improvement from the PID Improvements Account of the Project Fund at closing of the Bonds, subject to the limitations set forth in Section 5.02(b) hereof, the Developer shall execute a PID Improvements Certification for Payment, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the Town, to be delivered to the Town no later than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. Upon approval by the Town, the Town shall submit a Closing Disbursement Request or a PID Improvements Certification for Payment, as applicable, to the Trustee for disbursement to be made from the Costs of Issuance Account of the Project Fund or the PID Improvements Account of the Project Fund, as applicable.

Section 5.02. Certification for Payment for a PID Improvement.

(a) No payment hereunder shall be made from the PID Improvements Account of the Project Fund to the Developer for work on a PID Improvement until a PID Improvements Certification for Payment is received from the Developer. Upon receipt of a PID Improvements Certification for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation required by the Town) from the Developer, the Town Inspector shall conduct a review in order to confirm that such request is complete, that the work with respect to such PID Improvement identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the Actual Cost of such work specified in such PID Improvements Certification for Payment (collectively, the "Developer Compliance Requirements"). The Town Inspector and/or the Town Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the PID Improvements Certification for Payment. The Developer agrees to cooperate with the Town Inspector and/or Town Representative in conducting each such review and to provide the Town Inspector and/or Town Representative with such additional information and documentation as is reasonably necessary for the Town Inspector and/or Town Representative to conclude each such review.

(b) Until such time as the Unrestricted Amount has been disbursed from the PID Improvements Account, the Trustee may pay the Actual Costs of a PID Improvement, as shown on an approved PID Improvements Certification for Payment from the PID Improvements Account of the Project Fund. Once the Unrestricted Amount has been disbursed from the PID Improvements Account of the Project Fund, and prior to the satisfaction of the Release Restriction and receipt of a Town Certificate confirming the satisfaction of the Release Restriction, the Town may not approve a PID Improvements Certification for Payment and the Trustee may not release funds from the PID Improvements Account to pay the Actual Costs of a PID Improvement. After the Trustee has received a Town Certificate confirming that the Release Restriction has been satisfied, the Trustee may resume paying the Actual Costs of a PID Improvement, as shown on an approved PID Improvements Certification for Payment, from the PID Improvements Account. Once the Town Certificate confirming the Release Restriction has been satisfied is delivered to the Trustee, no additional Town Certificate is required to disburse funds in excess of the Unrestricted Amount, pursuant to an approved Certification for Payment; provided, however, that each such PID Improvements Certification for Payment requesting an amount that would exceed the Unrestricted Amount shall include provisions setting forth that the Release Restriction has been satisfied, as set forth in the form attached as Exhibit B hereto.

(c) Within fifteen (15) business days of receipt of any PID Improvements Certification for Payment, and subject to the provisions of Section 5.02(b), the Town Representative shall either (i) approve and execute the PID Improvements Certification for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.04(a) hereof or (ii) in the event the Town Representative disapproves the PID Improvements Certification for Payment, give written notification to the Developer of the Town Representative's disapproval, in whole or in part, of such PID Improvements Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such PID Improvements Certification for Payment. If a PID Improvements Certification for Payment seeking reimbursement is approved only in part, the Town Representative shall specify the extent to which the PID Improvements Certification for Payment is approved and, and subject to the provisions of Section 5.02(b), shall deliver such partially approved PID Improvements Certification for Payment to the Administrator for approval in accordance with Section 5.04 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 5.04 notwithstanding such partial denial.

(d) If the Town Representative denies the PID Improvements Certification for Payment, the denial must be in writing, stating the reason(s) for denial. The denial may be appealed to the Town Council by the Developer in writing within thirty (30) days of being denied by the Town Representative. Denial of the PID Improvements Certification for Payment by the Town 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 PID Improvements Certification for Payment shall not be forwarded to the Trustee for payment until the dispute is resolved by the Town and the Developer.

(e) The Developer shall deliver the approved or partially approved PID Improvements Certification for Payment to the Trustee for payment and, subject to the provisions of Section 5.02(b), the Trustee shall make such payment from the PID Improvements Account of the Project Fund in accordance with Section 5.04 below.

Section 5.03. Payment Requests for Town Improvements.

(a) No payment hereunder shall be made from the Town Improvements Account of the Project Fund to the Town for work on a Town Improvement until a Town Improvements Certification for Payment is received from the Town. The Town shall first submit the Town Improvements Certification for Payment to the Developer, with a copy to the Administrator. Upon receipt of a Town Improvements Certification for Payment substantially in the form of **Exhibit C** hereto (and all accompanying documentation) from the Town, the Developer shall conduct a review in order to confirm that the allocation of the costs of the Town Improvements is in accordance with the Allocation Letter. The Town agrees to cooperate with the Developer in conducting each such review and to provide the Developer with such additional information and documentation as is reasonably necessary for the Developer to conclude each such review.

(b) Within ten (10) business days of receipt of any Town Improvements Certification for Payment, the Developer shall either (i) approve and execute the Town Improvements Certification for Payment or (ii) in the event the Developer disagrees with the allocation of the costs of Town Improvements set forth in the Town Improvements Certification for Payment, give written notification to the Town and Administrator of the Developer's disapproval, in whole or in part, of such Town Improvements Certification for Payment. If a Town Improvements Certification for Payment seeking reimbursement is approved only in part, the Developer shall specify the extent to which the Town Improvements Certification for Payment is approved.

Upon approval by the Developer, the Town shall forward approved Town Improvements Certificates for Payment to the Administrator for approval and delivery to the Trustee for payment to the Town in accordance with Section 5.04(a) hereof.

The Town shall deliver a partially approved Town Improvements Certifications for Payment to the Administrator for approval in accordance with Section 5.04 hereof and delivery to the Trustee, and any such partial work shall be processed for payment under Section 5.04 notwithstanding such partial denial.

(c) The Developer and the Town shall work to solve any disputes related to the denial or partial denial of any Town Improvements Certification for Payment through discussions with

an independent engineer appointed by the Developer and the Town Engineer. If such discussions are unsuccessful, the dispute 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 the Developer and the Town. The Town Improvements Certification for Payment shall not be forwarded to the Trustee for payment until the dispute is resolved by the Town and the Developer.

(d) The Town shall deliver the approved or partially approved Town Improvements Certification for Payment to the Trustee for payment and the Trustee shall make such payment from the Project Fund in accordance with Section 5.04 below.

Section 5.04. Payment for Authorized Improvements.

(a) Upon receipt of a reviewed and approved PID Improvements Certification for Payment, the Trustee shall make payment from PID Improvements Account of the Project Fund pursuant to the terms of the PID Improvements Certification for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular PID Improvement, unless a PID Cost Overrun amount has been approved for a particular PID Improvement. If a PID Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved PID Cost Overrun amount. Upon receipt of a reviewed and approved Town Improvements Certification for Payment, the Trustee shall make payment from Town Improvements Account of the Project Fund pursuant to the terms of the Town Improvements Certification for Payment and the Indenture.

(b) Approved PID Improvement Certifications for Payment and Town Improvements Certifications for Payment that await reimbursement shall not accrue interest. Additionally, PID Improvement Certifications for Payment awaiting approval pursuant to the provisions of Section 5.02(b), shall not accrue interest.

(c) (1) Notwithstanding any other provisions of this Agreement, when payment is made, the Trustee shall make payment directly to the general contractor or supplier of materials or services or jointly to the Developer (or any permitted assignee of the Developer) and the general contractor or supplier of materials or services, as indicated in an approved PID Improvements Certification for Payment, out of available and appropriate funds in PID Improvements Account of the Project Fund. If the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such PID Improvement identified in such request for payment being paid, then Trustee shall hold the payment until work with respect to that PID Improvement has been completed and accepted by the Town. If an unconditional lien release related to the items referenced in the PID Improvements Certification for Payment is attached to such PID Improvements Certification for Payment, and subject to the provisions of Section 5.02(b), the Trustee shall make such payment to the Developer or any permitted assignee of the Developer. In the event the Developer

provides a general contractor's or supplier of materials' unconditional lien release for a portion of the work covered by a PID Improvements Certification for Payment, and subject to the provisions of Section 5.02(b), the Trustee will make such payment directly to the Developer or any permitted assignee of the Developer to the extent of such lien release.

(2) Notwithstanding any other provisions of this Agreement, when payment is made, the Trustee shall make payment directly to the general contractor or supplier of materials or services or jointly to Town and the general contractor or supplier of materials or services, as indicated in an approved Town Improvements Certification for Payment, out of available and appropriate funds in Town Improvements Account of the Project Fund.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the Town 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 Town 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 PID Improvement to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any PID Improvement is contested, the Developer shall post or cause delivery of a surety bond in the amount determined by the Town or Town may decline to accept the PID Improvements until such mechanics or materialman's lien and/or judgment is satisfied.

ARTICLE VI
OWNERSHIP AND TRANSFER OF PID IMPROVEMENT

Section 6.01. PID Improvements to be Owned by the Town– Title Evidence. If required by the Town, the Developer shall furnish to the Town a preliminary title report for land with respect to a PID Improvement to be acquired and accepted by the Town from the Developer and not previously dedicated or otherwise conveyed to the Town for review and approval at least thirty (30) calendar days prior to the transfer of title of a PID Improvement to the Town. The Town shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the Town, could materially affect the Town'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 Town does not approve the preliminary title report, the Town shall not be obligated to accept title to the PID Improvement until the Developer has cured such objections to title to the satisfaction of the Town.

Section 6.02. PID Improvements Constructed on Town Land or Developer Land. If any PID Improvement is on land owned by the Town, the Town 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 PID Improvement. If any PID Improvement is on land owned

by a landowner other than the Developer, the Developer shall require the landowner to grant an easement to the Town to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the PID Improvement. The grant of the permanent easement shall not relieve the landowner of any obligation to grant the Town title to property and/or easements related to the PID Improvement as required by the Development Agreement or as should in the Town's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such PID Improvement. The provisions for inspection and acceptance of such PID Improvement otherwise provided herein shall apply.

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the Town as follows:

(a) Organization. The Developer is a limited liability company duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and the Development Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the PID Improvements in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the PID Improvements.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition construction or installation of any improvements that are not part of the costs associated with the PID Improvements, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the PID Improvements Certifications for Payment.

(f) Financial Records. For a period of two years after completion of the PID Improvements, the Developer covenants to maintain proper books of record and account for the construction of the PID Improvements and all Costs related thereto. Such accounting books shall

be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the Town 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 Town 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 PID Improvements have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, this Agreement and the Development Agreement. Developer shall provide as-built plans for all PID Improvements to the Town.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the Town Manager and the Town Representative related to the status of construction of the PID Improvements within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or Town Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement of the Development Manager executed by the Developer in connection with the Bonds.

(j) Tax Certificate. The Town 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 Town 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 PID Improvements) that would cause any of the covenants or agreements of the Town contained in the Tax Certificate to be violated or that would otherwise

have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE TOWN INSPECTOR, THE TOWN, 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 PID IMPROVEMENTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE PID IMPROVEMENTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE PID IMPROVEMENTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE PID IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE PID IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND TOWN AGAINST ALL SUCH CLAIMS, AND TOWN IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, TOWN SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY TOWN 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 INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN TOWN-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND DEVELOPER SHALL BE JOINTLY AND SEVERALLY 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 Town; Changes to Indenture. The Town 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 PID Improvements, the Town 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 PID Improvements is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer is or may be substantially increased or otherwise adversely affected in any manner, or (c) the rights of the Developer is 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 Town and the Developer, in which event the Town may either execute contracts for

or perform any remaining work related to the PID Improvements not accepted by the Town or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of a PID Improvement hereunder, except as otherwise may be provided in such written consent.

Section 8.02. Town's Election for Cause.

(a) The Town, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the Town shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the Town Inspector and other appropriate Town staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the PID Improvements. Such options may include, but not be limited to, the termination of this Agreement by the Town. If the Town elects to terminate this Agreement, the Town shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the Town to receive such notice) of the grounds for such termination and allow the Developer a minimum of 45 days to eliminate or to mitigate to the satisfaction of the Town the grounds for such termination. Such period may be extended, at the sole discretion of the Town, if the Developer, to the reasonable satisfaction of the Town, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the Town, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the Town, the Town may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work accepted by the Town related to a PID Improvement only as provided for under the terms of the Indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the Town to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the Town may in its discretion cause the Trustee to cease making payments for the Actual Costs of PID Improvements, provided that the Developer shall receive payment of the Actual Costs of any PID Improvements that were accepted by the Town at the time of the occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement.

(c) If this Agreement is terminated by the Town for cause, the Town may either execute contracts for or perform any remaining work related to the PID Improvements not accepted by the Town 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 PID Improvements hereunder, except as otherwise may be provided upon the mutual written consent of the Town and the Developer. The Town shall have no obligation to perform any work related to a PID Improvement or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the Town 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 PID Improvements Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the PID Improvements in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) ("Force Majeure"), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.05 shall not apply unless, upon the occurrence of an event of Force Majeure, the party needing additional time to perform notifies the other party of the event of Force Majeure and the amount of additional time reasonably required within ten (10) business days of the occurrence of the event of Force Majeure.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Limited Liability of Town. The Developer agrees that any and all obligations of the Town arising out of or related to this Agreement are special obligations of the Town, and the Town'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 Town, the Town Inspector, Town Representative nor any other Town 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 Town Inspector, Town Representative or a finance officer of the Town 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 PID Improvements and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the Town:	Attn: Chief Financial Officer Town of Lakewood Village, Texas 100 Highridge Drive Lakewood Village, Texas 75068
With a copy to:	Attn: Matthew Boyle Boyle & Lowry LLP 4201 Wingren, Suite 108 Irving, Texas 75062
And to:	Attn: Bond Counsel Robert Dransfield Norton Rose Fulbright US LLP 2200 Ross Avenue, Suite 3600 Dallas, Texas 75201-7932
To the Developer:	Attn: Brian Cramer and Larry Corson C and C Land, LLC 4925 Greenville Avenue, Suite 604 Dallas, Texas 75206
With a copy to:	Attn: Drew Slone Winstead PC 500 Winstead Building 2728 N. Harwood Street Dallas, Texas 75201

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 Town 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 Town pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the Town. 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 Town Manager, except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for a PID Improvement, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the PID Improvement. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the Town being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the Town. In connection with any consent of the Town, the Town may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee's express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the Town deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned. The Town 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 Town'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 Town 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 Town or the Developer shall be for the sole and exclusive benefit of the Town and the Developer.

Section 9.10. Amendment. This Agreement may be amended upon agreement of the parties, 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 thirty (30) years and 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 PID Improvements that have been approved by the Town pursuant to a PID Improvements Certification for Payment prior to the date of default.

Section 9.14 No Waiver of Powers or Immunity. The Town 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. No Boycott 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 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. The foregoing verification is made solely to enable the

Town to comply with such Section and to the extent such Section does not contravene applicable Federal 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. The Developer understands 'affiliate' to mean 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.

Section 9.16. Not a Listed 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, 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 Town to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 9.17. Verification Regarding Energy Company Boycotts. 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 Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the Town to comply with such Section and to the extent such Section does not contravene applicable Texas or federal 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. As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 9.18. Verification Regarding Discrimination Against Firearm Entity or Trade Association.

To the extent this Agreement constitutes a contract for goods or services for which a written verification 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 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. The foregoing verification is made solely to enable the Town to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification and the following definitions:

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(ii) '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

(iii) '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.

As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.

TOWN OF LAKEWOOD VILLAGE, TEXAS

By: _____
Mayor

ATTEST:

_____
Town Secretary

(Town Seal)

DEVELOPER:

C AND C LAND, LLC,
a Texas limited liability company

By:_____
Name:
Title:

Exhibit A

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for C and C Land, LLC, (the "Developer") and requests payment from:

[the Costs of Issuance Account of the Project Fund][the PID Improvements Account of the Project Fund] (as defined in the Lakewood Village Public Improvement District No. 1 Construction, Funding, and Acquisition Agreement) from BOKF, NA (the "Trustee") in the amount of _____DOLLARS ($_____) for costs incurred in the establishment, administration, and operation of the Lakewood Village Public Improvement District No. 1 (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 Town 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 Town.

3. The amount listed for the above itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Lakewood Village Public Improvement District No. 1 Construction, Funding, and Acquisition Agreement, the Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture (as defined in the Lakewood Village Public Improvement District No. 1 Construction, Funding, and Acquisition Agreement) for the payment hereby requested have been satisfied.

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

C AND C LAND, LLC

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY TOWN

The Town is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the Town approves the Closing Disbursement Request and shall include said payments in the Town Certificate submitted to the Trustee directing payments to be made from the Costs of Issuance Account of the Project Fund, and/ or the PID Improvements Account of the Project Fund, as applicable, upon delivery of the Bonds. The Town's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the Town from asserting claims under the Lakewood Village Public Improvement District No. 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 a PID Improvement.

TOWN OF LAKEWOOD VILLAGE, TEXAS

By: _____

Name: _____
Title: _____
Date: _____

Exhibit B

CERTIFICATION FOR PAYMENT FORM – PID IMPROVEMENTS

CERTIFICATION FOR PAYMENT NO. _____

The undersigned is a lawfully authorized representative for C and C Land, LLC (the "Developer") and requests payment from the PID Improvements Account of the Project Fund from BOKF, NA (the "Trustee") in the amount of _____ for labor, materials, fees, and/or other general costs related to the construction and installation of the following PID Improvements related to the Lakewood Village Public Improvement District No. 1:

[insert specific PID Improvement this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Lakewood Village Public Improvement District No. 1 Construction, Funding, and Acquisition Agreement.

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

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certification for Payment Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced PID Improvement(s) has not been the subject of any prior payment request submitted for the same work to the Town or, if previously requested, no disbursement was made with respect thereto.

3. The itemized amounts listed for the PID Improvement(s) below are a true and accurate representation of the Actual Costs incurred by Developer with the construction and installation of said PID Improvement(s) identified above, and such costs (i) are in compliance with the Lakewood Village Public Improvement District No. 1 Construction, Funding, and Acquisition Agreement, and (ii) are consistent with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Lakewood Village Public Improvement District No. 1 Construction, Funding, and Acquisition Agreement, the Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The work with respect to the PID Improvement(s) identified above (or its completed segment, portion or segment) has been completed and the Town has inspected

or may begin inspection of the PID Improvement(s). If this request for payment results in ninety percent (90%) or more of the Budgeted Costs for the PID Improvement(s) identified above being paid, then the work with respect to the PID Improvement(s) have been completed and the Town has inspected AND accepted the PID Improvement(s).

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

Payments requested are as follows:

Payee / Description of PID Improvement	**Total Cost of PID Improvement**	**Budgeted Cost of PID Improvement**	**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 Lakewood Village Public Improvement District No. 1 Construction, Funding, and Acquisition Agreement, after receiving this Payment Request, the Town is authorized to inspect the PID Improvement (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

[FOR REQUESTS FOR PAYMENT IN EXCESS OF THE UNRESTRICTED AMOUNT (AS DEFINED IN THE LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 CONSTRUCTION, FUNDING AND ACQUISITION AGREEMENT, THE FOLLOWING REPRESENTATION MUST BE PROVIDED]

[With this PID Improvements Certification for Payment, the Developer is requesting the disbursement of moneys from the PID Improvements Account of the Project Fund which, together with previously disbursed funds from the PID Improvements Account of the Project Fund would be in excess of the Unrestricted Amount. The Developer, hereby certifies, that as of the date of the submission of this Certification for Payment the Town has issued a certificate of occupancy for at least 50 homes. The total amount drawn from the PID Improvements Account of the Project Fund, inclusive of the amounts requested under this PID Improvements Certification for Payment is $_____]

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.

C AND C LAND, LLC

By:_____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY TOWN

The Town is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the Town approves the Certification for Payment and shall include said payments in the Town Certificate submitted to the Trustee directing payments to be made from the appropriate Project Fund account. The Town's approval of the Certification for Payment shall not have the effect of estopping or preventing the Town from asserting claims under the Lakewood Village Public Improvement District No. 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 PID Improvements.

[FOR REQUESTS FOR PAYMENT IN EXCESS OF THE UNRESTRICTED AMOUNT (AS DEFINED IN THE LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 CONSTRUCTION, FUNDING AND ACQUISITION AGREEMENT, THE FOLLOWING REPRESENTATION MUST BE PROVIDED]

[The Town hereby certifies that 50 certificates of occupancy have been issued for homes within the District and the Release Restriction set forth in the Indenture has been satisfied and the Trustee may rely on this certificate confirming the satisfaction of the Release Restriction]

TOWN OF LAKEWOOD VILLAGE, TEXAS

By: _____

Name: _____
Title: _____
Date: _____

Exhibit C

CERTIFICATION FOR PAYMENT FORM – TOWN IMPROVEMENTS

CERTIFICATION FOR PAYMENT NO. _____

The undersigned is a lawfully authorized representative for the Town of Lakewood Village, Texas (the "Town") and requests payment from the Town Improvements Account of the Project Fund from BOKF, NA (the "Trustee") in the amount of _____ for labor, materials, fees, and/or other general costs related to the construction and installation of the following Town Improvements related to the Lakewood Village Public Improvement District No. 1 (the "PID"):

[insert specific Town Improvement this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Lakewood Village Public Improvement District No. 1 Construction, Funding, and Acquisition Agreement.

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

1. The undersigned is a duly authorized officer of the Town, is qualified to execute this Certification for Payment Form on behalf of the Town, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced Town Improvement(s) has not been the subject of any prior payment request submitted for the same work to the Town or, if previously requested, no disbursement was made with respect thereto.

3. The itemized amounts listed for the Town Improvement(s) below are a true and accurate representation of the Actual Costs incurred by Town with the construction and installation of said Town Improvement(s) identified above, and such costs (i) are in compliance with the Lakewood Village Public Improvement District No. 1 Construction, Funding, and Acquisition Agreement, and (ii) are consistent with the Service and Assessment Plan.

4. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

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

Payments requested are as follows:

Payee / Description of Town Improvement	**Total Cost of Town Improvement**	**Allocated Percentage of Cost of Town Improvement to the PID**	**Amount to be paid from the Town Improvements Account of the Project Fund**

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments.

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

TOWN OF LAKEWOOD VILLAGE, TEXAS

By:_____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY DEVELOPER

The Developer is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the Developer approves the Certification for Payment solely with respect to the percentage allocation as outlined in the Allocation Letter and the inclusion of said payments in the Town Certificate submitted to the Trustee directing payments to be made from the appropriate Project Fund account. The Developer makes no representations as to the completeness or sufficiency of the Town Improvements.

C AND C LAND, LLC

By: _____

Name: _____
Title: _____
Date: _____

THE TOWN OF LAKEWOOD VILLAGE, TEXAS

RESOLUTION NO. 22-XX

A RESOLUTION OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, DISAPPROVING OF THE DENTON CENTRAL APPRAISAL DISTRICT 2023 BUDGET.

WHEREAS, the Town of Lakewood Village is a taxing entity within the Denton Central Appraisal District and relies on the Denton Central Appraisal District for appraising property within the boundaries of the county for ad valorem tax purposes; and

WHEREAS, the Denton Central Appraisal District operations are funded solely by the local taxing entities served by the appraisal district, which includes the Town of Lakewood Village; and

WHEREAS, on July 28, 2022 the Denton Central Appraisal District Board of Directors voted to approve of the 2023 budget in the amount of $17,997,944.33, an increase of 17.45% over the current 2022 budget; and

WHEREAS, pursuant to Chapter 6 of the Texas Property Tax Code, each taxing unit has a right to adopt a resolution disapproving of the Denton Central Appraisal District budget; and

WHEREAS, the Section 6.06(b) of the Texas Property Tax Code further states that "if governing bodies of a majority of the taxing units entitled to vote on the appointment of board members adopt resolutions disapproving a budget and file them with the secretary of the board within 30 days after its adoption, the budget does not take effect, and the board shall adopt a new budget within 30 days of the disapproval."

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, THAT:

1. The Town Council disapproves of the 2023 budget of the Denton Central Appraisal District; and
2. This action demonstrates a lack of confidence in the Denton Central Appraisal District.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, on this 11th day of August 2022.

_____
Dr. Mark E. Vargus
Mayor

ATTEST:

_____
Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary

Andy Eads
Denton County Judge

August 2, 2022

Denton County Judge Andy Eads delivered the following remarks during Commissioners Court today regarding the Denton Central Appraisal District and the resolution disapproving of the 2023 Denton CAD budget.

As prepared for delivery:

For several months, this Court has been critical of the operations of the Denton Central Appraisal District and sent a formal letter back in January to the Board of Directors expressing our great frustrations and lack of trust with the Denton CAD. It took over two months for them to reply.

To receive the latest news that the Denton CAD was unable to meet the deadline to deliver a Certified Tax Roll to the taxing entities and instead provided us with a Certified Estimate adds to our continued disappointment with the appraisal district.

More importantly, as a taxing entity, the County cannot maximize tax relief to our citizens during our current budget process if we do not have numbers that we can rely on.

Our County budget process is simple compared to the school districts and the complexities of funding education in the state.

Many people move to Denton County because of our great schools and we recognize the need for strong schools within our county.

It is concerning to me that the State Comptroller found that the Denton CAD failed to meet the ratio studies for several of our local school districts in tax year 2021, which can ultimately reduce funding for our schools.

From my understanding, the Denton CAD did not notify these school districts of this finding. Instead, some learned the property values were invalid from the Comptroller's Office.

In the Denton CAD's letter on July 21 to the taxing entities, the staff makes a plea to the taxing entities to approve the 2023 budget – a budget which increases by over 17%.

To increase a budget by over 17% is a clear sign that the appraisal district is out of touch with the needs of the taxing entities, especially as we face rising costs to provide services to our citizens, in addition to revenue caps imposed on us by the State Legislature.

For the past three years, the Denton County taxing entities have experienced challenges with DCAD's inability to timely and accurately certify the tax roll. This has been an alarming trend and the justification for not being able to meet the deadline is full of blame and excuses.

It is especially troubling the lack of trust in the information provided by the appraisal district. We recently reached out to the appraisal district to understand how over 24,000 properties under protests, which accounts for almost 25 percent of the total number of protests filed this season, were closed in the last week prior to sending a certified estimate to the taxing entities.

There is no doubt that many of the rank and file employees put in a lot of hard work. That is not the issue. We are all facing staffing challenges, yet we continue to do what is needed to meet the requirement. Examples include the law enforcement shortages we face in Denton County and working with other counties to house inmates to keep Denton County citizens safe or our school districts across the county facing teacher shortages yet still find ways to make sure our kids our educated.

When we face challenges, we have an opportunity to provide leadership and, sadly, leadership is lacking at Denton CAD.

While additional staffing requested in the new budget may be warranted due to Denton County's growth, lack of training among current staff is concerning. Adding an additional 18 full-time employees would not improve the situation if training, such as utilizing the software, is not addressed.

Exemptions are significantly delayed. This was publicly disclosed at the January board meeting by our Tax Assessor-Collector Michelle French, who discussed the challenges of not having exemptions applied to taxpayer accounts. At that time, exemption processing was six months behind. As I mentioned at a prior board meeting, I have taken calls from constituents who requested an exemption and it has been 9 months and still no response. Since January, very little has been done to resolve this situation.

The inability of the appraisal district to complete its work in a timely manner can have a devastating impact on our taxpayers, in particular, our elderly residents, disabled individuals and disabled veterans – all of whom will be forced to pay higher taxes without the exemptions in place. This is unacceptable.

A decision was made by the Denton CAD leadership to hire a Communications Liaison to help address "bad publicity." This clearly demonstrates a lack of prioritization when there is a significant need for additional residential appraisers to help with the protest process to meet the 95% threshold or customer service representatives to help get caught up on exemptions.

Additionally, in the recent five-year strategic plan presented at the board meeting last week, the report stated that there will be an effort to amend the 2022 budget to add 5 additional full-time employees and will utilize contingency funds in the upcoming months. Why was use of contingency funds not taken sooner to deliver a certified tax roll for this cycle?

The appraisal district has the ability to work with the taxing entities and amend the budget; however, no efforts were made during the 2022 appraisal cycle to find solutions to the continued challenges at the appraisal district.

As a taxing entity, we must know that DCAD is working efficiently and effectively before investing any more taxpayer dollars into the appraisal district.

This vote to veto the budget is also a vote of no confidence in the Denton Central Appraisal District. Denton County will not fund failure.

TOWN OF LAKEWOOD VILLAGE
CRITICAL WATER EMERGENCY
ORDINANCE 22-18

AN ORDINANCE OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS PROVIDING FOR EMERGENCY WATER OPERATIONS; ESTABLISHING EMERGENCY WATER RATES; ESTABLISHING A WATER RATIONING PLAN; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR A PENALTY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Lakewood Village, Texas is a Type A General Law Municipality located in Denton County, Texas, created in accordance with provisions of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, in August 2021 water well #2 failed and was deemed unrepairable, thereby reducing the town's water production by 30 percent; and

WHEREAS, until a new well can be constructed, the Town will be unable to provide fire flow unless residents significantly reduce their consumption; and

WHEREAS, in order to manage water use a strict water rationing plan limiting the operation of irrigation systems is essential;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, THAT:

Section 1: Findings

The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

Section 2: Penalty Clause

A. Violation

A person who knowingly violates any provision of this chapter is guilty of separate offenses for each day during which the violation is continued after notification. Neither allegation nor evidence of a culpable mental state is required for the proof of an offense defined by this ordinance.

B. Fine

After a single warning, the first offense is punishable for a fine up to $500. The minimum fine established in this paragraph shall be doubled for the second conviction of the same offense within any 12-month period and tripled for the third and subsequent convictions of the same offense within any 12-month period. At no time shall the minimum fine exceed the maximum fine of $2,000. After 4 violations, the town may prevent the use of the irrigation

system. If the use of irrigation has been discontinued due to repeated violations it may not be reinstated until the critical water emergency has been lifted.

Section 4: Legal Rights

The penal provision imposed under this Ordinance shall not preclude the Town of Lakewood Village from filing suit to enjoin the violation. The Town of Lakewood Village retains all legal rights and remedies available to it pursuant to local, state, and federal law.

Section 5: Severability

A. Unconstitutional or Invalid Section

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect.

B. Independent Sections

The Town hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and/or phrases be declared unconstitutional or invalid.

Section 6: Estoppel / Waiver

The failure of the Town to enforce any term or condition of this Ordinance shall not constitute a waiver or estoppel or any subsequent violation of this Ordinance.

Section 7: Effective Date

The amendments to this Ordinance shall become effective from and after its date of passage and publication as provided by law, and shall remain in force until such time as the Mayor or Town Council determine that the water emergency provisions are no longer necessary.

PASSED AND APPROVED by the Town Council of the Town of Lakewood Village, Texas this the 14th day of July, 2022

Dr. Mark E. Vargus
Mayor

ATTESTED:

Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary

WATER EMERGENCY ORDINANCE

Adopted: April 14, 2022
Amended: July 14, 2022

SECTION 1 Responsibility for Enforcement

Enforcement of this Ordinance shall be the responsibility of the Mayor, Mayor Pro-tem, his/her designee, or any persons duly appointed by the Town Council.

SECTION 2 Limitations on Irrigation Systems

3.1 Irrigation systems can only be operated between the hours of 9 a.m. and 9 p.m. Irrigation can only be done on the following days based on the dwelling address:

Monday & Thursday: Carrie, Highridge, Hillside
Tuesday & Friday: Stowe, Woodcrest, Lakecrest, Meadowlake
Wednesday & Saturday: Melody, Green Meadow, Peninsula, Parkwood
Sunday: <NONE>

SECTION 3 Exceptions

4.1 Typical above ground oscillating sprinklers attached to a garden hose can be used on any day between the hours of 9 a.m. and 9 p.m. Only one such sprinkler is allowed on each property. Hand watering is permitted at any time.

4.2 Washing of cars and boats is permitted so long as the hose has an automatic shut-off nozzle. The use of water to wash or remove debris from driveways is not permitted.

4.3 Filling of pools is permitted on any day between the hours of 9 a.m. and 9 pm.

SECTION 4 Emergency Water Rates

5.1 For usage under 20,000 gallons, the rates shall be those adopted in the Town's consolidated fee ordinance. For usage over 20,000 gallons, the following rates shall apply and supersede those in the consolidated fee ordinance.

20,000 gallons - 30,000 gallons → $12.00 per 1000 gallons
> 30,000 gallons → $25.00 per 1000 gallons

SECTION 5 Excessive Water Usage

It shall be unlawful for anyone to use more than 50,000 gallons in a billing period.

End of Exhibit A

Adoption and Summary of Amendments

Ordinance Number	Date	Summary
22-12	April 14, 2022	• Initial adoption
22-18	July 14, 2022	• Restricted watering hours to 9am to 9pm • Change top billing tier to 30,000 gallons • Added provision for reinstatement of irrigation service disconnected for violations.

TOWN OF LAKEWOOD VILLAGE, TEXAS

RESOLUTION NO. 22-___

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, PROVIDING FOR THE DEFEASANCE AND REDEMPTION OF THE OUTSTANDING "TOWN OF LAKEWOOD VILLAGE, TEXAS, CERTIFICATES OF OBLIGATION, SERIES 2014"; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to an ordinance passed and adopted by the Town Council (the "Town Council") of the Town of Lakewood Village, Texas (the "Town") on April 10, 2014 (the "Ordinance"), the Town has heretofore issued and there is currently outstanding certain certificates of obligation more particularly described as follows: "Town of Lakewood Village, Texas Certificates of Obligation, Series 2014" dated April 1, 2014, being a portion of the such certificates of obligation scheduled to mature on February 1 in each of the years 2023 and 2024, and aggregating in the principal amount of $362,000 (the "Defeased Certificates"); and

WHEREAS, in accordance with the provisions of Texas Government Code, Chapter 1207, as amended, the Town is authorized and empowered to deposit funds directly with the place of payment for the Defeased Certificates, or other authorized depository, and such deposit, when made in accordance with said statute, shall constitute the making of firm banking and financial arrangements for the discharge and full payment of the Defeased Certificates; and

WHEREAS, the Town Council of the Town further finds and determines that the Defeased Certificates should be redeemed prior to maturity on the date and in the manner hereinafter provided and in accordance with the requirements prescribed therefor and notice of redemption of such bonds should be approved and authorized to be given at this time by the Town Council.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS AS FOLLOWS:

SECTION 1. The recitals set forth above in this Resolution are true and correct and are hereby adopted as findings of the Town Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. To provide for the full payment and discharge of the Defeased Certificates in accordance with the terms of the Ordinance, the Mayor, Mayor Pro Tem, or Town Administrator of the Town is hereby authorized and directed to cause the sum of not to exceed $368,180.62 to be deposited with The American National Bank of Texas, Rockwall, Texas, from funds legally available for such purpose.

SECTION 3. The Defeased Certificates shall be redeemed and the same are hereby called for redemption on September 30, 2022, at the price of par and accrued interest to the date of redemption. The Town Secretary is hereby authorized and directed to file a copy of this Resolution, with The American National Bank of Texas, the paying agent/registrar for the

Defeased Certificates, in accordance with the redemption provisions applicable to such certificates; to provide and coordinate notice of the redemption of the Defeased Certificates in accordance with the provisions of the Ordinance; and to enter the Town's decision to exercise its right to redeem the Defeased Certificates into the minutes of the Town Council.

SECTION 4. The Mayor, Mayor Pro Tem, or Town Administrator are hereby authorized and directed to make all arrangements necessary to notify the holders of such Defeased Certificates of the Town's decision to redeem such certificates on the date and in the manner herein provided and in accordance with the Ordinance.

SECTION 5. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 6. This Resolution shall be in force and effect from and after its passage on the date shown below.

PASSED AND APPROVED THIS THE 11TH DAY OF AUGUST, 2022.

_____
Dr. Mark E. Vargus
Mayor

ATTESTED:

(Town Seal)

_____
Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary

TOWN OF LAKEWOOD VILLAGE

ORDINANCE NO. 22-XX

AN ORDINANCE OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS ADOPTING AND APPROVING THE BUDGET FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2022 AND TERMINATING ON SEPTEMBER 30, 2023 AND MAKING APPROPRIATIONS FOR EACH DEPARTMENT PROJECT AND ACCOUNT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the Town of Lakewood Village, Texas (the "Town") has caused to be filed with the Town Secretary a budget to cover all proposed expenditures of the government of the Town for the fiscal year beginning October 1, 2022 and terminating September 30, 2023, and

WHEREAS, the said budget shows as definitely as possible each of the various projects for which appropriations are set in the budget, and the estimated amount of money carried in the budget for each of such projects, and

WHEREAS, said budget has been filed with the Town Secretary and available for inspection by any taxpayer, and

WHEREAS, public notice of a public hearing on the proposed annual budget, stating the date, time, place, and subject matter of said hearing, was given as required by laws of the State of Texas, and

WHEREAS, such public hearing was held on July 14, 2022, July 28, 2022, and August 11, 2022 prior to the approval and ratification by the Town Council, and all those wishing to speak on the budget were heard, and

WHEREAS, the Town Council has studied said budget and listened to the comments of the taxpayers at the public hearing held therefore and has determined that the budget attached hereto is in the best interest of the Town of Lakewood Village.

NOW, THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:

1. That the budget attached hereto as Exhibit "A" and incorporated herein for all purposes is adopted for the fiscal year beginning October 1, 2022 and ending September 30, 2023; and such purposes, respectively such sums of money for such projects, operations, activities, purchases and other expenditures as proposed in the attached budget.

2. That no expenditures of the funds of the Town shall hereafter be made except in compliance with such budget, except in case of grave necessity, emergency expenditures to meet unusual or unforeseen conditions, which could not, by reasonable, diligent thought and

attention, have included in the original budget, may from time to time be authorized by the Town Council as amendments to the original budget.

3. That the Mayor shall file or cause to be filed a true and correct copy of said budget, along with this ordinance with the Town Secretary.

4. The necessity of adopting and approving a proposed budget for the next fiscal year as required by the laws of the State of Texas, require that this ordinance shall take effect immediately from and after its passage, and it is accordingly so ordained.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, on this 12th day of August 2021.

_____
Dr. Mark E. Vargus
Mayor

ATTESTED:

_____
Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary

Exhibit A

TOWN OF LAKEWOOD VILLAGE, TEXAS
FISCAL YEAR 2022-2023
ANNUAL BUDGET

This budget will raise more total property taxes than last year's budget by $119,540 or 20.4 percent[1]. Of the total, the maintenance and operation (M&O) increase is $66,411 or 20.4 percent. The debt servicing (I&S) increase is $53,129 or 20.4 percent. Of these amounts 26% or $31,407 (M&O of $ 17,448 and I&S of $13,958) is tax revenue to be raised from new property added to the tax roll this year.

Debt obligations were increased by a net of $4,990,000 in the prior year and now total $9,752,000. The 2014 Certificate of Obligation (CO) debt was reduced by $173,000 to $362,000. The 2020 Certificate of Obligation (CO) debt was reduced by $75,000. Scheduled Principal and Interest payments in 2023 will be $611,846. Of this amount, debt servicing revenue will pay $313,896 and other funds of $297,950 will be used to pay the remainder.

1 These numbers are based on certified ***estimates*** from Denton Central Appraisal District. Denton Central Appraisal District failed to certify the appraised totals as state law requires.

RECORD OF VOTE ON PROPOSAL TO CONSIDER ADOPTION OF BUDGET

POSITION	NAME	FOR	AGAINST	PRESENT and not voting	ABSENT
Mayor	Dr. Mark E. Vargus			X	
Mayor Pro-Tem	Darrell West				
Council Member #1	Eric Farage				
Council Member #3	Matt Bissonnette				
Council Member #4	Serena Lepley				
Council Member #5	Clint Bushong				

PROPERTY TAX RATE COMPARISON (Rates expressed per $100 of value)

TAX RATE	TAX YEAR 2022	TAX YEAR 2023
Property Tax Rate	$0.4500	$0.4500
No New Revenue (NNR) Rate	$0.3872	$0.3912
Voter Approval Rate (VAR)	$0.4337	$0.4360
De Minimus Tax Rate	$0.7993	$0.7362
Unused Increment Rate – 2022	$0.0107	$0.0107
Debt Rate	$0.3179	$0.3897
Debt Rate Adopted	$0.2000	$0.2000

DEBT RATE BREAKDOWN	PRINCIPAL	INTEREST
2014 Certificates of Obligation	$0.1134	$0.0034
2020 Certificates of Obligation	$0.0478	$0.0983
2022 Certificates of Obligation	$0.0159	$0.1109

Exhibit A

2022-2023 Budget

General Fund

REVENUES	2023 Budget	2022 Budget	2022 YTD 7/14	2021 Budget	2021 Actual
Property Taxes	$393,000	$312,500	$321,152	$275,000	$277,899
Franchise Fees	$40,000	$38,000	$37,627	$37,000	$39,498
Sales Taxes	$100,000	$80,000	$77,856	$40,000	$63,028
Fines & Forfeitures	$3,000	$3,000	$2,154	$3,000	$4,711
Licenses & Permits	$50,000	$59,700	$82,036	$39,000	$92,728
Fees & Service Charges	$2,000	$2,000	$2,075	$2,000	$3,310
Miscellaneous	$3,000	$40,000	$39,916	$3,000	$990
CRF Grant	$0	$0	$0	$20,270	$20,270
TOTAL	**$591,000**	**$535,200**	**$562,816**	**$419,270**	**$502,434**
EXPENDITURES	**2023 Budget**	**2022 Budget**	**2022 YTD 7/14**	**2021 Budget**	**2021 Actual**
General Government	$185,000	$207,850	$147,274	$167,000	$186,027
Public Safety	$50,000	$46,000	$41,920	$30,000	$31,500
Public Works	$23,000	$38,000	$23,319	$24,000	$39,976
TOTAL	**$258,000**	**$291,850**	**$212,513**	**$221,000**	**$257,503**
OPERATING SURPLUS	**$333,000**	**$243,350**	**$350,303**	**$198,270**	**$244,931**
NON OPERATING	**2023 Budget**	**2022 Budget**	**2022 YTD 7/14**	**2021 Budget**	**2021 Actual**
Interest Revenue	$20,000	$2,500	$2,355	$6,000	$5,136
Capital Outlay Expenditure	**$0**		$31,093	**($375,000)**	
Asset Sale					
Developer Agreement Reimbursements			$8,925		
SURPLUS / DEFICIT	**$20,000**	**$2,500**	**($19,813)**	**($369,000)**	$5,136
TRANSFERS					
In: Admin Fee	**$60,000**	**$60,000**	**$60,000**	**$54,400**	**$56,400**
Out: Debt Servicing from M&O	**($93,300)**	**($156,050)**	**($135,000)**	**($176,858)**	**($172,200)**
TOTAL TRANSFERS	**($33,300)**	**($96,050)**	**($75,000)**	**($122,458)**	**($115,800)**
NET CASH FLOW	**$319,700**	**$149,800**	**$255,490**	**($293,188)**	**$134,267**
DEBT SERVICING FUND					
I&S Property Taxes	$314,000	$250,000	$256,893	$220,000	$222,604
General Fund Transfer	$93,300	$156,050	$135,000	$176,858	$172,200
MDD Interest Payment	$5,433	$8,925	$8,925	$12,318	$12,318
CO 2014 Debt Service (Interest)	**($5,433)**	**($8,925)**	**($5,323)**	**($12,318)**	**($12,318)**
CO 2014 Debt Service (Principle)	**($178,000)**	**($173,000)**	**($173,000)**	**($168,000)**	**($168,000)**
CO 2020 Debt Service (Interest)	**($154,300)**	**($158,050)**	**($79,963)**	**($213,858)**	**($213,858)**
CO 2020 Debt Service (Principle)	**($75,000)**	**($75,000)**	**($75,000)**	**($15,000)**	**($15,000)**
TOTAL	**$0**	**$0**	**$67,532** *($81,689)*	**$0**	**($2,054)**

2022-2023 Budget

Utility Fund

REVENUES	2023 Budget	2022 Budget	2022 YTD 7/14	2021 Budget	2021 Actual
Water	$230,000	$210,000	$175,086	$185,000	$184,691
Sewer	$145,000	$135,000	$105,110	$116,000	$127,509
Sanitation	$75,000	$67,500	$55,841	$67,000	$66,041
Fees and Services	$19,760	$19,760	$15,673	$16,960	$29,259
Other Income	$0	$121,000	$2,583	$1,040	$123,871
TOTAL	**$469,760**	**$553,260**	**$354,293**	**$386,000**	**$531,371**

EXPENDITURES	2023 Budget	2022 Budget	2022 YTD 7/14	2021 Budget	2021 Actual
Contract Services	$48,000	$75,000	$67,338	$40,800	$65,688
Administrative	$115,000	$74,700	$78,995	$69,200	$78,767
Repairs and Maintenance	$35,000	$77,580	$88,530	$31,000	$65,296
Miscellaneous	$2,000	$2,000	$2,458	$2,000	$3,006
Garbage Collections	$63,000	$55,000	$45,510	$55,000	$60,716
TOTAL	**$263,000**	**$284,280**	**$282,831**	**$198,000**	**$273,473**
OPERATING SURPLUS	**$206,760**	**$268,980**	**$71,462**	**$188,000**	**$257,898**

NON OPERATING	2023 Budget	2022 Budget	2022 YTD 7/14	2021 Budget	2021 YTD 6/30
Interest Revenue	$5,000	$2,000	$2,416	$2,000	$2,368
Capital Outlay Expenditure	$0	$53,000	$114,239	$97,000	$120,812
SURPLUS / DEFICIT	**$5,000**	**($51,000)**	**($111,823)**	**($95,000)**	**($118,444)**
TRANSFERS					
Out: Admin Fee	**($50,000)**	**($50,000)**	**($50,000)**	**($50,000)**	**($50,000)**
TOTAL TRANSFERS	**($50,000)**	**($50,000)**	**($50,000)**	**($50,000)**	**($50,000)**
Debt Servicing (Principle)	**($25,000)**				
Debt Servicing (Interest)	**($174,113)**				
DEBT SERVICE	**($199,113)**				
NET CASH FLOW	**($37,353)**	**$167,980**	**($90,361)**	**$43,000**	**$89,454**

LAKEWOOD VILLAGE TOWN COUNCIL

COUNCIL MEETING

JULY 28, 2022

Council Members:
Dr. Mark Vargus, Mayor
Darrell West – Mayor Pro-Tem
Clint Bushong
Serena Lepley
Matt Bissonnette
Eric Farage

Town Staff:
Linda Ruth, TRMC, CMC – Town Administrator/Town Secretary
Kevin Ware, Town Engineer

SPECIAL SESSION - 6:00 P.M.

With a quorum of the Council Members present, Mayor Vargus called the Special Meeting of the Town Council to order at 6:00 p.m. on Thursday, July 28, 2022 in the Council Chambers of the Lakewood Village Town Hall, 100 Highridge Drive, Lakewood Village, Texas.

PLEDGE TO THE FLAG: **(Agenda Item A)**

Mayor Vargus led the Pledge of Allegiance.

VISITOR/CITIZENS FORUM: **(Agenda Item B)**

No one requested to speak.

PUBLIC HEARING: **(Agenda Item C)**

A public hearing was held to provide an opportunity for citizens to receive a report, hold a discussion, conduct public hearing on an Ordinance annexing property, as requested by the owner, presently located within the extraterritorial jurisdiction of Lakewood Village, Texas; providing for amending of the Official Town Map; providing for municipal services; requiring the filing of the Ordinance with the county clerk; prescribing for effect on territory/area, granting as appropriate to all the inhabitants of the property all the rights and privileges of other citizens and binding said inhabitants by all of the acts, ordinances, resolutions, and regulations of the Lakewood Village, Texas; and providing for other matters related thereto for the following property: 4.7860 acre tract

of land described as A0339A C.C Dickson, TR (1), 4.786 Acres; and being all that certain tract or parcel of land situated in Denton County, Texas with the legal description as follows: 4.6960 acre tract of land described as A0339A C.C Dickson, TR 1(N), 44696 Acres.

No one requested to speak

MOTION: Upon a motion made by Councilman Farage and seconded Councilwoman Lepley, council voted four (4) "ayes", no (0) "nays" to close the public hearing at 6:01 p.m. *The motion carried.*

PUBLIC HEARING: **(Agenda Item D)**

A public hearing was held to provide an opportunity for citizen comment on the proposed fiscal year 2022-2023 budget.

Mayor Vargus reported the budget will not be adopted at this council meeting because the Denton Central Appraisal District did not certify the tax roll by the deadline. No one requested to speak.

MOTION: Upon a motion made by Councilman Farage and seconded by Councilwoman Lepley, council voted four (4) "ayes", no (0) "nays" to close the public hearing at 6:02 p.m. *The motion carried.*

PUBLIC HEARING: **(Agenda Item E)**

A public hearing was held to provide an opportunity for citizen comment on the proposed combined property tax rate of $0.45/$100.

No one requested to speak.

MOTION: Upon a motion made by Councilman Farage and seconded by Councilwoman Lepley, council voted four (4) "ayes", no (0) "nays" to close the public hearing at 6:03 p.m. *The motion carried.*

PUBLIC HEARING: **(Agenda Item F)**

A public hearing was held to provide an opportunity for citizen comment on the critical water emergency.

Mayor Vargus reported that he put information in the January, February, March, April, May, June, and July mayor's letters. The information has been on the bulletin board, the marquee, and the town website. The council has gone to great lengths to educate the public about the water situation and the efforts needed to conserve while the new well is being constructed. It appears the water consumption has dropped based on the July mid-month reading. Mayor Vargus discussed water reserves in the ground storage tanks and the necessity for irrigation to stop at 9pm to allow the tanks time to refill overnight.

No one requested to speak.

MOTION: Upon a motion made by Councilwoman Lepley and seconded by Councilman Bissonnette, council voted four (4) "ayes", no (0) "nays" to close the public hearing at 6:08 p.m. *The motion carried.*

CONSENT AGENDA: **(Agenda Item G)**

1. Minutes of June 9, 2022 Council Meeting (Ruth)
2. Minutes of June 30, 2022 Council Meeting (Ruth)
3. Minutes of the July 14, 2022 Council Meeting (Ruth)

MOTION: Upon a motion made by Councilwoman Lepley and seconded by Councilman Bissonnette, council voted four (4) "ayes", no (0) "nays" to approve the consent agenda items as presented. *The motion carried.*

REGULAR AGENDA: **(Agenda Item H.**

Consideration of Development Agreement with Mitch Dudley Enterprises (Vargus) **(Agenda Item H.1)**

Mayor Vargus reviewed the development agreement and the exhibits. Mayor Vargus reviewed the property tax abatement section of the agreement. Mayor Vargus reported that Mitch Dudley has approved the agreement and exhibits and has requested that council approve the agreement and the annexation at this council meeting.

MOTION: Upon a motion made by Councilman Farage and seconded by Councilwoman Lepley, council voted four (4) "ayes", no (0) "nays" to approve the development agreement with Mitch Dudley Enterprises as presented. *The motion carried.*

Consideration of Ordinance Annexing an approximately the tracts of land described as A0339A C.C. Dickson, Tr 1(N), 4.696 Acres; and A0339A C.C. Dickson, Tr 1(I), 4.786 Acres (Vargus) **(Agenda Item H.2)**

MOTION: Upon a motion made by Councilman Bissonnette and seconded by Councilwoman Lepley, council voted four (4) "ayes", no (0) "nays" to approve the ordinance annexing the Mitch Dudley Enterprises property as presented. *The motion carried.*

Consider and act upon a resolution of the Town of Lakewood Village, Texas, determining the costs of certain Authorized improvements to be financed within the Lakewood Village Public Improvement District No. 1; approving a preliminary service plan and assessment plan, including a proposed Assessment Roll; directing the filing of the proposed Assessment Roll with the Town Secretary; and providing for noticing and calling a public hearing on August 11, 2022, to consider an ordinance levying assessments on property located within the Lakewood Village Public Improvement District No. 1. (Vargus) **(Agenda Item H.3)**

Mayor Vargus introduced Larry Corson, the developer, Mr. Mark McKliney, the bond advisor, and Mr. Kirk McDaniel with P3Works, the PID consultant. Mr. Corson reported they are planning on completing the infrastructure development by the second quarter of 2023 to be prepared for houses to begin construction immediately after. Mr. Mcliney reported on the bond documents and the proposed bond sale on August 11, 2022. Mr. Mcliney stated the town of Lakewood Village taxes and assets are not pledged to back these bonds. Only the special lien assessments levied against the South Oak properties will be used to make bond payments. Mr. Mcliney reported that Public Improvement District bonds are a common form of financing for development and are non-rated bonds. Mr. Corson stated that a portion of the bond proceeds are being dedicated to the town to help offset the cost of the required infrastructure improvements being made at the sewer and water plants. Mr. Mcliney reported that approximately $300,000 is outstanding on the 2014 bonds. Council may call a resolution in September to pay off the outstanding balance and clear those bonds. The 2020 bonds may not be paid off earlier than 2028. Mr. McDaniel reported the funds will be collected by the Denton County Tax Assessor and will be held in a trust account. Mr.

McDaniel also reported that P3Works will administer the district and will present the maintenance and operations assessment to the town council for approval each year. P3Works will monitor the draw packages and present those to the town for review.

> **MOTION:** Upon a motion made by Councilwoman Lepley and seconded by Councilman Bissonnette, council voted four (4) "ayes", no (0) "nays" to approve the resolution determining the costs of certain Authorized improvements to be financed within the Lakewood Village Public Improvement District No. 1; approving a preliminary service plan and assessment plan, including a proposed Assessment Roll; directing the filing of the proposed Assessment Roll with the Town Secretary; and providing for noticing and calling a public hearing on August 11, 2022, to consider an ordinance levying assessments on property located within the Lakewood Village Public Improvement District No. 1. *The motion carried.*

Consideration of Municipal Development District Fiscal Year 2022-2023 Budget (Ruth) **(Agenda Item H.4)**

Linda Louden, President of the Municipal Development District Board reported the MDD board approved the budget last month. There was some discussion about the allocations in the budget. There was some discussion about electronic-read meters. There was some discussion about expanding the town hall park.

MOTION: Upon a motion made by Councilwoman Lepley and seconded by Councilman Farage, council voted four (4) "ayes", no (0) "nays" to approve the Municipal Development District Board. *The motion carried.*

Consideration of South Oak Addition Final Plat and Construction Plans (Vargus) **(Agenda Item H.5)**

Mayor Vargus introduced Mr. Kevin Ware, with KJE Engineering. Mayor Vargus reported on a change in the dedication language. Mr. Ware reported that he has requested minor text changes which the developer's engineer will update and submit back to Mr. Ware for approval. Mr. Ware recommends approval contingent upon his requested corrections being made and submitted.

MOTION: Upon a motion made by Councilwoman Lepley and seconded by Councilman Farage, council voted four (4) "ayes", no (0) "nays" to approve the South Oak Addition Final Plat and Construction Plans subject to approve the final plat and civil construction plans contingent upon submittal of a signed, sealed, and corrected set of documents to the Town Administrator. *The motion carried.*

Discussion of 2022-2023 Fiscal Year Budget (Vargus) **(Agenda Item H.6)**

Mayor Vargus reported that Denton Central Appraisal District has not certified the final numbers so the budget cannot be approved at this council meeting. Mayor Vargus reported that information from the Tax Assessor should be available to the town by the next meeting.

EXECUTIVE SESSION: **(Agenda Item I)**

No executive session was held.

RECONVENE: **(Agenda Item J)**

ADJOURNMENT **(Agenda Item K)**

MOTION: Upon a motion made by Councilwoman Lepley and seconded by Councilman Farage council voted four (4) "ayes" and no (0) "nays" to adjourn the Special Meeting of the Lakewood Village Town Council at 6:40 p.m. on Thursday July 28, 2022. The motion carried.

These minutes approved by the Lakewood Village Town Council on the 11th day of August 2022.

APPROVED:

_____
Darrell West
Mayor Pro-Tem

ATTEST:

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Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary