The City of Liberty
City Council

Regular Meeting

~ Agenda ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

April Gilliland
City Secretary
936-336-3684

Tuesday, January 13, 2026 | **6:00 PM** | **City Council Chambers**

The City Council of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

A.

Attendee Name	Present	Absent	Late	Arrived
Mayor John Hebert, Jr.				
Mayor Pro Tem Tommy Brents				
Council Member Ed Seymour				
Council Member Ross Ward				
Council Member Debbie Dugger				
Council Member Bruce Bell				
Council Member Nick Dennis				

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

V. PRESENTATIONS / REPORTS

A. City Manager's Report - City Manager Bryan Kendrick - Includes various updates of interest to our community.

B. Department Reports

C. Sam Rayburn Municipal Power Agency - Mayor Hebert

D. Mayor, Council and Staff Comments

VI. CONSENT AGENDA

All consent items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

A. Minutes Approval

1. December 8, 2025

2. December 16, 2025

B. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AMENDING THE CITY'S MASTER FEE SCHEDULE TO UPDATE THE FEE FOR ADDITIONAL RESIDENTIAL SOLID WASTE CARTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

VII. REGULAR AGENDA

A. Regular Session

1. Presentation of Drainage Study by HR Green

2. Rural Texas Trap-Neuter-Return (TNR) Presentation to Council with discussion and possible action

3. Consider and take possible action on a resolution approving the expenditure of funds and construction of a storage building at the Liberty Municipal Airport.

4. Consider and take possible action regarding the City and Liberty Community Development Corporation Websites.

5. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, APPROVING THE PROPOSED AGREEMENT WITH BRAZOS TRANSIT DISTRICT.

6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE FINAL PLAT FOR PHASE I OF THE LIBERTY RANCH SUBDIVISION; AND PROVIDING AN EFFECTIVE DATE.

7. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, ESTABLISHING A TWENTY (20) MILE PER HOUR SPEED LIMIT WITHIN THE LIBERTY RANCH SUBDIVISION; PROVIDING FOR ENFORCEMENT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM FOR "CITY OF LIBERTY, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026 (LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)"

9. A RESOLUTION OF THE CITY OF LIBERTY, TEXAS, DETERMINING COSTS OF THE PROPOSED PUBLIC IMPROVEMENTS IN THE LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT, APPROVING A PROPOSED ASSESSMENT ROLL FOR THE DISTRICT, AND MAKING RELATED FINDINGS AND DETERMINATIONS, IN ACCORDANCE WITH CHAPTER 372 OF THE TEXAS LOCAL GOVERNMENT CODE

10. **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, ADOPTING PROCUREMENT PROCEDURES FOR THE CITY'S MUNICIPALLY OWNED ELECTRIC UTILITY PURSUANT TO TEXAS LOCAL GOVERNMENT CODE § 252.022(c); AND PROVIDING AN EFFECTIVE DATE.**

11. **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE EXTENSION OF A CONTRACT WITH TEXAS ELITE ELECTRICAL SERVICES, LLC FOR ELECTRIC UTILITY SERVICES IN ACCORDANCE WITH THE CITY'S ELECTRIC UTILITY PROCUREMENT PROCEDURES; AND PROVIDING AN EFFECTIVE DATE.**

12. **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, FORMALLY ACCEPTING THE DEDICATION OF STREETS WITHIN THE RAVEN HILL RANCH SUBDIVISION AS PUBLIC STREETS; ASSUMING MAINTENANCE RESPONSIBILITY; AUTHORIZING RECORDATION; AND PROVIDING AN EFFECTIVE DATE.**

B. Executive Session

1. **Texas Government Code §551.071 - Private Consultation with Attorney**

   Discussion with attorney regarding contemplated/pending litigation and/or regarding matters protected by attorney/client privilege.

2. **Texas Government Code §551.072 - Deliberation Regarding Real Property**

   Discussion regarding real property.

3. **Texas Government Code §551.074 - Personnel Matters.**

   To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

4. **Texas Government Code §551.087 - Deliberation Regarding Economic Development Negotiations.**

   Discussion regarding economic development negotiations.

C. Reconvene into Regular Session

1. Consider and take possible action on legal matters discussed in the executive session.
2. Consider and take action on real estate matters discussed in the executive session.
3. Consider and take possible action on personnel matters discussed in the executive session.
4. Consider and take possible action on economic development matters discussed in the executive session.

VIII. ADJOURNMENT

A. Motion To: Adjourn

I certify that the attached Notice of Meeting was posted on the bulletin board and in the Message Centers located on the east and west sides of the City Hall Administration Building, located at 1829 Sam Houston on the 7th day of January 2026. This notice will remain posted continuously for at least three (3) business days preceding the scheduled day of said meeting in accordance with Chapter 551 of the Texas Government Code.

April Gilliland

April Gilliland, City Secretary

NOTICE

In compliance with the Americans with Disabilities Act, the City of Liberty will provide reasonable accommodation for persons attending and/or participating in this Council Meeting. To better serve you, requests must be made at least 24 hours prior to the meeting. Contact the City at (936) 336-3684 or by Fax at (936) 336-9846. The building is wheelchair accessible, with parking available, on the west side of the building.

I certify that the attached Notice and Agenda of items to be considered by the City Council was removed by me from the bulletin board at the City Hall on the _____ day of _____, _____.

CITY OF LIBERTY

City Council
Agenda Item Form

Meeting Date: January 13, 2026

Agenda Wording: City Manager's Report - City Manager Bryan Kendrick - Includes various updates of interest to our community.

Department: Administration

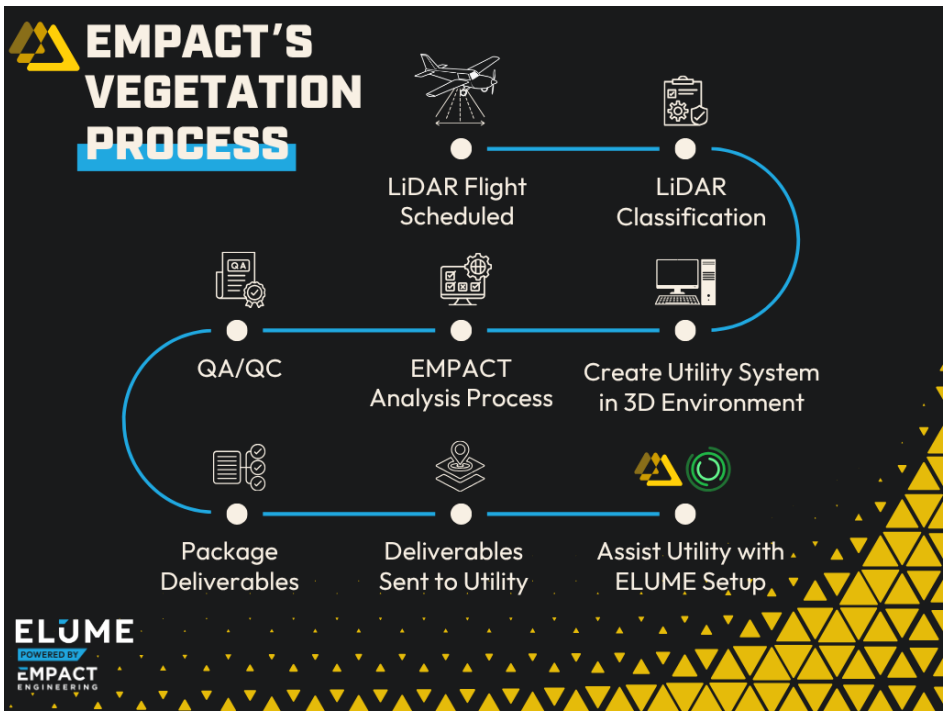
Subject: City Manager's Report

Background: This agenda item provides an opportunity for the City Manager to update the City Council and the public on key ongoing and upcoming City projects and initiatives.

Liberty Ranch Subdvision:
All of our concrete work in section 1 is finished, including the inlet and other flat work. Now that they have the holidays behind them, they expect the final fill-in portions of the grading of the lots should be completed fairly quickly. We have an ordinance later on tonight's agenda to set the speed limits in the subdvision.

Water System Maintenance:
Our crews continue to address water leaks on a maintenance-response basis, resolving issues as they arise. As of last week, there were four active leaks throughout the city. Should the volume exceed our internal capacity to respond in a timely manner, we will bring in outside contractors to assist as needed.

EMPACT Engineering Geospatial Report for Electric Utility:
Mark and I spoke with EMPACT last week, they will be delivering our GIS shapefiles and help us build out our Electric GIS next week and we are hoping that everything will be ready to present to City Council at the March meeting.



Roadway Asset Services:
We expect the data deliverables any day now, and they will begin using the BOSS software to create budget scenarios, again we hope to be able to present this at the March meeting.

Liberty Municipal Park:

- Liberty Municipal Park Splash Pad experienced a small delay but they are getting close to finished.
- The pond has been cleared. The two fountains were installed last on January 6th, we have received tons of positive responses through social media and day-to-day conversations.
- The bid was published on January 8th, the pre-bid Conference will be held on January 14th @ 2:00pm, and the bid opening is scheduled for January 29, 2026 @ 2:00pm.

Wayfinding:

- Late 2025 we held meeting with stakeholder groups and the steering committee.
- Merje is currently compiling the Brand Analysis and Initial brand concepts. They expect to have a preview ready for staff by January 16.
- After that meeting, they will follow with completing the Wayfinding Analysis and Signage Design concepts the following week and anticipate completing that by January 23.
- A final steering committee meeting is expected to occur early February.

- And a final presentation to City Council will be scheduled after the final steering committee meeting.

Funding Source: n/a

Staff Recommendation: n/a

CITY OF LIBERTY

City Council
Agenda Item Form

Meeting Date: January 13, 2026

Agenda Wording: Department Reports

Department: Administration

Subject: Department Reports

Background: Attached are reports compiled by various City departments regarding facts about projects, situations and activities of the individual department. These reports are submitted on a monthly basis.

Funding Source:

Staff Recommendation:

virtower
Airport Operations Tracking

VirTower LLC
13721 Jetport Commerce Pkwy, Suite 2
Fort Myers FL 33913
Phone +1 888 31 70 747
virtower.com | info@virtower.com

Airport Operations
Snapshot Local Time
Start Date 12/01/2025 00:00 LT
End Date 12/31/2025 23:59 LT

Creation 01/07/2026 10:29
User AprilGilliland
Customer ID KT78

Summary

Landings		Take-Offs		Totals	
Single Engine	**358**	Single Engine	**360**	Single Engine	**718**
Single Engine Turbine	**10**	Single Engine Turbine	**10**	Single Engine Turbine	**20**
Multi Engine	**10**	Multi Engine	**11**	Multi Engine	**21**
Multi Engine Turbine	**2**	Multi Engine Turbine	**2**	Multi Engine Turbine	**4**
Helicopter	**16**	Helicopter	**27**	Helicopter	**43**
Light Sport Aircraft	**1**	Light Sport Aircraft	**1**	Light Sport Aircraft	**2**
TOTAL	**397**	**TOTAL**	**411**	**TOTAL**	**808**

FAA AAC/ADG Summary

Landings		Take-Offs		Totals	
A1	**357**	A1	**360**	A1	**717**
A2	**3**	A2	**3**	A2	**6**
B1	**4**	B1	**2**	B1	**6**
B2	**1**	B2	**3**	B2	**4**
HEL	**16**	HEL	**27**	HEL	**43**
UKN	**16**	UKN	**16**	UKN	**32**
TOTAL	**397**	**TOTAL**	**411**	**TOTAL**	**808**

Operations by Aircraft Type

Single Engine		Single Engine Turbine		Multi Engine		Multi Engine Turbine		Business Jet		Jet 2		Jet NB		Jet 4		Jet WB		Helicopter	
AG5B	**9**	PA28	**20**	B200	**1**	B350	**3**											B407	**14**
B24	**2**			B60	**2**	BE10	**1**											B505	**1**
BE35	**18**			BE95	**6**													BK17	**17**
BE36	**4**			C310	**4**													EC45	**9**
BE77	**9**			C421	**3**													H500	**1**
C150	**16**			PA23	**1**													R66	**1**
C172	**104**			PA30	**4**														
C172	**2**																		
C180	**13**																		
C182	**66**																		

virtower
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Customer ID KT78

Single Engine		Single Engine Turbine		Multi Engine		Multi Engine Turbine		Business Jet		Jet 2		Jet NB		Jet 4		Jet WB		Helicopter	
C185	2																		
C206	6																		
C210	12																		
DA40	8																		
EAGL	6																		
KODI	6																		
Lancair	2																		
M20	32																		
MOR2	4																		
P28A	8																		
PA18	2																		
PA28	309																		
PA28A	2																		
PA32	4																		
PP3	4																		
R112	2																		
RV10	2																		
RV12	2																		
RV14	2																		
RV4	2																		
RV6	6																		
RV7	8																		
RV8	6																		
SR20	4																		
SR22	12																		
T28	6																		
V35	2																		
Others	14																		

Military		Military Helicopter		Light Sport Aircraft		Glider		UAV		Blimp		Balloon		GND Emergency		GND Vehicle A		Other	
				Kitfox	2														

Activity Summary

LANDING RWY 16	**242**

virtower
Airport Operations Tracking

VirTower LLC
13721 Jetport Commerce Pkwy, Suite 2
Fort Myers FL 33913
Phone +1 888 31 70 747
virtower.com | info@virtower.com

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LANDING RWY 34	**155**
SELF FUEL	**220**
TAKEOFF RWY 16	**247**
TAKEOFF RWY 34	**164**
T&G RWY 16	**67**
T&G RWY 34	**47**
T-HANGARS	**28**

This report was generated using sensors monitoring aircraft operations at the selected airport and may not contain aircraft that do not have ADS-B. Airports that have multiple sensors deployed will also feature aircraft fitted with transponders only. The information presented is correct to the best of our knowledge from available sensors at the time: Les Goldsmith, President VirTower LLC

CODE ENFORCEMENT MONTHLY REPORT
DECEMBER 1, 2025 to DECEMBER 31, 2025

Case #	Case OPEN Date	Owner (Last name)	Owner (First name)	Address	Violation Type	Contact/Notification	Follow Up Date & Notes	Report Status
LITTER								
25-008	1/29/25	Mosley	Mary	Beaumont-ID#55217 Liberty, TX 77575	LITTER	3rd NOV & POSTED	12/22/25	CONTRACT AWARDED
25-051	5/22/25	Sandles	Delores	900 MLK Liberty, TX 77575	LITTER	VERBAL	12/22/25	CONTRACT AWARDED
HIGH GRASS								
25-003	1/9/25	Green	Darryl	Alabama-ID#56379 Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	12/22/25	CONTRACT AWARDED
25-007	1/27/25	Stuckey	Jan	Ave. E-ID# 55695 Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	12/22/25	CONTRACT AWARDED
25-021	4/3/25	Semien	A W	1021 Washington Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	12/22/25	CONTRACT AWARDED
25-064	6/23/25	Twin Oaks	Parks Inc.	3802 N Main Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	12/22/25	CONTRACT AWARDED
25-071	7/8/25	Twin Oaks	Parks Inc.	Cedarwood-ID#73301 &73302 Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	12/22/25	CONTRACT AWARDED
25-075	7/16/25	Garza	Hugo	845 Sue Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	12/22/25	CONTRACT AWARDED

25-084	7/25/25	Lyons	Charles	1301 Minglewood Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	12/22/25	CONTRACT AWARDED
25-086	7/28/25	Osorto	Oscar	101 Glenn St. Liberty, TX 77575	HIGH GRASS	TAGGED	12/29/25	OPEN
25-088	8/4/25	Rodriguez	Rodolfo	1834 N San Jacinto Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	12/29/25	READY FOR ABATEMENT
25-089	8/5/25	Rubit	Ronnie	609 Washington Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	12/29/25	READY FOR ABATEMENT
25-094	8/12/25	Turner	Joyce	1015 Lamar Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	12/29/25	READY FOR ABATEMENT
25-100	9/3/25	Davis	Richard	901 MLK & MLK-ID#127680 Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	12/29/25	READY FOR ABATEMENT
25-107	10/9/25	Belle	Mattie	1915 Adams Liberty, TX 77575	HIGH GRASS	2nd NOV-Mail		CLOSED-CLEARED BY OWNER
STOP WORK ORDER								
24-062	7/18/2024	Ortiz	Omar	422 Maplewood Liberty, TX 77575	STOP WORK	VERBAL		CLOSED
25-111	12/12/25	Searles	Leoma	4201 Sandune Liberty, TX 77575	NO PERMIT	1st NOV- HANGER		PERMIT OBTAINED
RV VIOLATIONS								
23-109V	7/20/23	Multiple	Owner	311 Riverbend Rd. Liberty, TX 77575	LIVING IN RV	3rd NOV & POSTED	12/22/25	OPEN
25-005V	6/11/25	Falke	George	3023 Grand Liberty, TX 77575	LIVING IN RV	VERBAL	12/29/25	OPEN

25-019V	11/4/25	300 Industrial	LLC	300 Industrial Rd. Liberty, TX 77575	LIVING IN RV	1st NOV- Mail		CLOSED

DILAPIDATED PROPERTY

24-095	10/3/24	Winni's	Hair Studio	120 Alabama Liberty, TX 77575	DILAPIDATED PROPERTY	Working on Warrant	12/29/25	OPEN
25-040	5/15/25	Mitchell	Aurelia	311 Riverbend Rd. Liberty, TX 77575	DILAPIDATED PROPERTY	1st NOV- Mail	12/29/25	OPEN
25-082	7/22/25	McCarty	Michael	134 McMannus Liberty, TX 77575	DILAPIDATED PROPERTY	1st NOV- Mail	12/29/25	OPEN
25-097	8/25/25	Tabers	Michael	2721 Cos Liberty, TX 77575	DILAPIDATED PROPERTY	1st NOV- Mail	12/29/25	OPEN

SIGN ORDINANCE VIOLATIONS

MULTIPLE VIOLATIONS

25-012	3/12/25	Locke	Charlie	103 East St. Liberty, TX 77575	MULTIPLE VIOLATIONS	NOV- Reinspection	12/4/25	OPEN
25-017	3/25/25	Cain III	Chap	2104 N Main Liberty, TX 77575	MULTIPLE VIOLATIONS	1st NOV- Mail		CLOSED
25-074	7/15/25	Ortiz	Raul	2757 Cos Liberty, TX 77575	MULTIPLE VIOLATIONS	1st NOV- HANGER	12/22/25	OPEN

JUNK MOTOR VEHICLE (JMV)-PRIVATE PROPERTY

JMV Case #	Case OPEN Date	Last reg.	Owner (Last name)	Owner (First name)	Follow up date & Notes	Vehicle Location	License Plate #	**Status**

23-165V	1/8/24	Mar-02	New Bern	Transport Corp.		Cs.#CT182184 Port Dr.-ID#56907 Liberty, TX 77575	2DA281	CLOSED
23-166V	1/8/24	Apr-12	Texas	Sabal Corp.		Cs.#CT182185 Port Dr.-ID#56907 Liberty, TX 77575	TONLY05	CLOSED
23-181V	3/27/24					Cs.#CT182206 1973 Wallisville Dr. Liberty, TX 77575		CLOSED
25-006V	6/4/25		Terrell	Craig	9/29/2025	924 Sam Houston Liberty, TX 77575		OPEN

OPEN

Case Type	***Began***	***Closed***	***OPEN***

LITTER	2		2
HIGH GRASS	13	1	12
STOP WORK ORDER	2	2	0
RV VIOLATIONS	3	1	2
DILAPIDATED PROPERTY	4		4
SIGN ORDINANCE VIOLATIONS	0		0
MULTIPLE VIOLATIONS	3	1	2
JUNK MOTOR VEHICLE	4	3	1
			0
TOTAL CASES	31	8	23

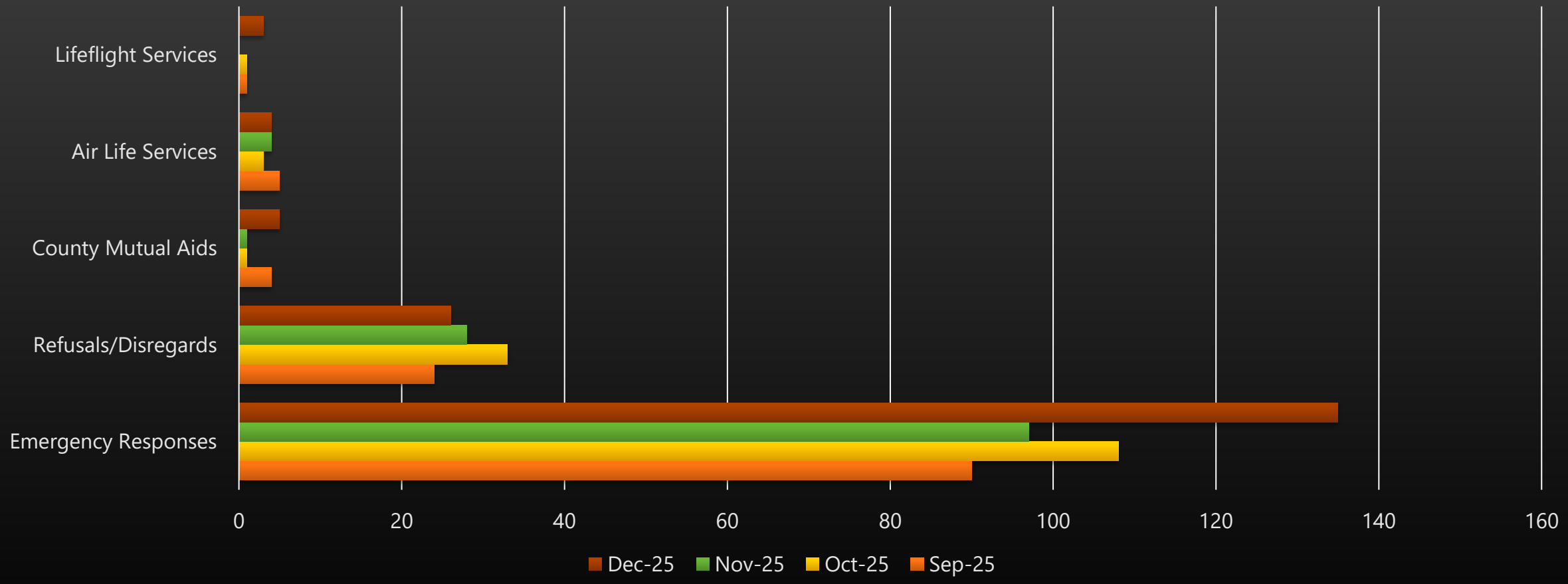
Bandit signs collected this month:	18
Number of citations issued this month:	



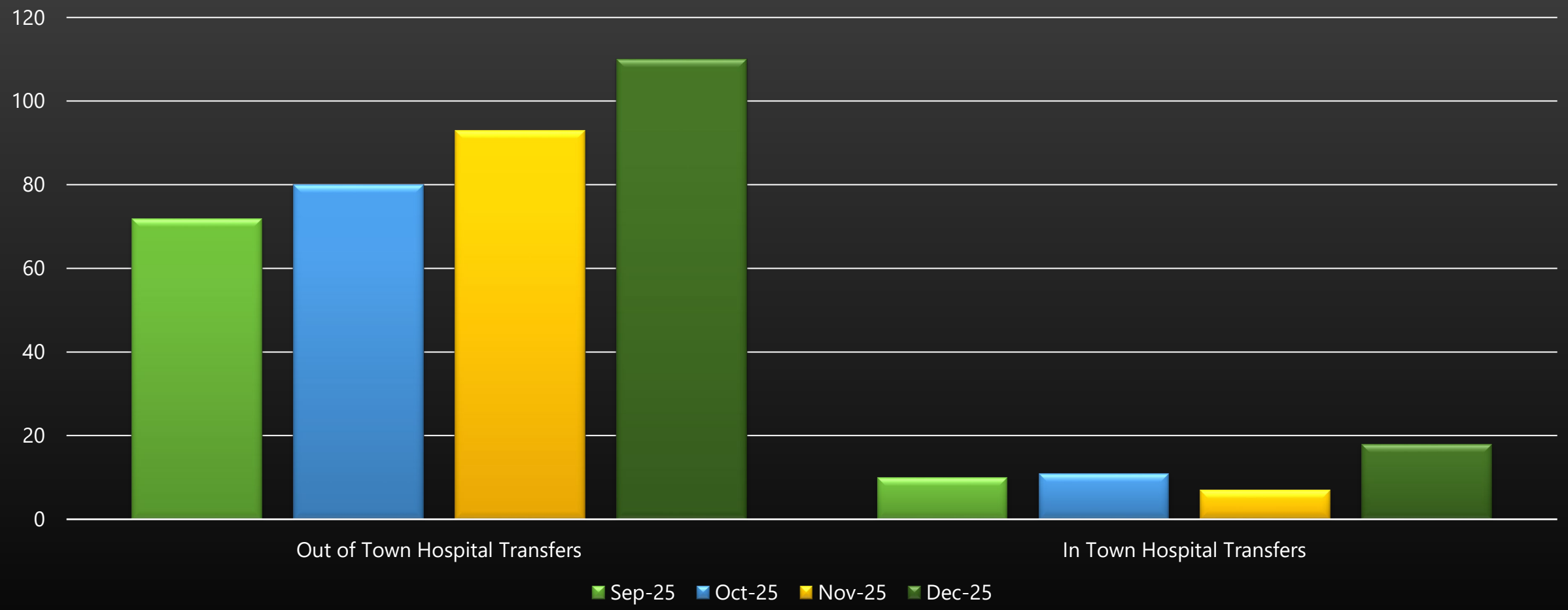
Liberty Fire

- December Monthly
- Report

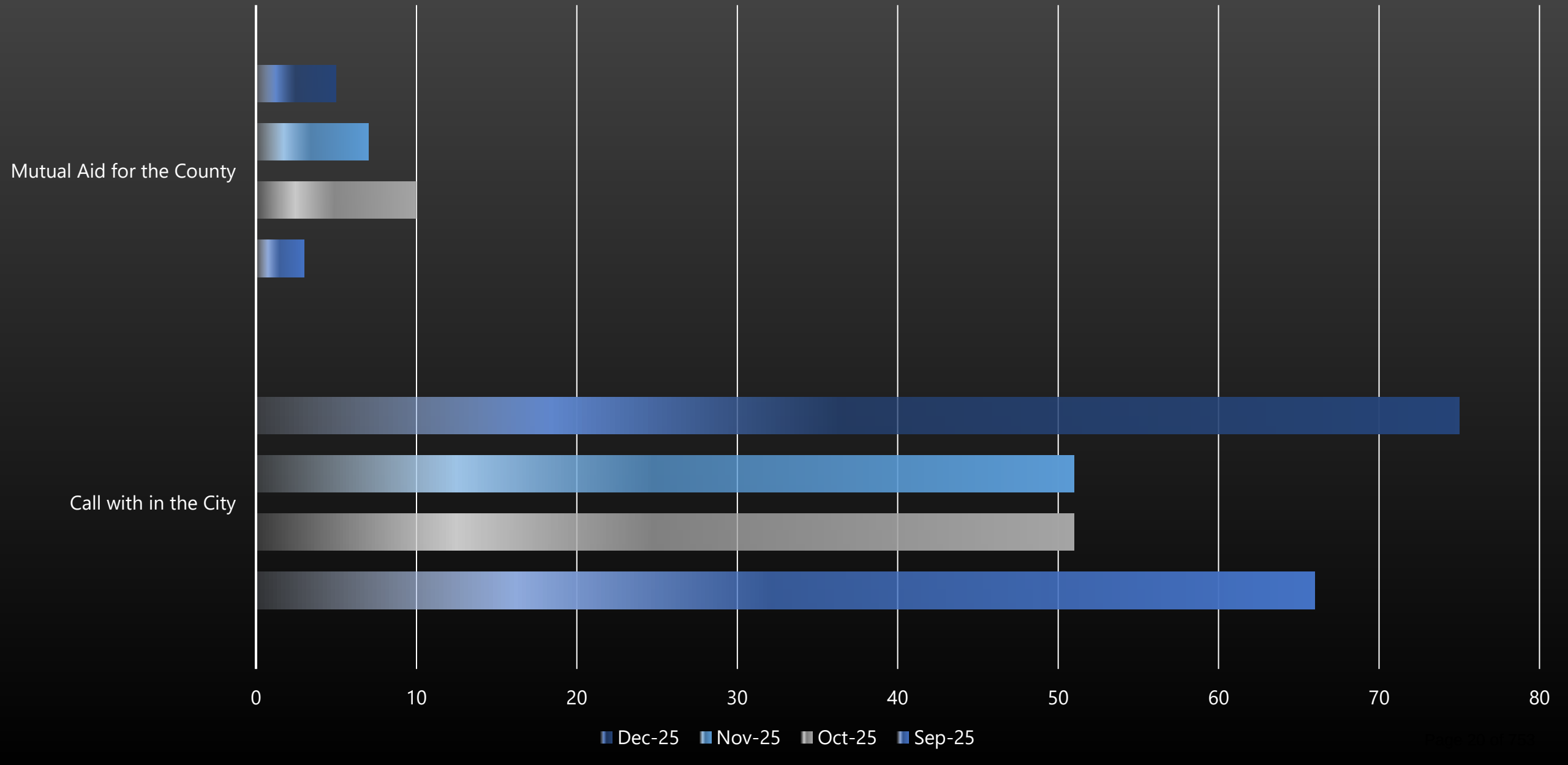
EMS Calls: 301



EMS Transfers



Fire Calls: 80



“A” SHIFT









- Vehicle Fire in the Oilfield
- Ladder 21 Credentialing
- First Fire for Castillo and Luckey
- A-Shift at the Christmas parade





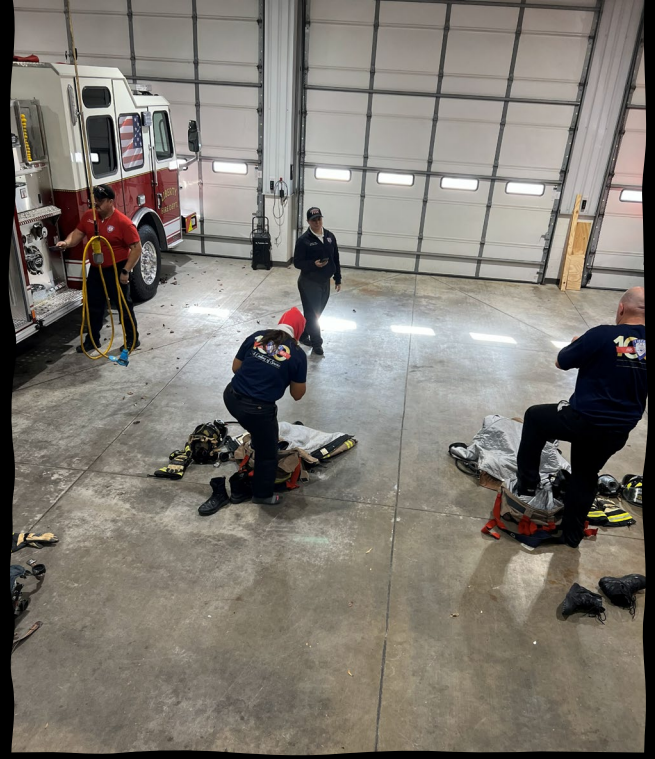


“B” Shift

- Able illegal burn.
- Truck Vs Tractor on Hwy 90.
- Gift delivery for Angel tree gift give away.

“C” Shift

- Truck wash party
- Christmas spirit.
- Cold Little guy.
- 90 Second gear drill.















Fire Marshal

- **Total Inspections: 30**

- **New Inspections: 13**
- **Reinspections: 17**
- **Food Truck Inspections: 7**
- **Inspection Man Hours: 29**
- **Violations found: 81**
- **Burn Permits: 0**

Most common violations found during November

- Exit Signs not working properly and/or not in place
- Unapproved openings in walls or ceilings
- Open junction boxes / missing cover plates









- **Lights of Liberty**
- **Angel Tree Santa**

December 2025 Golf Course Report

December 2025 Maintenance Report

Sprayed 2nd round of fall pre-emerge herbicide

Trimming low hanging branches on trees around course

Blowing and mulching leaves

Took delivery of new rough mower

3.0 inches of rain recorded at the golf course this month

52 inches of rain documented for the year at the course with January and June being wettest months.

Pro Shop Report

Attached are detailed reports from:

December 2024 compared to December 2025 showing a 81% increase in revenue for the month of December compared to previous year.

First Quarter fiscal year 2024-2025 compared to First Quarter fiscal year 2025-2026 showing a 51% revenue increase over same time period last year.

We hosted Christmas Eve Scramble with a full course. On top of approx. $2700 course revenue, we also raised $400 for Liberty Meals-on-Wheels.

We had 6 days closed for the month of November.

GL Summary

Liberty Municipal Golf Course

Monday, December 1, 2025 - Wednesday, December 31, 2025

8.1% INCREASE OVER DECEMBER 2024

GL Code	Total	GL Code Description	Quantity	Sub Total
Add-On Modifiers	$1,005.33	Concessions	639	$1,005.33
Cart Fees	$16,649.46	Cart Fees	1,372	$16,649.46
Gift Cards Sold	$610.00	Gift Cards Sold	10	$610.00
		Employee	14	$0.00
		Member	455	$0.00
		Member Guest	32	$0.00
Green Fees	$22,587.12	Online	46	$1,794.00
		Public	664	$15,332.14
		Regular	10	$92.40
		Resident	322	$5,368.58
Memberships	$5,293.24	Membership	18	$5,293.24
		Accessories	23	$1,007.86
		Clubs	9	$768.79
		Gloves	49	$639.75
Merchandise	$6,384.91	Golf Balls	167	$1,624.51
		Men Apparel	30	$1,588.02
		Shoes	6	$729.30
		Tees	29	$26.68
Range	$3,908.64	Range Balls	596	$3,908.64
Sales Tax	$4,605.88	Sales Tax	0	$4,605.88
Credit Card Surcharge	$347.25	CC Surcharge	0	$347.25
Cash	$10,907.63	Cash	0	$14,047.28
		Cash Change	0	($3,139.65)
Checks	$1,239.98	Check	0	$1,239.98
		American Express	0	$1,636.34
Credit Cards	$49,168.23	Discover	0	$1,062.67
		MasterCard	0	$15,734.68
		Visa	0	$30,734.54
Gift Card Charges	$75.99	Gift Card	0	$75.99

GL Summary

Liberty Municipal Golf Course

Sunday, December 1, 2024 - Tuesday, December 31, 2024

GL Code	Total	GL Code Description	Quantity	Sub Total
Cart Fees	$10,311.22	Cart Fees	888	$10,311.22
Gift Cards Sold	$835.99	Gift Cards Sold	6	$835.99
Green Fees	$14,672.42	Employee	2	$0.00
		Member	287	$0.00
		Member Guest	24	$0.00
		Online	46	$1,791.75
		Public	387	$8,652.02
		Regular	21	$194.04
		Resident	244	$4,034.61
Memberships	$1,284.06	Membership	4	$1,284.06
Merchandise	$1,947.51	Accessories	73	$199.91
		Clubs	4	$198.60
		Gloves	24	$297.46
		Golf Balls	119	$1,132.44
		Men Apparel	4	$106.22
		Tees	14	$12.88
Range	$2,105.79	Range Balls	321	$2,105.79
Sales Tax	$2,500.89	Sales Tax	0	$2,500.89
Credit Card Surcharge	$159.95	CC Surcharge	0	$159.95
Cash	$6,575.18	Cash	0	$7,954.62
		Cash Change	0	($1,379.44)
Checks	$105.98	Check	0	$105.98
Credit Cards	$27,136.67	American Express	0	$856.74
		Discover	0	$701.65
		MasterCard	0	$9,397.54
		Visa	0	$16,180.74

Liberty Municipal December 2025 Report

This year's Christmas tree decorating contest had 19 participants. The library added two categories for winners: Online voting and In-person voting. Due to restrictions from Facebook, the library held a two-day online voting which totaled 1,105 votes and 29,125 views. Online voting increased by 340 votes over last year. The online voting winners are as follows: Raising Awesome Awareness with 343 votes in 1st place, Ballet Folklorico of Dayton with 306 votes in 2nd place, and Alma Martinez's "Merry Stitchmas" with 117 votes in 3rd place. There were a total of 341 in-person votes which was an increase of 265 votes. In-person voting winners are as follows: Alma Martinez's "Merry Stitchmas" with 61 votes in 1st place, UNCO Danny's Comics with 50 votes in 2nd place, and Memories Antiques, Collectibles with 38 votes in 3rd place.

The winners were presented with a special ornament stand printed by the library using the library's 3D printer. All contestants received a 3D printed snowflake ornament as thanks for entering the contest and creating a wonderful Christmas atmosphere at the library for all to enjoy. The library is looking forward to next year's 3rd Annual Christmas Tree contest and a further increase in participants.







Online 1st Place Winner
Raising Awesome Awareness



Online 2nd Place Winner
Ballet Folklorico of Dayton



Online 3rd Place Winner
&
In-Person 1st Place Winner
Alma Martinez
"Merry Stitchmas"



In-Person 2nd Place Winner
UNCO Danny's Comics



In-Person 3rd Place Winner
Memories Antiques
Collectibles and Oddities



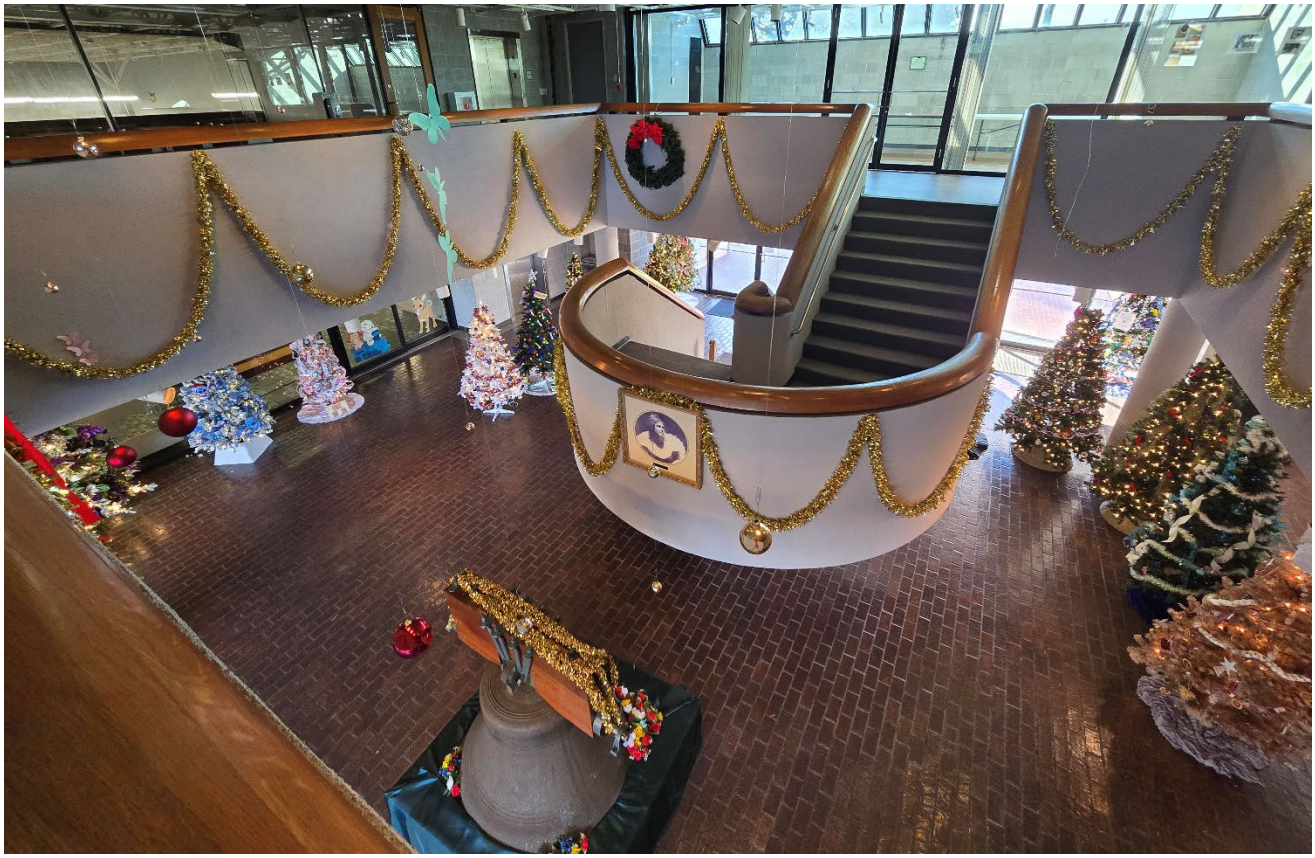







Ballet folklorico
of Dayton





The Rotary Club applied for a grant on behalf of the library to go towards the creation of a Senior Room in the Geraldine D. Humphreys Cultural Center. The library received notice that the grant was approved for $2504.12 to go towards the creation of a senior room. The Rotary Club received a list of items and will be in the process of ordering the requested items. Another donation previously given to the library, with the caveat to use the money as needed, will also go towards more items for the Senior room. The library received the first purchase from the donation, an automated Mahjong table. Other items include various games and puzzles. The room will most likely be unveiled sometime after the new year.







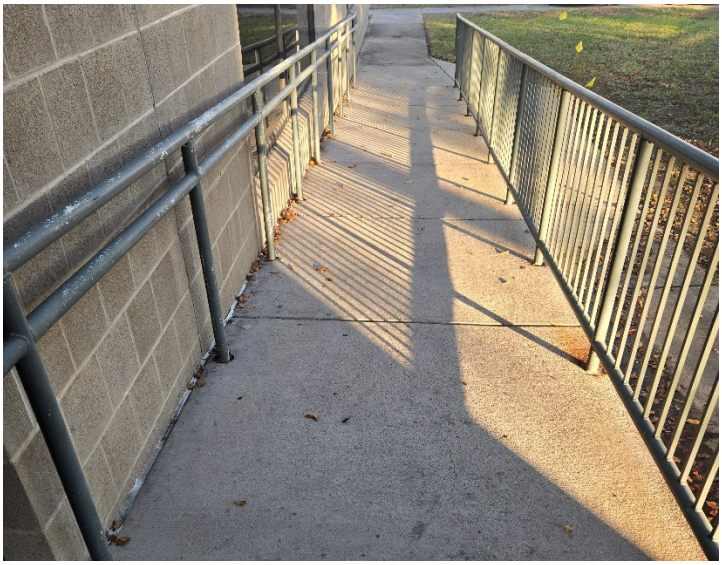
The library hosted a two-day scavenger hunt, December 5th through the 6th, ninja style for Ninja Day. There were 23 participants at the event. The next scavenger hunt will be Lego Day January 28-31. Come get your creativity on with LEGOs.

New water spickets were installed this month in anticipation of the Liberty Garden Club's efforts for future landscaping projects. The garden club is currently fundraising for the installation of a new garden outside the children's area windows, updating the front of the Geraldine D. Humphreys Cultural Center, and

installing a sprinkler system to keep the plants watered appropriately. Library staff is excited to see the Garden Club's work beautifying the grounds with company Precision Lawns and increasing the welcoming atmosphere that the library staff has been improving. The new spickets go beyond allowing the library to be able to take care of the greenery around the library. The spickets were also strategically placed to allow custodial staff access to water for the ability to power wash the building including the brick facade, high inaccessible windows, and the pavilion. Danny Ramis has already begun work and a difference can be noticed on the back walkway.







The Liberty Municipal Library held its annual Christmas party on Tuesday, December 16. There was a total of 188 in attendance including 106 children and 82 adults. Crafts were held in the upstairs meeting rooms. One room offered crafts for ages 8-12 and the larger meeting room was set up for children of all ages. The children were all able to make a craft to take home. Mr. and Mrs. Claus were in the library ready for pictures and told several Christmas stories. The Friends of the Library greeted those in attendance with a selection of cookies and water to snack on. Ms. Kitty, volunteer and former employee Thierry Hammer, was seen wandering around sometimes followed by trailing children.



Friends of the Liberty Municipal Library with Mr. & Mrs. Claus



Upstairs crafts for children of all ages



Upstairs crafts for children 8-12



Ms. Kitty greeting children in line for Santa



Mrs. Claus, along with Santa reading children a story

In time for the holidays, the library received extra security through the installation of new cameras around the library. The library's goal is to always be able to offer quality services in a safe, comfortable, and inviting facility. Thanks to the city and library partners, the library is working on making sure to live up to the standards that our community deserves.



Liberty Municipal Library Monthly Report July through December 2025

Circulation	July	August	September	October	November	December
Spanish Materials Circulation	97	74	89	66	15	13
Total Adult, Teen & YA Circulation All Formats	1,679	1,288	1,450	1,367	1,088	975
Total Juvenile Circulation All Formats	3,252	1,284	1,222	1,249	814	731
Total Circulation All Formats	4,931	2,572	2,672	2,616	1,902	1,706
Reference Services						
In-house Reference	260	168	197	207	241	147
Telephone Reference	150	100	93	108	86	98
Public Computer Assistance	102	110	165	134	143	118
Collection Statistics						
Total Volumes in Collection	49,320	49,344	49,526	49,562	49,667	49,674
Total Titles in Collection	69,151	69,319	70,135	70,199	70,333	70,592
Cataloging						
Books Cataloged	62	93	141	0	96	50
DVD/ Blu-Rays Cataloged	0	1	0	19	0	3
Audiobooks & Music CDs Cataloged	0	0	0	0	0	0
Periodicals Cataloged	0	0	5	25	9	0
Building Use/ Programs/Public Relations						
Meeting Room/Pavilion Use	21	10	15	17	13	15
Story Time Programs	0	2	3	4	3	5
Story Time Attendance	0	45	42	52	35	40
Misc. Children's Programs/Tours	4	0	0	3	1	1
Msc. Children's Programs/Tours Attendance	543	0	0	78	11	188
Adult Programs Attendance	81	28	86	32	30	9
YA/Teen Programs Attendance	21	0	0	0	2	25
Patron Count/ Volunteers						
Total Active Accounts In-City Patrons	2,437	2,403	2,387	2,380	2,367	2,369
Total Active Accounts Out-of-City Patrons	3,830	3,760	3,733	3,704	3,683	3,689
Total Volunteers	3	0	10	8	1	12
Total Volunteer Hours	6.75	0	26.5	19	6	62
Patron Visits Count	3,126	1,575	1,799	1,892	1,723	2,294
Public Use Technology						
Wireless Users	387	138	108	67	55	45
Hours of Patron Wireless Use	42	30	49	22	29	24
Public Computers Users This Month	247	164	204	194	178	188
Hours of Patron Computer Use	161	113	141	115	111	106
Website Sessions: Online Catalog	1,965	1,799	1,883	2,537	13,816	2,016
Social Media Sessions: Facebook, Instagram	1,522	981	733	944	1,053	2,693

							Liberty Municipal Library Volunteer Report for the Month of December 2025																									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total
Abshier, Dana																1																1
Daniel, Hannah																																0
Davis, Beverly																1.5																1.5
Delahoussaye, Evelyn				4								3.3									4	2										13.25
Dominguez, Hannah								3	3.5	3.3	3.5					3.5						3.3	3.8						3	3.3	3.8	33.75
Harbour, Cathy																2																2
Hammer, Theresa																1																1
Lawrence, Lindsay																4																4
Minchew, Sammie																1																1
Pickett, Sandy																1.5																1.5
Stratton, Gloria																																0
Sundgren, Gary																1.5																1.5
Sundgren, Josh																1.5																1.5
Sundgren, Stacy																1.5																1.5
Total for month																																63.50

CITY OF LIBERTY
INSPECTION AND PERMIT DEPARTMENT MONTHLY REPORT
DECEMBER 2025

PLAN REVIEW		
# of Plans Reviewed		
BUILDING PERMITS		
Commercial Building Permits - New	1	
Commercial Building Permits - Renovation/Remodel	1	
Commercial Building Permits - Addition/Expansion		
Residential Building Permits- New (Manufactured Homes)	1	
Residential Building Permits - New (Single Family)		
Residential Building Permits - New (Multi-Family)		
All Other Permits Issued	44	
CERTIFICATE OF OCCUPANCY		
Commercial C of O's Issued	1	
FEE REVENUE		
Permit Fee Revenue	$5,151.00	
Tap Fee Revenue	$0.00	
TOTAL	$5,151.00	

CITY OF LIBERTY
INSPECTION AND PERMIT DEPARTMENT MONTHLY REPORT
DECEMBER 2025

DECEMBER 2025-COMMERCIAL

BUSINESS NAME	ADDRESS	PERMIT TYPE
MR SOMBRERO	906 MAIN	DRIVEWAY
IMPACT PIPELINE	1404 LAKELAND	BURN PERMIT
JIMMIE K FAST FOOD	1005 HWY 90	COMMERCIAL BLDG
LIBERTY DAYTON FOOT AND ANKLE CENTER	1825 GRAND	MECHANICAL
SELE PROPERTIES	1807/1809 GRAND	REMODEL
HIGHLINE FIBER	321 WALLISVILLE	RIGHT OF WAY
TAYLOR-NORWOOD	340 MAIN A	PLUMBING
INTERNATIONAL MISSION CENTER	1801 GRAND	MECHANICAL
CROWN CASTLE CELL TOWER	1300 S MILAM B	ELECTRICAL
CITY OF LIBERTY MUNICIPAL LIBRARY	1710 SAM HOUSTON	PLUMBING-IRRIGATION
GRUMPYS GARAGE	3020 BEAUMONT	CERTIFICATE OF OCCUPANCY
INTERNATIONAL MISSION CENTER	1809 GRAND	ELECTRICAL
SHOPPAS JOHN DEERE	2210 HWY 90	BURN PERMIT

LIBERTY POLICE DEPARTMENT

- MONTHLY REPORT
- December 2025




CITY OF LIBERTY
POLICE DEPARTMENT
1906 LAKELAND DR.
POLICE
CITY OF LIBERTY
911
POLICE
CITY OF LIBERTY
911

LIBERTY POLICE DEPARTMENT

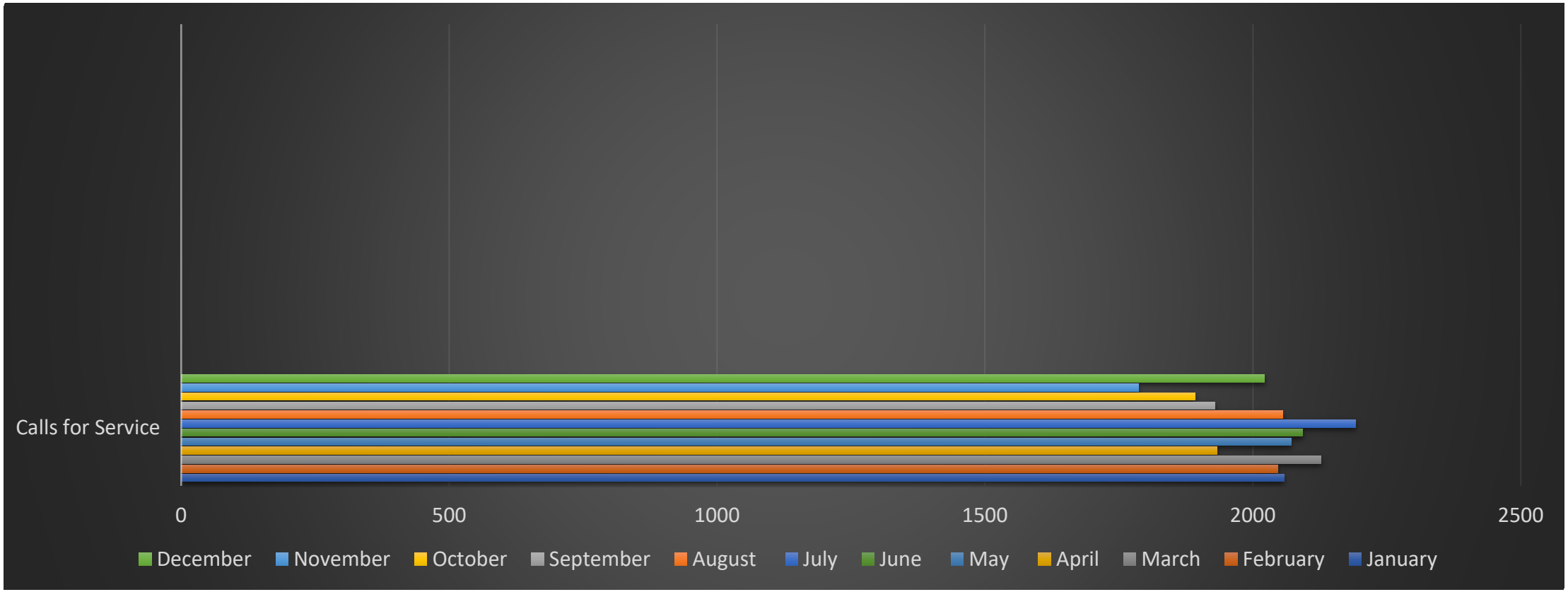
- CALLS FOR SERVICE 2022
- OFFENSES REPORTED 58
- OFFENSES CLEARED 33
- TRAFFIC CITATIONS 34
- WARNING TICKETS 173
- TRAFFIC ACCIDENTS 32
- ARRESTS 8
- ANIMALS HANDLED 22
- ALARM CALLS 68
- AMOUNT RECOVERIES $ 212.80



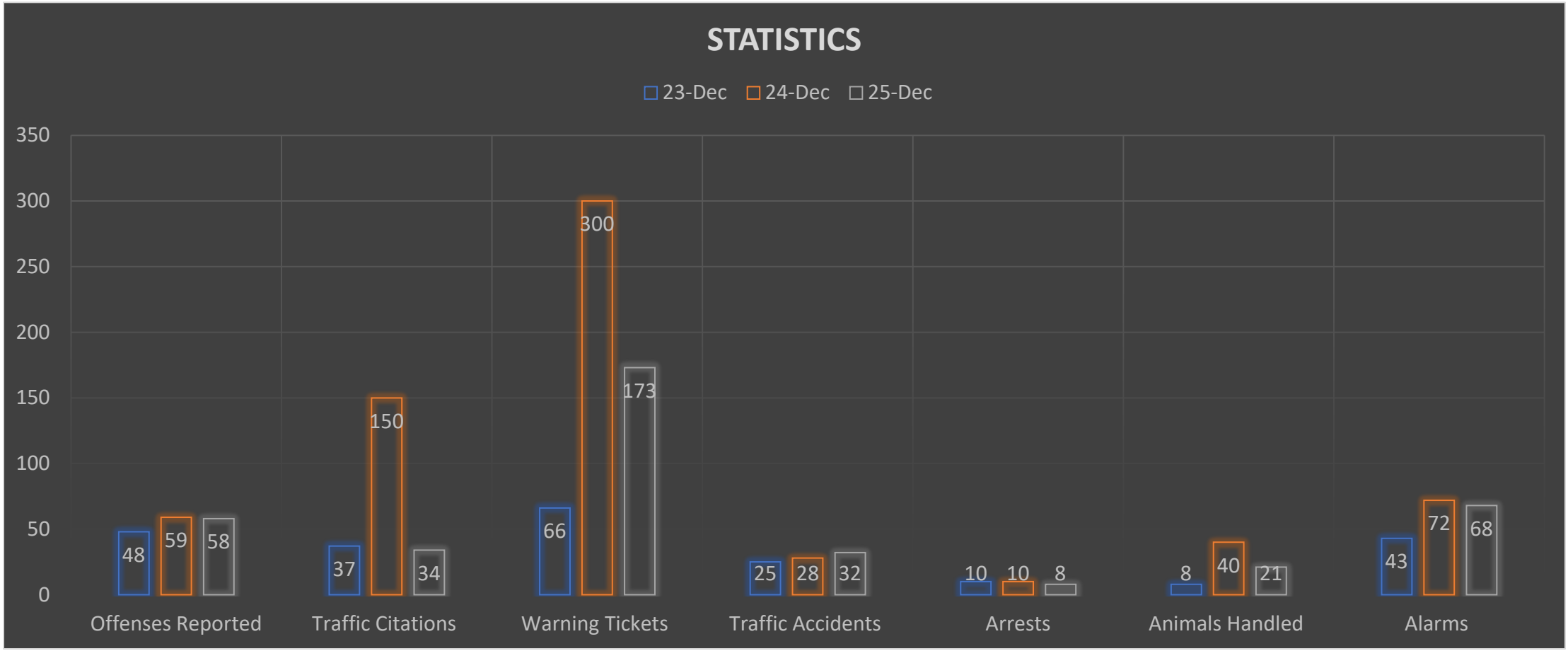
- The Mobile Data Terminals (MDT's) are in the Patrol Units. Patrol/Dispatch are navigating the MDT system.
- One Speed Sign has been set up on Layl Drive, and the other has been set up in Forest Hill Subdivision.
- We have 9 Flock Cameras in various parts of the City.
- We will be implementing the ticket writer in January.
- We were able to distribute 25 totes filled with canned foods, crackers, Dinty Moore meals, ramen, peanut butter & jelly, etc. as well as blankets and pillows to the elderly within our Community the week of Christmas.

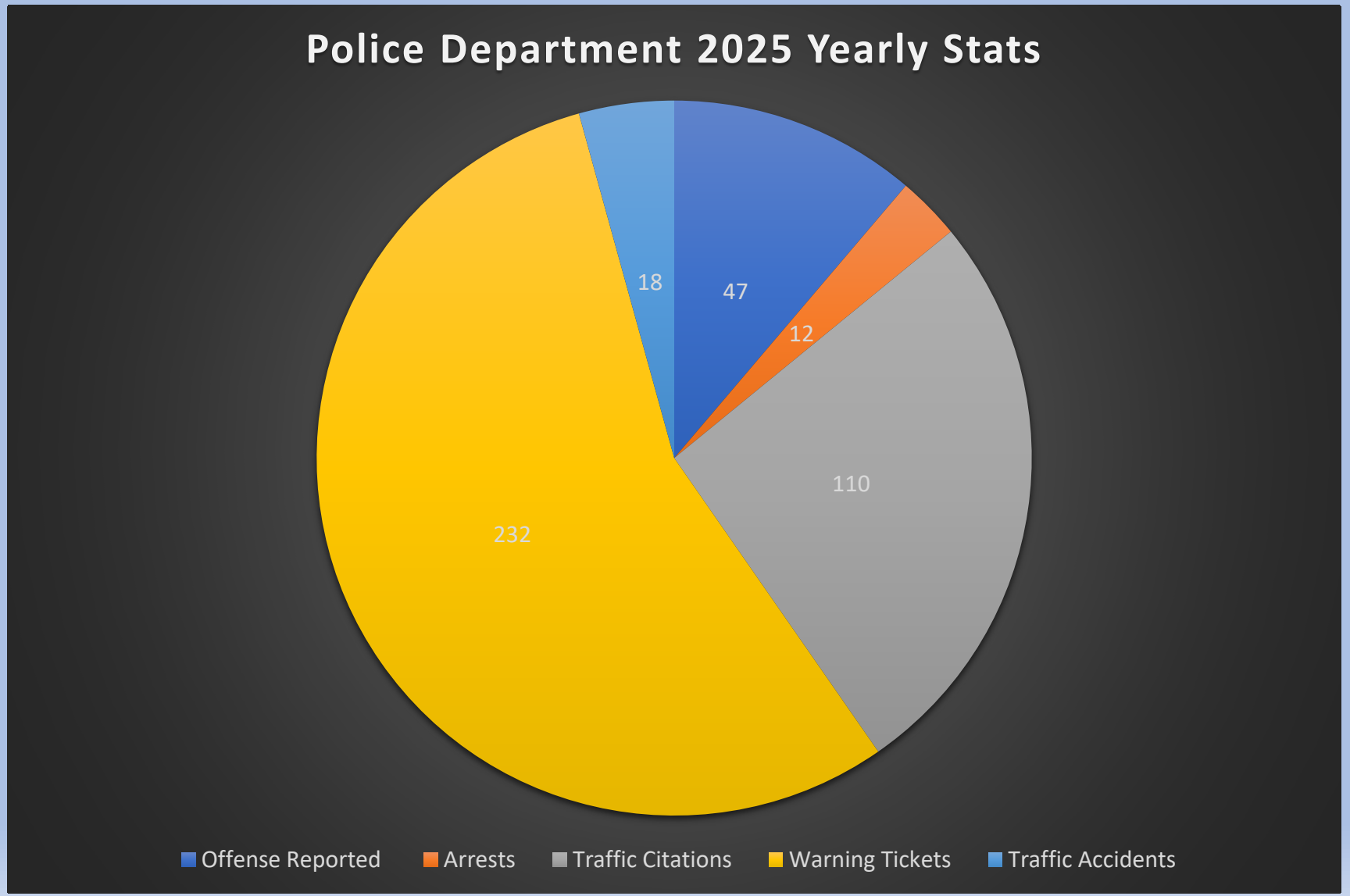


CALLS FOR SERVICE



YEAR BY YEAR COMPARISON




Police Department 2025 Yearly Stats
47
12
110
232
18
Offense Reported
Arrests
Traffic Citations
Warning Tickets
Traffic Accidents

2023, 2024, 2025 ACTIVITIES

YEARLY ACTIVITY REPORT FOR 2023

ACTIVITY	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL PER ACTIVITY
CALLS FOR SERVICE	**1438**	**1491**	**1484**	**1324**	**1505**	**1633**	**1619**	**1846**	**1569**	**1521**	**1458**	**1474**	**18,362**
OFFENSES REPORTED	63	44	36	41	63	52	64	54	41	44	67	48	617
OFFENSES CLEARED	8	7	14	14	11	5	28	1	1	2	5	4	100
OFFENSES EXCEPTIONALLY CLEARED	2	0	0	3	1	0	0	0	0	0	0	0	6
TRAFFIC CITATIONS	21	20	28	20	47	23	82	54	37	41	42	37	452
TRAFFIC ACCIDENTS	26	14	21	17	22	24	22	20	29	34	26	25	280
WARNING TICKETS	63	49	53	49	54	29	109	95	67	64	73	66	771
ARRESTS	12	8	6	18	18	7	12	16	5	10	8	10	130
ANIMALS HANDLED	33	38	33	36	114	62	65	29	33	48	33	8	532
ALARM CALLS	50	46	47	45	62	58	53	64	56	48	60	43	632
GARAGE/YARD SALES	0	0	0	0	0	0	0	0	0	0	0	0	0

YEARLY ACTIVITY REPORT FOR 2024

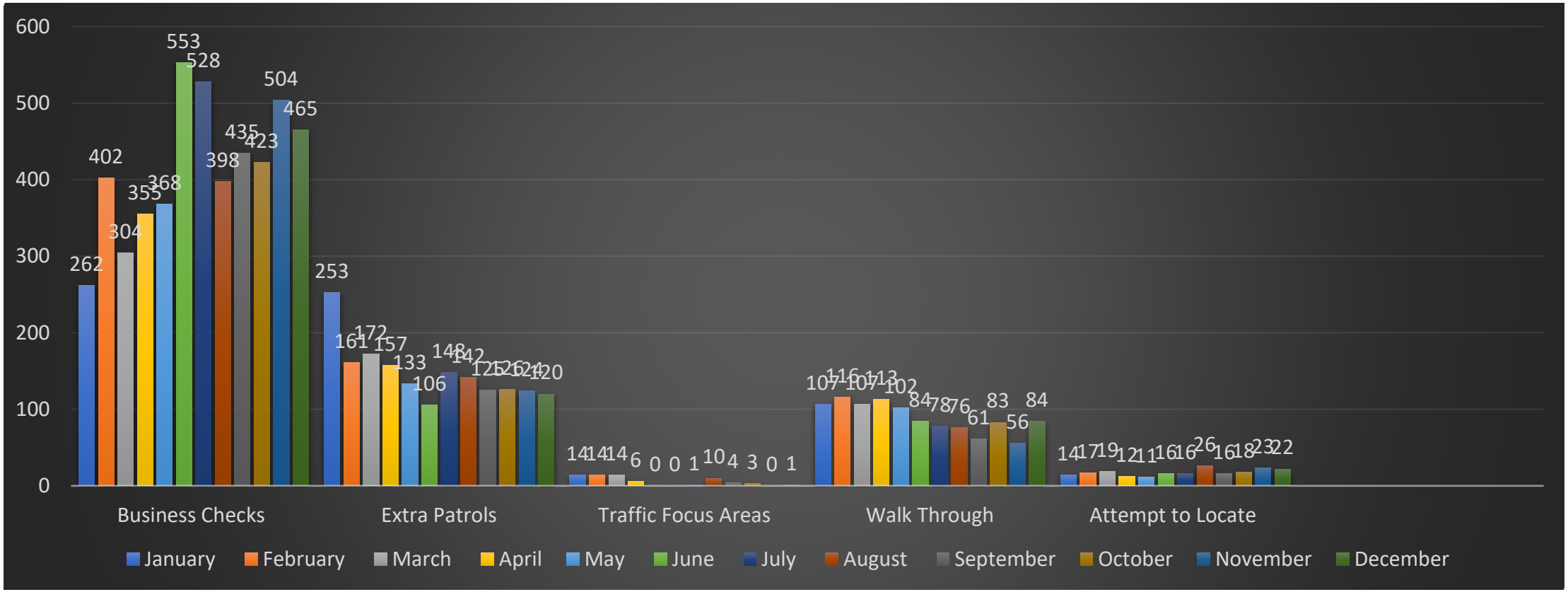
ACTIVITY	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL PER ACTIVITY
CALLS FOR SERVICE	**1514**	**1365**	**1536**	**1409**	**1170**	**1706**	**1866**	**1822**	**2171**	**2053**	**2034**	**2238**	**20884**
OFFENSES REPORTED	34	43	57	58	53	58	50	56	38	45	49	59	600
OFFENSES CLEARED	4	2	5	14	4	7	27	16	13	6	7	0	105
OFFENSES EXCEPTIONALLY CLEARED	0	1	2	5	2	8	1	1	0	0	0	0	20
TRAFFIC CITATIONS	10	46	27	25	61	42	30	62	88	123	131	150	795
TRAFFIC ACCIDENTS	29	16	24	24	38	27	20	34	29	34	23	28	326
WARNING TICKETS	36	60	81	32	92	73	31	108	140	189	253	300	1395
ARRESTS	6	7	8	14	10	10	7	11	12	10	15	10	120
ANIMALS HANDLED	46	33	24	71	81	45	28	37	28	35	31	40	499
ALARM CALLS	68	49	35	62	89	80	87	71	77	57	66	72	813
GARAGE/YARD SALES	0	0	0	0	0	0	0	0	0	0	0	0	0

YEARLY ACTIVITY REPORT FOR 2025

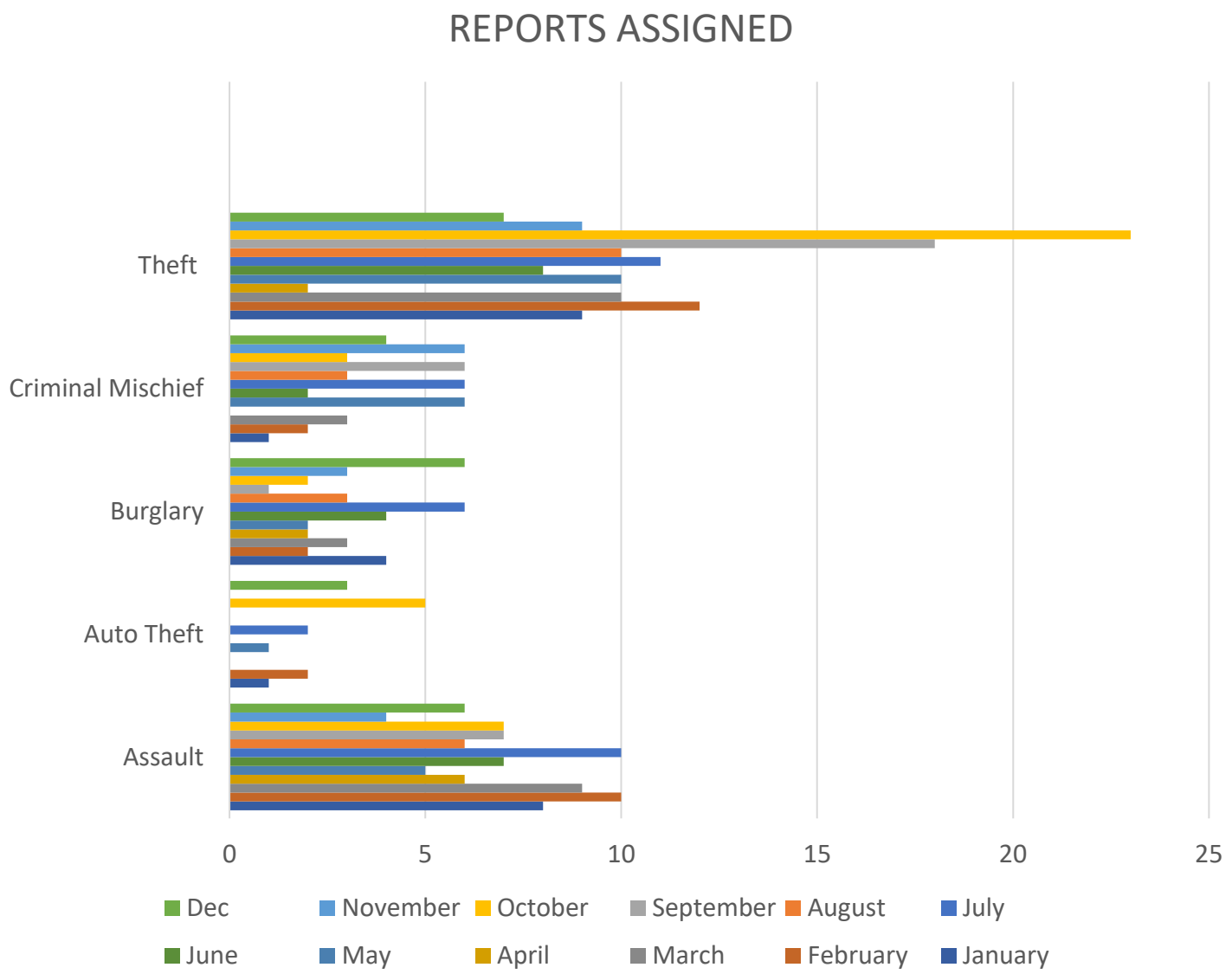
ACTIVITY	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL PER ACTIVITY
CALLS FOR SERVICE	2058	2046	2127	1933	2071	2093	2192	2056	1929	1892	1786	2022	24205
OFFENSES REPORTED	47	73	55	53	55	49	65	41	61	55	62	58	674
OFFENSES CLEARED	21	11	31	27	5	12	8	6	6	5	13	33	178
OFFENSES EXCEPTIONALLY CLEARED	0	0	0	2	0	0	0	0	1	0	0	1	4
TRAFFIC CITATIONS	110	102	145	97	104	73	96	88	77	43	42	34	1011
TRAFFIC ACCIDENTS	18	21	22	22	34	29	32	33	29	33	32	32	337
WARNING TICKETS	232	231	339	228	211	283	310	246	187	180	145	173	2765
ARRESTS	12	8	12	16	15	6	14	6	12	7	10	8	126
ANIMALS HANDLED	105	22	34	50	83	74	47	48	27	39	22	21	572
ALARM CALLS	54	63	52	51	47	51	56	75	64	52	44	68	677
GARAGE/YARD SALES	0	0	0	0	0	0	0	0	0	0	0	0	0

Prepared by Liberty Police Dept.12/2025

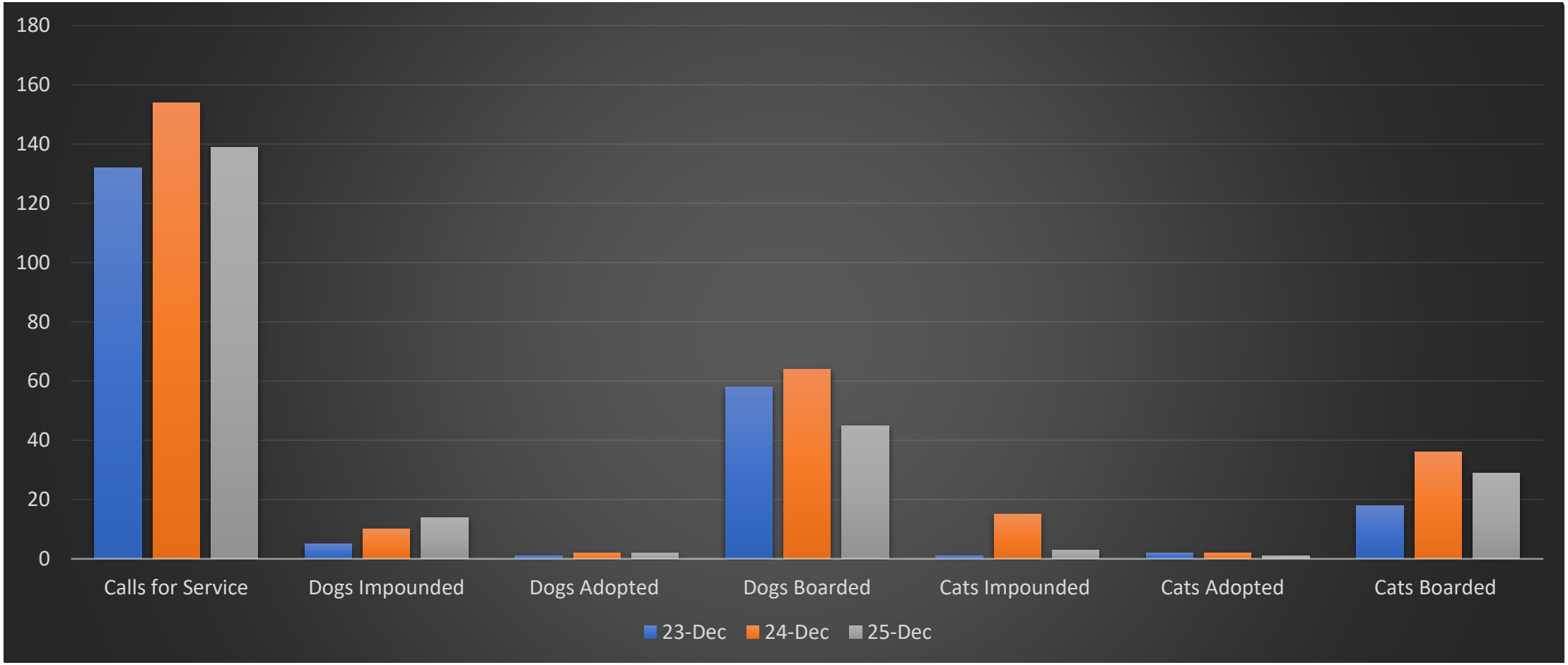
PROACTIVE POLICING

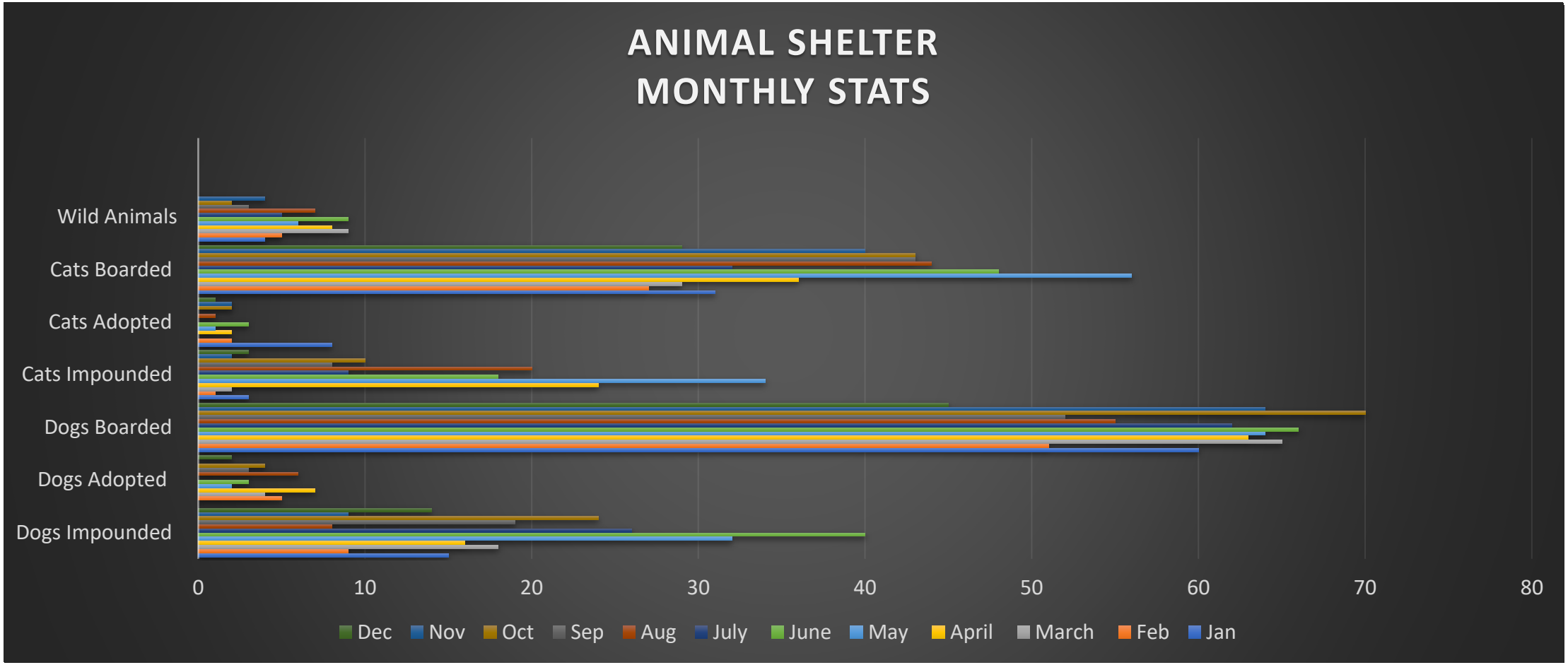


DETECTIVE DIVISION SUMMARY OF ACTIVITY



Animal Shelter
Year by Year Comparison




ANIMAL SHELTER
MONTHLY STATS
Wild Animals
Cats Boarded
Cats Adopted
Cats Impounded
Dogs Boarded
Dogs Adopted
Dogs Impounded
0
10
20
30
40
50
60
70
80
Dec
Nov
Oct
Sep
Aug
July
June
May
April
March
Feb
Jan

Lights in Liberty





Shop with a Cop @ Wal-Mart
December 14, 2025









Silver Santa December 2025



Silver Santa Drop Off's





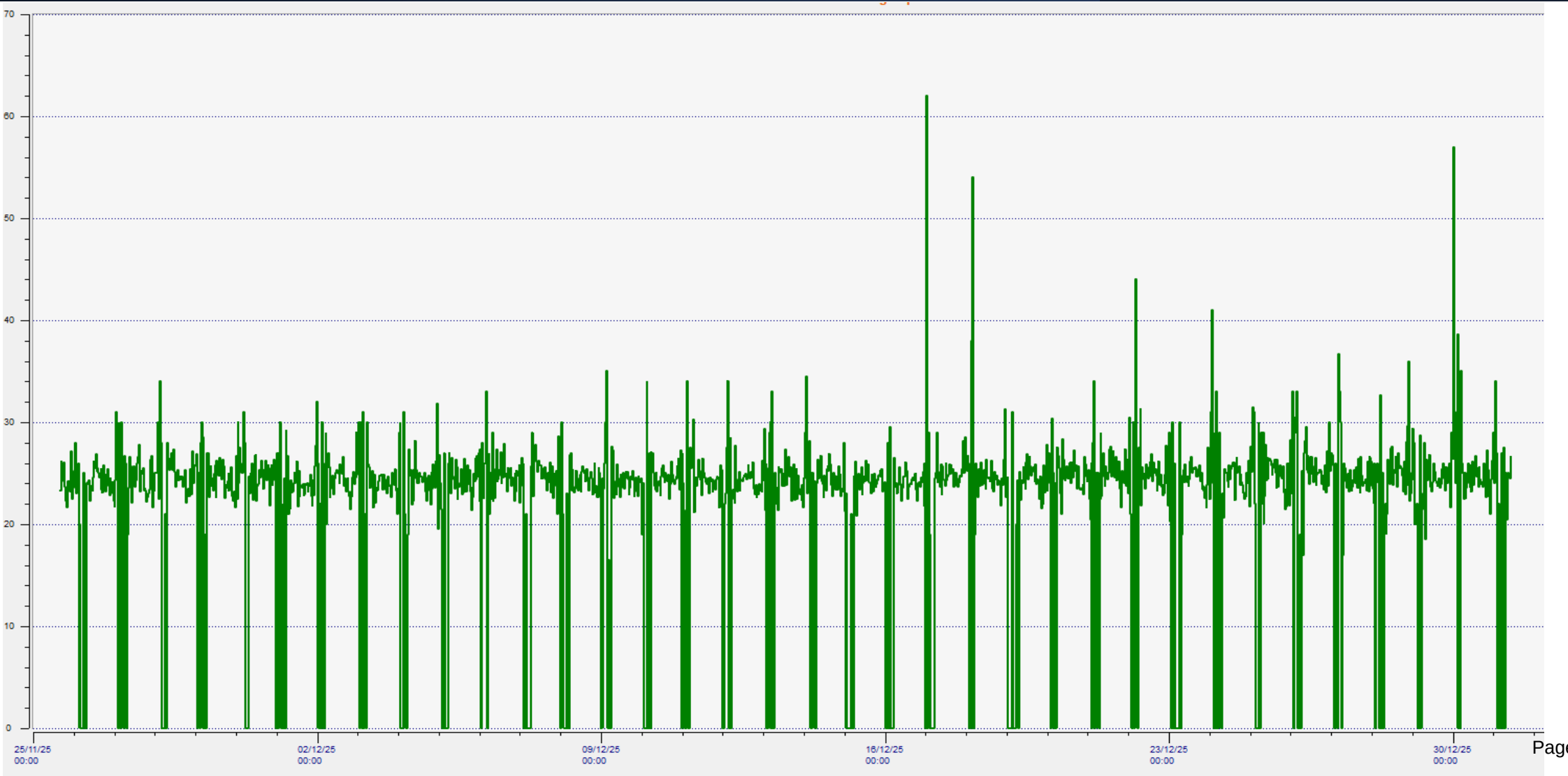




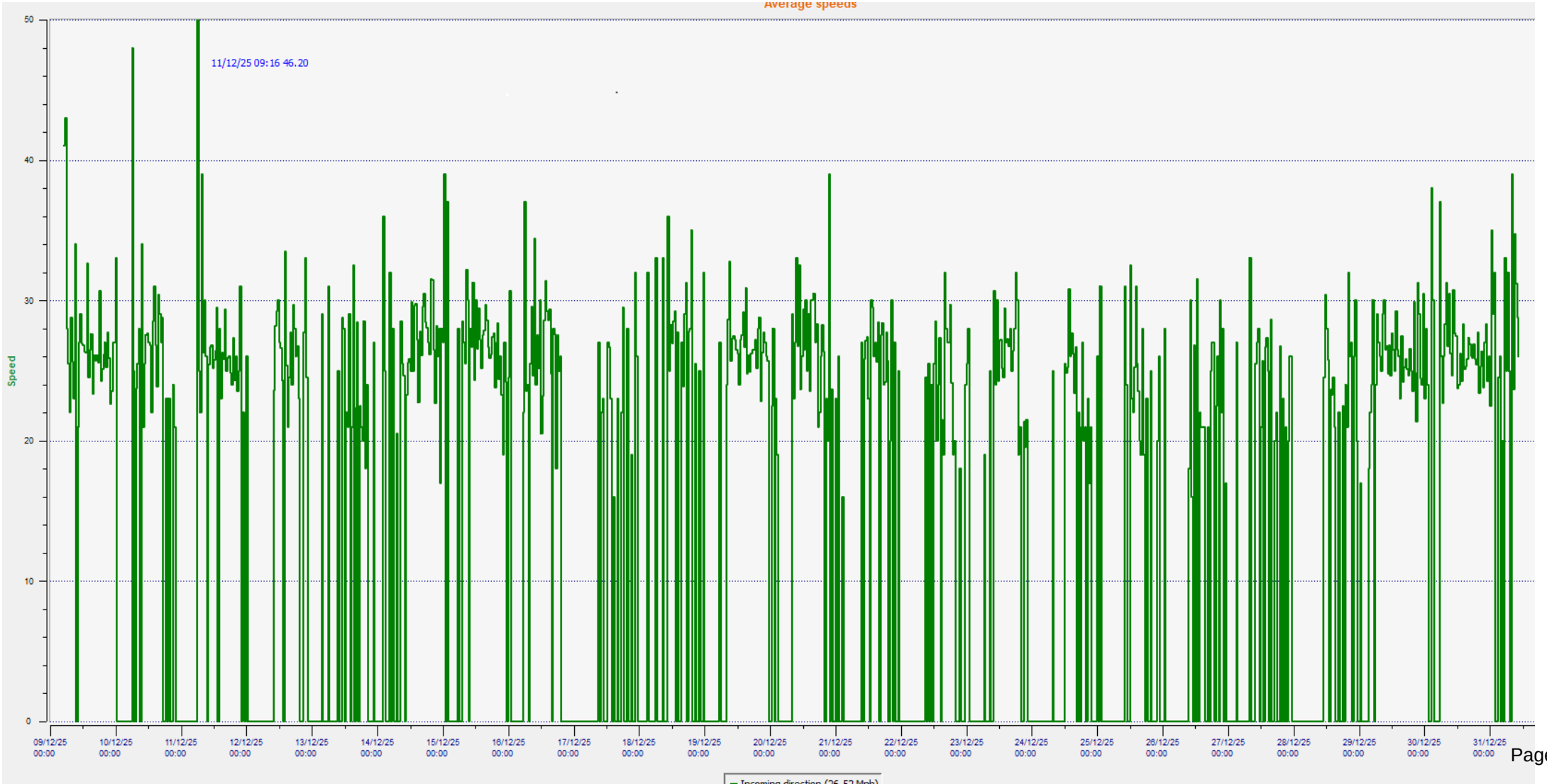


Silver Santa Distribution with Meals on Wheels

Speed Monitor in Travis Park



Speed Monitor on Layl Drive



Public Information Monthly Activity Report December 2025

Facebook Insights

Views:	155,570	The number of times our content was played or displayed.
Reach:	55,645	This metric counts reach from the organic distribution of our Facebook content. It also includes reach from other sources, such as tags, check-ins and Page or profile visits.
Content Interactions:	1,064	The number of likes or reactions, saves, comments, shares and replies on your content.
+Followers:	132	The number of followers our page gained over the month. That is an increase of 3.7% in one month.

LinkedIn Insights

- First post was created on March 24th
- LinkedIn will never have the social media impact of Facebook, due to the professional niche nature of the platform. However, it is one tool of many to get information out.

Impressions:	150
Reach:	69
Clicks:	8
+Followers:	1

"X" (Formerly Twitter)

We have created the account and began posting. However, X wants us to pay to receive a "verified" badge and insights at a rate of $84-$395/year. We do not currently see the value in that, perhaps as we grow the page that view might change.

DECEMBER / / 2025 / /

PUBLIC WORKS MONTHLY REPORT

STREET DEPARTMENT

NOTES:

- Finished up spraying mosquitos first week of December
- The sweeper went to the shop the first week of December and we are awaiting repairs
- Cleaned inlets
- Patched around town
- Repaired asphalt street cuts
- Picked up brush at airport
- Cut asphalt jogging trail and replaced base material for repair from placing electricity to pond
- Repaired sidewalk on Sam Houston
- Helped water dept. several different days with hit water lines
- Filled holes with sand behind library
- Cut concrete from around manhole on Neyland and replaced with asphalt
- Repaired gutter and curb on Oak Dale
- Bladed road at compost and cleaned up spoil piles
- Washed and greased trucks and equipment

FIXING THESE STREETS

Streets:						
	Graded:				1.5	Miles
	Swept:				10	Hours
	Street cut repairs:				2	Each
	Curb & Gutter Repair:				4	Feet
Drainage:						
	Ditch Cleaning:					Feet
	Culvert Installation:					Feet
	Catch Basin/inlets cleaned:				667	Each
	Levee Inspection:				Yes	
	Flap Gate Debris Removal					
Spraying:						
	Herbicide:					Gallons
	Mosquito:				130	Miles
Signs:						
	Installed					Each
	Repaired/ Replaced				2	Each

PARKS DEPARTMENT

Fields:

Work Performed: Picked up trash and maintained as needed. Mowed 5 times and weedeated as needed.

Restrooms:

Work Performed: Washed all restrooms twice a week and cleaned and swept as needed. Replaced toilet paper and other things as needed also. Disinfected restrooms every other day.

Concession Stands:

Work Performed: Picked up trash and debris around concession stands as needed every day. Weedeated as needed.

Splash Pad:

Work Performed. Finished poring slab and installing footings for features. Began installing spray features on 1/5/26.

Jogging Trail:

Work Performed: Picked up limbs and trash as needed also, weedeated around trees and rocks as needed. Sprayed the trail sides with weed killer throughout the park.

Playground Equipment:

Work Performed: Checked and made sure all playground equipment was in good working order. Pick up trash and other debris around them. Swept and removed leaves and other debris from around the playground.

Pocket Parks:

Work Performed: Picked up trash and other debris every day. Changed trash barrels as needed in all pocket parks. Replaced all basketball nets. Cut vines and other debris off fence lines that had been neglected by the contractors.

Trees:

Work Performed: Cut up trees and picked up limbs throughout park.

Flags:

Work Performed: checked for wear and tear everyday replaced as necessary.

PARKS DEPARTMENT – CONT.

Notes:

1. Filled holes throughout the park.
2. Picked up limbs throughout the park.
3. Cut up trees that had fallen in the park.
4. Fixed hog ruts throughout the park.
5. Filled in ruts that were made by vandals through the park.
6. Waiting on the contractor to come back and take light poles and clean up the areas where lights were put in.
7. Pond fountains should be installed on 1/6/26 (per contractors).
8. Splash pad foundation formed and pored, started installing spray features on 1/5/26.
9. Buying new plastic trash barrels for pocket parks that were bought by Rotary Club.

WATER / WASTEWATER DEPARTMENT

MONTHLY WATER REPORT

REPAIRS COMPLETED

29	WATER REPAIRS
4	SEWER REPAIRS

LINE MAINTENANCE (CAMEL)

2713	HOURS OF OPERATION TOTAL
2800	FEET OF SEWER LINE CLEARED / CLEANED
8	MANHOLES CLEANED

WORK COMPLETED

0	MANHOLE REPAIRS
7	SEWER STOPAGES
0	WATER TAPS
0	SEWER TAPS
1	CLEANOUTS REPLACED / INSTALLED
0	METERS REPAIRED / REPROGRAMMED
5	RADIO REPLACEMENTS
2	CUSTOMER PROBLEMS / ISSUES
5	METER BOXES REPLACED
3	METER LIDS REPLACED
20	CUSTOMER REQUEST TURN ON
15	CUSTOMER REQUEST TURN OFF
10	CUT OFF SERVICE NON-PAYMENT
135	RECHECKS
2	PULLED / CHANGED METERS
458	TEXAS 811 LINE LOCATES

MISC:

AMES READINGS CHECKED DAILY
CLOSED 58 WORK ORDERS
17 Water repairs completed due to damage by contractors

MONTHLY OPERATIONS

2 DAILY	FREQUENCY THAT WATER WELLS ARE CHECKED
40	DISINFECTANT WATER SAMPLES THAT ARE TAKEN X 1 DAILY
9	SAMPLES FOR MONTHLY MONITORING-CHLORINE REPORT
X2/WKLY	FREQUENCY THAT LIFT-STATIONS ARE CHECKED
MONTHLY	END LINE FLUSHING

Power Outages December 2025

Date	Location	Time Called Out	Time Power Restored	Response Time (mins)	Outage Time (mins)	Cause of Outage
1	CEDARWOOD/TWIN OAK	9:40 AM	4:45 PM	20	425	ROTTEN POLE BROKE/PULLING LINES DOWN
1	725 MLK	3:41 PM	3:59 PM	18	18	METER NOT ALLOWING VOLTAGE TO PASS THROUGH
5	1403 MAGNOLIA	4:59 PM	6:00 PM	6	61	SQUIRREL CAUSED TRANSFORMER AND LINE FUSE TO BLOW
6	137 VALLEY	8:00 AM	9:00 AM	10	60	LINE FUSE BLEW
6	3201 N MAIN	4:30 PM	5:00 PM	10	30	3 FUSES BLEW
6	MCGUIRE RD	5:00 PM	6:00 PM	15	60	LINE FUSE BLEW
7	1906 HOLLY	6:30 PM	7:20 PM	5	50	LIMB ON LINE & ON FIRE
11	5012 LAKESIDE	7:10 AM	8:10 AM	10	60	METER ISSUE
12	2342 PARK PLACE	8:15 PM	9:33 PM	9	78	ONLY APT 502 W/OUT POWER, BREAKER/METER ISSUE
13	1834 N MAIN	6:55 AM	8:05 AM	5	70	LINE FUSE BLEW
15	3009 LINCOLN DR	9:00 PM	10:30 PM	15	90	PARTIAL POWER/HOT LEG
15	102 LAWRENCE	4:20 PM	5:45 PM	10	85	PARTIAL POWER/REPLACED CONNECTION
24	1409 COLUMBIA	4:38 AM	5:55 AM	7	77	LINE FUSE BLEW
25	133 LONE OAK	1:00 PM	6:00 PM	10	300	DEAD TREE FELL ON TRANSFORMER
27	503 LAYL	10:15 PM	11:30 PM	5	45	LINE FUSE BLEW
27	LAYL	9:00 PM	9:50 PM	15	50	LIMB FELL/ BLEW FUSE
28	102 AVE I	10:50 PM	11:45 PM	10	55	LINE FUSE BLEW
29	CROSSROADS DODGE	4:50 AM	5:30 AM	8	40	SPARKING LIGHT
29	106 FEATHERSTONE	5:20 AM	6:20 AM	15	60	LINE FUSE BLEW
29	121 WALLISVILLE	12:50 AM	1:30 AM	6	40	LINE FUSE BLEW
AVERAGE				**10**	**88**	

CITY OF LIBERTY

City Council
Agenda Item Form

Meeting Date: January 13, 2026

Agenda Wording: Sam Rayburn Municipal Power Agency - Mayor Hebert

Department: Administration

Subject: SRMPA Report

Background: The Sam Rayburn Municipal Power Agency supplies the wholesale electrical energy needs of the member cities of Liberty, Jasper and Livingston. Mayor Hebert is a Board Member of the Sam Rayburn Municipal Power Agency and desires to provide the Council and the public with updates on the Agency's projects and activities.

Funding Source:

Staff Recommendation:

CITY OF LIBERTY

City Council
Agenda Item Form

Meeting Date: January 13, 2026

Agenda Wording: Mayor, Council and Staff Comments

Department: Administration

Subject: Mayor, Council and Staff Comments

Background: This agenda item relates to expressions of thanks, congratulations or condolence; information regarding holiday schedules; honorary recognitions of City officials, employees or other citizens; reminders about upcoming events organized or sponsored by the City or other entity, that are scheduled to be attended by City officials or employees; inquiry of staff regarding specific factual information or existing policies.

Funding Source:

Staff Recommendation:

The City of Liberty
City Council

Special Called Meeting

~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

April Gilliland
City Secretary
936-336-3684

Monday, December 8, 2025 | **6:00 PM** | **City Council Chambers**

I. CALL TO ORDER

This meeting was called to order on December 8, 2025, in the City Council Chambers, 1829 Sam Houston Street, Liberty, Texas at 6:00 p.m. by Mayor John Hebert.

A.

Attendee Name	Present	Absent	Late	Arrived
Mayor John Hebert, Jr.	X			
Mayor Pro Tem Tommy Brents	X			
Council Member Ed Seymour	X			
Council Member Ross Ward	X			
Council Member Debbie Dugger	X			
Council Member Bruce Bell	X			
Council Member Nick Dennis	X			

II. INVOCATION

No invocation was given

III. PLEDGE OF ALLEGIANCE

The Pledge to the American Flag and the pledge to the Texas Flag was led by Mayor Hebert.

IV. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

Mayor Hebert welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council. Mr. James requested to speak to Council regarding the speed limit on Valley Dr.

V. PRESENTATIONS / REPORTS

A. City Manager's Report - City Manager Bryan Kendrick - Includes various updates of interest to our community.

City Manager Bryan Kendrick reported on the following updates:

- TxDot Municipal Maintenance Agreement
- Water System Maintenance
- EMPACT Engineering Geospatial Report for Electric Utility
- Roadway Asset Services
- Liberty Municipal Park

B. Department Reports

Monthly reports are submitted by departments and are attached to the agenda for the council to review and to comment on or ask questions that they may have. Council Member Dugger asked about the time limits on the Code Enforcement Report

C. Sam Rayburn Municipal Power Agency - Mayor Hebert

Mayor Hebert, Board Member of the Sam Rayburn Municipal Power Agency, mentioned that the long-standing lawsuit with Vinton Power Agency has come to a close and it was very favorable for SRMPA. The last of the Cambridge money could be distributed shortly after the new year.

D. Mayor, Council and Staff Comments

Mayor Hebert thanked the Lights in Liberty committee and volunteers for a very successful Christmas event. Council Member Dugger thanked volunteers, employees and Council for the support during the Lights in Liberty Events.

VI. CONSENT AGENDA

All consent items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

A motion was made by Council Member Ward to approve all items on the consent agenda and seconded by Council Member Seymour. The motion passed 7 to 0 with all present voting yes.

A. Minutes Approval

1. November 13, 2025

VII. REGULAR AGENDA

A. Regular Session

1. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, ADOPTING AN UPDATED INVESTMENT POLICY.

Texas Local Government Code 2256.005 requires that the governing body of an investing entity shall adopt by rule, order, ordinance, or resolution, a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy was last updated in December 2024. Although there are no recommended changes to the current policy, the investment policy requires the policy to be reviewed and approved by City Council on an annual basis.

A motion was made by Council Member Brents to approve the resolution adopting an updated investment policy and seconded by Council Member Dennis. The motion passed 7 to 0 with all present voting yes.

2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AUTHORIZING THE UTILIZATION OF CAMBRIDGE FUND MONIES FOR THE PURCHASE OF THREE (3) COATED HEAVY-DUTY PUNCHED STEEL OUTDOOR PICNIC TABLES AND ONE (1) COATED HEAVY-DUTY PUNCHED STEEL ADA ACCESSIBLE OUTDOOR PICNIC TABLE FOR THE CITY HALL CAMPUS IN THE TOTAL AMOUNT OF $5,192.46; AND PROVIDING AN EFFECTIVE DATE.

46" Round Metal Outdoor Picnic Table Punched Steel / Green $1,456
46" Round Metal Outdoor Picnic Table ADA Compliant Punched Steel / Green $1,369

We saved 9.5% ($ 544.54) through Amazon Government Contract for a total amount of $5,192.46

A motion was made by Council Member Seymour to approve the resolution authorizing the utilization of Cambridge fund monies for the purchase of 4 outdoor picnic tables for City Hall Campus for a total of $5,192.46 and seconded by Council Member Brents. The motion passed 7 to 0 with all present voting yes.

3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AUTHORIZING THE USE OF CITY PROPERTY BY LIBERTY COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 5 FOR DRAINAGE PURPOSES AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE ANY NECESSARY AGREEMENTS; AND PROVIDING AN EFFECTIVE DATE.

Liberty County Water Control and Improvement District No. 5 (“WCID #5”) has approached the City of Liberty seeking to use certain City-owned property for drainage purposes. If the City Council finds that permitting such use is in the best interest of the City and will promote proper drainage and stormwater management within the affected area. WCID #5 would be authorized to use the City’s property for drainage purposes, subject to execution of any agreements deemed necessary and appropriate by the City. The City Manager will be authorized to negotiate, approve, and execute any agreements, documents, or instruments necessary to facilitate WCID #5’s use of the property for drainage purposes.

A motion was made by Council Member Bell to approve the resolution authorizing the use of City property by Liberty County Water Control and Improvement District No. 5 for drainage purposes and seconded by Council Member Dugger. The motion passed 7 to 0 with all present voting yes.

4. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AWARDING THE BID FOR THE MINGLEWOOD SANITARY SEWER IMPROVEMENT PROJECT FUNDED BY THE CITY’S CDBG DISASTER RECOVERY (CDBG-DR) PROGRAM CONTRACT NO. 24-067-026-E213 WITH THE TEXAS GENERAL LAND OFFICE TO TEXAS UNDERGROUND UTILITIES, INC. IN THE AMOUNT OF $4,153,555.00; AUTHORIZING THE CITY MANAGER TO EXECUTE RELATED DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.

The Minglewood Sanitary Sewer improvement project consists of the following:

- 15-inch Sanitary Sewer Lines: approximately 2,900 LF of pipe bursting and upsizing of the existing sanitary sewer lines and 2,900 LF of new 15-inch sewer lines
- Manholes: one repair, five remove and replace, and seven new concrete manholes.
- 12-inch Water Lines: approximately 5,500 LF and cut, plug, and abandon the existing water line.

- Pavement Improvements: approximately 6,000-feet in length and 20-feet wide existing pavement will be repurposed and used as the new aggregate material).

On November 14, 2025, three (3) bids were received, ranging from the apparent low bid of $4,153,555.00 to a high bid of $7,163,100.00. The apparent low bidder is Texas Underground Utilities, Inc. of Houston, Texas. The engineer for this project worked with Texas Underground Utilities on other projects and their work met or exceeded the specifications for the project. The engineer's estimate of probable cost for the project was $4,938,600.00.

A motion was made by Council Member Brents to approve the resolution awarding the bid for the Minglewood Sanitary Sewer Improvement Project funded by the City's CDBG Disaster Recovery (CDBG-DR) Program Contract No. 24-067-026-E213 with the Texas General Land Office to Texas Underground Utilities, Inc. in the amount of $4,153,555 and seconded by Council Member Seymour. The motion passed 7 to 0 with all present voting yes.

5. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH PYRO SHOWS OF TEXAS, INC., FOR THE CITY'S JULY 3, 2026, FIREWORKS DISPLAY.

The City has contracted with Pyro Shows of Fort Worth to provide the annual fireworks display. This year's display will be held on Friday, July 3, 2026. Pyro Shows has been providing fireworks displays since 2019. The cost of the display this year is $27,800, which is $4,800 more than last year.

A motion was made by Council Member Bell to approve the resolution authorizing the City Manager to execute an agreement with Pyro Shows of Texas, Inc. for the City's July 3, 2026, Fireworks Display and seconded by Council Member Brents. The motion passed 7 to 0 with all present voting yes.

6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF LIBERTY AND LIBERTY RANCH, LLC; AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT; PROVIDING FOR IMPLEMENTATION; AND ESTABLISHING AN EFFECTIVE DATE.

City Attorney Brandon Davis explained to Council this is the agreement that will reimburse the Liberty Ranch Developer via the PID funds for the infrastructure improvements to the Liberty Ranch Subdivision.

A motion was made by Council Member Ward to approve the resolution approving the Liberty Ranch Public Improvement District Reimbursement Agreement between the City of Liberty and Liberty Ranch, LLC and seconded by Council Member Dennis. The motion passed 7 to 0 with all present voting yes.

B. Executive Session

At 6:37 p.m., Mayor Hebert closed the open meeting and opened the Executive Session as authorized by Title 5, Chapter 551 of the Texas Government Code.

1. Texas Government Code §551.071 - Private Consultation with Attorney

Discussion with attorney regarding contemplated/pending litigation and/or regarding matters protected by attorney/client privilege.

2. Texas Government Code §551.072 - Deliberation Regarding Real Property
Discussion regarding real property.

3. Texas Government Code §551.074 - Personnel Matters.
To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

4. Texas Government Code §551.087 - Deliberation Regarding Economic Development Negotiations.
Discussion regarding economic development negotiations.

C. Reconvene into Regular Session

At 7:58 p.m., Mayor Hebert closed the Executive Session and reconvened the open meeting.

1. Consider and take possible action on legal matters discussed in the executive session.

No action was taken.

2. Consider and take possible action on real estate matters discussed in the executive session.

A motion was made by Council Member Ward to authorize the City Manager to negotiate and execute an agreement for real estate as discussed in the Executive Session and seconded by Council Member Bell. The motion passed 7 to 0 with all present voting yes.

3. Consider and take possible action on personnel matters discussed in the executive session.

No action was taken.

4. Consider and take possible action on economic development matters discussed in the executive session.

No action was taken.

VIII. ADJOURNMENT

A. Motion To: Adjourn

With no further business to discuss, Mayor Hebert adjourned the meeting at 7:59 p.m.

_____
John Hebert, Jr., Mayor

ATTEST:

_____
April Gilliland, City Secretary

The City of Liberty
City Council

Special Called Meeting

~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

April Gilliland
City Secretary
936-336-3684

Tuesday, December 16, 2025 | **4:30 PM** | **City Council Chambers**

I. CALL TO ORDER

This meeting was called to order on December 16, 2025, in the City Council Chambers, 1829 Sam Houston Street, Liberty, Texas at 4:30 p.m. by Mayor John Hebert.

A.

Attendee Name	Present	Absent	Late	Arrived
Mayor John Hebert, Jr.	X			
Mayor Pro Tem Tommy Brents	X			
Council Member Ed Seymour	X			
Council Member Ross Ward	X			
Council Member Debbie Dugger	X			
Council Member Bruce Bell	X			
Council Member Nick Dennis	X			

II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

Mayor Hebert welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council. No public comments were made.

III. REGULAR AGENDA

A. Regular Session

1. AN ORDINANCE OF THE CITY OF LIBERTY, TEXAS AMENDING CHAPTER 3 OF THE CITY'S CODE OF ORDINANCES BY ADDING ARTICLE 3.15 REGULATING THE USE AND PLACEMENT OF PORTABLE STORAGE CONTAINERS, SHIPPING CONTAINERS, AND PORTABLE BUILDINGS; PROVIDING FOR SEVERABILITY.

City Attorney Brandon Davis reviewed the two versions of the ordinance regulating the use and placement of portable storage containers, shipping containers, and portable buildings with the City Council. Mr. Davis noted the similarities and differences between the two versions of the ordinances. The conversation discussed the differences between portable storage containers (Pods that are brought to a location, filled and picked up for off-site storage); shipping containers

(Conex boxes); and portable buildings (Graceland buildings, etc.). Any existing permit or building will be allowed as is before approval of the ordinance. The new ordinance will apply to any new request as of this date. A change to remove the portable building from residential use was requested by council members. City Attorney Brandon Davis clarified the changes the Council wanted to see in the ordinance.

A motion was made by Council Member Ward to adopt the 2nd version of the ordinance with the revisions noted by city attorney Brandon Davis and seconded by Council Member Bell. The motion passed 6 to 1 with Members Bell, Dennis, Dugger, Hebert, Seymour and Ward voting yes, and member Brents voting no.

IV. ADJOURNMENT

A. Motion To: Adjourn

With no further business to discuss, Mayor Hebert adjourned the meeting at 4:55 p.m.

_____
John Hebert, Jr., Mayor

ATTEST:

_____
April Gilliland, City Secretary

CITY OF LIBERTY

City Council
Agenda Item Form

Meeting Date: January 13, 2026

Agenda Wording: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AMENDING THE CITY'S MASTER FEE SCHEDULE TO UPDATE THE FEE FOR ADDITIONAL RESIDENTIAL SOLID WASTE CARTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Department: Administration

Subject: Master Fee Schedule Change for Solid Waste Fees

Background: We are currently charging $6.40 per each additional 96-gallon container and Frontier is charging $6.69 per each additional 96-gallon container. To cover the cost from Frontier and the administrative fee for each additional 96-gallon container, we need to increase our fee to $7.00.

Funding Source: NA

Staff Recommendation: Staff recommends City Council adopt the Ordinance increasing the solid waste fee for each additional 96-gallon container to $7.00.

Ordinance

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AMENDING THE CITY'S MASTER FEE SCHEDULE TO UPDATE THE FEE FOR ADDITIONAL RESIDENTIAL SOLID WASTE CARTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Liberty, Texas, has authority to establish and amend fees for municipal services; and

WHEREAS, the City Council desires to amend the Master Fee Schedule to ensure solid waste collection fees adequately reflect current service provider costs;

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

SECTION 1. Amendment to Master Fee Schedule – Solid Waste Fees. The City's Master Fee Schedule is hereby amended as follows:

Solid Waste Fees

Residential Collection Fee (per month):	$ 20.17
Each Additional 96-Gallon Container:	$ 7.00

All other solid waste fees not expressly amended herein shall remain unchanged.

SECTION 2. Severability. If any provision of this ordinance is held invalid, such invalidity shall not affect the remaining provisions.

SECTION 3. Effective Date. This ordinance shall take effect immediately upon adoption.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Liberty, this _____ day of _____, 2026.

_____
Mayor
City of Liberty, Texas

ATTEST:

_____
City Secretary
City of Liberty, Texas

CITY OF LIBERTY

City Council
Agenda Item Form

Meeting Date: January 13, 2026

Agenda Wording: Presentation of Drainage Study by HR Green

Department: Administration

Subject:

Background:

Funding Source:

Staff Recommendation:

CITY OF LIBERTY

City Council
Agenda Item Form

Meeting Date: January 13, 2026

Agenda Wording: Rural Texas Trap-Neuter-Return (TNR) Presentation to Council with discussion and possible action

Department: Administration

Subject: Rural Texas Trap-Neuter-Return Program

Background:

Funding Source:

Staff Recommendation:

Rural Texas TNR Program:
Building a Healthier Liberty

Request for Funding to Humanely Manage Stray Cats
Liberty City Council Meeting
January 13, 2026 | 6:00 pm
Presenters: Shyanne Loftin & Samantha Robertson

In support: Austin Thomas, President of ROSES Rescues

Who We Are

ROSES is a 501(c)(3) organization dedicated to cat rescue, adoptions, humane population control (Trap-Neuter-Return), & spay/neuter education.

Our Rural Texas TNR Program, supported by ROSES, focuses on humane cat management in Liberty County & surrounding rural areas near Houston.

Shyanne Loftin & Samantha Robertson are dedicated volunteers leading this program. They successfully managed over 300 cats in Liberty County in 2025 alone.

What is Trap-Neuter-Return?



“Trap-Neuter-Return” (TNR) is the proven, humane way to manage stray and feral cat populations:

- Cats are safely trapped.
- They’re spayed/neutered, vaccinated, and treated for health issues at a vet.
- They’re returned to their outdoor homes to live out their natural lives.

This approach reduces overpopulation and improves community health.

Learn more from Alley Cat Allies, a national advocate for humane cat care:
www.alleycat.org/resources/why-trap-neuter-return-feral-cats-the-case-for-tnr/

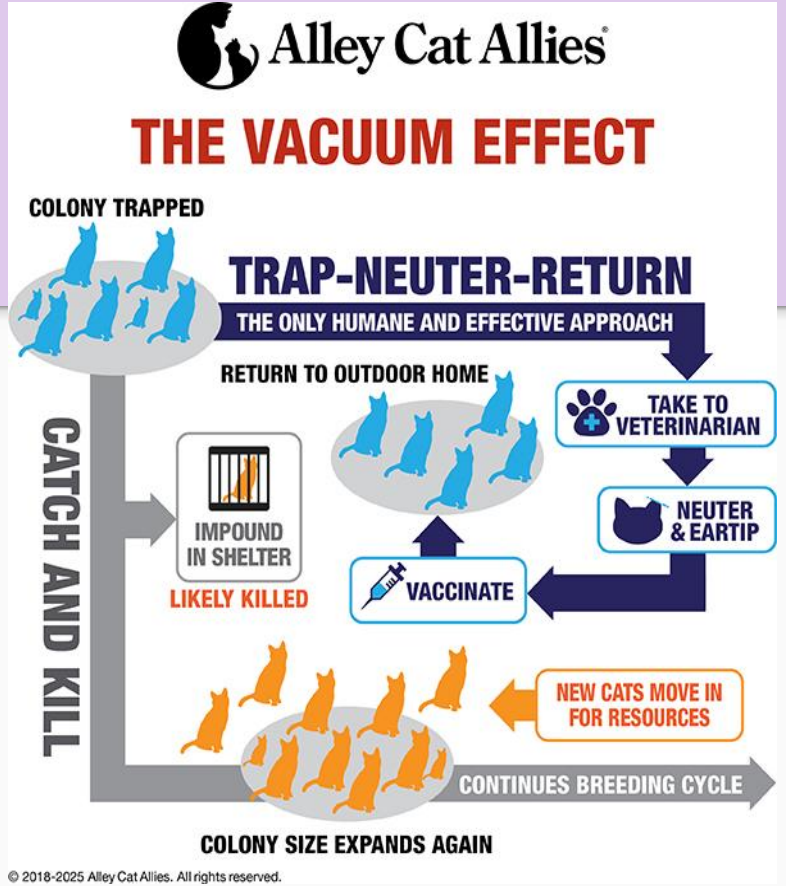
Why TNR Over Removal?

TNR is the only humane and effective method to reduce stray cat overpopulation long-term.

Removal fails due to the “vacuum effect”: New cats quickly fill the void where food and shelter remain, restarting the cycle.

TNR stabilizes populations, cuts nuisance issues, and saves city resources on repeated interventions.

www.alleycat.org/resources/why-trap-neuter-return-feral-cats-the-case-for-tnr/
www.alleycat.org/resources/the-vacuum-effect-why-catch-and-kill-doesnt-work/



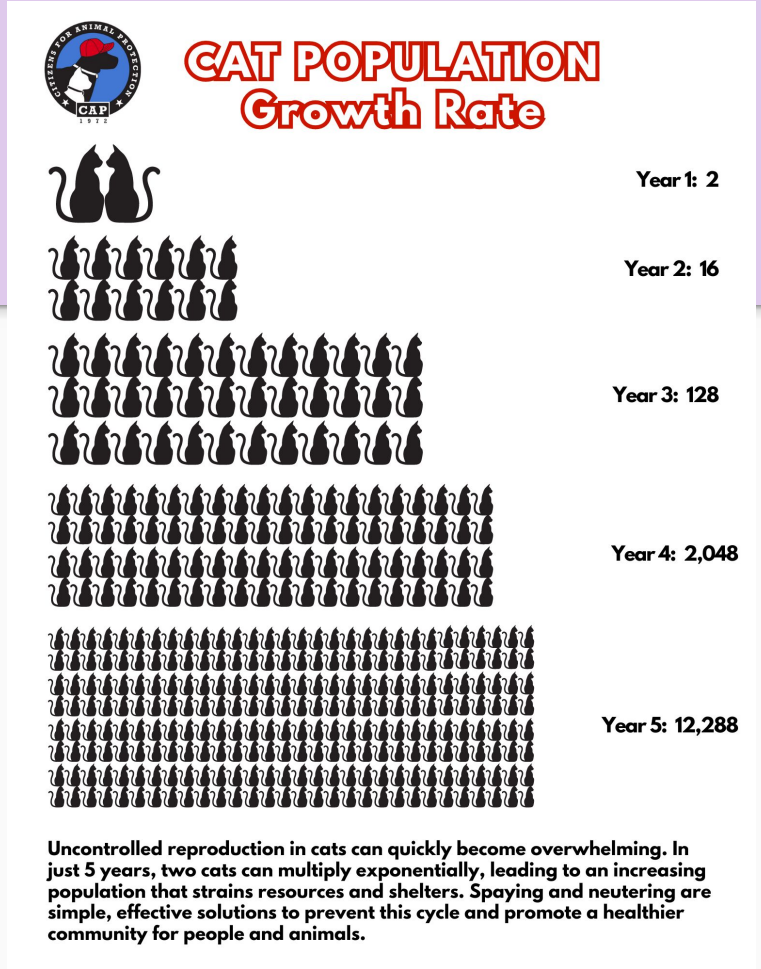
How TNR Improves Liberty

TNR stabilizes cat colonies, reduces populations over time, and tackles key issues like stray overgrowth, abandoned kittens, and injured animals—enhancing community quality of life.

“TNR addresses community concerns with growing stray populations…” (Houston BARC)

Without TNR, two cats can explode to over 12,000 in 5 years, straining shelters and resources. TNR breaks this cycle for a cleaner, healthier Liberty.

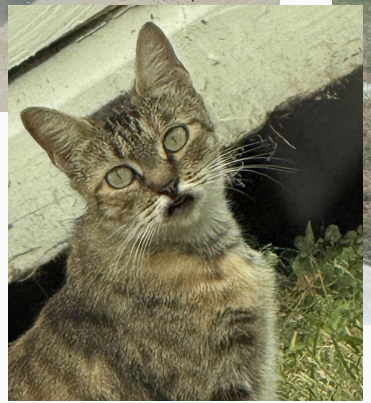
https://www.houstontx.gov/barc/trap_neuter_return.html



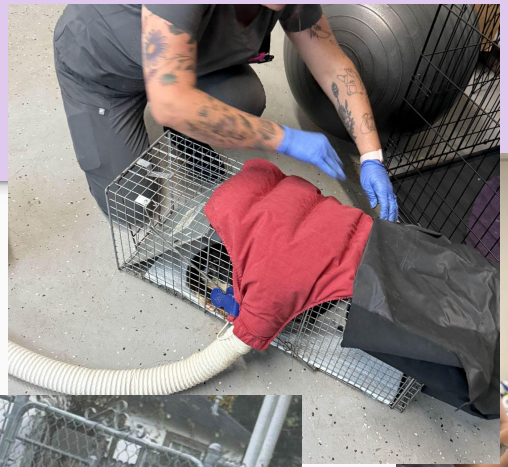
Stray Cats Near City Hall and Schools

Webster Street: Highlighting the need for action in public spaces





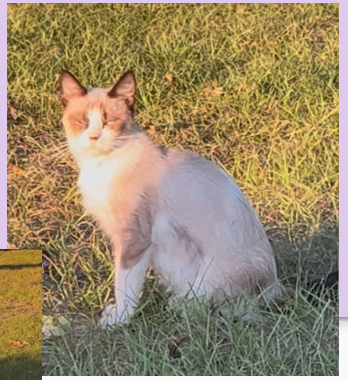


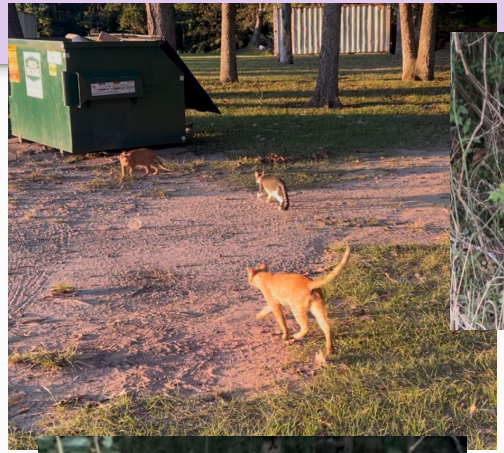




Cats in Liberty Municipal Park

A key LCDC “Quality of Life” asset affected by overpopulation













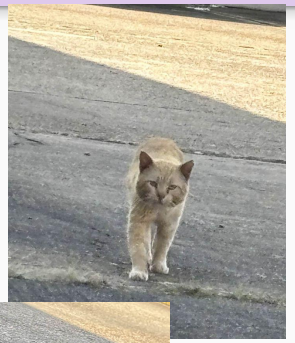




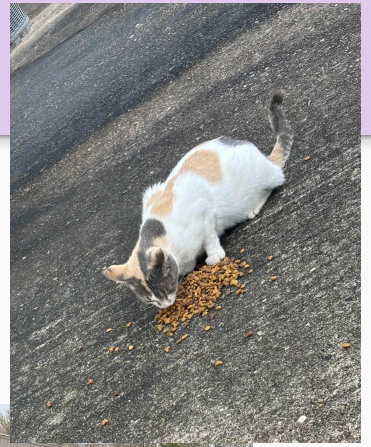
Business Impact: Cats at Anytime Fitness

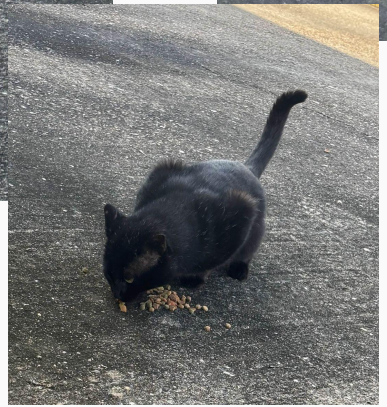
Manager has requested help to manage this colony















Local Spots Impacted by Cat Overpopulation

Businesses Facing Challenges

- Anytime Fitness
- Big Frank's BBQ
- Pack, Ship, & Copy
- The Health Fix
- Walmart
- Potetz Home Center
- El Burrito Mexican Restaurant
- Tractor Supply
- Brookshire Brothers
- Goodwill
- PTC Liberty
- Park Place Apartments
- Allison Funeral Home

… and more

Public and Municipal Areas

- Liberty Municipal Park
- Liberty Municipal Golf Course
- San Jacinto Elementary
- The Historic Ott Hotel 1928
- Canfield Park & Dog Park
- Liberty Catholic Cemetery

… and more

Liberty Animal Control is eager to partner with us on TNR for effective management.

(through Dec. 2025)

Locations Seeking TNR Help

Complete

Street	City	State	Zip	Total Cats	# Done	Left To do
2314 Cos Street	Liberty	Texas	77575	4	4	0
2306 Hollywood Ave	Liberty	Texas	77575	1	1	0
1911 Reese Street	Liberty	Texas	77575	6	6	0
2406 Grand Ave	Liberty	Texas	77575	6	6	0
1004 Layl Drive	Liberty	Texas	77575	4	4	0
2342 Park Pl Drive	Liberty	Texas	77575	1	1	0
Grand Ave	Liberty	Texas	77575	10	10	0
Newman Street	Liberty	Texas	77575	3	3	0
2010 Panther Lane	Liberty	Texas	77575	1	1	0
501 Revinson Dr.	Liberty	Texas	77575	2	2	0
609 Travis Street	Liberty	Texas	77575	2	2	0
715 Davidge Street	Liberty	Texas	77575	20	20	0
3013 N. Main Street	Liberty	Texas	77575	2	2	0
117 Mimosa Drive	Liberty	Texas	77575	21	21	0
1005 Oak Drive	Liberty	Texas	77575	1	1	0
307 Still Forest Street	Liberty	Texas	77575	1	1	0
2112 Edgewood Street	Liberty	Texas	77575	3	3	0
2638 Newman Street	Liberty	Texas	77575	11	11	0
106 Duff Street	Liberty	Texas	77575	6	6	0
1301 Lakeland Drive	Liberty	Texas	77575	24	24	0
2610 Jefferson Drive	Liberty	Texas	77575	2	2	0
1630 Holly Street	Liberty	Texas	77575	8	8	0
			Total	139	139	0

In Progress

Street	City	State	Zip	Total Cats	# Done	Left To do
2710 N Main Street	Liberty	Texas	77575	2	0	2
726 Maryland Street	Liberty	Texas	77575	1	0	1
2112 Edgewood Street	Liberty	Texas	77575	6	3	3
2503 Edgewood Street	Liberty	Texas	77575	4	0	4
1608 Cypress Street	Liberty	Texas	77575	1	0	1
910 N Travis Street	Liberty	Texas	77575	7	5	2
2342 Park Place Drive	Liberty	Texas	77575	14	4	10
1419 Webster Street	Liberty	Texas	77575	20	18	2
109 Jessica Street	Liberty	Texas	77575	3	1	2
2710 N Main Street	Liberty	Texas	77575	2	0	0
405 Bowie Street	Liberty	Texas	77575	13	0	13
1114 Woods Drive	Liberty	Texas	77575	8	6	2
2606 Webster Street	Liberty	Texas	77575	20	0	20
3950 Beaumont Road	Liberty	Texas	77575	26	22	4
333 Still Forest Drive	Liberty	Texas	77575	12	11	1
2607 Beaumont Ave	Liberty	Texas	77575	6	2	4
805 Layl Drive	Liberty	Texas	77575	2	1	1
2026 Adams Street	Liberty	Texas	77575	120	0	120
310 Still Forest Drive	Liberty	Texas	77575	10	4	6
			Total	277	77	198

We've already helped 216 cats in Liberty—your support can finish the job and expand.

TNR’s Goal: Full Colony Management

Sterilize all cats in a colony and monitor for newcomers. This eliminates nuisance behaviors like spraying, fighting, and noise, and prevents new kittens.

- ASPCA

https://www.aspca.org/helping-shelters-people-pets/closer-look-community-cats

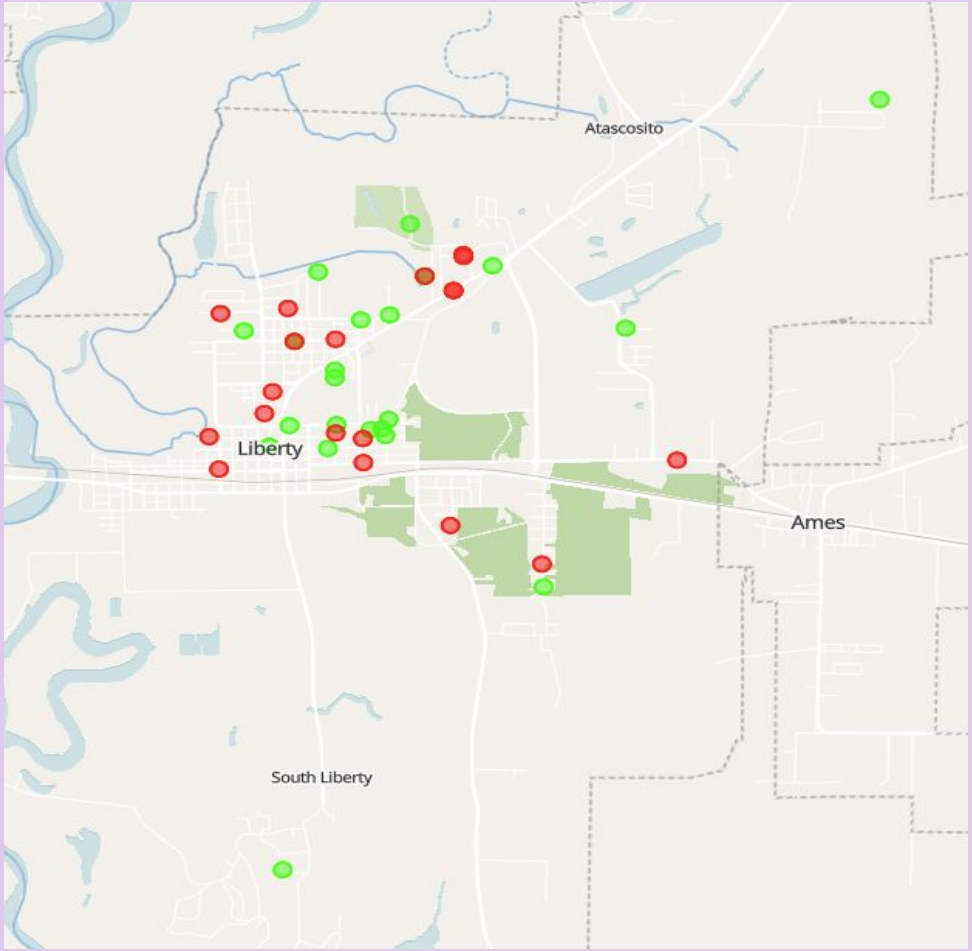
Our 2025 Impact in Liberty

- Sterilized, vaccinated, and treated 333 cats city- and county-wide.
- Rescued 117 kittens and 6 cats for adoption.
- Treated or humanely euthanized seriously ill cats/kittens to end street suffering.
- Boosted quality of life for Liberty residents and businesses by managing stray cats—see testimonials in your packet.

Our Progress Map: TNR in Liberty

🟢 Colonies 100% Managed
🔴 Colonies needing TNR

We're systematically targeting full sterilization per site for lasting results: reducing costs and issues city-wide.



2025 Funding Partners

Rural TX TNR secured support from the following organizations for TNR:

- ~$9,000 from ROSES (including two major TNR events for 50-60 cats each).
- Spots at Animal Justice League and TeamFeral events
- Vouchers from HOPE (Homeless & Orphaned Pets Endeavor).
- Advice, help, and gear from Space City Cats.

We'll build on these in 2026 for even greater efficiency.

Our 2026 Resources

- $18,000 from ROSES dedicated to Rural Texas TNR (not limited to Liberty).*
- All necessary trapping equipment (plus $1,000 for extras if needed from ROSES).
- Dedicated local volunteers.
- Partnerships with Houston-area groups for more resources and vet spots.
- Safe recovery spaces and limited fosters for adoptable cats/kittens.

* ROSES budget details available upon request.

2026 Action Plan

- Large TNR events are efficient: Handle whole colonies at once, minimizing travel costs.
- Each event: $4,000–$5,000 (covers sterilization plus extras; see sample invoices).
- ROSES's $18,000 funds 3–4 events (150–240 cats, not limited to Liberty).
- Use other partners for smaller groups (<50 cats).
- **Your $20,000 Investment**: Funds 4–5 Liberty-specific events for 200–300 cats, delivering quick community wins.

2026 Goals with Your Support

- Complete all in-progress Liberty colonies before spring "kitten season."
- Develop a targeted plan for public spots like parks and schools.
- Partner with local businesses for broader buy-in.
- Attract funding from national groups like Alley Cat Allies.

Partner with Us for a Better Liberty

Your funding signals strong commitment to humane animal control, boosting quality of life for residents, businesses, and animals alike, all while attracting more regional support.



Thank you!

Contact us:

✉ ruraltxtnr@rosesnonprofit.org
⫘ www.rosesnonprofit.org
ⓕ Rural TX TNR Program
⭕ @roses_rescues_htx



CITY OF LIBERTY

City Council
Agenda Item Form

Meeting Date: January 13, 2026

Agenda Wording: Consider and take possible action on a resolution approving the expenditure of funds and construction of a storage building at the Liberty Municipal Airport.

Department: Administration

Subject: Airport Storage Building

Background: After purchaseing equipment to maintain the Liberty Airport property, we need a place to store the equipment. Enclosed are two proposals for a 30 x 40 building for Council to review.

Funding Source:

Staff Recommendation:

MICHAEL ALBA CONSTRUCTION, INC.
205 COUNTY ROAD 2551 CLEVELAND TX 77327
936-391-6559

Proposal

November 11, 2025

City of Liberty
1100 N. Main
Liberty Tx, 77575

Airport Storage

1. Supply material and labor to erect 30x40 engineered single slope building
2. 16' eve height in the front with 1 walk indoor and a 14x14 roll up door
3. Use existing concrete
4. Building will include 3" insulation ceiling and walls
5. Engineered foundation not included as we are using existing

Clean up and remove all construction debris.

Notes: $13k need when building is onsite.

Total Price $ 48,450.00

Thanks,
Myron McDowell Construction Inc.

Michael Alba

Michael Alba

Better Built Metal Buildings

10383 Hwy 12, Ste. 116 • Orange, TX 77662
Phone: 409-745-3256 • Fax: 409-745-1255
Office@bbmbtx.com

Customer Information

Name: City of Liberty
Address: 1100 N. Main St.
City, State, zip: Liberty, TX 77575
Phone: 936-336-9008
Email: jredding@cityofliberty.org
Contact Name:

Job Information

Name:
Address:
City, State, Zip:
Description:

Scope of Work

PERMITS

- n/a

CONCRETE

- 4,000 PSI
- cut concrete and remove for grade beams
- set anchor bolts
- Exterior Grade Beams LF: 160 size: 14"x24" # of rebar: 5 size: #5
- Interior Grade Beams LF: 30 size: 14"x14" # of rebar: 4 size: #5
- Pour back

METAL BUILDING

- 40'x30'x16'x12'
- 1/12 single slope roof pitch
- 127 MPH wind load
- 3" VRR insulation roof and walls
- (1) 14x14 wind rated insulated roll up door with chain hoist
- (1) 3-0/7-0 walk door with panic hardware and closer
- 26-gauge sheet and trim
- Roof: color white
- Walls: color to match existing
- Trim: color to match existing

LABOR

- Labor to erect metal building
- Labor to install all components

Not Included

Dirt, dirtwork, full concrete foundation, gutters and downspouts, electric, plumbing, hvac, interior build out, 3rd party inspections

Company Proposal

Better Built Metal Buildings ("Contractor") proposes to furnish all necessary labor and provide a certificate of liability insurance to perform the referenced work for the total contract sum of $51,197.00. All materials shall conform to the specifications provided and shall include the applicable manufacturer's warranty. Contractor shall provide a one (1) year warranty on all workmanship. Any alterations, additions, or deviations from the agreed specifications that involve extra costs shall only be undertaken pursuant to a written and approved change order. Should Owner request Contractor to proceed with change order work prior to formal approval, the submitted pricing shall be deemed accepted. Payment is due in full upon receipt of invoice unless otherwise agreed in writing. Any invoice remaining unpaid after ten (10) days shall accrue interest at a rate of two percent (2%) per month on the outstanding balance until paid in full. Better Built Metal Buildings reserves the right, at its sole discretion to cancel this proposal in whole or in part for any reason.

Denise Vaughn 12-15-2025

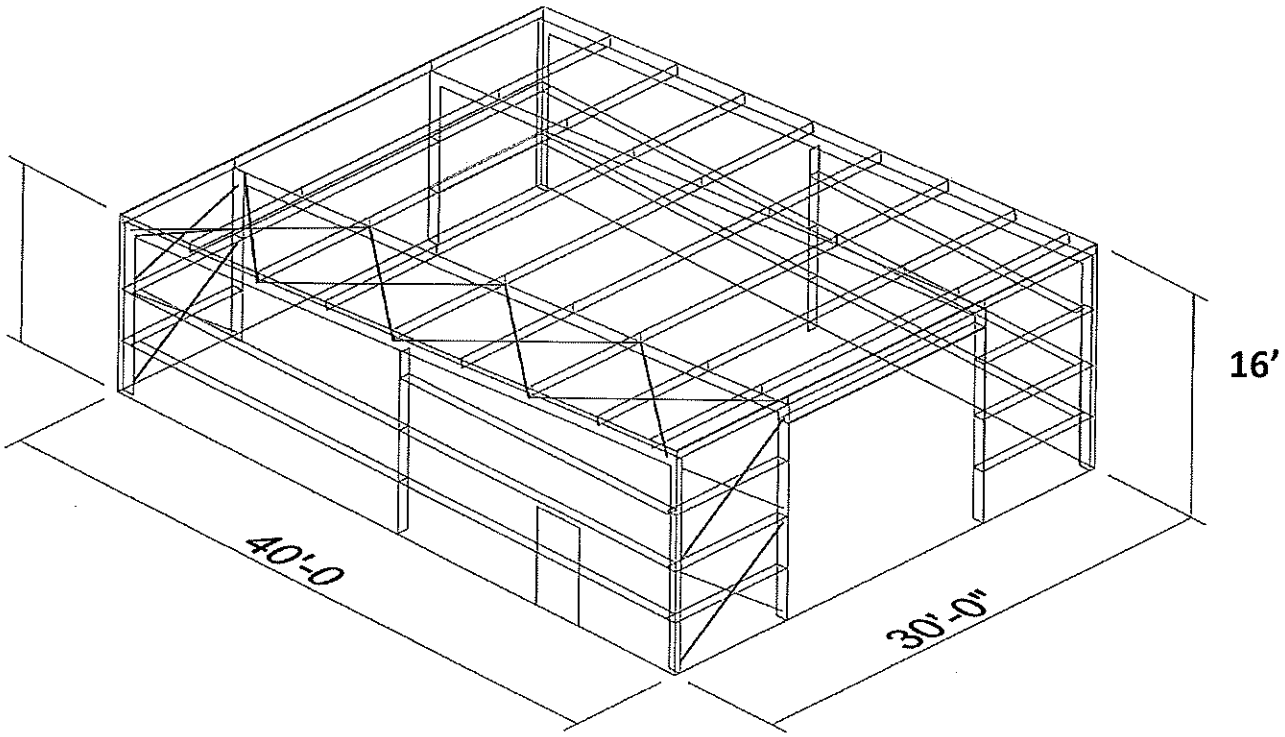
Payment Terms

METAL BUILDING- down payment for metal building	**$1,500.00**
METAL BUILDING- due at delivery C.O.D.	**$31,297.00**
CONCRETE- due at completion	**$8,060.00**
LABOR - due at completion	**$9,500.00**
ROLL UP DOOR- due at completion of install	**$840.00**

Owner Acceptance

ACCEPTANCE: The undersigned hereby accepts the terms, pricing, and specifications set forth in this proposal and authorizes Better Built Metal Buildings to proceed with the work for a total contract amount of $51,197.00. Upon execution, this document shall constitute a binding purchase agreement between the Customer and Better Built Metal Buildings, and the required deposit shall become immediately due and payable. Deposits are non-refundable except at the sole discretion of Better Built Metal Buildings. In the event of cancellation after receipt of the deposit, the Customer shall remain liable for all costs incurred, including but not limited to material, labor, administrative, and restocking expenses, in addition to any applicable cancellation fees.

Accepted by (owner or authorized representative) **Date**



CITY OF LIBERTY

City Council
Agenda Item Form

Meeting Date: January 13, 2026

Agenda Wording: Consider and take possible action regarding the City and Liberty Community Development Corporation Websites.

Department: Administration

Subject:

Background:

Funding Source:

Staff Recommendation:

CITY OF LIBERTY

City Council
Agenda Item Form

Meeting Date: January 13, 2026

Agenda Wording: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, APPROVING THE PROPOSED AGREEMENT WITH BRAZOS TRANSIT DISTRICT.

Department: Administration

Subject: Brazos Transit Agreement

Background: Brazos Transit District (BTD) is a public transportation provider, offering numerous routes and services. BTD was founded in 1974 and now serves 16 counties in Central and East Texas. BTD is a political subdivision of the State and Texas and receives funding through the Federal Transportation Administration and the Texas Department of Transportation.

This agreement is a five (5) year agreement with an annual cost of $5,512.50

Funding Source: General Fund

Staff Recommendation: Staff recommends approval of the agreement with Brazos Transit District.

Resolution

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, APPROVING THE PROPOSED AGREEMENT WITH BRAZOS TRANSIT DISTRICT.

WHEREAS, Brazos Transit District ("BTD") is a public transportation provider, offering numerous routes and services; and

WHEREAS, BTD was founded in 1974 and now serves 16 counties in Central and East Texas; and

WHEREAS, BTD is a political subdivision of the State of Texas and receives funding through the Federal Transportation Administration and the Texas Department of Transportation; and

WHEREAS, the proposed agreement between BTD and the City of Liberty is a five (5)-year agreement with an annual cost of $5,512.50.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Liberty, Texas hereby approves the proposed agreement with Brazos Transit District.

PASSED AND APPROVED this ____ day of _____, 2026.

_____
Mayor
City of Liberty, Texas

ATTEST:

_____
City Secretary
City of Liberty, Texas

Brazos Transit District

Agreement for Transportation Services

PARTIES AND OBJECTIVES

The objective of this Contract is for the City of Liberty to retain the services of Brazos Transit District, for the citizens of the City of Liberty, for a public transit system. This Contract is made in Brazos County, Texas on this _____ day of _____, 2025, by and between Brazos Transit District, hereinafter referred to as "BTD" and the City of Liberty, hereinafter referred to as "City".

CONTRACT PERIOD

This Agreement shall be for a period of five (5) years, commencing on September 1, 2025 and expiring on August 31, 2030. This Agreement is contingent upon funding appropriated by the City. Likewise, continuation of service is contingent upon local share from the City.

CONSIDERATION

The City shall pay as consideration for the services of BTD as delineated in this section for its local share to BTD. Reimbursement shall be $5,512.50 per year, provided to BTD in twelve (12) equal installments of $459.38.

ROUTES AND SCHEDULES

BTD shall be responsible for establishing all routes, schedules, operational hours, and operational days. In establishing such, BTD shall consider, to the most practical extent possible, the suggestions of the City. Service levels will be maintained equal to the services provided during the current calendar year, provided state and federal funds are available to BTD to provide such service and local share provided by the City.

ADMINISTRATION

BTD shall be the sole agent responsible for the administration and operation of the public transit system.

INSURANCE

BTD shall maintain general liability insurance at the rate prescribed by regulatory authorities and applicable to public transit services and shall furnish the City with proof of such coverage prior to commencement of operations and at such times as requested by the City.

HOLD HARMLESS

BTD shall indemnify and save harmless the City and its agents from harm or damages of any character, type or description brought or made for on account of any injuries or damages received or sustained by any person or persons or property, arising out of, or occasioned by, the alleged negligent acts of BTD, or its agents and employees, in the execution of performance of this Agreement.

GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of Texas. Venue shall be in Brazos County, Texas.

SERVICE OF NOTICE

Any notice required or permitted to be given by this Agreement shall be deemed given when personally delivered to the recipient thereof, or mailed by registered or certified mail, return receipt requested, postage prepaid, to the appropriate recipient thereof, in the case of the City, at The City of Liberty, 1829 Sam Houston, Liberty, Texas 77575, and in the case of Brazos Transit District at 2117 Nuches Ln., Bryan, Texas 77803, or any other address which either party may subsequently designate in writing to the other party.

ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties herein described. Any oral

representations or modifications concerning this Agreement shall be of no force and effect unless such are reduced in writing.

BRAZOS TRANSIT DISTRICT

_____
Wendy Weedon
Chief Executive Officer

_____
Date

CITY OF LIBERTY

_____
John Hebert
Mayor, City of Liberty

_____
Date

CITY OF LIBERTY

City Council
Agenda Item Form

Meeting Date: January 13, 2026

Agenda Wording: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE FINAL PLAT FOR PHASE I OF THE LIBERTY RANCH SUBDIVISION; AND PROVIDING AN EFFECTIVE DATE.

Department: Community Development

Subject: Final Plat – Phase I of the Liberty Ranch Subdivision

Background: Baker & Lawson, on behalf of the Von Schmidt Land and Cattle, LLC, has submitted a final plat for a proposed 216 lot residential subdivision to be located on Highway 146 North. The subdivision will be divided into two phases, with phase I consisting of 108 lots and phase II consisting of 108 lots.

The subdivision will include a 50’ right-of-way, on-site detention, 28’ wide concrete curb and gutter streets, sidewalks, underground utilities and a 0.636-acre park that will be privately maintained.

The layout of the subdivision is as follows:

1. Lot Size - 5,000 sf
2. Lot Width - 50 feet
3. Corner Lot Width - Proposed: 55 feet
4. Setbacks - Proposed: 5.0 feet

Planning and Zoning Commission approved the final plat for Phase I of the Liberty Ranch Subdivision during their December 17, 2025, meeting.

Funding Source: n/a

Staff Recommendation: Staff recommends approval of the final plat for Phase I of the Liberty Ranch Subdivision.

Resolution

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE FINAL PLAT FOR PHASE I OF THE LIBERTY RANCH SUBDIVISION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Baker & Lawson, on behalf of Von Schmidt Land and Cattle, LLC, has submitted a final plat for Phase I of the Liberty Ranch Subdivision, a proposed residential subdivision located on Highway 146 North within the City of Liberty, consisting of 108 residential lots; and

WHEREAS, the Planning and Zoning Commission of the City of Liberty reviewed the final plat and voted unanimously to recommend approval; and

WHEREAS, the final plat reflects a residential subdivision designed with standard public infrastructure and improvements, including streets, utilities, drainage, and park space, in compliance with applicable City ordinances and subdivision regulations;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS:

SECTION 1. Approval of Final Plat. The City Council hereby approves the Final Plat for Phase I of the Liberty Ranch Subdivision, consisting of 108 residential lots, as submitted by Baker & Lawson on behalf of Von Schmidt Land and Cattle, LLC, subject to compliance with all applicable City ordinances and regulations.

SECTION 2. Effective Date. This resolution shall take effect immediately upon adoption.

PASSED AND APPROVED this ____ day of _____ 2026.

_____
Mayor
City of Liberty, Texas

ATTEST:

_____
City Secretary
City of Liberty, Texas

PLAT APPLICATION

City of Liberty Community Development Department
1829 Sam Houston, Liberty, Texas 77575
Phone: 936-336-3684 | Fax: 936-336-9846 | Email: permits@cityofliberty.org

APPLICATION FOR

☐ *Minor Plat (2 or fewer lots) - $300.00
☐ Preliminary Plat - $100.00
☐ *Short Form Final Plat (4 or fewer lots) - $300.00
☑ *Final Plat - $300.00

PROPERTY INFORMATION

Subdivision Name: Liberty Ranch, Section 1
Address/Location: SH 146, Liberty, Texas
Lot(s): 108
Block(s): 5
of Acres: 31.158
of Lots: 108
of Units:

APPLICANT INFORMATION

Name: Robin Crouch
Company: Baker & Lawson, Inc.
Mailing Address: 4005 Technology Dr, Suite 1530
City: Angleton
State: TX
Zip: 77515
Email Address: rcrouch@bakerlawson.com
Phone: 979-849-6681

OWNER INFORMATION (IF DIFFERENT FROM APPLICANT)

Name: Charles Von Schmidt
Company: Liberty Ranch, LLC
Mailing Address: 185 Cedar Point Drive
City: Livingston
State: Texas
Zip: 77351
Email Address: c.vonschmidt@wdtexas.com
Phone: 713-960-4150

SIGNATURE

Owner's Signature
12/10/25
Date
Robin Crouch
Applicant Signature
12/10/25
Date

Updated 08-30-2024

PLAT APPROVAL CHECKLIST

1. Title or name of plat, meridian north point, scale of map and vicinity/location map.
2. Definite legal description and identification of the tract being subdivided.
3. All block, lot and street boundary lines reference to Texas State Plane Coordinate System.
4. Building lines and easements.
5. Actual width of all streets, measured at right angles or radially, where curved, shown on map.
6. All necessary dimensions accurately displayed.
7. Names of all streets and adjoining subdivisions shown on map.
8. Flood zones and boundaries, if applicable, shown on map. Elevations for full subdivision.
9. Certificate of ownership signed, stamped and notarized.
10. Signature line for City official, and County official, approving the plat (signatures must be notarized).
11. Name, address, telephone, and fax number of engineer, surveyor, landscape architect, or land planner preparing the plat.
12. All legal restrictions and regulations placed on the approval of the plat shown clearly on map
13. Plats must be 24 x 36 in size
14. All plats must conform to the city's subdivision ordinance
15. *No subdivision shall be approved unless the area to be subdivided shall have frontage on and access from an existing state, county or city highway, street or road (sec. 10.02.123)*

NOTES

1. Per section 10.02 of the Code of Ordinances, the City of Liberty's platting and subdividing authority extend to and apply to the City's extraterritorial jurisdiction (ETJ). Liberty's ETJ extends 1-mile around its city limits.

FILING REQUIREMENTS

1. Three (3) copies of the plat printed on Mylar (must include original signature and stamp seal of the surveyor)
2. A tax certificate from the Liberty County Tax Office, indicating that no delinquent ad valorem taxes are owed, must be presented with the plat
3. * = Fee includes courthouse filing fee

Amended and Restated Declaration of Restrictive Covenants, Conditions and Restrictions
of
Liberty Ranch Subdivision

Section One, and Two, in Liberty County, Texas

These private land use restrictions for Property situated in Sections One, and Two of Liberty Ranch a Subdivision in Liberty County, Texas (the "Restrictions") are executed effective as of the Date hereafter defined by Declarant (as hereafter defined), and in accordance with the definitions, terms, provisions, and other matters hereafter set forth.

This Amended and Restated Declaration of Restrictive Covenants, Conditions and Restrictions (this "Declaration") amends, restates, and supersedes in its entirety the Covenants, Conditions and Restrictions of Liberty Ranch filed under Document No. 2022027616, of the Official Public Records of Liberty County, Texas (the "Original Declaration of Restrictive Covenants Conditions and Restrictions"). As of the date hereof, the "Development Period" under the Original Declaration of Restrictive Covenants Conditions and Restrictions has not yet expired and Declarants (as defined below) hold all rights and authority to modify the Prior Declaration and amend and supersede the Original Declaration of Restrictive Covenants Conditions and Restrictions with this Declaration, and hereby amend and supersede the Original Declaration of Restrictive Covenants Conditions and Restrictions with this Declaration.

Basic Information

Date: 1 August 2025

Declarants: Liberty Ranch, LLC, a Texas Limited Liability Company, Von Schmidt Land and Cattle, LLC a Texas Limited Liability Company and Waterstone Development Group Texas, LLC, a Texas Limited Liability Company

Declarant's Address:

Liberty Ranch, LLC
185 Cedar Point Drive
Livingston, Texas 77351

Waterstone Development Group Texas, LLC
185 Cedar Point Dr.
Livingston, Texas 77351

Property Owners Association:

Liberty Ranch Home Owners Association, Inc., a Texas nonprofit corporation

Property Owners Association's Address:

Liberty Ranch Home Owners Association, Inc.
185 Cedar Point Dr.
Livingston, Texas 77351

Subdivision: 50.613 acres of land out of the B. W. Hardin Survey, Abstract No.47, in Liberty County, Texas, as more particularly described in deed dated November 12, 2020, from Ernest W. Pickett, IV aka Ernie Picket, IV and Stacie Lynn Pickett to Con Schmidt Land and Cattle, LLC a Texas limited liability company, recorded on November 15, 2001, Under File Clerk's Number 2021048312 of the Official Public Records of Liberty County, Texas.

Original Declaration of Restrictive Covenants Conditions and Restrictions:

Filed under Document # 2022027616 in the Real Property Records of Liberty County, Texas.

Recitals

First. Declarant owns the fee simple title to the land in the Subdivision.

Second. Declarant desires to maintain a uniform plan for the use and improvement of the Subdivision, and Declarant has therefore created the covenants, conditions and restrictions, whether mandatory, prohibitive, permissive, or administrative (collectively called the "Restrictions") to run with the land making up the Subdivision and to regulate the structural integrity, appearance and use of the lots owned by Declarant and depicted upon the plat of the Subdivision and the improvements to be placed on such lots.

Third. The Restrictions are entitled to run with the land comprising the Subdivision because: (i) the Restrictions touch and concern such land by, among other things, benefitting and controlling the use of such land; (ii) privity of estate exists among all of the land in the Subdivision by reason of the Declarant holding legal and equitable title to the land out of which the land shall be conveyed subject to the Restrictions; (iii) notice is given of the Restrictions contained herein when this instrument is filed in the Real Property Records in Liberty County, Texas, being the County in which the Subdivision is situated; and (iv) the Restrictions are reasonable in light of their purpose being for the common benefit of all of the land owners in the Subdivision, in order to reduce uncertainty in living conditions, and to encourage investment in the Subdivision.

Fourth. The Restrictions shall run with the land owned by Declarant in the Subdivision and shall be binding upon and inure to the benefit of the Declarant, as well as the Declarant's successors and assigns; further, each person or entity, by acceptance of title, legal or equitable, to any portion of the Subdivision, shall abide by and perform the Restrictions and the other terms hereof. In the event of the failure of any contract and/or deed to any portion of such land out of the Subdivision to refer to this instrument, the Restrictions and other terms of this instrument shall nevertheless be considered a part thereof, and any conveyance of such land shall be construed to be subject to the Restrictions and other terms hereof. It is understood and agreed that these Restrictions relate to and affect only the Subdivision as described above and no other land owned by Declarant adjacent thereto and/or in the vicinity thereof, and that the only Restrictions are those expressed in this instrument, and no other restrictive covenants are to be implied.

Furthermore, the Restrictions shall apply solely to the Lots, and nothing contained herein shall imply that Reserves if any, as shown upon the Plat(s), as well as any other lands of Declarant shall be subject to the Restrictions applicable to the Subdivision, and no restrictions, covenants or conditions shall be created hereby with respect to any Reserves or common areas, and any other lands owned by Declarant, whether by negative implication or otherwise. In addition to the provisions above, Declarant specifically reserves and retains the right to cut merchantable timber on any lands owned by Declarant adjacent to and/or within the vicinity of the Subdivision, as well as use such other lands as Declarant or the successors or assigns of Declarant may deem appropriate, even if such usage differs from the terms permitted by these Restrictions.

Clauses and Covenants

A. Imposition of Covenants

1. It is the desire of Declarant to place certain restrictions, covenants, conditions, stipulations, and reservations upon and against the subdivision owned by Declarant known, or to be known as Liberty Ranch. Declarant imposes the restrictions, covenants, conditions, stipulations, and reservations on the Subdivision. All Owners and other occupants of the Lots by their acceptance of their deeds, leases, or occupancy of any Lot agree that the Subdivision is subject to the Covenants.

2. The restrictions, covenants, conditions, stipulations, and reservations are necessary and desirable to establish a uniform plan for the development and use of the Subdivision for the benefit of all Owners both present and future. The Covenants run with the land and bind all Owners, occupants, and any other person holding an interest in a Lot.

3. Each Owner and occupant of a Lot agrees to comply with the Dedicatory Instruments and agrees that failure to comply may subject him, her, them, or it to a fine, an action for amounts due to the Association, damages, or injunctive relief.

Article I
Definitions

Wherever used in this Declaration, the following words and/or phrases shall have the following meanings, unless the context clearly requires otherwise:

1.1 **"Property" or "Properties" or "Homes" or "Community"** shall mean and refer to real property in Liberty Ranch, a subdivision in Liberty County, Texas, as more fully described hereinabove, and any additional properties made subject to the terms hereof pursuant to the annexation provisions set forth herein.

1.2 **"Lot" and/or "Lots"** shall mean and refer to the Lots listed above shown upon the Recorded Subdivision Plat(s) which are restricted hereby to use for residential purposes, excluding specifically any Common Area or Reserves.

1.3 **"Owner"** shall mean and refer to the record Owner, whether one or more persons or entities of fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and those having any interest in the mineral estate. However, the term "Owner" shall include any mortgagee or lien holder who acquires fee simple title to any Lot through judicial, non-judicial foreclosure or any other operation of law or agreement that transfers ownership to them.

1.4 **"Subdivision Plat: or "Subdivision Plat(s)** shall mean and refer to the Subdivision Plat(s) entitled Liberty Ranch, LLC recorded or to be recorded in the Plat Records of Liberty County, Texas as described hereinabove or changes and additions to be filed from time to time.

1.5 **"Association" or "HOA"** shall mean and refer to the LIBERTY RANCH HOME OWNERS ASSOCIATION, INC., its successors, and assigns, as provided for in Article V hereof. This shall be the only Association and there shall be no sub associations.

1.6 **"Declarant"** shall mean and refer to Waterstone Development Group Texas, LLC, a Texas limited liability company, and or Liberty Ranch, LLC, a Texas limited liability company, and their respective successors and/or assigns.

1.7 **"Common Area"** shall mean and refer to all those areas of land within the Properties as shown on the Subdivision Plat(s), except the Lots or Reserves shown thereon, together with such other property as the Association may, at any time or from time to time, acquire by purchase or otherwise, subject, however, to the

easements, limitations, restrictions, dedications, and reservations applicable thereto by virtue hereof and/or by virtue of the Subdivision Plat(s).

1.8 **"Common Facilities"** shall mean and refer to all existing and subsequently provided and dedicated improvements upon or within the Common Area in any portion of Liberty Ranch except those as may be expressly excluded herein, dedicated to a governmental entity, or by action of Declarant. Also, in some instances, Common Facilities may consist of improvements for the use and benefit of the Owners in the Subdivision, constructed on portions of one or more Lots, Reserves, or on acreage owned by Declarant (or Declarant and others) which has not been brought within the scheme of this Declaration.

1.9 **"Improvement to Property"** shall mean, without limitation: (a) the construction, installation or erection of any building, structure, fence, dwelling home or other Improvements, including utility facilities; (b) the demolition or destruction, by voluntary action, of any building, structure, fence, or other Improvements; (c) the grading, excavation, filling, or similar disturbance to the surface of any Lot, including, without limitation, change of grade, change of ground level, change of drainage pattern, or change of stream bed; (d) installation or changes to the landscaping on any Lot; (e) cutting of any tree more than three (3) inches in diameter and (f) any exterior modification, expansion change or alteration of any previously approved Improvement to Property, including any change of exterior appearance, color, or texture not expressly permitted by this Declaration, or rules and regulations adopted by Declarant or the Board of Directors of the Association with the Declarant's consent. This list is not exclusive and shall include ANY man-made changes to a developed or undeveloped lot.

1.10 **"Improvements"** shall mean all structures and any appurtenances thereto of every type or kind, which are visible on a Lot, including, but not limited to: a dwelling home, buildings, outbuildings, swimming pools, spas, hot tubs, patio covers, awnings, painting of any exterior surfaces of any visible structure, additions, sidewalks, walkways, fire pits, sprinkler pipes, generators, garages, carports, roads, driveways, parking areas, fences, screening, walls, retaining walls, stairs, decks, boathouses, fixtures, windbreaks, basketball goals, yard decorations, benches, flagpoles, or any other type of pole, signs, exterior tanks, exterior air conditioning fixtures and equipment, water softener fixtures, exterior lighting, recreational equipment or facilities, radio, conventional or cable or television antenna or, dish, microwave television antenna, and landscaping that is placed on and/or visible from any Lot. This list is not exclusive and shall include ANY man-made changes to a developed or undeveloped lot.

1.11 **"Mobile Home"** shall mean and is used here in these documents to describe a generic list of evolutionary and technological changes to a class of homes or structures that are built off site and transported in one or more pieces to the homesite and not constructed on site, piece by piece including but not limited to all factory-built or off site built residential structures or those being proposed to be used as residential structures or improvements regardless of stage of completion upon delivery and regardless of industry, designed or original use, regulatory name or type of foundation. This shall not include or preclude panelized walls or roof sections and trusses.

1.12 **"Development Period"** shall mean the period of time that Declarant reserves the right to facilitate the development, construction, management, and marketing of the Subdivision, which retained rights shall be vested in the Declarant until such time as 1095 days (3 years) have passed since the earlier of (i) termination of Class B as defined in 5.2 and same have not been reinstated per 5.2; or (ii) January 1, 2045 unless extended pursuant to 5.2; or (iii) such time as Declarant assigns to the Home Owners Association or relinquishes all of its retained rights. This period is also known as Marketing Period. During this period, the Declarant shall control the day-to-day operations of the Home Owners Association in all respects without the need for annual meetings, or an elected Board of Directors acting both in its own capacity as well as that of the Board of Directors.

1.13 **"Government Agency"** shall include but not be limited to any City, County, State, or Political subdivision thereof claiming now or in the future authority over the subdivision, this shall include the United States Government.

1.14 **"Automatic Annual Increase"** shall mean the automatic increase in annual maintenance fees and any other fees charged by the Association by the greater of 10% annually or the Consumer Price Index "U" as published by the US Bureau of Labor or its successor in September of each year against the same period in the previous year. This increase shall also hereinafter be referred to as automatic increase.

1.15 "**Public Improvement District"** "PID" shall mean any Public Improvement District created by any City, County, or the State by Resolution after a Public Hearing. The Owners of property located within the PID are subject to payment of the Annual District Assessments.

1.16 **"Easements"** means Easements within the Property for streets, utilities, drainage, and other purposes as shown on the Plat(s) or of record.

1.17 **"Builders"** shall only mean commercial home building companies to which the Declarant has directly sold lots for the construction of Homes. Specifically excluded is any company, person or other entity that purchases or obtains by any other means a lot for construction.

1.18 **"Municipal Utility District**" "MUD" shall mean any Municipal Utility District created by any City, County or the State by Resolution or Action. The Owners of property located within the MUD are subject to payment of the Annual District Assessments. This class or description herein of entity shall include any evolutionary naming descriptions so long as 30% of the basic functions are the same.

1.19 **"Commercial Owners"** shall mean any form of entity or natural person that purchases lots in the subdivision for the purposes of renting or leasing the same.

1.20 **"Monitored Area"** shall mean the entirety of the community is under ground, radar, and aerial photographic surveillance for the protection of the health, safety and welfare of the community and such surveillance can be used to initiate violations and other enforcement activities without recourse.

ARTICLE II
RESERVATIONS, EXCEPTIONS AND DEDICATIONS

2.1 The Subdivision Plat dedicates for use as such, subject to the Limitations set forth therein, the streets and easements shown thereon, and such Subdivision Plat further establishes certain restrictions applicable to the Properties, including, without limitation, certain minimum setback lines. All dedications, limitations, restrictions, and reservations shown on the Subdivision Plat are incorporated herein and made a part hereof, as if fully set forth herein, and shall be construed as being adopted by each and every contract, deed or conveyance executed or to be executed, conveying said property or any part thereof, whether specifically referred to in such contract, deed, or conveyance.

2.2 All easements and rights-of-way as shown on the Subdivision Plat(s) for the purpose of constructing, maintaining, and repairing a system or systems of electric lighting, electric power, telegraph, fiber optic or future technological advancements and telephone line or lines, gas, sewer, water, cable, drainage, or any other utility as determined by Declarant or Governmental agency installed and/or to be installed in, across and/or under the Properties shall be specifically, reserved herein. A utility or enterprise wishing to be classified as a

utility must initially petition the Declarant for access to and use of the easements and right of ways. Granting such rights shall be the sole and exclusive discretion of the Declarant.

2.3 Neither Declarant its agents, employees or servants, assigns or permittees nor any utility company its agents, employees or servants, assigns or permittees or governmental agency its agents, employees or servants, assigns or permittees using the easements or rights-of-way as shown on the Subdivision Plat, or that may otherwise be granted or conveyed covering the Properties, or any portion thereof, shall not be liable for any damages done by them, to fences, shrubbery, trees, landscaping, structures, flatwork, flowers or other property of the Owner situated on the land covered by any such easements or rights-of-way, unless grossly negligent.

2.4 It is expressly agreed and understood that the title to any Lot or parcel of land or any reserve or common area owned by the HOA within the Properties conveyed by contract, deed or other conveyance shall be subject to an easement for roadways, drainage, water, gas, sewer, storm sewer, drainage, electric light, electric power, telegraph, telephone or cable purposes and such future utilities and roads as may be developed without limitation and no deed or other conveyance of the Lot shall convey any interest in any pipes, lines, poles or conduits, or in any utility facility or appurtenances thereto constructed by or under any easement Owner, or their agents, though, along or upon the premises affected thereby, or any part thereof, to serve said Properties or other lands appurtenant thereto. The right to maintain, repair, sell or lease such appurtenances to any municipality or other governmental agency or to any public or private service corporation or to any other party, is hereby expressly reserved to Declarant.

ARTICLE III
USE RESTRICTIONS

3.1 **Land Use and Building Type**. All Lots in Subdivision as well as any lots or areas within the boundaries shown or which are annexed from time to time or attached hereto except those marked as reserves or easements shall be known and described and used at all times solely as Lots for single family residential purposes only (hereinafter referred to as "Residential Lots"), and no structure shall be erected, altered, placed, or permitted to remain on any Residential Lot other than one detached single-family dwelling not to exceed two stories in height and or 37 feet of height above the road immediately adjacent to the lot. The home shall be laid out in accordance with the subdivision comprehensive plan in that each garage shall be located on the same side as the electrical transformer and must have a garage capable of housing not less than two (2) cars and provide a minimum of two (2) parking spaces side by side on the driveway per dwelling unit. As used herein, the term "Single family residential purposes" shall be construed to prohibit the use of said Lots for parking, storage or use in any way of camping trailers, motor homes, mobile homes, or other types of manufactured housing whether factory built or not, or housing which is re-tasked from other uses and or is mobile in nature either presently or was at any point in its existence without limitation. Garage apartments shall also be prohibited except as used by the property owner for their own personal use and not leased or rented unless included with the entire home. No Lot shall be used for business or professional purposes of any kind including short term leases or rentals of less than 12 months, nor for any commercial or manufacturing purposes. Duplex houses, Condominiums, Townhomes, or apartment houses shall only be permitted in areas specifically noted on plat for such use, including unrestricted reserves. Permits, if required by the local governmental authority for any improvements, are the responsibility of the property owner.

The following specific restrictions and requirements shall apply to all Lots in the Property:

(a) Outbuilding. Provided the express written consent of the Architectural Control Committee is secured prior to installation and placement on a Lot, a structure of not more than 8 feet in height shall be permitted between the rear line of the home and the rear property line. In no case can the outbuilding be permanently placed in a utility easement and must be placed so that it does not at any time enter or violate the setbacks. No occupancy of any outbuilding shall be permitted. No Accessory dwelling unit (ADU),

which is a separate living or HVAC space regardless of use on your property external to the home itself shall be permitted.

(b) Garages. No garage shall be changed, altered, or otherwise converted for any purpose inconsistent with the housing of a minimum of two (2) automobiles at all times. All Owners, their families, tenants, and contract purchasers shall, to the greatest extent practical, utilize such garages for the garaging of vehicles belonging to them and their guests. Garages may contain living quarters so long as the garage still has parking for 2 vehicles. No rental of this garage-based living space shall be permitted unless the rental also includes the entire home; this is specifically intended to prevent rental garage apartments. Garage shall be constructed in such a way that the garage door wall is parallel to the Front wall of the home and the front property line adjacent to the addressing street. Garages shall be located on the lot in accordance with the subdivision comprehensive plan.

(c) Exterior Wall. No residence shall have less than one hundred (100) percent masonry construction or natural wood on its exterior wall area. As used in this paragraph, the term masonry construction shall include brick, stone, artificial stone, stucco, or equivalent material acceptable to the Architectural Control Committee. Fibrous Cement siding (i.e., Hardiplank and other brand name Fibrous Cement comparable products) shall be included within the term masonry construction. No use of exposed concrete for walls other than as foundations shall be permitted. No materials that are in sheets greater than 1 ft by 3 ft shall be permitted except as cover of foundations, soffits, or gables except when overlaid vertically with 1"x2" battens on 16 inch centers. Exterior must utilize 50% Brick or Stone including veneers on the front face of the home unless the community is approved for use of cottage type or other appropriate designs by the Declarant and HOA ACC prior to construction. The sole determination of appropriateness shall rest with the Declarant and Architectural Control Committee.

(d) Detached Garages must be of the same material and quality of construction as the main living structure and are subject to all terms and restrictions as above on the lot. Garages must have a solid surface driveway without gap between the street and the Garage built in accordance with the standards herein.

(e) Roof Materials. Unless otherwise approved in accordance with the last sentence of this subsection, the roof of all buildings on the Property shall be constructed or covered with asphalt composition shingles, metal R panel roofing, specifically prohibiting the use of corrugated style metal or fiberglass on roofs and or walls. The color of any roofing shall be of wood tone, earth tone, forest green, black or in harmony with earth tone and shall be subject to written approval by the Architectural Control Committee prior to installation. Any other type or color of roofing material may be used only if approved in writing prior to installation by the Architectural Control Committee. All materials used for roofing must be new and not distressed. Minimum Pitch 6

(f) Air Conditioners. No window, wall type air conditioners, or any other air handling unit which penetrates the wall in excess of a 4 inch diameter area regardless of the commercial name or description shall be permitted to be used, erected, placed, or maintained on or in any building or on any Lot. No external ducting shall be permitted including that between unit and the home.

(g) Paint Colors. All homes shall have a minimum of 2 body colors with separate colors for trim and Body. All colors must be approved by the ACC, and no jewel tones will be approved. No requirement to use any specific

brand of paint is made. No homes within the community shall be painted the same color as another home located with less than at least 3 separating homes on either side of the street to avoid color duplication.

3.2 Minimum Square Footage Within Improvement. Each dwelling constructed shall contain a minimum of 1,000 square feet of HVAC controlled area not including garage, storage, or non-occupied HVAC controlled areas. Each unit shall have not less than 2 bedrooms and 2 baths. All kitchens shall provide a garbage disposal unit and same must be kept in working order at all times.

3.3 Landscaping. The Owner or builder of each Lot, as a minimum, prior to completion of the construction of a residential dwelling shall solidly sod with natural grass the area between its residential dwelling and the curb line(s) or pavement of the abutting street(s) this area is hereinafter referred to as the "front yard."
All shrubs called for in these restrictions shall be of the evergreen type non deciduous certified for the hardiness zone in which the community is located and without a dormant season. They shall not be flowers or natural growth in the style known as a Cottage Garden consisting of a casual mixture of any of the following; flowers, herbs, vegetables, or unrelated plants. Flowers shall be permitted in addition to the required shrubs provided they are first approved by the association, are not edible, are formal in design, and do not exceed the height or space described as the shrub area in these restrictions.

All landscaping must be live products not synthetic, and shrubs or items located in the shrub area shall not be of a size that exceeds 4 foot in height at any point.

Installation of (1) one and not more than (3) three 2-inch diameter shade tree(s) located in the "Front Yard" and (6) six and not more than (12) twelve shrubs that are three gallons in size located only in the "Shrub Area" are required.

All shrubs must be located in the "Shrub Area" defined as adjacent to and at no point more than 4 feet away from in any direction the wall plane(s) of the home and no other location. No raised beds of any type shall be permitted in the front yard area.

Natural stone may be employed as edging around the "Shrub Area" and in a 3 ft diameter around any approved trees provided the stone and resulting bed it is not more than 5 inches in height and neutral in color. No concrete product(s) shall be permitted in the front yard.

Additionally, no fruit bearing shrubs, vegetables, edible plants, or gardens regardless of nature and of any type or size shall be permitted in the front yard. No landscaping of any type other than approved grass to match the remainder of the grass in front yard shall be permitted between the street and the sidewalk or property line. This area between the street and the sidewalk or property line, while not owned by property owner, is nevertheless the maintenance responsibility of the owner of each home. These landscaping items must be kept alive and in healthy condition at all times and must be replaced by like kind and size if they die at any time without limit. This minimum standard shall automatically be modified for future construction at any time a governmental agency with jurisdiction over community modifies its minimum landscape requirements. However, no reduction of the governmental agency standards shall be construed to reduce below the minimums herein stated. At no time may any area of any Lot covered with sod, designed or designated to be covered with sod, or any area not paved be used for parking of any vehicle. Permits, if required by the local governmental authority, are the responsibility of the property owner.

3.4 Sidewalk. No sidewalk, walkway, improved pathway, deck, patio, driveway, or other improvement shall be constructed on any Lot unless and until the plans and specifications therefor are submitted to and approved by the Architectural Control Committee as provided by Article IV below. Driveways and Sidewalks must be constructed of concrete with reinforcement and shall contain a suitable culvert if streets are other than curb and gutter. At no time shall ditches or culverts, if provided for in the original site plan, be filled in or reduced. Drainage structures under private driveways shall have a net drainage opening area of sufficient size to permit the free flow of water and shall be a minimum of 18" in diameter pipe culvert or any engineered or Governmental Agency specifications. Permits,

if required by the local governmental authority, are the responsibility of the property owner.

3.5 Location of the Improvements Upon the Lot. No building or improvements as described in 1.10 shall be located on any lot nearer to the front lot line, rear lot line or nearer to the street side lot line than the minimum building setback shown on the recorded Subdivision Plat or replat(s) or 10 feet whichever is greater thereof subject to the provisions of Section 3.6 below, no part of the house building shall be located nearer than five (5) feet to an interior side lot line or ten (10) feet to any side exterior Lot line on a corner Lot or the standards of the city or plat whichever is greater.

Any detached or semidetached garage may be located not less than five (5) feet from an Interior side Lot line. Notwithstanding any provision hereof to the contrary, no building or structure constructed on a Lot shall be allowed to encroach upon another Lot or to be situated closer than ten (10) feet to a building or structure on any adjoining Lot. Unless otherwise approved in writing by the Architectural Control Committee, each main residential building shall face the front Lot Line of the Lot. For the purpose hereof, the term "Front Lot Line" shall mean the property line of a Lot that is adjacent to and or contiguous to a street or road shown on the Subdivision Plat, or if two or more property lines are adjacent to a street, the "Front Lot Line" shall be the property line adjacent to a street that has the shortest dimension, and the term "Street Side Lot Line" shall mean and refer to all property lines of any Lots that are adjacent to a street except the front Lot line, and the "Interior Side Lot Line" shall mean and refer to all property lines other than the front Lot line, the rear lot line and the street side Lot line. For the purposes of this covenant, eaves, steps, and unroofed terraces shall not be considered as part of a building provided, however, this shall not be construed to permit any portion of the construction on a Lot to encroach upon another Lot nor affect, modify, redirect, or impede the drainage as established by builder in compliance with that of Declarant. No structural improvements of any type, size, or use shall be located between the home and the street or streets. Permits, if required by the local governmental authority, are the responsibility of the property owner.

3.6 Composite Building Site. Subject to the approval of the Architectural Control Committee, any Owner of one or more adjoining Lots or portions thereof may consolidate such Lots or portions into one building site with the privilege of placing or constructing improvements on such resulting sites, in which case the footage at the building setback lines shall be measured from the resulting combined lot side property lines rather than from the side Lot lines indicated on the recorded plats except that such measurement cannot reduce the setback to any other portion of the lot. Any such resulting building site must have a frontage at the building setback line consistent with the original restrictions contained herein. If an Owner consolidates two or more adjoining Lots, each original Lot shall continue to be assessed for its full individual maintenance fee as provided in Article VII. No owner may divide a Lot without the written consent of the Declarant; the resulting Lots shall be assessed for maintenance as provided in Article VII as if each resulting Lot were an original Lot.

3.7 Prohibition of Offensive Activities. No activity, whether for profit or not, regardless of duration shall be carried on any Lot which is not related to single family residential purposes unless designated on the plat and approved by Declarant for other use. No noxious or offensive activity of any sort shall be permitted, nor shall anything be done on any Lot which may be or may become an annoyance or a nuisance to the neighborhood in the sole discretion of the Board with the consent of the Declarant or the Declarant acting on its own. This restriction is not applicable in regard to the normal sales, marketing or construction activities required to develop the community, build, or sell new homes in the Subdivision and the lighting effects utilized to display the model homes. No damage to, vandalism or theft of property owned or maintained by the Association, Declarant, government agency, political subdivision of the state, or regulated utility company shall be permitted, and any offender shall be subject to a fine established by the HOA plus the cost of replacement or repair at the option of the community, Declarant, government agency, political subdivision of the state, or regulated utility company. These restrictions in no way limit the legal rights of Declarant, government agency, political subdivision of the state, or regulated utility company to pursue additional actions. All such charges shall be a charge against the Maintenance Account of the Homeowner regardless of if the event was the homeowner, their family, a guest, tenant, or other invitee.

3.8 Use of Temporary Structures. No structure of temporary character, whether trailer, tent, shack, garage, barn, container, shed, or any other outbuilding, structure, vehicle, or portion thereof regardless of original use or those manufactured or assembled offsite shall be maintained or used on any Lot at any time regardless of duration for any purpose or as a residence, including structures constructed with prior express written consent of the Architectural Control Committee; provided, however, Declarant reserves the right to grant the exclusive right to erect, place and maintain such facilities in or upon any portions of the Lots or Reserves as in its sole discretion may be necessary or convenient while selling Lots, selling, or constructing residences and constructing other improvements upon the Properties. Such facilities may include, but not necessarily be limited to, sales and construction offices, storage areas, containers, model homes, signs, wash out pits, material or equipment storage areas, and portable toilet facilities. Garages, if used during the development phase or new home construction as a sales office, are permissible provided garage is converted to a regular garage capable of housing a minimum of two (2) automobiles prior to conveyance for occupancy by an Owner.

3.9 Storage Buildings. No structure of any type may be located between the street and the garage or home wall closest to the street or streets(s). Storage buildings regardless of location may not be metal, may not be higher than 8 feet, and must be painted the same color as the home. Used storage buildings will not be permitted. Storage buildings are subject to approval and must be located so they are not in violation of setbacks. Basketball goals are permitted on lots adjacent to the driveway and not closer than 5 ft from side lot lines and 1 ft from front lot line.

3.10 Storage of Automobiles, Boats, Trailers, and Other Vehicles. No vehicle with or without motor may be parked, used, or stored on any part of any Lot, easement, right-of-way, or Common Area unless such vehicle is concealed from public view inside a legally permitted garage provided the doors may be and are closed except when actively entering or leaving and secured or other approved enclosure, except passenger automobiles, passenger vans, pick-up trucks or evolutionary vehicles used for transportation that: (1) are in operating condition; (2) have current license plates, insurance, and inspection stickers; (3), are in daily use as motor vehicles on the streets and highways of the State of Texas; and (4) which do not exceed six feet six inches in height, or ninety six inches in width or twenty-three feet in length, and may be parked wholly within the driveway on such Lot.

No motorized or non-motorized vehicle, trailer, boat, marine craft, hovercraft, aircraft, machinery, or equipment of any kind may be parked or stored, on any part of any Lot, easement, right-of-way, or Common Area unless such object is concealed from public view inside a garage provided the doors may be and are closed except when actively entering or leaving and secured or other approved enclosure.

No repair work, dismantling or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, driveway, or any portion of the Property unless such object is concealed from public view inside a garage provided the doors may be and are closed except when actively entering or leaving and secured or other approved enclosure. No motor bikes, non-licensed motorcycles or motor scooters, "go-carts", ATV or recreational vehicles or other similar vehicles shall be permitted to be operated on the properties, streets, or common areas of the community if, in the sole judgment of the Declarant or Board of Directors of the Association with the Declarant's consent, such operation, by reason of noise or fumes emitted, or by reason of manner of use, or actual use shall constitute a nuisance or jeopardize the safety of the Owners, their tenants, and their families. The Board of the Association or Declarant may adopt rules for the regulation of the admission and parking of vehicles within the Common Areas, including the assessment of charges to Owners who violate, or whose invitees violate, such rules.

Any vehicle parked for ANY period of time upon the common area or along the streets may not be reparked upon the common area or along the streets for at least 168 hours. No vehicle shall be parked for more than 48 hours upon the common areas or along the streets without being moved. Vehicles which are registered to or in use by or under the control of the owner or resident, occupant, their immediate family, shall have a maximum period of 12 hours parking upon the common areas or along streets. The term "being moved" shall

be defined as movement in which during such movement the vehicle shall not be located upon the common area or streets of the community for at least 168 hours. The process of exchanging one vehicle with another previously upon the lot shall not constitute movement. The intent of this restriction is that all vehicles should be parked upon the owner's driveway or garage and only an occasional guest vehicle should be parked, when necessary, on the street. Owners should park their own and visitors' vehicles primarily in their garage and then on their driveway using the street only as an absolute last solution.

This street parking restriction is intended solely to protect the health and safety of the community, reduce accidents including pedestrian and vehicles, provide unrestricted emergency vehicle access, and room for commercial vehicles conducting deliveries in the course of their commercial use. If a complaint is received about a violation of any part of this section, the Board of Association with consent of Declarant will be the final authority on the matter. This restriction shall not apply to any vehicle, machinery, or maintenance equipment temporarily parked and in use for the construction, repair, or maintenance of subdivision facilities or of a house or houses in the immediate vicinity.

3.11 Mineral Operations. No derrick or other structures designed for the use in boring, transmitting, pumping, extracting, storage, harvesting oil, natural gas, minerals, Geothermal Energy and associated underground resources or any other surface or sub surface materials regardless of nature shall be erected, maintained, or permitted upon any Lot regardless of length of time, or common area owned by the Association, nor shall any tanks, pumps, transfer facility, or related equipment or structures be permitted upon any Lot. No extraction of minerals herein described or other materials by way of any evolutionary means shall be conducted on or originated from the surface of any lot, or any common area, or reserve owned by the Association.

3.12 Animal Husbandry. No animals, snakes, livestock, game, poultry, or any living creature of any type of species regardless of claims or actual proof of domestication or claims or actual proof of being support animals shall be raised, bred, or kept on any Lot except for common household pets which are defined as dogs or cats provided, they are not kept, bred, or maintained for commercial purposes. No more than three common household pets will be permitted on each Lot. If common household pets are kept, such pets must be restrained and confined to the Owner's Lot. It is the common household pet owner's responsibility to keep the Lot clean and free of pet debris. Common household pets must be on a leash at all times when away from the Lot. At no time shall any animal be kept, bred, or maintained on any Lot which is deemed to be inherently dangerous in the sole and exclusive opinion of the Association or Declarant nor any animal which is trained and/or utilized for fighting. For purposes of this paragraph, the breeds of dogs regardless of mix commonly known as Pit Bull terriers, Dobermans, and Rottweilers are presumptively deemed to be inherently dangerous. Notwithstanding the above any owner with a breed of animal, otherwise permitted which normally grows to be more than 45 pounds agrees to provide a liability insurance policy specifically naming the animal as covered and naming the HOA and its members as additional insureds as a condition prior to bringing the animal into the Community.

In the event someone has a service or emotional support animal which is a dog or cat or as described by then current law and certified as such by a doctor licensed in the State of Texas after an in person visit and who is the continuing provider of medical services to the owner and signs an association approved medical necessity form or action or authority from other governmental agency then said individual must provide an insurance policy naming the animal regardless of weight as covered and naming the HOA and its members as additional insured as a condition prior to bringing the animal into the community.

3.13 Exterior Lighting. The Architectural Control Committee must first approve all installation of exterior lighting. No mercury vapor or similar technology lights will be approved and all exterior lighting on the property including home, garage or any other structure without limitation must be designed and installed so that light transmission is limited to the Lot area and not extended beyond same so as to illuminate all or any portion of any adjoining Lot, common areas or the Streets. It is the intent of this paragraph to eliminate light pollution both vertical and horizontal and preserve the darkness around the homes and sky above. The provisions of the Dark Sky Initiative shall be enforced.

3.14 Visual Obstruction at the Intersections of Streets. No object, structure plant, or thing which obstructs site lines at elevations between two (2) feet and eight (8) feet above roadways within the triangular area formed by the intersecting street property lines and a line connecting them at points ten (10) feet from the intersection of the street property lines or extension thereof shall be placed, planted, or permitted to remain on any corner Lots.

3.15 Maintenance of Lots and Improvements. The Owners or occupants of all Lots shall at all times maintain the Lot and all improvements thereon in a sanitary, healthful, and attractive manner. Such maintenance shall include but not be limited to:

(a) Prompt removal of all litter, trash, refuse and waste;
(b) Lawn mowing;
(c) Tree and Shrub pruning;
(d) Watering regularly of grass and landscaping;
(e) Keeping exterior lighting and mechanical facilities in working order;
(f) Keep lawn, trees, shrubs, and garden areas alive and attractive, free of weeds;
(g) Compliance with any and all governmental health and safety requirements, as well as direction of county officials and directions of the Association;
(h) Repair any damages to exterior components, including fences; and
(i) Repaint as needed (with approved colors) improvements.

In no event shall any Lot be used for storage of materials and or equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, which materials and equipment shall be stored so as not to be visible from any street. The drying of clothes in public view is prohibited. Similarly, all yard equipment, wood piles, storage piles, generators and their propane tanks, and trash receptacles shall be kept screened by a fenced service yard with a consistent height to match other fences on the property not to exceed 6 ft or other similar facilities so as to conceal them from view of neighboring Lots, any street, or other property.

No Lot shall be used or maintained as a dumping ground for trash, nor will the accumulation of garbage, trash, or unused items regardless of value, rubbish of any kind thereon be permitted. Burning trash, garbage, plastics, and any building materials is prohibited. Burning leaves, grass, limbs, or anything else not prohibited above will not be permitted without the prior, express, written consent from the Association, applicable governmental agency, and with the Declarant's consent. Trash, garbage, or other waste materials shall be kept in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids or as required by applicable County or City. Equipment for the storage or disposal of such waste materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. In the event of default on the part of the Owner or occupant of any Lot in observing any of the above requirements, such default continuing after ten (10) days written notice (or as required under any change in statute) thereof from the Association, by email or being placed in the U. S. mail without the requirement of certification, Association may, without liability to the Owner or occupant, enter upon said Lot and initiate any such maintenance deemed needed to the Lot or Improvement, and/or remove or cause to be removed any such Improvement, garbage, trash and/or rubbish, or do any other thing necessary to secure compliance with these restrictions so as to place said Lot and Improvements in a neat, attractive, healthful, and sanitary condition, and may reasonably charge the Owner or occupant of such Lot for the cost of the work. Said charges shall become an assessment against the Lot as provided in Article VII and may be subject to the filing of a lien.

Minimum standards are defined for any property wherein the grass exceeds the height of six (6) inches or wherein the Directors or their agent determines the existence of weeds not to be consistent with the standard of surrounding properties. The use of cottage style gardens as landscaping is prohibited. Further, Declarant or its assignee reserves the right

to contract or arrange for regular garbage pickup service for the Lot Owners. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the property to pay for such work or service immediately upon receipt of a statement, the amount thereof may be added to the annual maintenance charge assessed against such Lot and become a charge thereon in the same manner as the regular annual maintenance charge provided for herein.

3.16 Signs, Advertisements, Billboards, Flags. No signs, billboards, posters, or advertising devices of any character shall be erected on any Lot or group of lots of which any portion is under common ownership except one sign of not more than three (3) square feet, advertising the property for sale or signs used by a builder to advertise the property for sale during the construction and sales period. Rental signs of any type or size are prohibited on the exterior of the home or lot; they may be displayed in a window. Association with the Declarant's consent shall have the right to remove any nonconforming sign, advertisement or billboard or structure which is placed on a Lot and in so doing shall not be subject to any liability or damages for trespass, tort or otherwise in connection therewith arising from such removal. The right is reserved for builders, provided, consent is obtained from the Association, which cannot be unreasonably withheld, to construct and maintain signs, billboards, or advertising devices for the purpose of advertising for sale dwellings constructed by the builders and not previously sold by such builders. Signs identifying the homeowner or the homeowner's choice of name for their property shall be permitted upon approval by the Association with the Declarant's consent. No flags shall be permitted other than the American Flag, Flags of other nations recognized by the US Government, State Flags, or US Military flags. Specifically, this shall prohibit any advertising messages, political, religious signs, or flags which in the sole opinion of Declarant or Board of Directors are divisive in nature. Election signs shall be permitted as per the state code.

3.17 Antennas, Satellite Dishes and Related Masts. Any antenna, satellite dish and related masts are permitted to be placed on a Lot only in accordance with guidelines, conditions, standards, and requirements adopted by the Board of Directors of the Association with Declarant's consent and as may be amended with Declarant's consent from time to time.

3.18 Noise. Except in an emergency or when unusual circumstances exist (as determined by the Board of Directors or Declarant), outside construction work or noisy interior construction work shall be permitted only after 7:00 a.m. and before 8:00 p.m. Other than construction, no continuance of sound beyond the property lines shall exceed 65dB(A) during daytime hours defined as 7:00 a.m. to 10:00 p.m. or 58 dB(A) levels during nighttime hours defined as 10:00 p.m. to 7:00 a.m. as measured from the property line of the residential or non-residential property receiving the sound toward the source of the sound.

3.19 Fences. Fences are required on the perimeter property lines beginning not less than 3 feet nor more than 5 feet behind the front face of the home as measured from the street but in no case in front of the street side face of the home, or at any distance behind the front face of the home provided a garbage can enclosure is located 36 inches behind the front face of the home on the Garage Side. Enclosure must be constructed of the same material and same color as the rest of the fence and shall attach to the home and then extend 48 inches out perpendicular from the home to a point and then turn towards the rear of the home for 48 inches creating a screen to protect the garbage cans and associated items from public view as seen from the street at any point. Fences shall be constructed of treated wood, or cedar pickets not more than 6 inches in width and be what is commonly known as a privacy fence not to be less than nor more than 6 feet in height and must contain a gate large enough to move lawn equipment through fence on the garage side of the home. No chain link, Vinyl or metal fences shall be permitted. If Builder does not install such fence, homeowner has 3 months from initial occupancy to submit application and complete erection of said fence. Fences must be maintained to provide an attractive, safe, and structurally sound structure. No painting of fences is allowed, and stains must be wood toned and approved by the Association.

3.20 Deviations in Restrictions. The Association, at its sole discretion provided consent of Declarant is first obtained, or Declarant is hereby permitted to approve deviations in the restrictions set forth herein in instances where in its sole judgment, such deviation will

result in a more common beneficial use. Such approvals must be granted in writing and recorded in the county records. Any deviations granted must be in the spirit and intent of the welfare of the overall community.

3.21 No Liability. Neither the Board of Directors of the Association, nor the respective agents, employees, and architects of each, nor the Declarant shall be liable to any Owner or any other party for any loss, claim or demand asserted on account of the administration of these restrictions or the performance of the duties hereunder, or any failure or defect in such administration and performance. These restrictions can be altered or amended only as provided herein and no person is authorized to grant exceptions or make representations contrary to the intent of this Declaration. No approval of plans and specifications and no publication of minimum construction standards shall ever be construed as representing such plans, specifications or standards will, if followed, result in a properly designed residential structure. Such approvals and standards shall in no event be construed as representing or guaranteeing any residence will be built in a good, workmanlike manner. The acceptance of a deed to a residential Lot by the Owner in the subdivision shall be deemed a covenant and agreement on the part of the Owner, and the Owner's heirs, successors, and assigns, that they will fully honor and comply with the restrictions and that Board of Directors of the Association, as well as their agents, employees and architects, and the declarant as well as their agents, employees and contractors shall have no liability under this Declaration except for willful misdeeds.

3.22 Interpretation. If this Declaration or any word, clause, sentence, paragraph, or other part thereof shall be susceptible to one or more conflicting interpretations, the interpretation which is most nearly in accord with the general purposes and objectives of this Declaration shall govern. Declarant reserves the right to modify all language to define its intent more accurately if a party claims in any way that said language is not in keeping with the Declarants original intent in Declarants sole discretion.

3.23 No Business Use. No trade or business may be conducted in or from any Home, except that an Owner or occupant may conduct business activities that are incidental to the Owner's residential use within a Home so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Home; (b) the business activity conforms to all zoning requirements and other restrictive covenants applicable to the Property; (c) the business activity does not involve visitation of the improvements by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Property; and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security of other residents of the Property, as may be determined in the sole discretion of the Declarant or Board with Declarants consent. By way of illustration but not limitation, a day-care facility, church, nursery, home day care facility, senior care, outpatient facility, half way house, rehab facility, assisted living, group home, emergency shelter, recovery center, animal shelter, timeshare, fractional ownership, temporary housing, lawyer, accountant, or other professional office, beauty parlor, barber shop, pre-school, mechanical, welding, woodworking, or other trades shop of any nature, or other similar facilities regardless of use, classification, or naming that are not used exclusively as single family homes are expressly prohibited.

The terms "business" and "trade" as used in this provision shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis that involves the manufacture or provision of goods or services for or to persons other than the provider's family, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does not generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Home shall not be considered a trade or business within the meaning of this Section. This Section does not apply to any activity conducted by the Declarant or Builder with respect to its development, construction, and sale of the Property.

3.24 Registered Sex Offender. At no time may an Owner of a Lot after the original sale by Builder enter into a contract for rental of the Lot and/or any Improvement located thereon to any individual who is at that time known or should have been known to the Owner to be

a registered sex offender as said term as defined in the Texas Penal Code.

3.25 Maximum Occupants of Improvements. At no time shall any improvement on Lot be occupied by more than three (3) adults and six (6) children claiming said Lot as their residential homestead pursuant to the laws of the State of Texas. In the event the occupants are enrolled in a private or public school of higher education for undergraduate or graduate studies then the maximum shall be 6 adults. However, in no case shall there be more than 2 adults per bedroom and in no event shall there be more than 3 children per bedroom.

3.26 Ingress and Egress to Subdivision. At no time shall any Owner of any Lot, their licensee or invitee make entry into and/or exit from the Subdivision over, across and/or through any portion of the Property other than the then existing, designated private or public streets in the Subdivision.

3.27 Speed Limits on Private Streets The Board of Directors of the Association with Declarant's consent shall have the sole and exclusive right to establish maximum and/or minimum speed limits for vehicular traffic over and across the private streets if any in the Subdivision and shall further have the sole and exclusive right to establish and impose fines to be imposed on any violator of such speed limits in accordance with the current fee and fine schedule on file with county.

3.28 Painting and Yard Art. No painting of trees, stones or any other yard art shall be permitted. No exterior adornment of the home, garage, or permitted outbuilding, of any type will be permitted.

3.29 Religious or Political Use of Lots. No improvement on nor any Lot shall be utilized for the promotion of any religion, social position, political party, or political or religious activity irrespective of faith, political affiliation, or social position. An owner or resident may affix or display on the owner's or resident's property or dwelling one or more religious items, the display of which is motivated by the owner's or resident's sincere religious belief, subject to the following restrictions:

a) The religious display must be harmonious with the Community and the existing improvements on the owner's or residents' property and the size of the religious display must be reasonable in relation to its location on the property or dwelling. The display shall have no sound emitting devices and shall not shine light into the public areas or other private residences or properties.

b) The display or affixing of a religious item on the owner's or resident's property or dwelling that threatens the public health or safety is prohibited.

c) The display or affixing of a religious item on the owner's or resident's property or dwelling that contains language, graphics, or any display that is patently offensive to a passerby for reasons other than its religious content is prohibited.

d) The display or affixing of a religious item on the owner's or resident's property or dwelling that violates a law other than a law prohibiting the display of religious free speech is prohibited.

e) The display or affixing of a religious item on property owned or maintained by the Association is prohibited.

f) The display or affixing of a religious item on property owned in common by members of the Association is prohibited.

g) The display or affixing of a religious item to a traffic control device, streetlamp, fire hydrant, utility pole, or sign, or fixture is prohibited.

h) The Display or affixing of a religious item on the owner's or resident's

property or dwelling that violates the applicable building line, right of way, sight lines, setback, pr easement is prohibited.

i) Religious displays and items that are not properly maintained, go into a state of disrepair are prohibited and must be promptly repaired, replaced, or removed without the requirement of notice however such notice is permitted.

j) Prior to installation of any religious display, or the affixing of a religious item on the owner's or resident's property or dwelling, the owner or resident must submit to the Association's architectural reviewing body plans and specifications including dimensions, colors, material, and proposed location on the owner's or resident; s property, scaled in relation to all boundary lines, setbacks, and other improvements on the property of the proposed religious display and/or item and receive written approval from the Architectural reviewing Body. Notwithstanding the forgoing religious displays or items attached to any exterior door or door frame of the home that are less than 25 square inches do not require written preapproval by the association. For example, and without limitation, no prior permission is required to place a cross or a mezuzah or other religious symbol from the owners or residents' religious faith smaller than 25 square inches on the home's front door or door frame.

k) Seasonal holiday decorations are not considered religious display items and therefore are governed by the other guidelines adopted by the association.

3.30 Outside Plumbing Facility. No outside toilet facilities, exposed plumbing pipes, plumbing related equipment, supplies, or facilities shall be permitted.

3.31 Firearms. Discharge of any firearm on or from any privately owned Lot, public or private road within the platted subdivision, private or public park, reserve, or any common area owned or maintained by the HOA shall be prohibited.

3.32 Garage Sales. No more than two (2) garage, estate or similar sales may be conducted by any owner in any given calendar year and must be held in conjunction with and at the same time and location as the semiannual community garage sale if any.

3.33 Boats in Ponds. No boats are permitted in ponds, if any and/or any other common area.

3.34 Fishing in Ponds. Fishing is allowed in ponds, if any, and/or other common areas only for those owners and/or guests under the age of 17 years of age and over the age of 65 years of age. All ponds are catch and release only ponds.

3.35 Trash Service. Trash service, if arranged, must be subscribed to by each member who must contract with this waste disposal company to remove their trash on the same basis as other members of the community.

In no event shall such containers be stored, kept, placed or maintained on any Lot where visible from the location on the street that is immediately in the front of the home except solely on a day designated for removal of garbage, then such containers may be placed in the designated location for pick-up of such garbage no earlier than 6pm the day before and the container will be removed from view no later than the end of the day the garbage is picked up.

3.36 Fireworks. Fireworks are not allowed to be stored or discharged in the Subdivision at any time.

3.37 Invited Guests. All invited guests are the responsibility of the property owner and owner agree by covenant created upon purchase of property to be responsible for the actions of its guests. As such any infractions of rules or damage caused to the common areas, the roads, or private property of other owners shall be the responsibility of the property owner that invited the guest.

3.38 Leases. Owner shall submit the Association Tenant Data Sheet, proof of background check and any related items described in the Rental Guidelines Document provided on the Association website for approval by the Home Owners Association as well as occupants under said leases at least 3 days prior to occupancy in the form currently used by the Association.

3.39 Window Treatments. The owner shall install and maintain at all times appropriate window treatments, over the windows, and balcony doors, consistent with the aesthetics of the Home within three (3) months of occupying a Home. Appropriate window treatments include, by way of illustration, blinds, or mini blinds of wood or "faux wood" of a neutral color, and/or shutters of the same color or natural wood. Any window treatment or covering visible from the exterior of the Home shall be subject to Rules and Regulations, if any, and/or the Guidelines.

Expressly prohibited before, during, and after the initial three (3) months of occupancy are any temporary or disposable coverings not consistent with the aesthetics of the subdivision, such as reflective materials, newspapers, shower curtains, fabric not sewn into finished curtains or draperies, other paper, plastic, cardboard, or other materials not expressly made for or commonly used by the general public for window coverings in a subdivision of the same caliber as the subdivision.

3.40 Leasing. The leasing of a Home for residential purposes shall not be considered a business use, provided that the Owner and any other Owners with whom such Owner is affiliated do not collectively lease or offer for lease more than one Home at any time, unless they have identified themselves to the Association as professional investors, and further provided that the lease complies with all of the requirements herein and proper notice is regularly and timely provided to the Association, and approval is received.

Permitted leasing for purposes of this Declaration **shall not include** vacation rentals, boarding house, bed and breakfast, "Airbnb", "Home Away", "VRBO", emergency relocation or shelter or any other short-term rental services paid, or unpaid, and such uses are strictly prohibited and shall conclusively be considered a business use prohibited by this Declaration and a violation of this Declaration. "Leasing" for purposes of this Declaration, is defined as occupancy of a Home by any person other than the record Owner, for which the Owner receives any consideration or benefit financial or otherwise, including, but not limited to, a fee, service, gratuity, emolument, or good will.

Fractional ownership of a property, or any corporate ownership allowing use by the fractional owners, or their appointees, licensees, members, employes or other users regardless of methodology employed to obtain access or use shall be prohibited.

The Declarant or Board with Declarant's consent is vested with the absolute authority to determine if a lease for a Home complies with this Article VIII and any other Dedicatory Instrument that applies to leasing, and the Declarant's or Board's determination shall be final. Homes may be leased to no more than one single family, which single family must intend to inhabit the Home as their primary or vacation residence. This provision shall not preclude the leasing of a home for student housing while attending the local university or state-chartered school so long as there will not be more than 1 student with spouse/partner per bedroom. It is agreed that this use shall supersede the maximum occupancy provisions listed above. This provision shall not preclude the Association, Declarant, or an institutional lender from leasing a Home upon taking title following foreclosure of its security interest in the Home or upon acceptance of a deed in lieu of foreclosure.

All rental units must meet the current standards for HUD approved leasing and submit annually after home is 5 years old an inspection report by a HUD or State licensed or authorized inspector certifying the home would be eligible for HUD rental as a minimum standard for private rental. The submission of this inspection when required must be made without demand 30 days prior to any rental even a continuing rental without change of tenant. Failure to provide the report will result in the need to terminate existing leases, not allow entry into future leases, and be subject to a daily fine until such report is received and approved by the association.

Additionally, the Board is vested with the authority to impose fines upon the Owner for violations of Article VIII and any Dedicatory Instrument that applies to leasing. The Board with Declarants consent is vested with the unilateral authority, as long as it is consistent with Texas law, to set the amount of fines for violations of these leasing restrictions.

Subject to notice as may be required by law, fines will be assessed against the record Owner and are supported by the Association's assessment lien created herein which runs with title to each lot. The decision as to the amount of the fine to be imposed in any particular case shall be left to the Board's sole and absolute discretion. Such decision shall not be construed as a waiver of the Board's right to set a different fine at a later time under other circumstances or preclude the Board from imposing a fine. In the event of a violation of these leasing restrictions, every day of lease in violation hereof, will be considered a separate violation subject to the full amount of the fine imposed by the Board which shall continue until the lease is terminated and the tenant is removed from the Home. The enforcement of penalties will be fair and equitable in treatment as to all Home Owners in the subdivision.

No home shall be leased for a term of less than twelve (12) full consecutive calendar months, nor shall any lease be for less than the entire Home except as student housing. No Home shall be leased unless the terms and provisions of such lease specifically provide that such Home may not be sublet to or be occupied by persons other than those named in the lease, or named as a permitted occupant within the lease without the prior written approval of the Board being first obtained, and any lease shall provide that the lessee or occupant and any guest or invitee of such lessee or occupant shall comply with and abide by all of the restrictions pertaining to the use of Homes and the Common Elements set forth in this Declaration and the Dedicatory Instruments and the laws of any governmental agency applicable to the subdivision or association now or hereafter established governing the use of such Lots and the Common Elements. In addition, prior to executing a lease, the lessee shall sign a written agreement provided by the Association, agreeing to not violate the dedicatory instruments and any other ruleset out by the Association. It is not the intent of the Declarant to exclude from a home any individual who is authorized to so remain by any state or federal law.

During the Marketing or Development Period, the Declarant may rent/lease the Declarant, or its appointee owned homes for a rental/lease term as decided upon by the Declarant, whether such rental/lease term is for one (1) evening or longer, in its sole and absolute discretion. Notwithstanding anything contained herein to the contrary, no Home may be used as a Timeshare Home or put to Timeshare Use, as those terms are defined in the Texas Property Code, or its successor statute.

3.41 Easements. Prior to the termination of the Marketing or Development Period (and the Association thereafter) the Declarant has the right to grant to utility companies and other entities without limitation, such easements, rights-of-way, and other rights as may be reasonably necessary to service the subdivision and establish, operate, or maintain the same as a viable subdivision, without the approval or joinder of any other Owners or any Mortgagee.

Each Owner is hereby granted an easement in common with each other Owner for ingress and egress through all Common Elements subject to this Declaration and the subdivision, the Dedicatory Instruments promulgated from time to time unless such area has been leased for use by a specific party. Such easement shall be used jointly and in common with the other Owners and tenants of any Owners, each Mortgagee, and the agents, employees, guests, licensees, and invitees of each Owner, tenant of each Owner, and each such Mortgagee. Nothing contained herein shall be construed to create any rights of any nature in the public, nor shall any portion of the Common Elements, be deemed to be dedicated for public use.

3.42 Ditches and Drainage. At no time shall any party fully or partially obstruct drainage, including filling in of the ditches, as designed by the declarant nor alter the sheet water drainage areas on their lots or right of ways nor take any action or lack of action that will affect the flow of water in any way through them or the subdivision. Culverts used to create

driveway access from the street to the private property lot for each home when ditches are present shall be located at the natural flow line to prevent any retardation of water flow and shall be a minimum of 18 inches in diameter and not more than 30 nor less than 20 feet in length. Culverts and ditches shall be maintained so as to not restrict water flow other than set out in the subdivision plat, rules, and engineering drawings. Nothing shall be done to change the water management and flow pattern established by the Declarant. Homeowner shall be responsible for maintenance of the ditches adjacent to their lot up to the roadway surface including regular mowing.

3.43 Swimming Pool Enclosures. A swimming pool enclosure maybe installed around a water feature, including a swimming pool or spa, which is located on an owner's property, under the following conditions:

a) The swimming Pool Enclosure shall conform with all applicable state or local safety requirements and shall not exceed six feet (6') in height and shall not be below the minimum height required by law.

b) The Swimming Pool Enclosure shall be designed not to be climbable.

c) The property owner must apply for and obtain written approval from the Association's Architectural reviewing body prior to installation of a Swimming Pool Enclosure. Applications shall be on the standard form for other improvements and must include details on the size, appearance, color, location, and materials.

d) The swimming pool Enclosure must be kept in good repair and items that are not properly maintained, go into a state of disrepair are prohibited and must be promptly repaired, replaced, or removed without the requirement of notice however such notice is permitted.

e) The Association may prohibit any swimming pool enclosure that is not in compliance with these Swimming Pool Enclosure Guidelines, and may also require the removal of the non-conforming Swimming Pool Enclosure and restoration of the property to its original condition, and

f) The Architectural Reviewing Body and the Associations' Board, and the Declarant, on appeal of the Architectural Reviewing Board decision, have the absolute discretion to deny any Swimming Pool Enclosure that is not black in color and does not consist of transparent mesh set in metal frames.

3.44 Bidding. If the Association proposes to contract for services that will cost more than $30,000 at any one time it shall solicit at least two (2) bids for the contract, if reasonably available in the Community. The Board has the full discretion to accept or reject any bid in its sole and absolute discretion.

3.45 Security Equipment. Property or Home owners may install or build security measures on their lot intended to promote security for their own lot and property while adhering to and promoting the design, harmony, and aesthetics of the Community.

a) Cameras/Motion Detectors Property or Homeowners may place cameras and motion detectors on their own lot as security measures. Cameras and motion detectors may not be placed on the lot of any other owner, or on any Association Property nor directed towards same as its primary view. The Association may place cameras and motion detectors on Association property.

b) Perimeter Fencing Perimeter fencing is permitted by the association as a security measure provided it complies with these restrictions.

c) Plans and Specifications Prior to Installation of any improvements including these considered security in nature an application must be submitted to the Association in accordance with its standard procedures and

installation must await approval of the ACC.

d) Solar Panels shall be allowed provided they comply with the following restrictions.

e) Plans and Specifications Prior to Installation of any improvements including solar panels an application must be submitted to the Association in accordance with its standard procedures and installation must await approval of the ACC.

3.46 Swimming Wading Jumping in Ponds. No Swimming Wading, Jumping or Diving into is permitted in ponds if any and/or any other common area with water.

3.47 Surveillance. The Association will use and herby gives notice of its intent to monitor the community both from the ground and aerial platforms of any type without restriction. No use of this surveillance shall be deemed to be an invasion of privacy, and it is agreed that such surveillance and photography is legally permissible in order to insure the health safety and welfare of the community, insure compliance with the Restrictions and provide evidence of violations.

3.48 Maximum Driveway Grade. No home shall be constructed in such a way that the slope of the driveway exceeds 3%.

THE ASSOCIATION DECLARANT OR COMMUNITY DOES NOT PROVIDE SECURITY AND IS/ARE NOT RESPONSIBLE FOR SECURITY IN THE COMMUNITY OR INDIVIDUALS, HOMEOWNERS, INVITED OR UNINVITED GUESTS.

THERE IS NO SECURITY

ARTICLE IV
ARCHITECTURAL APPROVAL

4.1 Architectural Control Committee. As used in this Declaration, the term "Architectural Control Committee" shall mean a committee of three (3) members or such number as determined by Declarant from time to time, all of whom shall be appointed by the Declarant, except as otherwise set forth herein. Members of the Architectural Control Committee appointed by the Declarant may be removed at any time by Declarant and shall serve until death, resignation, or removal by Declarant. Builders who submit a home portfolio will have each home within that portfolio approved or disapproved and those approved shall thereafter not require individual approvals of each home built so long as they comply with the pre-approved plan portfolio, color selections and all applicable design elements. No duplication of exterior features of a home shall be allowed with less than three other homes separating said home on the same street. Driveways must follow the pattern established by the Developer with driveways on the side with electrical utilities.

4.2 Approval of Improvements Required. Notwithstanding anything contained in Declaration to the contrary, the approval of a majority of the members and the Chairman of the Architectural Control Committee shall be required for the construction of the initial dwelling Home on a Lot ("New Construction") or for any subsequent Improvement to Property following the construction of the initial dwelling Home on a Lot, ("Modification Construction"). Improvements include any man-made changes to a developed or undeveloped lot. For purposes of this Article IV, the Board and the Architectural Control Committee are each sometimes referred to as the "Approval Entity".

4.3 Address of Approval Entity. The address of the Architectural Control Committee shall be 185 Cedar Point Drive, Livingston, Texas 77351, or such address that may be later filed for record with Liberty County.

4.4 Submission of Plans. Before commencement of work to accomplish any proposed Improvement to Property, the Owner proposing to make such Improvement to Property

(the "Applicant") shall submit to the proper Approval Entity at its respective office copies of such descriptions, surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications, and samples of materials and colors which comply with the subdivision color palette as the Approval Entity reasonably shall request, showing the nature, kind, shape, height, width, color, materials, and location of the proposed Improvement to Property, as may be more particularly described from time-to-time in any minimum construction standards and/or architectural guidelines adopted by the Architectural Control Committee (in the case of New Construction) and or the Board (in the case of Modification Construction) (the "Architectural Guidelines"). The Approval Entity may require submission of additional plans, specifications, or other information before approving or disapproving the proposed Improvement to Properly. Until receipt by the Approval Entity of all required materials in connection with the proposed Improvement to Property, the Approval Entity may postpone review of any materials submitted for approval.

4.5 Criteria for Approval. The Approval Entity shall approve any Proposed Improvement to Property only if it determines in its reasonable discretion that the Improvement to Property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Properties as a whole; that the appearance of the proposed Improvement to Property will be in harmony with the surrounding areas of the Properties, including, without limitation, quality, and color of materials and location with respect to topography and finished grade elevation; that the Improvement to Property will comply with the provisions of this Declaration and any applicable plat, ordinance, governmental rule, or regulation; that the Improvement to Property will not detract from the beauty, wholesomeness, and attractiveness of the Property or the enjoyment thereof by Owners; and that the upkeep and maintenance of the proposed Improvement to Property will not become a burden on the Association. Each Approval Entity is specifically granted the authority to disapprove proposed Improvements because of the unique characteristics or configuration of the Lot on which the proposed Improvement would otherwise be constructed, even though the same or a similar type of Improvement might or would be approved for construction on another Lot. The Approval Entity may condition its approval of any proposed Improvement to Property upon the making of such changes thereto as the Approval Entity may deem appropriate.

4.6 Architectural Guidelines. Each Approval Entity from time to time may create, supplement, or amend Architectural Guidelines. The Architectural Guidelines may serve as a guideline only and an Approval Entity may impose other requirements in connection with its review of any proposed Improvements; provided, however, that such other requirements are consistent with this Declaration.

4.7 Decision of Approval Entity. The decision of the Approval Entity shall be made within thirty (30) days after receipt by the proper Approval Entity of all materials required by the Approval Entity. The decision shall be in writing and if the decision is not to approve a proposed Improvement to Property, the reasons therefore shall be stated. The decision of the Approval Entity shall promptly be transmitted to the Applicant at the address furnished by the Applicant to the Approval Entity. The Owner, however, is responsible under all circumstances for conforming to the provisions of these restrictions in their entirety.

4.8 Failure of Approval Entity to Act on Plans. Any request for approval of a Proposed Improvement to Property shall be deemed approved by the appropriate Approval Entity, unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Approval Entity, within thirty (30) days after the date of receipt by the appropriate Approval Entity of all required materials; provided, however, that no such deemed approval shall operate to permit any Owner to construct or maintain any Improvement to Property that violates any provision of this Declaration or the Architectural Guidelines. The Approval Entity shall at all times retain the right to object to any Improvement to Property that violates any provision of this Declaration or the Architectural Guidelines.

4.9 Prosecution of Work After Approval. After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished as promptly and diligently as possible and in strict conformity with the description of the proposed

Improvement to Property in the materials submitted to the Approval Entity. Failure to complete the proposed Improvement to Property within nine (9) months after the date of approval or such other period of time as shall have been designated in writing by the Approval Entity (unless an extension has been granted by the Approval Entity in writing) or to complete the Improvement to Property in strict conformity with the description and materials furnished, to the Approval Entity, shall operate automatically to revoke the approval by the Approval Entity of the proposed Improvement to Property. No Improvement to Property shall be deemed completed until the exterior fascia and trim on the structure have been applied and finished and all construction materials and debris have been cleaned up and removed from the site and all rooms in the dwelling Home, other than attics, have been finished. Removal of materials and debris shall not take in excess of thirty (30) days following completion of the exterior.

4.10 Inspection of Work. The Approval Entity or its duly authorized representative shall have the right, not the obligation, to inspect any Improvement to Property before or after completion, provided that the right of inspection shall terminate once the Improvement to Property becomes occupied.

4.11 Notice of Noncompliance. If, as a result of inspections or otherwise, the Approval Entity finds that any Improvement to Property has been constructed or undertaken without obtaining the approval of the Approval Entity or has been completed other than in strict conformity with the description and materials furnished by the Owner to the Approval Entity or has not been completed within the required time period after the date of approval by the Approval Entity, the Approval Entity shall notify the Owner in writing of the noncompliance ("Notice of Noncompliance"). The Notice of Noncompliance shall specify the particulars of the noncompliance and shall require the Owner to take such action as may be necessary to remedy the noncompliance within the period of time set forth therein.

4.12 Correction of Noncompliance. If the Approval Entity finds that a noncompliance continues to exist after such time within which the Owner was to remedy the noncompliance as set forth in the Notice of Noncompliance, the Association may, at its option but with no obligation' to do so, (a) record a Notice of Noncompliance against the Lot on which the noncompliance exists in the Office of the County Clerk of Liberty County, Texas; (b) remove the noncomplying Improvement to Property; and/or (c) otherwise remedy the noncompliance (including, if applicable, completion of the Improvement in question), and, if the Board elects to take any action with respect to such violation, the Owner shall reimburse the Association upon demand for all expenses incurred therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board may levy an assessment for such costs and expenses against the Owner of the Lot in question and such assessment will become a part of the assessment provided for in Article 7 hereof. The permissive (but not mandatory) right of the Association to remedy or remove any noncompliance (it being understood that no Owner may require the Association to take such action) shall be in addition to all other rights and remedies that the Association may have at law, in equity, under this Declaration, or otherwise.

4.13 No Implied Waiver or Estoppel. No action or failure to act by an Approval Entity shall constitute a waiver or estoppel with respect to future action by the Approval Entity with respect to any Improvement to Property. Specifically, the approval by the Approval Entity of any Improvement to Property shall not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement to Property or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement to Property by such Person or otherwise.

4.14 Power to Grant Variances. Each Approval Entity may authorize variances from compliance with any of the provisions of Article III and Article IV of this Declaration including restrictions upon placement of structures, the time for completion of construction of any Improvement to Property, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic, environmental, or other relevant considerations may require. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Approval Entity. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided however,

that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of any variance affect the jurisdiction of the Approval Entity other than with respect to the subject matter of the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the Lot concerned.

4.15 Compensation of Architectural Control Committee. The members of the Architectural Control Committee shall be entitled to reimbursement by the Association for reasonable expenses incurred by them in the performance of their duties hereunder as the Board from time to time may authorize or approve.

4.16 Non-liability for Approval Entity Action. None of the members of the Architectural Control Committee, the Association, any member of the Board of Directors, or Declarant shall be liable for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of any Approval Entity except to the extent caused by the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Approval Entity shall not be responsible for reviewing, nor shall its approval of an Improvement to Property be deemed approval of, the Improvement to Property from the standpoint of safety, whether structural or otherwise, or conformance with building codes, or other governmental laws or regulations. Furthermore, none of the members of the Architectural Control Committee, any member of the Board of Directors, or Declarant shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the Association, or for a tort of another of such individuals, whether such other individuals were acting on behalf of the Association, the Architectural Control Committee, the Board of Directors, or otherwise. Finally, neither the Association, the Board, the Architectural Control Committee, Declarant or their officers, agents, members, or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, Improvements, or portion thereof, or for failure to repair or maintain the same.

4.17 Construction Period. Exception During the course of actual construction of any permitted structure or Improvement to Property, and provided construction is proceeding with due diligence, the Approval Entity may temporarily suspend certain provisions of this Declaration as to the Lot upon which the construction is taking place to the extent necessary to permit such construction; provided, however, that during the course of any such construction, nothing shall be done that will result in a violation of any of the provisions of this Declaration upon completion of construction or that will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Property.

4.18 Gardens. No gardens may be larger than 10'x10' and gardens cannot be located between the front wall of home and street and shall not be visible from the street or adjoining lot at 6 feet above the immediately surrounding ground level.

ARTICLE V
LIBERTY RANCH HOME OWNERS ASSOCIATION, INC.

5.1 Membership and Voting Rights. Every Owner of a Lot subject to assessment or waiver of assessment as provided below shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot owned by an Owner, however each owner will have one membership for each Lot owned without limitation.

Each Owner is required at all times to provide the Association with proper mailing information defined as physical mailing for US Post office should it differ from the property address relative to ownership. Further, each Owner is required to render notice including phone, email, and address of tenant, if any, or agency, if any, involved in the management of said property. The Owner is required and obligated to maintain current

information including Email address with the Association or its designated management company at all times. Correspondence of all types shall be delivered by Email unless regular mail is requested by the homeowner or Email specifically prohibited by action of Law. If regular mail use is requested by a homeowner, or homeowners email address has not been provided they agree by this request or failure to provide that information that a service fee to cover expenses and recordkeeping as proscribed in the Fee and Fine Schedule on file with the county per letter shall be billed to the homeowner's maintenance account unless a greater amount is indicated elsewhere in this document. This shall specifically include the annual Notice of Assessment and its corresponding financial obligation. Owner agrees that should owner fail to maintain a correct registered mailing address with the Association that any and all mail sent to the incorrect on file address shall be deemed as received by the owner for all legal purposes.

5.2 The Association shall have three classes of voting membership:

Class A. Class A members shall be all Owners of Lots of any section that has been incorporated herein and impressed with maintenance fees with the exception of the Declarant, Builders or Commercial Owners and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant or its successors and assigns and Builders as described in 1.17. Class B members shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in Class B votes equal less than ten percent (10%) of the total authorized votes and this continues for 365 days: or
(b) January 1, 2045, unless extended by actions listed in this declaration.

Class C. The Class C member(s) shall be Commercial Owners as defined in 1.19 of lots of any section that has been incorporated herein. Class C member(s) shall be entitled to one (1) vote for each lot owned.

The Class A, Class B and Class C members shall have no rights as such to vote as a class, except as required by the Texas Non-Profit Corporation Act, the Articles of Incorporation or the Bylaws of the Association or as herein provided, and both classes shall vote upon all matters as one group. Notwithstanding the prior provisions of Section 5.2 above, each time additional property is made subject to the jurisdiction of the Association pursuant to a Supplemental Declaration such that Declarant or Builder owns more than ten percent (10%) of the total of all Lots, then Class B membership, this Section 5.2, and the Development Period as described in 1.12 shall be automatically reinstated for an additional 15 years, upon each occurrence.

5.3 Non-Profit Corporation. LIBERTY RANCH HOME OWNERS ASSOCIATION, INC., a non-profit corporation, has or will be organized; and it shall be governed by its Articles of Incorporation and Bylaws. All duties, obligations, benefits, liens, and rights hereunder in favor of the Association shall be vested in said corporation. The Association, by the majority vote of the Board of Directors of the Association, shall have the authority to borrow money for the purpose of making capital improvements on property owned by the Association or for any other purpose the Board deems appropriate.

5.4 Bylaws. The Association may make, establish, and amend such rules or bylaws as it chooses to govern the organization and administration of the Association, provided, however, that such rules or bylaws are not in conflict with the terms and provisions hereof. The right and power to alter, amend or repeal the bylaws of the Association, or to adopt new bylaws is expressly reserved by and delegated by the members of the Association to the Board of Directors of the Association.

5.5 Inspection of Records. The members of the Association shall have the right to inspect the books and records for the Association at reasonable times during normal business hours by

appointment, at the published costs.

5.6 Turnover of Association Control to Members. Within 120 days of termination of the Declarant's control over the Association pursuant to termination of the "Development Period" the Declarant shall hold a Transition Meeting with the membership. This meeting shall follow notice as required in this document or state law in effect at the time of the meeting and shall include the election of the initial non-Declarant Board of Directors.

Within 30 days of this Transition meeting the Declarant shall turn over to the newly elected Board of Directors of the Association all records of the Association, including Minutes, stormwater management history, and agreements. Declarant shall provide deeds to common areas if any, as defined by plat, insurance documents if any, and outstanding receivable and payable records. Declarant shall provide status of all suits pending, contemplated, and resolved.

Additionally, Declarant shall turn over ownership records and rosters, ACC records, and other related documentation. A formal transition of bank accounts shall remove the Declarant's name and signature or those of its employees or contractors from these accounts and place that of the elected officers of the association. This transition shall include all bank statements, and creation of a closing balance document for each account which must be signed by both the Declarant and the new Association President prior to turnover of the bank accounts.

The Declarant shall introduce by way of written correspondence the new Association President to any professionals currently employed by the Association to include property management, financial management, legal, stormwater and grounds maintenance companies.

5.7 Notice. Notice for regular meetings shall be by email and provide 7 days' notice. Budget meetings where increases are made to the annual budget will be public.

5.8 HOA Insolvency. In the event Home Owners association becomes insolvent or fails to maintain proper documentation and filings with the State of Texas, County, City, and any other political subdivision causing it to lose its authority to operate and transact business as a property owner's association in the State of Texas and such condition continues uncorrected for 60 days then the City or County shall have the right but is not obligated to enforce the deed restrictions and other matters. This right includes the authority to impose and collect maintenance fees and other necessary fees and assessments to further the upkeep of subdivision improvements.

5.9 HOA Reserves. The HOA shall be required to expend funds to maintain open areas, Common areas, recreational facilities, amenities, buildings, and drainage facilities of all types including but not limited to, Reserves, Ponds, Drainage Easements, Detention and Retention Facilities, and Structures, and shall have assessments sufficient to meet the necessary annual cost of improvements. A Reserve account shall be maintained and 15% of the annual assessment as a minimum of all maintenance fees collected during that year shall be transferred to this reserve account as soon as practical but in all cases within 120 days of the end of each calendar year. In no case will any single expense category, occurrence or event utilize more than 20% of the Reserve account. Expenses greater than this threshold shall require a special assessment to protect the association against shortages for future capital expenditures.

5.10 Enforcement. Any city, county, State, Federal or Political subdivision thereof with jurisdiction over the area of the subdivision shall have the right but not the obligation at any time to enforce the restrictions in addition to or in lieu of the HOA or Declarant.

ARTICLE VI
PROPERTY RIGHTS

6.1 Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and common facilities, if any, which shall be

appurtenant to and shall pass with the title to every Lot subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

(b) The right of the Association to suspend the voting rights and right to use the recreation facility by an Owner; to suspend any other service provided by the Association for an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for each infraction of its published rules and regulations, or breach of any provisions of the Declaration.

(c) The right of the Association to comply with changes to governing laws.

(d) The right of the Association to voluntarily dedicate or transfer all or any part of the Common Area owned by the Association, if any, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the members agreeing to such dedication or transfer has been recorded in the Official Public Records of Real Property of Liberty County, Texas; provided, however, the Board of Directors by majority vote of the Board is authorized and empowered to cause the dedication and conveyance of involuntary dedications or transfers, and the dedication and conveyance of road, drainage, and utility easements and easements for similar purposes without submitting such matter to a vote of the members, and to authorize any officer of the Association to execute the documents required for such dedication or conveyance.

(e) The right of the Association to collect and disburse those funds as set forth in Paragraph 7.1.

(f) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area other than the granting of easements, shall be subject to the approval of sixty-seven percent (67%) of the votes of all Owners unless such action is ordered by a court of competent jurisdiction.

6.2 Delegation of Use. Any Owner may delegate in accordance with the Bylaws Owner's right of enjoyment to the Common Area and facilities, if any, to the members of the Owner's family, guests, tenants, or contract purchasers who occupy the residential dwelling of the Owner's Lot.

ARTICLE VII
MAINTENANCE ASSESSMENTS

7.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant for each Lot owned within the subdivision hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed is deemed to covenant and agree to pay to the Association; (1) annual assessment or charges, and (2) special assessments for capital improvements, and (3) other charges assessed against an Owner and his Lot as provided in Sections 3.15, 4.12 and 8.2 and any other sections of this Declaration and/or modification of this Declaration, such assessments, and charges to be established and collected as herein provided. The annual and special assessments, as well as the other charges described in any sections including Sections 3.15, 4.12 and 8.2 and any other sections of this Declaration or additions to, together with interest, collection costs and reasonable attorney's fees, shall be a charge on the Lot and shall be secured by a continuing lien upon the Lot against which each such assessment is made. Each such assessment and other charges, together with interest, collection costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due, and the personal obligation for delinquent assessments shall not pass to subsequent Owners of the concerned Lot unless expressly assumed in writing.

7.2 Purpose of Assessments. Assessments levied by the Association on lots shall be held in an account by the Association for the use and benefit of the property owners in and such sections as may be later added provided the members of the new sections are required to pay maintenance fees equal to or more than those required in original section.

Said funds shall be used to promote the recreation, health, safety, and welfare of the residents, including the mowing of unoccupied lots and the improvement, maintenance and management of the roads and any Common Area and Common Facilities of the Association as well as any esplanade or landscaped areas within street rights-of-way designated by the Declarant.

The responsibilities of the Association shall include, but not be limited to, the maintenance and repair of the Common Area and Common Facilities if any; constructing and maintaining parkways, green belts, detention areas, drainage facilities, rights-of-way, easements, esplanades, Common Areas, sidewalks, roads, walls, streets, bridges, paths, ponds, and other public areas; construction and operations of all streetlights; mail facilities, signage, insecticide services; purchase and/or operating and maintenance expenses of recreation areas, if any; payment of all legal and other expenses incurred in connection with the collection and enforcement of all charges, assessments, covenants, restrictions, and conditions established under this Declaration; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charges and assessments; employing police and/or security service, if desired; caring for vacant Lots and doing other things necessary or desirable in the opinion of the Declarant or Association Board to keep the Lots neat and in good order, or which is considered of general benefit to the Owners or occupants of the Lots and other items as solely determined by the declarant or Association Board.

It is understood that the judgment of the Declarant on the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith. All Lots in the Property shall commence to bear their applicable maintenance fund assessment simultaneously from the date of conveyance of the first Lot by Declarant and or the Builder to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Lots which are or at any time have been occupied shall be subject to the annual assessment determined by the Board of Directors according to the provisions of Section 7.3.

The rate of assessment for any calendar year for any individual Lot will change within that calendar year as the character of ownership and the status of occupancy changes, however, once any Lot has become subject to assessment at the full rate, it shall not thereafter revert to assessment at the lower rate. The applicable assessment for each Lot shall be prorated for each calendar year according to the rate applicable for each type of ownership of the Lot during that calendar year.

7.3 Rate of Assessment. The current annual maintenance assessment is $429.00 per year in the base year 2025 with an automatic increase annually of 10% or the Consumer Price Index as defined in 1.14 whichever is greater hereinafter referred to as automatic increase. Property Owners that do not reside in the Subdivision or other areas annexed other than declarants or its assigns which hold property as investors within the Subdivision shall pay one full assessment for each lot owned without limitation. Builders and Declarant shall not pay any assessment.

(a) Annually, the Board of Directors of the Association with Declarant's consent (the "Board of Directors") shall fix the amount of the ensuing year's annual assessment (and the annual assessment for each subsequent calendar year) in excess of the automatic minimum increase at least thirty (30) days in advance of the annual assessment period, which shall begin on the first day of January 1 of each year. Written notice of the annual assessment shall be sent to every Owner subject thereto at the address of each Lot or at such other address provided to the Association in writing pursuant to Section 5.1 (a). Maintenance fees are due on January 1st of each year and considered delinquent if not received by January 31 of that year. If for any reason the Board of Directors fails to fix the annual assessment in excess of the annual

minimum increase for any year by December 2 of the preceding year, it shall be deemed that the annual assessment for such year will be increased by the minimum automatic increase as defined above from the preceding year, and such assessment shall continue to increase annually by the minimum automatic increase unless increased by more than this minimum by the Board of Directors or membership in accordance with the provisions herein.

(b) From and after January 1, the maximum annual assessment may be increased each year by a majority vote of the Board of Directors of the Association only to an amount which is not more than twenty percent (20%) above the maximum annual assessment for the previous year.

From and after January 1, of the year immediately following the conveyance of the first Lot to a resident Owner, the maximum annual assessment may be increased by more than twenty (20%) percent of the previous year's maximum annual assessment only if the increase is due to 1.14 or is approved by the affirmative vote of a majority of those members who are voting, in person or by proxy, at a meeting duly called for the purpose of considering such increase. Subject to the provisions of Section 7.5, the voting process for this action may also be managed by mail ballot as long as the ballots contain the name, property address, certification by the Secretary of the Association, alternate address of the member, if applicable, and the date and signature of the member. Ballots may be returned by U.S. mail in envelopes specifically marked as containing ballots for the special election or may be collected by door to door canvas. Upon levying of any increased assessment pursuant to the provisions of this Section 7.3, the Association shall cause to be recorded in the Official Public Records of Real Property of Liberty County, Texas, a sworn and acknowledged affidavit of the President (or any Vice President) and of the Secretary of the Association which shall certify, among other items that may be appropriate, the total number of each class of members as of the date of the voting, the quorum required, the number of votes represented, the number of each class voting "for" and "against" the levy, the amount of the increased assessment and the date by which such increased assessment must be paid in order to avoid being delinquent. If the vote is conducted by mail or door to door canvas, the approval of two-thirds (2/3) of the total membership is required.

7.4 Special Assessment for Capital Improvements. In addition to the annual Assessments authorized above, the Board of Directors may levy, in any assessment year, a special assessment applicable to the current year only for the purpose of defraying, in ,whole or in part, the cost/of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided any such assessment shall have the approval of two-thirds (2/3) of the votes of those members who are voting in person or by proxy at a meeting duly called for this purpose. Likewise, subject to the provisions of Section 7.5, the voting process for this action may also be managed by mail ballot as long as the ballots contain the name, property address, certification by the Secretary of the Association, alternate address of the member, if applicable, and the date and signature of the member.

Ballots may be returned by U. S. mail in envelopes specifically marked as containing ballots for the special election or may be collected by door to door canvas. Upon the levying of any Special Assessment pursuant to the provisions of this Section 7.4, the Association shall cause to be recorded in the Real Property Records of the Liberty County Clerk's Office a sworn and acknowledged affidavit of the President (or any Vice President) and of the Secretary of the Association which shall certify, among other items that may be appropriate, the total number of each class of members as of the date of the voting, the quorum required, the number of each class of votes represented, the number of each class voting "for" and "against" the levy, the amount of the special assessment authorized, and the date by which the special assessment must be paid in order to avoid being delinquent.

In the event a governmental agency with jurisdiction over the community requires a capital improvement, repair, or other action of which the cost exceeds 20% of the current reserve funds available, and entity makes the association or its management company aware of the regulation, requirement, or direction. Then the association MUST within 30 days (or sooner if required by the governmental agency) secure 3 bids for the scope of work as defined by

the agency. Once the scope has been determined and a 20% contingency fee is added to the selected bid(s) this amount shall be divided by the total number of lots subject to assessment and the resulting prorated amount shall be assessed against each of those lots.

Payment shall be due within sixty (60) days unless a shorter period is required by the governmental agency. Work shall be commenced once 80% the funds have been collected or sooner if sufficient reserves are available utilizing the special assessment and the total Maintenance reserve. Upon completion of the work and full acceptance of the adequacy and compliance is made by the governmental agency, and there are no additional ongoing requirements imposed by the agency then any excess funds shall be refunded within 60 days of the full and final release by all contractors and acceptance by the governmental agency to the paying members on the same basis and proration as the assessment was made.

IN THIS SITUATION NO VOTE SHALL BE REQUIRED.

7.5 Notice and Quorum for Action Authorized under Paragraphs 7.3 and 7.4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 7.3 and 7.4 shall be sent to all members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60) percent of all the votes of all membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. If the vote of the members is conducted by mail or door to door canvas, the approval of two-thirds (2/3) of the total membership is required.

7.6 Effect of Nonpayment of Assessments. Any assessment, annual or special, or other charges assessed in accordance with any section of this document including but not limited to Sections 3, 4.12, 7.1 and 8.2 and such other sections which impose now or in the future Assessments or fines not paid within thirty-one (31) days after its due date shall be subject to a $10.00 monthly service charge and bear interest from the due date at a rate of eighteen percent (18%) per annum on the unpaid balance or the maximum then allowed by law or such number as is included in the current Fee and Fine schedule on file with the County. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien herein retained against the Lot. Interest, costs, and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge. In order to secure the payment of the assessments or charges hereby levied, a vendor's lien for the benefit of the Association shall be and is hereby reserved in the Deed from the Declarant to the purchaser of each Lot or portion thereof, which lien shall be enforceable through appropriate judicial proceedings by the Association. As additional security for the payment of the assessments hereby levied, each Owner of a Lot in the subdivision, by such party's acceptance of a deed thereto, hereby grants the Association a lien on such Lot which may be foreclosed on by judicial or non-judicial foreclosure and pursuant to the provisions of Section 209.0092 of the Texas Property Code (and any successor statute); or such other statues as are then applicable and each such Owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with judicial foreclosure pursuant to the provisions of said Section 209.0092 of the Texas Property Code (and any successor statute) and said power of sale, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the Association by means of a written instrument executed by the President or any Vice President of the Association and filed for record in the Real Property Records of Liberty County, Texas.

In the event that the Association has determined to judicially foreclose the lien provided herein pursuant to the provisions of said Section 209.0092 of the Texas Property Code (and any successor statute) and to exercise the power of sale hereby granted, the Association shall mail to the defaulting Owner a copy of the Notice of Trustee's Sale not less than twenty-one (21) days prior to the date on which said sale is scheduled by posting such notice through the U. S. Postal Service, postage prepaid, registered or certified, return receipt requested, properly addressed to such Owner at the last known address of such

Owner according to the records of the Association. If required by law, the Association or Trustee shall also cause a copy of the Notice of Trustee's Sale to be recorded in the Real Property Records of Liberty County, Texas. Out of the proceeds of such sale, there shall first be paid all expenses incurred by the Association in connection with such default, including, reasonable attorney's fees and reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount in default; and third, the remaining balance shall be paid to such Owner. Following any such foreclosure, each occupant of any such Lot foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and-may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

In addition to foreclosing the lien hereby retained, in the event of nonpayment by any Owner, of such Owner's portion of any assessment, the Association may, acting through the Board, upon ten (10) days' prior written notice thereof to such nonpaying Owner, in addition to all other rights and remedies available at law or otherwise, restrict the right of such nonpaying Owner to use the Common Areas, if any, in such manner as the Association, deems fit or appropriate and/or suspend the voting rights of such nonpaying Owner so long as such default exists.

It is the intent of the provisions of this Section 7.6 to comply with the provisions of Section 209.0092 of the Texas Property Code or such other statues as are then applicable relating to judicial and non-Judicial sales by power of sale and, in the event of the amendment of said Section 209.0092 of the Texas Property Code hereafter or such other statues as are then applicable, the President or any Vice President of the Association, acting without joinder of any other Owner or mortgagee or other person may, by amendment to this Declaration filed in the Real Property Records of Liberty County, Texas, amend the provisions hereof so as to comply with said amendments to Section 209.0092 of the Texas Property Code.

No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of its Lot. In addition to the above rights, the Association shall have the right to refuse to provide the services of the Association to any Owner who is delinquent in the payment of the above-described assessments.

7.7 Subordination of the Lien to Mortgages. As hereinabove provided, the title to each Lot shall be subject to a vendor's lien and power of sale judicial foreclosure securing the; payment of all assessments and charges due the Association but said vendor's lien and power of sale and judicial foreclosure shall be subordinate to any valid purchase money lien or mortgage covering a Lot and any valid lien securing the cost of construction of home improvements. Sale or transfer of any Lot shall not affect said vendor's lien or power of sale and judicial foreclosure. However, the sale or transfer of any Lot which is subject to any valid purchase money lien or mortgage pursuant to a judicial foreclosure under such lien or mortgage shall extinguish the vendor's lien and power of sale foreclosure securing such assessment or charge only as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or the Owner thereof from liability for any charges or assessments thereafter becoming due or from the lien thereof. In addition to the automatic subordination provided hereinabove, the Association, in the discretion of the Board of Directors, may subordinate the lien securing any assessment provided for herein to any other mortgage, lien or encumbrance, subject to such limitations, if any, as such Board may determine.

7.8 Future Sections. The Association shall use the proceeds of the assessments for the use and benefit of all residents of the Property, provided, however, that any additional property made a part of the Property by annexation under Section 8.7 of this Declaration, to be entitled to the benefit of this maintenance fund, must be impressed with and subjected to the annual maintenance charge and assessment on a uniform per Lot basis equivalent to the maintenance charge and assessment imposed hereby, and further, made subject to the jurisdiction or the Association.

THE LIBERTY RANCH SUBDIVISION IS LOCATED IN A PUBLIC

IMPROVEMENT DISTRICT, COMMONLY REFERRED TO AS A "PID." THE RESIDENTS ARE SUBJECT TO PAYMENT OF THE ANNUAL DISTRICT ASSESSMENTS.

ARTICLE VIII
GENERAL PROVISIONS

8.1 Term. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association or the Owner of any land subject to this Declaration or any Supplemental Declaration, their respective legal representatives, heirs, successors, and assigns, for an initial term of twenty (20) years from the date these covenants are recorded or amended. During such initial term, the covenants and restrictions of this Declaration may be changed or terminated only by an affirmative vote of not less than sixty-seven (67%) percent of all the Lots within the Property, so long as Class C ownership does not exceed thirty percent (30%). If Class C ownership exceeds thirty percent (30%) then it will take an affirmative vote of seventy-five percent (75%) of the membership to amend or terminate these Declarations. If Class C ownership is fifty percent (50%) or greater then these Declarations may be changed or terminated by an affirmative vote of not less than eighty percent (80%). The amendment or termination shall not be valid until properly recorded in the Official Public Records of Real Property of Liberty County, Texas and any and all court stays have been removed if any.

However, notwithstanding the above language during the Development Period, the Declarant shall have the right and authority to change, modify, terminate, and reinstate the covenants and restrictions of this Declaration. Upon the expiration of such initial term, unless terminated as below provided, said covenants and restrictions (as changed, if changed), and the enforcement rights relative thereto, shall be automatically extended for successive periods of ten (10) years each. At any time during the initial term above stated and at any time during any such ten (10) year automatic extension period, the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by the Declarant or the then Owners of not less than sixty-seven (67%) percent so long as Class C ownership does not exceed thirty percent (30%). If Class C ownership exceeds thirty percent (30%) then it will take an affirmative vote of seventy-five percent (75%) of the membership to amend or terminate these Declarations. If Class C ownership is fifty percent (50%) or greater then these Declarations may be changed or terminated by an affirmative vote of not less than eighty percent (80%) of all the Lots in the Property and properly recorded in the Official Public Records of Real Property of Liberty County, Texas.

In addition, Declarant shall have the right at any time and from time-to-time, without the joinder or consent of any other party, to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record in Liberty County, Texas, for the purpose of correcting any typographical or grammatical error, ambiguity, technical correction, to provide the original intent if another interpretation is proposed by another party, error or inconsistency appearing herein, insertion or modification of the terms and requirements, or for the purpose of complying with any statute, regulation, ordinance, resolution, or order of the Federal Housing Administration (the "FHA"), the Veterans Administration (the "VA"), or any federal, state, county, or municipal governing body, or any agency or department thereof; provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and any Supplemental Declaration taken collectively and shall not impair or effect the vested rights of any Owner or mortgagee.

8.2 Enforcement. The Association, Declarant, any Owner, a City, County, State, or Federal Government with jurisdiction, and their respective successors and assigns, shall have the right to enforce by a proceeding at law or in equity all easements, restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration and in connection therewith, shall be entitled to recover all reasonable collection costs and attorney's fees. Failure by the Association or by any other person entitled to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter. It is hereby stipulated that the failure or refusal of any Owner

or any occupant of a Lot to comply with the terms and provisions hereof would result in irreparable harm to other Owners, to Declarant and to the Association. Thus, the covenants, conditions, restrictions, and provisions of this Declaration may not only be enforced by an action for damages at law, but also may be enforced by injunctive or other equitable relief (i.e., restraining orders and/or injunctions) by any court of competent jurisdiction, upon the proof of the existence of any violation or any attempted or threatened violation. Any exercise of discretionary authority by the Association concerning a covenant created by this Declaration is presumed reasonable unless the court determines by a preponderance of the evidence the exercise of discretionary authority was arbitrary; capricious or inconsistent with the scheme of the development (i.e., the architectural approval or disapproval for similar renovations relative to a given location within the Property).

The Association on its own behalf or through the efforts of its management company may initiate, defend, or intervene in litigation or any administrative proceeding affecting the enforcement of a covenant created by this instrument or for the protection, preservation or operation of the Property covered by this Declaration. Notification will be deemed to have been given upon deposit of a letter in the U. S. mail addressed to the Owner alleged to be in violation. Any cost that has accrued to the Association pursuant to this Section shall be secured and collectable in the same manner as established herein for the security and collection of annual assessments as provided in Article VII.

8.3 Severability. Invalidation of any one of these covenants by judgment or other court order shall in no way affect any of the other provisions which shall remain in full force and effect.

8.4 Intention. It is further specifically the intention of the membership that acceptance and approval of the Declaration of these declaration of covenants conditions and restrictions of the LIBERTY RANCH HOME OWNERS ASSOCIATION, INC, shall also comply with the provisions for amendment as provided. It is anticipated there will be additional sections to the community, and they will be added to and subject to these restrictions.

8.5 Interpretation. If this Declaration or any word, clause, sentence, paragraph, or other part thereof shall be susceptible to more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

8.6 Omissions. If any punctuation, word, clause, sentence, or provision necessary to give meaning, validity or effect to any other word, clause, sentence, or provision appearing in this Declaration shall be omitted here from, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence, or provision shall be supplied by inference.

8.7 Annexation. Additional residential property and "Common Area" may be annexed to the Properties: With the consent of two-thirds (2/3) of each Class of Members:

(a) Notwithstanding anything contained in (a) above, additional land representing future sections or phases of the LIBERTY RANCH SUBDIVISION may be annexed from time to time by the Declarant, its successors, or assigns, without the consent of other Owners, or their mortgagees.

(b) Existing sections may be modified, re-platted and made into new sections with the same or different restrictions by Declarant at its sole discretion.

(c) Annexation, replat, or addition may be accomplished by the execution and filing for record in the Real Property Records of Liberty County, Texas by the owner of the property being added or annexed, of an instrument which may be called "Supplemental Declaration" or other notice of Annexation. Each such instrument evidencing the annexation of additional property shall describe the portion of the property comprising the Lots and Common Area, if any. Such a "Supplemental Declaration" or other notice of Annexation may contain such other provisions which are different provided they are not wholly inconsistent with the provisions of this Declaration of Covenants, Conditions and Restrictions or the general scheme or plan of the LIBERTY RANCH SUBDIVISION as a residential development. Nothing in

this Declaration shall be construed to represent or imply that Declarant, its successors, or assigns, are under any obligation to add or annex additional property to this residential development.

(d) At such time as the "Supplemental Declaration" or other notice of Annexation is filed for record as hereinabove provided, the annexation shall be deemed accomplished and the annexed area shall be a part of the properties and subject to each and all of the provisions of this Declaration of Covenants, Conditions and Restrictions and to the jurisdiction of the Association in the same manner and with the same force and effect as if such annexed property had been originally included in this Declaration of Covenants, Conditions and Restrictions as part of the original development.

(e) After additions or annexations are made to the development, all assessments collected by the Association from the Owners in the annexed areas shall be commingled with the assessments collected from all other Owners so that there shall be a common maintenance for the Properties.

Declarant specifically reserves the right and authority to impose an assessment on Lots in any areas annexed to the development in excess of the annual assessments then currently being imposed upon existing Lots in the Association. Any and all such additional assessments over and above said amount shall be expressly reserved to and for the use of the newly annexed area.

EFFECTIVE the 1st Day of August, 2025.

EXECUTED this 5th Day of August, 2025.

Waterstone Development Group Texas, LLC, a Texas Limited Liability Company,

BY: _____
Charles Von Schmidt, President

THE STATE OF TEXAS §
COUNTY OF POLK §

BEFORE ME the undersigned authority, on this day personally appeared CHARLES VON SCHMIDT, proved to me to be the person whose name is subscribed to the foregoing instrument, as the President of Waterstone Development Group Texas, LLC, a Texas limited Liability company and acknowledged to me that he executed the same for the purposes and consideration therein expressed, on behalf of and as deed of said limited liability company.

Given under my hand and seal of office this 5th day of Aug, 2025.

TAMMY LIVINGSTON
NOTARY PUBLIC
STATE OF TEXAS
ID # 2190104
My Comm. Expires 06-01-2027

_____
Notary Public, State of Texas

Liberty Ranch, LLC, a Texas Limited Liability Company,

BY: _____
Charles Von Schmidt, President

THE STATE OF TEXAS §
COUNTY OF POLK §

BEFORE ME the undersigned authority, on this day personally appeared CHARLES VON

SCHMIDT, proved to me to be the person whose name is subscribed to the foregoing instrument, as the President of Liberty Ranch, LLC, a Texas limited liability company and acknowledged to me that he executed the same for the purposes and consideration therein expressed, on behalf of and as deed of said limited liability company.

Given under my hand and seal of office this 8th day of Aug., 2025.

TAMMY LIVINGSTON
NOTARY PUBLIC
STATE OF TEXAS
ID # 2190104
My Comm. Expires 06-01-2027

Notary Public, State of Texas

Liberty Ranch Home Owners Association, Inc., a Texas nonprofit corporation

BY: _____
Charles Von Schmidt, President

THE STATE OF TEXAS §
COUNTY OF POLK §

BEFORE ME the undersigned authority, on this day personally appeared CHARLES VON SCHMIDT, proved to me to be the person whose name is subscribed to the foregoing instrument, as the President of the Liberty Ranch Home Owners Association, Inc., a Texas nonprofit corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, on behalf of and as deed of said limited liability company.

Given under my hand and seal of office this 8th day of Aug., 2025.

TAMMY LIVINGSTON
NOTARY PUBLIC
STATE OF TEXAS
ID # 2190104
My Comm. Expires 06-01-2027

Notary Public, State of Texas

AFTER RECORDING RETURN TO

Waterstone Development Group Texas, LLC
185 Cedar Point Drive
Livingston, Texas 77351

THE STATE OF TEXAS
COUNTY OF LIBERTY

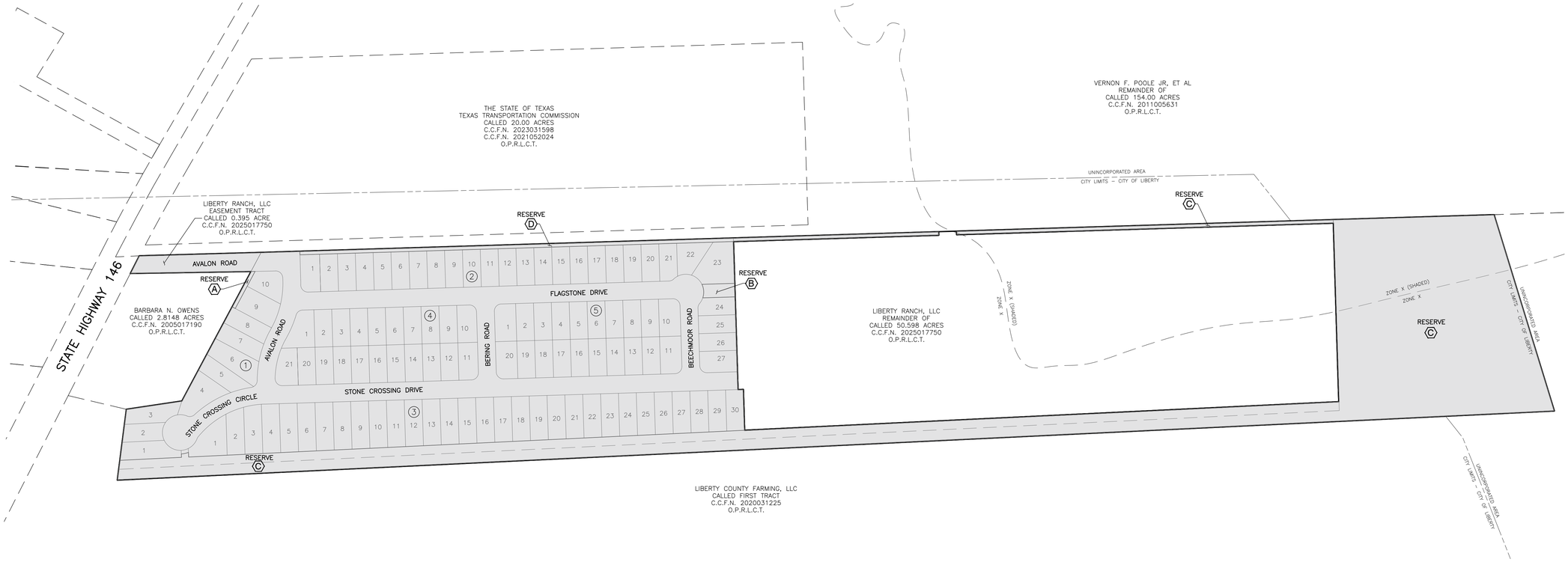
I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Liberty County, Texas.

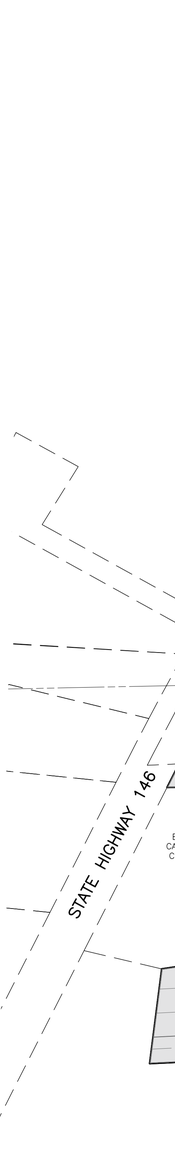
2025027170 RESTR
08/08/2025 12:39:32 PM Total Fees: $157.00

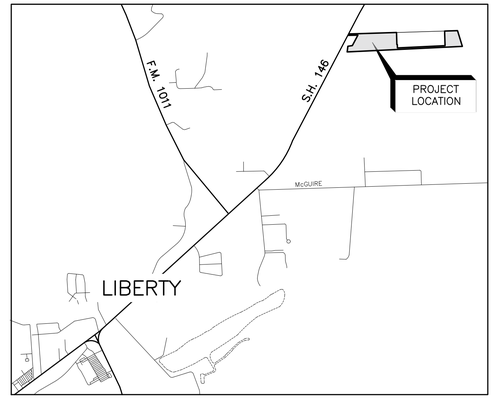
Lee Haidusek Chambers,County Clerk
Liberty County, Texas

LIBERTY COUNTY, TEXAS

B.W. HARDIN SURVEY, A-47







VICINITY MAP

SCALE 1"=2500'

NOTES:

1. THE PURPOSE OF THIS PLAT IS TO PLAT LIBERTY RANCH SECTION 1, CONTAINING 31.158 ACRES, 5 BLOCKS, 108 LOTS AND 4 RESERVES.
2. ALL BEARINGS SHOWN HEREON ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, (NAD83) SOUTH CENTRAL ZONE, PER GPS OBSERVATIONS.
3. FLOOD ZONE STATEMENT:
   ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FLOOD INSURANCE RATE MAP No. 48291C0475D, REVISED DATE OF JANUARY 19, 2018, THE SURVEYED PROPERTY LIES WITHIN ZONE "X" (UNSHADED), AND ZONE "X" SHADED AREAS AND ZONE "A" SPECIAL FLOOD HAZARD AREAS, WITHOUT BASE FLOOD ELEVATIONS.
4. ALL REAR BUILDING LINES SHALL BE 10 FEET FROM PROPERTY LINES (AS SHOWN ON THE PLAT). SIDE BUILDING LINES SHALL BE 5 FEET FOR INTERIOR SIDE LOTS, 16 FEET FOR CORNER LOTS ADJACENT TO THE RIGHT-OF-WAY, THE FRONT OF THE BUILDING LINE SHALL BE 20 FEET (USUAL) UNLESS OTHERWISE NOTED.
6. THE PROPERTY OWNERS ASSOCIATION WILL BE RESPONSIBLE FOR MAINTENANCE OF ALL DETENTION, PARK AND LANDSCAPE RESERVES.
7. THERE ARE NO PUBLIC UTILITY EASEMENTS.

VARIANCES
APPROVED PLANNING AND ZONING COMMISSION, APRIL 20, 2022
APPROVED CITY COUNCIL APRIL 26, 2022

MIN. LOT WIDTH (SEC. 10.02.122)
-REQUIRED 60'
-VARIANCE 50'

MIN. CORNER LOT WIDTH (SEC. 10.02.122)
-REQUIRED 75'
-VARIANCE 55'

MIN. LOT AREA (SEC. 10.02.122)
-REQUIRED 6,000 SQ. FT.
-VARIANCE 5000 SQ. FT.

MIN. SIDE YARD (SEC. 10.02.122)
-REQUIRED 7.5'
-VARIANCE 5'

LEGEND

O.P.R.L.C.T.	=	OFFICIAL PUBLIC RECORDS LIBERTY COUNTY, TEXAS
D.R.L.C.T.	=	DEED RECORDS LIBERTY COUNTY, TEXAS
P.R.L.C.T.	=	PLAT RECORDS LIBERTY COUNTY, TEXAS
C.C.F.N.	=	COUNTY CLERK'S FILE NUMBER
VOL. PG.	=	VOLUME, PAGE
D.E.	=	DRAINAGE EASEMENT
B.L.	=	BUILDING LINE
P.O.B.	=	POINT OF BEGINNING
U.E.	=	UTILITY EASEMENT
R.O.W.	=	RIGHT-OF-WAY
O	=	5/8" I.R.C. SET "BAKER & LAWSON"
◉	=	FOUND MONUMENT (AS NOTED)
I.R.	=	IRON ROD
I.P.	=	IRON PIPE
I.R.C.	=	IRON ROD W/CAP

OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713-960-4150

SHEET 1 OF 4

FINAL PLAT

LIBERTY RANCH
SECTION 1

BEING
31.158 ACRES, 5 BLOCKS,
108 LOTS & 4 RESERVES

BEING ALL OF A
CALLED 50.598 ACRE TRACT
AND A
CALLED 0.395 ACRE TRACT
C.C.F.N. 2025017750
O.P.R.L.C.T.

B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS

BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10052500 REG. NO. F-825

PROJECT NO.: 14951	SCALE: 1" = 150'	DRAWN BY: JH
DRAWING NO.: 14951 LRANCH SECTION 1 FINAL PLAT	DATE: 8/8/2025	CHECKED BY: DH

N:\BL_PROJ\LIBERTY\14951\ENGINEERING\SURVEY\SURVEY PLAT\SECTION 1\14951 LRANCH SECTION 1 FINAL PLAT.DWG 8/8/2025 Brandi Hedges

Curve Table					
Curve No.	Length	Radius	Delta	Chord Bearing	Chord Distance
C1	58.58'	39.00'	86°03'32"	N48°33'34"W	53.23'
C2	167.08'	285.00'	33°35'24"	N11°15'54"E	164.70'
C3	137.90'	265.00'	29°48'57"	S13°09'07"W	136.35'
C4	234.88'	275.00'	48°56'16"	S63°46'30"W	227.81'
C5	78.90'	285.00'	15°51'41"	N02°24'02"E	78.65'
C6	88.19'	285.00'	17°43'43"	N19°11'44"E	87.83'
C9	13.79'	310.00'	2°32'59"	S00°28'53"E	13.79'
C10	32.31'	20.00'	92°32'59"	S45°28'53"E	28.91'
C11	14.42'	20.00'	41°19'06"	N67°35'05"E	14.11'
C12	150.65'	50.00'	172°38'13"	S46°45'22"E	99.79'
C13	14.42'	20.00'	41°19'06"	S18°54'11"W	14.11'
C14	31.42'	20.00'	90°00'00"	N46°45'22"W	28.28'
C15	31.42'	20.00'	90°00'00"	S46°45'22"E	28.28'
C16	31.42'	20.00'	90°00'00"	N43°14'38"E	28.28'
C17	31.42'	20.00'	90°00'00"	S43°14'38"W	28.28'
C18	31.42'	20.00'	90°00'00"	S46°45'22"E	28.28'

Curve Table					
Curve No.	Length	Radius	Delta	Chord Bearing	Chord Distance
C19	31.42'	20.00'	90°00'00"	S43°14'38"W	28.28'
C20	31.42'	20.00'	90°00'00"	S46°45'22"E	28.28'
C21	24.96'	20.00'	71°30'20"	N52°29'28"E	23.37'
C22	61.26'	310.00'	11°19'18"	N22°23'57"E	61.16'
C23	111.82'	240.00'	26°41'43"	N14°42'44"E	110.81'
C24	32.51'	20.00'	93°07'14"	N45°11'45"W	29.04'
C25	28.38'	20.00'	81°18'56"	N40°41'14"E	26.06'
C26	141.87'	290.00'	28°01'49"	N14°02'41"E	140.46'
C27	143.13'	260.00'	31°32'25"	N12°17'23"E	141.33'
C28	178.46'	300.00'	34°05'03"	N64°18'11"E	175.84'
C29	213.53'	250.00'	48°56'13"	S63°46'29"W	207.10'
C30	237.07'	50.00'	271°39'29"	N23°41'43"W	69.68'
C31	22.64'	20.00'	64°52'22"	N79°41'51"E	21.45'
C32	6.57'	20.00'	18°49'49"	S29°53'27"W	6.54'
C33	30.60'	20.00'	87°40'21"	N47°19'00"W	27.70'

Line Table		
Line No.	Length	Direction
L1	33.02'	S01°45'22"E
L2	31.02'	N82°33'19"E
L3	5.44'	S43°14'38"W
L4	15.20'	S28°03'36"W

LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47

RESERVE TABLE			
SYMBOL	DESCRIPTION	RESERVE USE	AREA
(A)	RESTRICTED RESERVE	RESTRICTED TO LANDSCAPE	0.026 AC.
(B)	RESTRICTED RESERVE	RESTRICTED TO LANDSCAPE	0.077 AC.
(C)	RESTRICTED RESERVE	RESTRICTED TO DETENTION, DRAINAGE, & PARK USE	11.346 AC.
(D)	RESTRICTED RESERVE	RESTRICTED TO LANDSCAPE	0.411 AC.

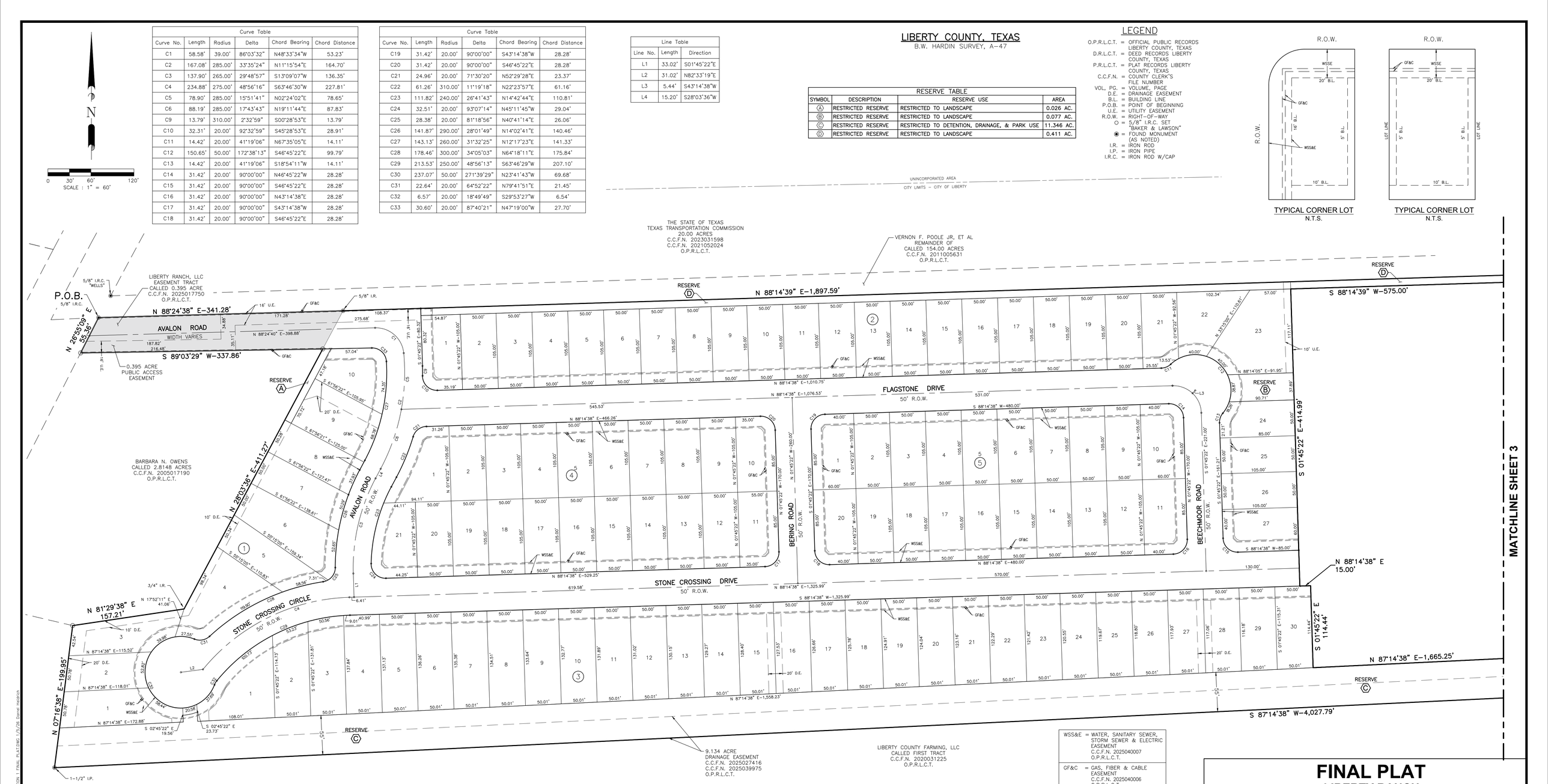
LEGEND

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◉ = FOUND MONUMENT (AS NOTED)
I.R. = IRON ROD
I.P. = IRON PIPE
I.R.C. = IRON ROD W/CAP

UNINCORPORATED AREA
CITY LIMITS - CITY OF LIBERTY

TYPICAL CORNER LOT
N.T.S.

TYPICAL CORNER LOT
N.T.S.



PARCEL TABLE BLOCK 1	
LOT NO.	AREA S.F.
1	7,412
2	5,606
3	6,956
5	6,718
6	8,926
7	6,613
8	6,316
9	7,929
10	6,185

PARCEL TABLE BLOCK 2	
LOT NO.	AREA S.F.
1	5,683
2	5,250
3	5,250
4	5,250
5	5,250
6	5,250
7	5,250
8	5,250
9	5,250
10	5,250
11	5,250
12	5,250
13	5,250
14	5,250

PARCEL TABLE BLOCK 2	
LOT NO.	AREA S.F.
15	5,250
16	5,250
17	5,250
18	5,250
19	5,250
20	5,250
21	5,127
22	6,333
23	10,752
24	5,072
25	5,250
26	5,250
27	6,214

PARCEL TABLE BLOCK 3	
LOT NO.	AREA S.F.
1	8,125
2	6,214
3	6,784
4	6,878
5	6,835
6	6,791
7	6,747
8	6,704
9	6,660
10	6,616
11	6,573
12	6,529
13	6,486
14	6,442
15	6,398

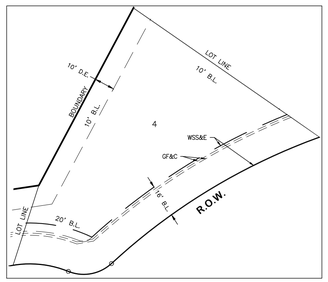
PARCEL TABLE BLOCK 3	
LOT NO.	AREA S.F.
16	6,355
17	6,311
18	6,267
19	6,224
20	6,180
21	6,136
22	6,093
23	6,049
24	6,006
25	5,962
26	5,918
27	5,875
28	5,831
29	5,787
30	5,744

PARCEL TABLE BLOCK 4	
LOT NO.	AREA S.F.
1	7,080
2	5,250
3	5,250
4	5,250
5	5,250
6	5,250
7	5,250
8	5,250
9	5,250
10	5,689
11	5,689

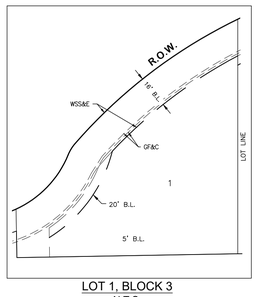
PARCEL TABLE BLOCK 4	
LOT NO.	AREA S.F.
12	5,250
13	5,250
14	5,250
15	5,250
16	5,250
17	5,250
18	5,250
19	5,250
20	5,250
21	6,039

PARCEL TABLE BLOCK 5	
LOT NO.	AREA S.F.
1	6,214
2	5,250
3	5,250
4	5,250
5	5,250
6	5,250
7	5,250
8	5,250
9	5,250
10	6,214

PARCEL TABLE BLOCK 5	
LOT NO.	AREA S.F.
11	6,214
12	5,250
13	5,250
14	5,250
15	5,250
16	5,250
17	5,250
18	5,250
19	5,250
20	6,214



LOT 4, BLOCK 1
N.T.S.



LOT 1, BLOCK 3
N.T.S.

OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713-960-4150

SHEET 2 OF 4

FINAL PLAT
LIBERTY RANCH
SECTION 1

BEING
31.158 ACRES, 5 BLOCKS, 108 LOTS & 4 RESERVES
BEING ALL OF A CALLED 50.598 ACRE TRACT AND A CALLED 0.395 ACRE TRACT C.C.F.N. 2025017750 O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS

BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10052500 REG. NO. F-825

PROJECT NO.: 14951	SCALE: 1" = 60'	DRAWN BY: JH
DRAWING NO.: 14951 LRANCH SECTION 1 FINAL PLAT	DATE: 8/8/2025	CHECKED BY: DH

MATCHLINE SHEET 3

N:\...\SURVEY\CADD\14951 LRANCH SECTION 1 FINAL PLAT.DWG, 8/8/2025 8:49:05 AM, Brent Heidtke

LIBERTY COUNTY, TEXAS

B.W. HARDIN SURVEY, A-47

N

0 30' 60' 120'

SCALE : 1" = 60'

RESERVE TABLE			
SYMBOL	DESCRIPTION	RESERVE USE	AREA
Ⓒ	RESTRICTED RESERVE	RESTRICTED TO DETENTION, DRAINAGE, & PARK USE	11.346 AC.

LEGEND

O.P.R.L.C.T. = OFFICIAL PUBLIC RECORDS LIBERTY COUNTY, TEXAS
D.R.L.C.T. = DEED RECORDS LIBERTY COUNTY, TEXAS
P.R.L.C.T. = PLAT RECORDS LIBERTY COUNTY, TEXAS
C.C.F.N. = COUNTY CLERK'S FILE NUMBER
VOL, PG. = VOLUME, PAGE
D.E. = DRAINAGE EASEMENT
B.L. = BUILDING LINE
P.O.B. = POINT OF BEGINNING
U.E. = UTILITY EASEMENT
R.O.W. = RIGHT-OF-WAY
○ = 5/8" I.R.C. SET "BAKER & LAWSON"
◉ = FOUND MONUMENT (AS NOTED)
I.R. = IRON ROD
I.P. = IRON PIPE
I.R.C. = IRON ROD W/CAP

UNINCORPORATED AREA
CITY LIMITS - CITY OF LIBERTY

ZONE X (SHADED)
ZONE X

VERNON F. POOLE JR, ET AL
REMAINDER OF
CALLED 154.00 ACRES
C.C.F.N. 201100563l
O.P.R.L.C.T.

RESERVE Ⓓ

N 88°14'39" E-1,897.59'

S 88°14'39" W-575.00'

S 01°45'22" E 10.00'

N 01°45'22" W 10.00'

RESERVE Ⓒ

N 88°14'39" E-1,505.60'

S 88°14'39" W-1,055.00'

FENCE POST

UNINCORPORATED AREA
CITY LIMITS - CITY OF LIBERTY

LIBERTY RANCH, LLC
REMAINDER OF
CALLED 50.598 ACRES
C.C.F.N. 2025017750
O.P.R.L.C.T.

N 01°45'22" W-500.36'

ZONE X (SHADED)
ZONE X

RESERVE Ⓒ

S 17°04'22" E-575.28'

5/8" I.R.C.
"BAKER & LAWSON"

N 87°14'38" E-1,665.25'

RESERVE Ⓒ

S 87°14'38" W-4,027.79'

9.134 ACRE
DRAINAGE EASEMENT
C.C.F.N. 2025027416
C.C.F.N. 2025039975
O.P.R.L.C.T.

LIBERTY COUNTY FARMING, LLC
CALLED FIRST TRACT
C.C.F.N. 2020031225
O.P.R.L.C.T.

MATCHLINE SHEET 2

MATCHLINE SHEET 2

FINAL PLAT

LIBERTY RANCH
SECTION 1

BEING

31.158 ACRES, 5 BLOCKS,
108 LOTS & 4 RESERVES

BEING ALL OF A
CALLED 50.598 ACRE TRACT
AND A
CALLED 0.395 ACRE TRACT
C.C.F.N. 2025017750
O.P.R.L.C.T.

B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS

OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713-960-4150

SHEET 3 OF 4

BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS
4005 TECHNOLOGY DR., SUITE 1530
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PROJECT NO.: 14951	SCALE: 1" = 60'	DRAWN BY: JH
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N:\BL-PROJECTS\14000S\14900S\14951\ENGINEERING\SURVEY\SURVEY\14951LRANCH SECTION 1 FINAL PLAT.DWG 8/8/25 Brent Hinson

OWNER DEDICATION

THE STATE OF TEXAS §
COUNTY OF _____ §

I, CHARLES VON SCHMIDT, PRESIDENT OF LIBERTY RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, OWNER OF THE ACCESS EASEMENT AND PROPERTY SUBDIVIDED IN THE ABOVE AND FOREGOING MAP OF LIBERTY RANCH SECTION 1, DO HEREBY MAKE SUBDIVISION OF SAID PROPERTY, ACCORDING TO THE LINES, STREETS, LOTS, ALLEYS, PARKS, BUILDING LINES, AND EASEMENTS THEREON SHOWN, AND DESIGNATE SAID SUBDIVISION AS LIBERTY RANCH SECTION 1, LOCATED IN THE B.W. HARDIN SURVEY, ABSTRACT NO. 47, LIBERTY COUNTY, TEXAS, AND ON BEHALF OF SAID LIBERTY RANCH, LLC AND DEDICATE TO THE CITY OF LIBERTY, TEXAS AND TO PUBLIC USE, AS SUCH, THE STREETS, ALLEYS, PARKS, GREEN BELTS, DETENTION RESERVES, AND DRAINAGE RESERVES SHOWN THEREON FOREVER; AND DO HEREBY WAIVE ANY CLAIMS FOR DAMAGES OCCASIONED BY THE ESTABLISHING OF GRADES AS APPROVED FOR THE STREETS AND ALLEYS DEDICATED, OR OCCASIONED BY THE ALTERATION OF THE SURFACE OF ANY PORTION OF STREETS OR ALLEYS TO CONFORM TO SUCH GRADES; AND DO HEREBY BIND OURSELVES, OUR SUCCESSORS AND ASSIGNS TO WARRANT AND FOREVER DEFEND THE TITLE TO THE LAND SO DEDICATED.

IN TESTIMONY WHEREOF, OWNER, HAS CAUSED THESE PRESENTS TO BE SIGNED BY CHARLES VON SCHMIDT, PRESIDENT OF LIBERTY RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, ITS AUTHORIZED OFFICER THIS _____ DAY OF _____ 2025.

_____
CHARLES VON SCHMIDT, PRESIDENT

THE STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED CHARLES VON SCHMIDT, PRESIDENT OF LIBERTY RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE/SHE EXECUTED SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED, AND IN THE CAPACITY THEREIN AND HEREIN SET OUT, AND AS THE ACT AND DEED OF SAID ENTITY.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____, 20____.

_____
NOTARY PUBLIC, IN AND FOR POLK COUNTY, STATE OF TEXAS

MY COMMISSION EXPIRES _____

CITY OF LIBERTY

APPROVED THIS THE_____DAY OF_____, 20_____.BY THE LIBERTY CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS.

_____ _____
JOHN HEBERT, JR. MAYOR ATTEST. CITY SECRETARY

STATE OF TEXAS
COUNTY OF LIBERTY

I, _____, COUNTY CLERK OF LIBERTY, TEXAS DO HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED FOR REGISTRATION IN MY OFFICE ON

_____, 20_____ AT _____O'CLOCK _____M. AND DULY RECORDED ON

_____, 20_____ AT _____O'CLOCK _____M.

IN THE PLAT RECORDS OF LIBERTY COUNTY, TEXAS IN BOOK _____, PAGE _____.

WITNESS MY HAND AND SEAL AT LIBERTY, TEXAS THIS DAY AND DATE LAST ABOVE WRITTEN.

_____
COUNTY CLERK, LIBERTY, TEXAS
(SEAL OF COUNTY CLERK)

LIEN HOLDERS ACKNOWLEDGMENT

THE STATE OF TEXAS §
COUNTY OF WALKER §

I CLAYTON BOHAN, PRESIDENT OF PROSPERITY BANK, OWNERS AND HOLDERS OF A LIEN, AS EVIDENCE BY DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF RENT, AGAINST THE PROPERTY DESCRIBED IN THE PLAT KNOWN AS LIBERTY RANCH SECTION 1, SAID LIEN BEING EVIDENCED BY INSTRUMENT OF RECORD IN THE COUNTY CLERKS FILE NUMBER 20250535446 OF THE OFFICIAL PUBLIC RECORDS, LIBERTY COUNTY, TEXAS, DO HEREBY IN ALL THINGS SUBORDINATE TO SAID PLAT, SAID LIEN AND WE HEREBY CONFIRM THAT WE ARE THE PRESENT OWNERS OF SAID LIEN AND HAVE NOT ASSIGNED THE SAME NOR ANY PART THEREOF.

BY: _____
CLAYTON BOHAN

PRINT NAME:_____

TITLE: PRESIDENT

THE STATE OF TEXAS §
COUNTY OF WALKER §

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED CLAYTON BOHAN, PRESIDENT OF PROSPERITY BANK, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT THEY EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED, AND IN THE CAPACITY THEREIN AND HEREIN SET OUT, AND AS THE ACT AND DEED OF SAID COMPANY.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS _____ DAY OF _____, 20_____.

_____
NOTARY PUBLIC IN AND FOR _____ COUNTY, THE STATE OF TEXAS

MY COMMISSION EXPIRES _____

DESCRIPTION OF 31.158 ACRES

DESCRIPTION OF A 31.158 ACRE TRACT OF LAND, LOCATED WITHIN THE B.W. HARDIN SURVEY, ABSTRACT NO. 47, LIBERTY COUNTY, TEXAS, BEING A PORTION OF A CALLED 50.613 ACRE TRACT (TRACT 1) AND ALL OF A CALLED 0.395 ACRE TRACT, AS RECORDED IN C.C.F.N. 2025017750 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY TEXAS (O.P.R.L.C.T.), REFERRED TO HEREINAFTER AT THE ABOVE REFERENCED TRACT OF LAND, SAID 31.158 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS (BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, (NAD83) SOUTH CENTRAL ZONE, PER GPS OBSERVATIONS):

BEGINNING AT A 5/8–INCH IRON ROD WITH CAP FOUND FOR THE NORTHWEST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING ON THE SOUTH LINE OF A CALLED 154.00 ACRE TRACT AS RECORDED IN C.C.F.N. 2011005631 OF THE O.P.R.L.C.T.;

THENCE NORTH 88°24'38" EAST, ALONG THE NORTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTH LINE SAID CALLED 154.00 ACRE TRACT, A DISTANCE OF 341.28 FEET TO A 5/8–INCH IRON ROD FOUND FOR CORNER;

THENCE NORTH 88°14'39" EAST, ALONG THE NORTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTH LINE SAID CALLED 154.00 ACRE TRACT, A DISTANCE OF 1,897.59 FEET TO A 5/8–INCH IRON ROD SET FOR CORNER;

THENCE SOUTH 01°45'22" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 10.00 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE SOUTH 88°14'39" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 575.00 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE SOUTH 01°45'20" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 414.99 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE NORTH 88°14'40" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 15.00 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE SOUTH 01°45'20" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 114.44 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE NORTH 87°14'38" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 1,665.25 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE NORTH 01°45'22" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 500.36 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE SOUTH 88°14'39" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 1,055.00 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE NORTH 01°45'22" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 10.00 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER, BEING ON THE NORTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE SOUTH LINE OF SAID CALLED 154.00 ACRE TRACT

THENCE NORTH 88°14'39" EAST, ALONG THE NORTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE SOUTH LINE OF SAID CALLED 154.00 ARE TRACT, A DISTANCE OF 1,505.60 FEET TO A FENCE POST FOUND FOR CORNER, BEING THE NORTHEAST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING THE MOST WESTERLY NORTHEAST CORNER OF THAT CERTAIN TRACT AS RECORDED IN C.C.F.N. 2020031225 OF THE O.P.R.L.C.T.;

THENCE SOUTH 17°04'22" EAST, ALONG THE EAST LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING A NORTHEASTERLY LINE OF THAT SAID CERTAIN TRACT, A DISTANCE OF 575.28 FEET TO A 5/8–INCH CAPPED IRON ROD, STAMPED "BAKER & LAWSON", SET FOR CORNER, BEING THE SOUTHEAST CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING AN INTERIOR CORNER OF THAT SAID CERTAIN TRACT;

THENCE SOUTH 87°14'38" WEST, ALONG THE SOUTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING A NORTH LINE OF THAT SAID CERTAIN TRACT, A DISTANCE OF 4,027.79 FEET TO A 1–1/2 INCH IRON PIPE FOUND FOR THE SOUTHWEST CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING AN INTERIOR CORNER OF THAT SAID CERTAIN TRACT;

THENCE NORTH 07°16'38" EAST, ALONG THE WEST LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING A NORTHWESTERLY LINE OF THAT SAID CERTAIN TRACT, A DISTANCE OF 199.95 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR A NORTHWEST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING A SOUTHERLY CORNER OF A CALLED 2.8148 ACRE TRACT, AS RECORDED IN C.C.F.N. 2005017190 OF THE O.P.R.L.C.T.;

THENCE NORTH 81°29'38" EAST, ALONG A NORTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTHERLY LINE OF SAID CALLED 2.8148 ACRE TRACT, A DISTANCE OF 157.21 FEET TO A 3/4–INCH IRON ROD FOUND FOR CORNER, BEING AN INTERIOR CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTHEAST CORNER OF SAID CALLED 2.8148 ACRE TRACT;

THENCE NORTH 28°03'36" EAST, ALONG THE WEST LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE EAST LINE OF SAID CALLED 2.8148 ACRE TRACT, A DISTANCE OF 411.27 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR THE NORTHWEST INTERIOR CORNER OF THE ABOVE REFERENCED TRACT;

THENCE SOUTH 89°03'30" WEST, ALONG THE SOUTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE NORTH LINE OF SAID CALLED 2.8148 ACRE TRACT, A DISTANCE OF 337.86 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR THE NORTHWESTERLY SOUTHWEST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING ON THE EAST R.O.W. OF SAID STATE HIGHWAY 146;

THENCE NORTH 26°55'10" EAST, ALONG THE WEST LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE EAST R.O.W. OF SAID STATE HIGHWAY 146, A DISTANCE OF 55.36 FEET TO THE POINT OF BEGINNING AND CONTAINING 31.158 ACRES OF LAND, MORE OR LESS.

KNOW ALL MEN BY THESE PRESENTS:
THAT I, DARREL HEIDRICH, DO HEREBY CERTIFY THAT I MADE AN ACTUAL AND ACCURATE SURVEY OF THE PLATTED LAND, AND THAT THE CORNER MONUMENTS SHOWN ON THE FOREGOING PLAT WERE PROPERLY PLACED UNDER MY PERSONAL SUPERVISION, IN ACCORDANCE WITH ALL SUBDIVISION AND LAND DEVELOPMENT ORDINANCES FOR THE CITY OF LIBERTY, TEXAS.

1/5/2026
_____
DARREL HEIDRICH DATE
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 5378

STATE OF TEXAS
REGISTERED
DARREL HEIDRICH
5378
LICENSED
LAND SURVEYOR

OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713–960–4150

SHEET 4 OF 4

FINAL PLAT
LIBERTY RANCH SECTION 1

BEING
31.158 ACRES, 5 BLOCKS, 108 LOTS & 4 RESERVES
BEING ALL OF A CALLED 50.598 ACRE TRACT AND A CALLED 0.395 ACRE TRACT C.C.F.N. 2025017750 O.P.R.L.C.T.

B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS

B&L BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10052500 REG. NO. F-825

PROJECT NO.: 14951		DRAWN BY: JH
DRAWING NO.: 14951 LRANCH SECTION 1 FINAL PLAT	DATE: 8/8/2025	CHECKED BY: DH

N:\BC-PROJECTS\14900S\14951\ENGINEERING\SURVEY\DWG\FINAL PLAT\14951 LRANCH SECTION 1 FINAL PLAT.dwg 8/29/2025 Daniel Hedrich

Ordinance

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, ESTABLISHING A TWENTY (20) MILE PER HOUR SPEED LIMIT WITHIN THE LIBERTY RANCH SUBDIVISION; PROVIDING FOR ENFORCEMENT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Liberty, Texas, has authority under state law to regulate traffic and establish speed limits on public streets within the City; and

WHEREAS, the Liberty Ranch Subdivision is a residential neighborhood designed to include sidewalks, internal streets, and pedestrian-oriented amenities; and

WHEREAS, the City Council finds that a reduced speed limit within residential subdivisions promotes public safety, enhances walkability, protects pedestrians and cyclists, and is consistent with the character and intended use of the neighborhood; and

WHEREAS, the City Council further finds that establishing a uniform speed limit within the Liberty Ranch Subdivision will improve traffic safety and quality of life for residents;

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

SECTION 1. Speed Limit Established. The maximum speed limit on all public streets located within the Liberty Ranch Subdivision is hereby established at twenty (20) miles per hour, unless otherwise posted.

SECTION 2. Signage and Enforcement. The City Manager or designee is authorized to cause appropriate traffic control signs to be installed and maintained as necessary to give notice of the speed limit established by this ordinance. Upon installation of such signage, the speed limit shall be enforceable under applicable law.

SECTION 3. Severability. If any provision of this ordinance is held invalid, such invalidity shall not affect the remaining provisions of this ordinance.

SECTION 4. Effective Date. This ordinance shall take effect immediately upon adoption.

PASSED AND APPROVED by the City Council of the City of Liberty, Texas, on this ___ day of January 2026.

_____
Mayor
City of Liberty, Texas

ATTEST:

_____
City Secretary
City of Liberty, Texas

Resolution

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM FOR "CITY OF LIBERTY, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026 (LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)"

WHEREAS, on May 10, 2022, this City Council (the "Council") of the City of Liberty, Texas (the "City") adopted a resolution authorizing the creation of the Liberty Ranch Public Improvement District (the "District"); and

WHEREAS, on April 8, 2025, the Council adopted Resolution No. 2025-23 approving a development agreement by and between the City and Liberty Ranch, LLC, a Texas limited liability company, to establish the development and improvement standards for the District; and

WHEREAS, this Council intends to issue the City of Liberty, Texas Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District) (the "Bonds"), to fund public improvements benefiting the District; and

WHEREAS, there has been presented to this Council a Preliminary Limited Offering Memorandum relating to the Bonds (the "Preliminary Limited Offering Memorandum"); and

WHEREAS, this Council finds and determines that it is necessary and in the best interests of the City to approve the form and content of the Preliminary Limited Offering Memorandum and authorize the use of the Preliminary Limited Offering Memorandum in the offering and sale of the Bonds by FMSbonds, Inc. (the "Underwriter") of the Bonds; and

WHEREAS, the Council finds that the passage of this Resolution is in the best interest of the citizens of the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS:

SECTION 1: That all matters stated in the Recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 2: That this Council hereby approves the form and content of the Preliminary Limited Offering Memorandum and deems the Preliminary Limited Offering Memorandum final, 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 under the Securities Exchange Act of 1934, with such changes, addenda, supplements or amendments as may be approved by the City Manager of the City. The City hereby authorizes the Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

SECTION 3: If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determines that it would have adopted this Resolution without the invalid provision.

SECTION 4: That this Resolution shall become effective from and after its date of passage.

PASSED AND APPROVED ON THIS 13TH DAY OF JANUARY 2026.

_____
Mayor
City of Liberty, Texas

ATTEST:

_____
City Secretary
City of Liberty, Texas

NEW ISSUE **NOT RATED**

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED _____ __, 2026

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

THE BONDS ARE INITIALLY OFFERED ONLY TO "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933) AND "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933). SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

In the opinion of Bond Counsel, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended, and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS" herein, including information regarding potential alternative minimum tax consequences for certain corporations.

**$6,572,000*
CITY OF LIBERTY, TEXAS,
(a municipal corporation of the State of Texas located in Liberty County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)**

Sale Date: February 10, 2026
Dated Date: Closing Date (defined below) **Due: September 1, as shown on the inside cover**

The City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District) (the "Bonds"), are being issued by the City of Liberty, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons. Beneficial ownership of the Bonds may be acquired in principal denominations of $100,000 and in integral multiples of $1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover hereof, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 1 and September 1, commencing September 1, 2026, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by UMB Bank, N.A., as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance to be adopted by the City Council of the City (the "City Council"), and an Indenture of Trust (the "Indenture"), by and between the City and the Trustee. See "SECURITY FOR THE BONDS SIMILARLY SECURED." ***Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.***

Proceeds of the Bonds will be used for the purposes of paying (1) a portion of the Actual Costs of the Public Improvements, (ii) paying capitalized interest on the Bonds during the period of construction and acquisition of Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying the costs of issuance of the Bonds. See "THE AUTHORIZED IMPROVEMENTS" and "APPENDIX B – Form of Indenture."

The Bonds and any Refunding Bonds are referred to herein as the "Bonds Similarly Secured." The Bonds Similarly Secured, when issued and delivered, will constitute valid and binding special and limited obligations of the City payable solely from and secured by a first lien on, and pledge of the Trust Estate (as defined herein), consisting primarily of the Assessments (as defined herein) levied against the Assessed Property (as defined herein) in accordance with the Service and Assessment Plan (as defined herein), all to the extent and upon the conditions described in the Indenture. The Bonds Similarly Secured are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS SIMILARLY SECURED."

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

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

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

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by FMSbonds, Inc. ("the Underwriter"), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX D – Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the City by its counsel, Olson & Olson LLP, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for Liberty Ranch, LLC, a Texas limited liability company (the "Developer") by Coats Rose, P.C., counsel to the Developer. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about March 5, 2026 (the "Closing Date").

FMSbonds, Inc.

* *Preliminary, subject to change.*

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

CUSIP Prefix: _____[(a)]

$6,572,000*
CITY OF LIBERTY, TEXAS,
(a municipal corporation of the State of Texas located in Liberty County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)

$_____ _____% Term Bonds, Due September 1, 20__, Priced to Yield _____%; CUSIP Suffix:___ [(a)(b)(c)(d)]

$_____ _____% Term Bonds, Due September 1, 20__, Priced to Yield _____%; CUSIP Suffix: ___ [(a)(b)(c)(d)]

* *Preliminary, subject to change.*

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

(b) The Bonds are subject to extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS – Redemption Provisions."

(c) The Bonds maturing on any date on and after September 1, 20__, are also subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, at the redemption prices set forth herein under "DESCRIPTION OF THE BONDS – Redemption Provisions."

(d) The Bonds are also subject to mandatory sinking fund redemption as described herein under "DESCRIPTION OF THE BONDS – Redemption Provisions."

* *Preliminary, subject to change.*

CITY OF LIBERTY, TEXAS
CITY COUNCIL

Name	Position	Term Expires (May)
John Hebert, Jr.	Mayor	2026
Tommy Brents	Mayor Pro-Tem	2026
Bruce Bell	Councilmember	2027
Nick Dennis	Councilmember	2027
Debbie Dugger	Councilmember	2027
Ed Seymour	Councilmember	2026
Ross Ward	Councilmember	2026

CITY MANAGER	**CITY SECRETARY**	**CHIEF FINANCIAL OFFICER**
Bryan Kendrick	April Gilliland	Naomi Herrington

ADMINISTRATOR
P3Works, LLC

FINANCIAL ADVISOR TO THE CITY
RBC Capital Markets, LLC

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

UNDERWRITER'S COUNSEL
Orrick, Herrington & Sutcliffe LLP

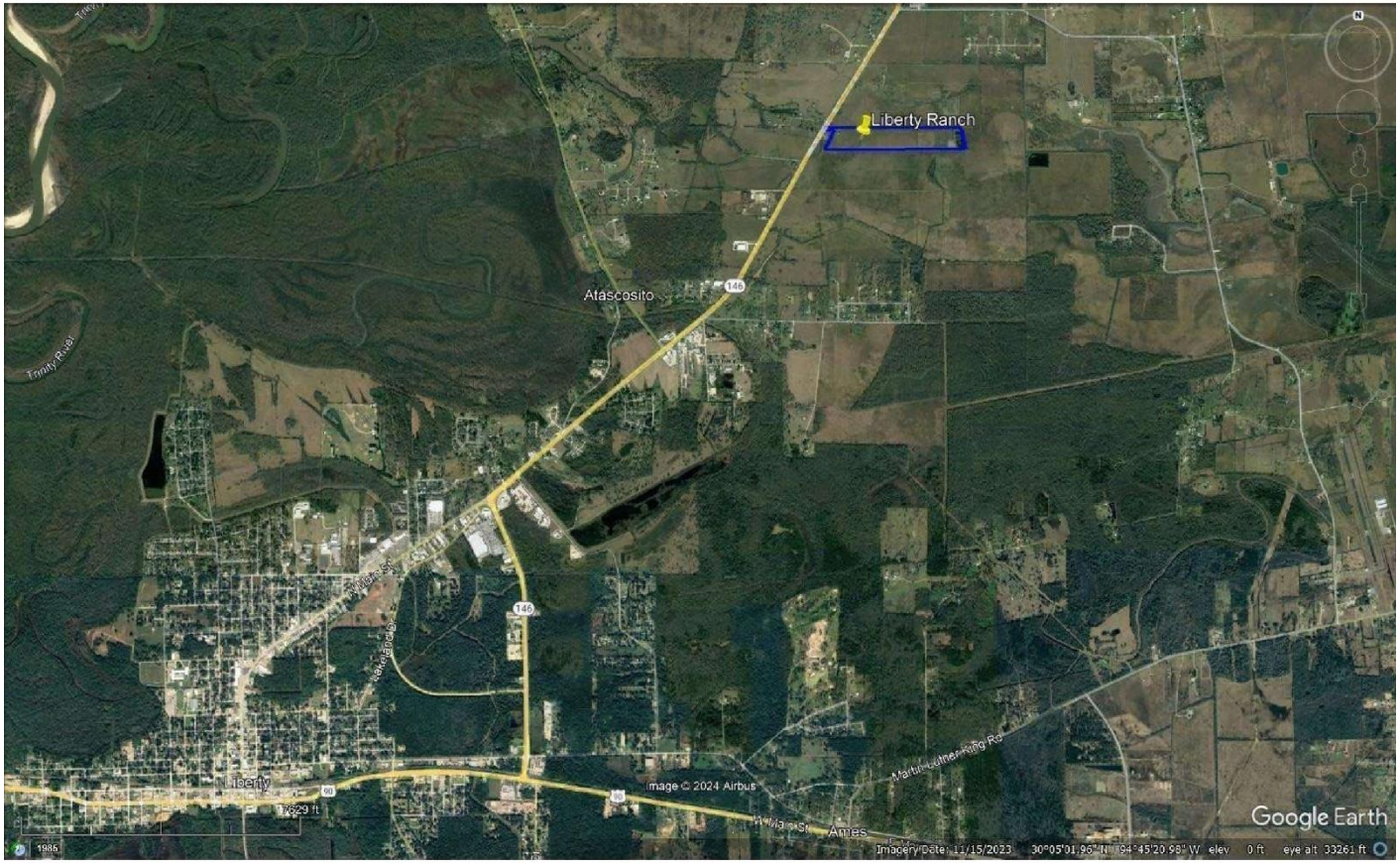
For additional information regarding the City, please contact:

Naomi Herrington
Chief Financial Officer
City of Liberty
1829 Sam Houston Street
Liberty, Texas 77575
(936) 336-3684
nherrington@cityofliberty.org

Robert D. Traylor
Managing Director
RBC Capital Markets, LLC
303 Pearl Parkway, Suite 220
San Antonio, Texas 78215
(210) 805-1117
robert.d.traylor@rbccm.com

Brandon Davis
City Attorney
Olson & Olson LLP
1517 Trinity Street
Liberty, Texas, 77575
(936) 336-4115
brandon@bdavislaw.net

REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



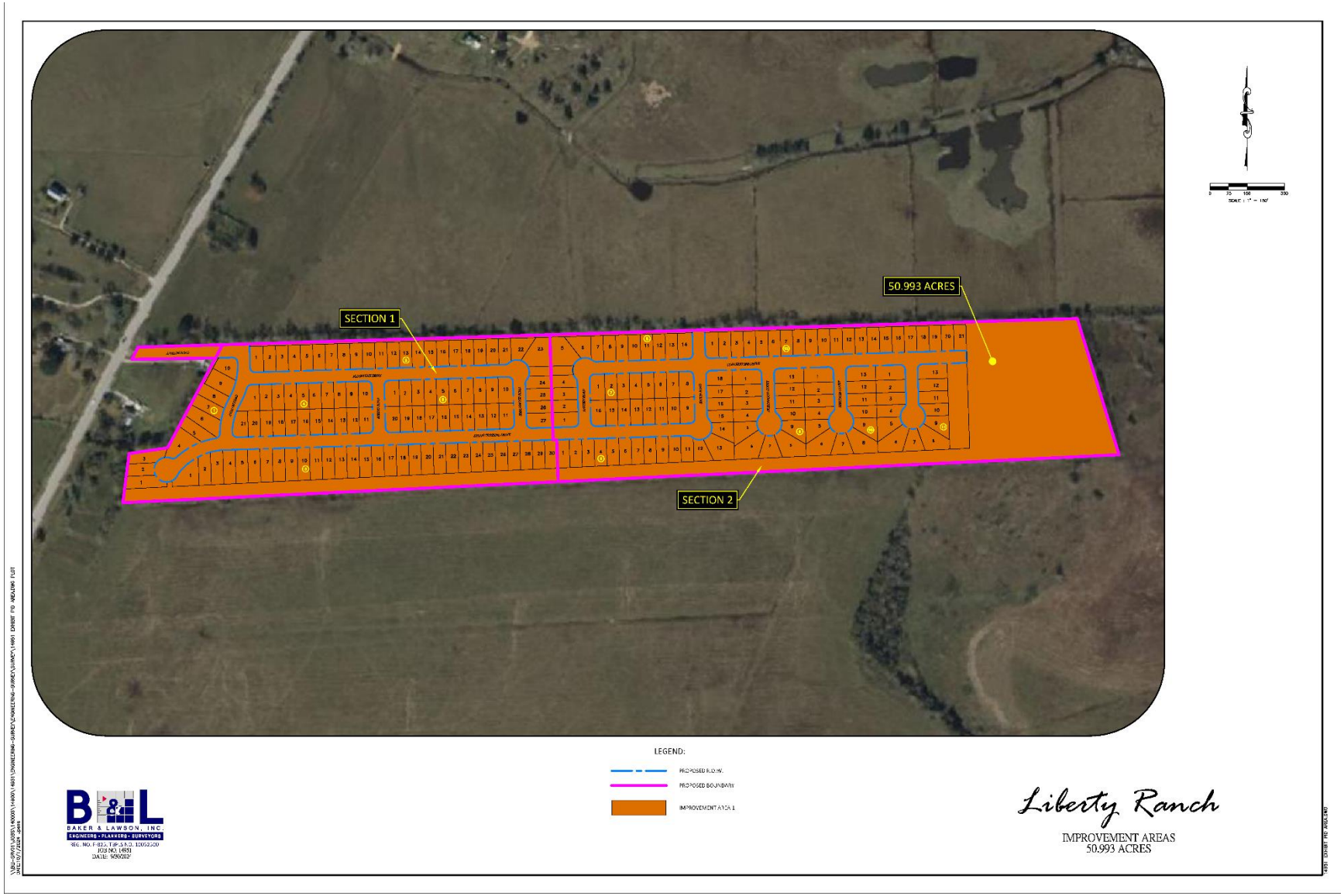
VICINITY MAP
SCALE 1"=1200'

N.T.S.

LOCATION MAP

LIBERTY RANCH
PUBLIC IMPROVEMENT DISTRICT
LOCATION MAP

BOUNDARIES AND CONCEPT PLAN OF THE DISTRICT



USE OF LIMITED OFFERING MEMORANDUM

FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM (THE "RULE" OR "RULE 15C2-12"), THIS DOCUMENT CONSTITUTES AN "OFFICIAL STATEMENT" OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN "DEEMED FINAL" BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS." EACH PROSPECTIVE INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER "BONDHOLDERS' RISKS." EACH INITIAL PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE DEVELOPER SINCE THE DATE HEREOF.

NEITHER THE CITY NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY OR THE DEVELOPER FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE

UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE CITY NOR THE DEVELOPER PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF THEIR EXPECTATIONS (OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED) CHANGE, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE – THE CITY" AND "– THE DEVELOPER," RESPECTIVELY.

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

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

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

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PRELIMINARY LIMITED OFFERING MEMORANDUM

$6,572,000[*]
CITY OF LIBERTY, TEXAS,
(a municipal corporation of the State of Texas located in Liberty County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover, and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Liberty, Texas (the "City"), of its $6,572,000[*] aggregate principal amount of Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District) (the "Bonds").

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

The Bonds are being issued by the City pursuant to the PID Act, an ordinance to be adopted by the City Council (the "Bond Ordinance"), and the Indenture of Trust, dated as of [_____], 2026, entered into by and between the City and UMB Bank, N.A., as trustee (the "Indenture"). Payment of the Bonds is secured by a first lien on and pledge of the Trust Estate, consisting primarily of revenue from Assessments levied pursuant to a separate ordinance to be adopted by the City Council (the "Assessment Ordinance") against Assessed Property located within the District, all to the extent and upon the conditions described in the Indenture. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "ASSESSMENT PROCEDURES."

The Bonds and any Refunding Bonds are referred to herein as the "Bonds Similarly Secured." The Bonds Similarly Secured, when issued and delivered, will constitute valid and binding special and limited obligations of the City payable solely from and secured by a first lien on and pledge of the Trust Estate, consisting primarily of the Assessments levied against the Assessed Property in accordance with the Service and Assessment Plan, all to the extent and upon the conditions described in the Indenture. The Bonds Similarly Secured are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS SIMILARLY SECURED."

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

Set forth herein are brief descriptions of the City, the District, the Bond Ordinance, the Assessment Ordinance, the Service and Assessment Plan, the Development Agreement (as defined herein), the Reimbursement Agreement (as defined herein), the Developer, and the Administrator (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained

[*] *Preliminary, subject to change.*

in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, telephone number 214-418-1588. The form of the Indenture appears in APPENDIX B and the form of Service and Assessment Plan appears in APPENDIX C. The information provided under this caption "INTRODUCTION" is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Overview

Following receipt of a petition requesting creation of a public improvement district in accordance with the PID Act, the City created the District on May 10, 2022. The District is an approximately 50.993 acre single-family residential development within the corporate boundaries of the City, and is located East of Highway 146, between County Road 2830 and McGuire Road, approximately 5 miles northeast of the City. The District will consist of 216 50' lots, as well as certain amenities, including a children's play area, grass and concrete sport courts, horseshoe pits, multi-use paths, 20,0000 square feet of greenbelt pedestrian paths, and sitting areas and structures (the "Amenities"), as reflected on the map on page iv (the "Development").

Development Plan

Land Acquisition. In July 2022, Von Schmidt Land and Cattle, LLC, a Texas limited liability company ("Von Schmidt Land and Cattle"), which shares common ownership with the Developer, acquired 50.993 acres, comprised of all of the property within the District (the "Property"), at a purchase price of $570,000, using cash on hand, from Ernie W. Picket IV and Stacie Lynn Pickett. On March 25, 2025, the Developer acquired the Property from Von Schmidt Land and Cattle pursuant to a Special Warranty Deed. See "THE DEVELOPER – Description of the Developer" and "– History and Financing of the District."

The Development Agreement. The City and the Developer entered into that certain Liberty Ranch Development Agreement, effective as of April 24, 2025 (the "Development Agreement") to provide standards for developing the District, and to provide for the development of the Authorized Improvements (as defined herein), including the Public Improvements (as defined herein). The Development Agreement provides provisions for the construction of various improvements in the District, including homes, the Public Improvements, including the Amenities, certain water and sewer utility extensions located outside of the Property, and for any improvements required by the Texas Department of Transportation ("TxDOT") to be made to Highway 146, and other matters. See "THE DEVELOPMENT – Traffic Impact Analysis" and "– Zoning/Permitting."

Development within the District. Development of the District is anticipated to include 216 single-family homes. The Developer is constructing, acquiring, or purchasing the public improvements, which provide a special benefit to the entire District (the "Improvements" or the "Public Improvements"), in two phases, consisting of Section 1 and Section 2. Section 1 is comprised of 108 lots. The Developer currently expects to complete construction of the Public Improvements in Section 1 in [January 2026], at which time there will be 108 completed lots in the District. Section 2 is comprised of the remaining 108 lots. The Developer currently expects to complete construction of the Public Improvements in Section 2 by August 2026. The Public Improvements, the Bond Issuance Costs (including costs of issuance of the Bonds, debt service reserves, and capitalized interest), and the first year of Annual Collection Costs, listed in the Service and Assessment Plan are collectively referred to herein as the "Authorized Improvements". See "THE AUTHORIZED IMPROVEMENTS" and "THE DEVELOPMENT – Development within the District."

Financing Plan. The total cost of the Authorized Improvements (consisting of the Public Improvements, Bond Issuance Costs, including capitalized interest, and funding a reserve fund for the payment of principal of and interest on the Bonds) is approximately $7,471,583. A portion of the cost of the Public Improvements, in the approximate amount of $5,205,884[*], is expected to be paid to the Developer from proceeds of the Bonds. The remaining portion in the approximate amount of $1,137,583[*] will be paid by the Developer and will not be reimbursed

[*] Preliminary, subject to change.

by the City. As of January 1, 2026, the Developer has spent approximately $4,048,110 on the construction, acquisition, or purchase of the Public Improvements. Pursuant to the Development Agreement, the Developer is responsible for paying for the certain offsite improvements in the approximate amount of $1,437,000, which consists of the Offsite Utility Improvements (as defined herein) and the TxDOT Improvements (as defined herein) (collectively, the "Offsite Improvements"). The City has agreed to reimburse the Developer for up to $1,000,000 of the cost of the Offsite Improvements from lawfully available sources other than the Assessments or proceeds of the Bonds. The remainder of the cost of the Offsite Improvements, in the approximate amount o$437,000, may be reimbursed from the proceeds of the Bonds. The Developer will pay for the costs of the Public Improvements, which includes the Amenities, and the Offsite Improvements from proceeds of the Development Loan (as defined herein), proceeds from lot sales within Section 1, and cash on hand. See "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT – Amenities," "– Traffic Impact Analysis," "– Water and Wastewater Systems," and "THE DEVELOPER – History and Financing of the District."

The Reimbursement Agreement. The City and the Developer entered into that certain Liberty Ranch Public Improvement District Reimbursement Agreement, effective December 8, 2025 (the "Reimbursement Agreement"), to finance a portion of the Actual Costs of the Public Improvements, in an amount equal to the lesser of (a) amounts shown on each approved Certificate for Payment for Actual Costs (each as defined in the Reimbursement Agreement) of Authorized Improvements paid by or at the direction of the Developer, and (b) the reimbursement amount shown in the Service and Assessment Plan, plus interest calculated pursuant to the Reimbursement Agreement, subject to the limitations imposed by the PID Act (the "Reimbursement Agreement Balance"). See "THE AUTHORIZED IMPROVEMENTS – The Reimbursement Agreement" and "APPENDIX G – Reimbursement Agreement."

Homebuilders in the District

The Developer is under contract to sell 162 of the 216 single-family lots in the District, consisting of 108 lots to be sold to Starlight Homes Texas L.L.C., a Delaware limited liability company ("Starlight Homes"), and 54 lots to be sold to Hart Construction Partners, LLC, a Texas limited liability company ("Hart Homes" and, together with Starlight Homes, the "Homebuilders"). Of the 108 lots under contract with Starlight Homes, 82 are located in Section 1 and 26 are located in Section 2. Of the 54 lots under contract with Hart Homes, 26 lots are located in Section 1 and 28 lots are located in Section 2. Fifty-four of the lots in Section 2 of the District are uncontracted. As of January 1, 2026, no lots have been purchased by the Homebuilders. The Developer expects the Homebuilders to begin purchasing lots in the District in February 2026. The Developer received a combined earnest money deposit from the Homebuilders equal to $1,374,750, all of which has been released to the Developer. Starlight Homes has the right of first refusal on the remaining 54 lots in Section 2 of the District. See "THE DEVELOPMENT – Lot Purchase Agreements."

The Bonds

Proceeds of the Bonds will be used for the purposes of paying (1) a portion of the Actual Costs of the Authorized Improvements, and (2) Bond Issuance Costs, including capitalized interest, and funding a reserve fund for the payment of principal of and interest on the Bonds. See "SECURITY FOR THE BONDS SIMILARLY SECURED," "SOURCES AND USES OF FUNDS," "THE AUTHORIZED IMPROVEMENTS," and "APPENDIX B – Form of Indenture."

Payment of the Bonds Similarly Secured, including the Bonds, is secured by a first lien on and pledge of the Trust Estate, consisting primarily of revenue from the Assessments expected to be levied against the Assessed Property, all to the extent and upon the conditions described in the Indenture. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "ASSESSMENT PROCEDURES."

The Bonds Similarly Secured, including the Bonds, shall never constitute an indebtedness or general obligation of the City, the State of Texas (the "State"), or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds Similarly Secured are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State, or any other political subdivision of the State is pledged to the payment of the Bonds Similarly Secured.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, and "accredited investors" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933. Each initial purchaser of the Bonds (each, an "Initial Purchaser") will be deemed to have acknowledged, represented, and warranted to the City as follows:

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

2. The Investor is an "accredited investor" under Rule 501 of Regulation D of the Securities Act of 1933 or a "qualified institutional buyer" under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

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

4. The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

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

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

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

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

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from the Closing Date and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 1 and September 1, commencing September 1, 2026 (each, an "Interest Payment Date"), until maturity or prior redemption. UMB Bank, N.A., is the initial Trustee and Paying Agent/Registrar for the Bonds.

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

Redemption Provisions

Optional Redemption. The City reserves the option to redeem Bonds prior to their scheduled maturities on any date on or after September 1, 20___, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption (the "Redemption Price").

Extraordinary Optional Redemption. Notwithstanding any provision in the Indenture to the contrary, but subject to the City's ability to make a notice of redemption conditional upon certain circumstances, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any Business Day, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in the Indenture or any other transfers to the Redemption Fund under the terms of the Indenture, including from transfers of Foreclosure Proceeds).

Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption pursuant to this subsection unless it has at least $1,000 available in the Redemption Fund with which to redeem the Bonds.

Mandatory Sinking Fund Redemption. The Bonds (referred to as "Term Bonds" below) are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

$___ Term Bonds maturing September 1, 20__

Redemption Date	Principal Amount
September 1, 20__	$
September 1, 20__	
September 1, 20__†	

$___ Term Bonds maturing September 1, 20__

Redemption Date	Principal Amount
September 1, 20__	$
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__†	

† Stated maturity.

At least thirty (30) days prior to each scheduled mandatory redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as required by the Indenture.

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

Notice of Redemption to Owners. Upon notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds Similarly Secured are to be surrendered for payment, and, if less than all the Bonds Similarly Secured Outstanding are to be redeemed, an identification of the Bonds Similarly Secured or portions thereof to be redeemed, any conditions to such redemption, and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any notice given as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The City reserves the right, in the case of an optional or extraordinary optional redemption, to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds Similarly Secured 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.

Additional Provisions with Respect to Redemption. If less than all of the Bonds Similarly Secured are to be redeemed, Bonds shall be redeemed in minimum principal amounts of $1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond is less than an Authorized Denomination after

giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000, may be issued.

If less than all of the Bonds Similarly Secured are called for optional redemption pursuant to the Indenture, the City shall, pursuant to a City Certificate, determine the Bond Similarly Secured or Bonds Similarly Secured or the amount thereof within a Stated Maturity to be redeemed and direct the Trustee to call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

If less than all Bonds Similarly Secured are called for extraordinary optional redemption, the Bonds Similarly Secured or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured. If less than all Bonds Similarly Secured within a Stated Maturity are called for extraordinary optional redemption pursuant to the Indenture, the Trustee shall call by lot the Bonds Similarly Secured, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

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

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor or the Underwriter takes any responsibility for the accuracy or completeness thereof.

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a

custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

Principal, interest, and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, and all other payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

SECURITY FOR THE BONDS SIMILARLY SECURED

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds Similarly Secured. Potential Investors must read the entire Indenture to obtain information essential to the making of an informed investment decision. See "APPENDIX B – Form of Indenture."

General

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

The principal of, premium, if any, and interest on the Bonds Similarly Secured are secured by a first lien on and pledge of the Pledged Revenues and other assets comprising the Trust Estate, consisting primarily of revenues from the Assessments expected to be levied against the Assessed Property within the District, all to the extent and upon the conditions described in the Indenture. The District contains approximately 50.993 acres. Other than Non-Benefited Property (defined in the Service and Assessment Plan), all of the property within the District has been assessed. In accordance with the PID Act, the City caused the preparation of a Service and Assessment Plan, which describes the special benefit received by the property within the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the Assessments, and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds.

In accordance with the PID Act, on February 10, 2026, the City will consider adoption of a Service and Assessment Plan in connection with the levy of the Assessments on the Assessed Property. The Service and Assessment Plan describes the special benefit received by the Assessed Property, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the Assessments, and provides for the allocation of Assessment Revenue for payment of principal of, premium, if any, and interest on the Bonds Similarly Secured. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for the Public Improvements and the Annual Installments of the Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX C – Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance, and other provisions of law to finance the Authorized Improvements by levying Assessments upon Assessed Property in the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied in the District, see "ASSESSMENT PROCEDURES" and "APPENDIX C – Form of Service and Assessment Plan." The City covenants in the Indenture that it will take and pursue all actions permissible under the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State or of the United States (collectively, the "Applicable Laws") to cause the Assessments to be collected and the liens thereof to be enforced continuously. See "– Pledged Revenue Fund," "APPENDIX B – Form of Indenture," and "APPENDIX C – Form of Service and Assessment Plan."

Pursuant to the Indenture, the following terms are assigned the following meanings:

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

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

"Annual Collection Costs" means the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying and redeeming the Bonds Similarly Secured; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan, the PID Act, and any Indenture, with respect to the Bonds Similarly Secured, including the City's continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with the Bonds Similarly Secured, 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 payment of the Assessments as calculated by the Administrator and approved by the City Council that includes (i) principal, (ii) interest, (iii) Annual Collection Costs, and (iv) Additional Interest.

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

"Assessed Property" or "Assessed Properties" means property within the District that benefits from an Authorized Improvement and on which Assessments have been levied as shown on an Assessment Roll (as the same may be updated each year by an update to a Service and Assessment Plan) and which includes any and all Parcels within the District other than Non-Benefitted Property.

"Assessment" means an assessment levied against a Parcel in the District imposed pursuant to an Assessment Ordinance and the provisions in the Indenture, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions in the Indenture and in the PID Act.

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

"Assessment Roll(s)" means any assessment roll for the Assessed Property within the District, including the Assessment Roll included in the Service and Assessment Plan as Exhibit F, as updated, modified, or amended from time to time in accordance with the procedures set forth in the Indenture and in the PID Act, including updates prepared in connection with the levy of an Assessment, the issuance of the Bonds Similarly Secured, or in connection with any Annual Service Plan Update.

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

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

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

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

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

"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.

"Trust Estate" means (i) the Pledged Revenues, as defined in the Indenture, including all moneys and investments held in the Pledged Funds and Accounts, and including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and, (ii) 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 pursuant to the Indenture by the City or by anyone on its behalf or with its written consent.

Collection and Enforcement of Assessments

The City covenants, agrees and warrants in the Indenture that, for so long as any Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the Reimbursement Agreement to reimburse it for its funds it has contributed to pay Actual Costs of the Public Improvements, it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, and to cause no reduction, abatement, or exemption in the Assessments.

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding property.

Unconditional Levy of Assessments

The City will impose Assessments on Assessed Property within the District to pay the principal of and interest on the Bonds Similarly Secured scheduled for payment from the Trust Estate as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Assessments are effective from the date, and strictly in accordance with the terms, of the Assessment Ordinance and the Service and Assessment Plan. Each Assessment may be paid in full or in part at any time or in periodic Annual Installments over a period of time equal to the term of the Bonds Similarly Secured, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments for each parcel of Assessed Property within the District and allocated to the Bonds Similarly Secured begins to accrue on the date specified in the Service and Assessment Plan and bears interest at the rate of interest on the Bonds Similarly Secured plus the Additional Interest. Each Annual Installment, including the interest on the unpaid amount of Assessments, will be determined by September 30 of each year and billed in October of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.003(b)(14) of the PID Act, a portion of the Annual Installment collected each year while the Bonds Similarly Secured are Outstanding and unpaid shall be used to pay the Annual Collection Costs. The portion of each Annual Installment of an Assessment used to pay the Annual Collection Costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the levy after an annual review in any year pursuant to Section 372.015(d) of the PID Act. The amount collected to pay Annual Collection Costs shall be due as part of the Annual Installment in the manner set forth in the Assessment Ordinance and shall be billed in October of each year and shall be delinquent if not paid by February 1 of the following year. Amounts collected for Annual Collection Costs do not secure repayment of the Bonds Similarly Secured.

There will be no split payment of Assessments or discount for the early payment of Assessments.

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien against the Assessed Property within the District, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of adoption of the Assessment Ordinance until the Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES."

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS

– Assessment Limitations." There are currently no properties within the District that claimed a homestead exemption prior to the levy of the Assessments.

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

Perfected Security Interest

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

Pledged Revenue Fund

Immediately upon receipt of the proceeds of the Bonds, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues. Specifically, the Trustee shall deposit or cause to be deposited the foregoing amounts 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 Similarly Secured next coming due, (ii) second, 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 , (iii) third to pay other Actual Costs of the Public Improvements, and (iv) fourth to pay other costs permitted by the PID Act. Notwithstanding the foregoing, the Additional Interest of the Annual Installments shall only be utilized for the purposes set forth in the Indenture, and, on each March 1, beginning March 1, 2027, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments confirmed by the City pursuant to a City Certificate, will be deposited into the Delinquency & Prepayment Reserve Account and/or the Redemption Fund, as applicable.

From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account of the Pledged Revenue Fund 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 (defined in the Indenture)) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

The Trustee shall transfer the amounts determined in writing by the City as Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Reserve Fund to restore any transfers from the Reserve Fund made to which the Foreclosure Proceeds relate, second, to replenish the Delinquency & Prepayment Reserve Requirement, and third, to the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Assessments may be used under the PID Act. The Trustee may rely

upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Bond Fund

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

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

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

(d) 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 ($)
_____, 20__	$_____

Project Fund

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Each such City Certificate shall include a list of the payees and the payments (not to exceed) to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions though given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein. Disbursements from the Improvement Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The disbursement of funds from the Improvement Account shall be pursuant to and in accordance with the disbursement procedures described in the Reimbursement Agreement or as provided in such written direction from the City.

Except as provided in the Indenture, money on deposit in the Improvement Account shall be used solely to pay Actual Costs provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Account in reliance upon a Certification for Payment approved by the City.

If the City Representative determines in the City Representative's reasonable discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Public Improvements such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

Upon the filing of a City Certificate stating that all of the Public Improvements have been completed and that all Actual Costs have been paid, or that any Actual Costs of the Public Improvements are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the applicable series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Account of the Project Fund and used to pay Actual Costs of the Public Improvements or (ii) if no Public Improvements remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Notwithstanding the above, the aggregate amount of funds that the Trustee may disburse from the Improvement Account of the Project Fund shall not exceed $[_____] (the "Authorized Amount") except and until the Release Condition (as defined below) has been satisfied, after which the Trustee may resume disbursements. The Trustee may make disbursements from the Improvement Account of the Project Fund that exceed the Authorized Amount only when the Developer provides written certification to the Trustee and the City in a Certification for Payment that the Release Condition has been satisfied. The first Certification for Payment that requests funds in excess of the Authorized Amount from the Improvement Account of the Project Fund after satisfaction of the Release Condition shall be submitted to the City, the Trustee, the City's financial advisor, Bond Counsel and the Administrator for review and confirmation.

Money may be disbursed from the Improvement Account of the Project Fund in excess of the Authorized Amount only if the City has performed and approved the final inspections of at least 17 homes within the District and issued a certificate of completion on each such home in accordance with its customary residential building inspection practices (the "Release Condition"). The City may not approve a Certification for Payment for payment from the Improvement Account of the Project Fund for any amounts that exceed the Authorized Amount until the Release Condition has been satisfied.

Notwithstanding anything herein to the contrary, in the event the Developer has not provided the required evidence that the Release Condition has been satisfied on or before [_____], 2029, then the Trustee shall transfer any funds remaining in the Improvement Account of the Project Fund to the Redemption Fund to be used to redeem Bonds pursuant to the terms of the Indenture.

Redemption Fund

Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds pursuant to the optional redemption, and extraordinary option redemption, provisions of the Indenture.

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in the Indenture, on the dates specified for redemption as provided in the Indenture. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in the Indenture.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account has been created within the Reserve Fund for the benefit of the Bonds Similarly Secured, held by the Trustee and funded with proceeds of the Bonds Similarly Secured in the amount of the Reserve Account Requirement.

The City agrees with the Owners of the Bonds Similarly Secured to accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts

deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund or the Redemption Fund as provided in the Indenture.

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

Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with the Indenture, unless prior to the next Interest Payment Date, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under the Indenture, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Project Fund to pay Actual Costs of the Public Improvements if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture.

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

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

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

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

Delinquency and Prepayment Reserve Account of the Reserve Fund

The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, commencing March 1, 2027, and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. Once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV provided, however, that at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to be transferred pursuant to the Indenture, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer.

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall transfer such excess pursuant to the preceding paragraph.

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

Administrative Fund

The City shall deposit or cause to be deposited to the Administrative Fund the portion of the Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with the Indenture. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Bonds Deemed Paid

Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of the Indenture (a "Defeased Debt"), when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the defeasance provisions of the Indenture nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured 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.

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

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

Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in clause (1) or (2) of the first paragraph under this subcaption shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions summarize under the first paragraph of this subcaption with respect to such Defeased Debt as though it was being defeased at the

time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

Events of Default

Each of the following occurrences or events constitute an "Event of Default" under the Indenture, to wit:

(i) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;

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

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture other than a default under (i) above or (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding; and

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

Immediate Remedies for Default

Subject to the terms and provisions of the Indenture, upon the happening and continuance of any of the Events of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding under the Indenture and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that any action for money damages against the City shall be limited to recovery from the Trust Estate may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

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

Whenever moneys are to be applied pursuant to Article XI of the Indenture, irrespective of and whether other remedies authorized under the 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 the Indenture. The Trustee shall sell Trust Estate assets, according to the appraised value thereof, beginning with the asset of the highest value and continuing such sales in the order of next succeeding most valuable asset until satisfaction of debts pertaining to the outstanding Bonds Similarly Secured. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

If an Event of Default shall have occurred and be continuing, the City, upon demand of the Trustee, shall surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers, and accounts of the City pertaining thereto, and including the rights and the position of the City, and to hold, operate, and manage the same, and from time to time make all needed repairs and improvements, as well as set up proper reserve for the payment of all proper costs and expenses, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents, and counsel, (ii) any reasonable charges of the Trustee pursuant to the Indenture, (iii) any taxes and assessments and other charges prior to the lien of this of Indenture, and (iv) all expenses of such repairs and improvements. After payment in full of the foregoing, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has actual knowledge thereof or has been notified in writing, or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy thereunder.

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

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

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Pledged Revenues and 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, liabilities, advances 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 the Indenture, during the continuance of an Event of Default be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

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

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

Within thirty (30) days of receipt of such good and available funds, the Trustee may fix a record date and a payment date for any payment to be made to Owners of Bonds Similarly Secured.

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

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

Investment of Funds

Money in any Fund or Account, other than the Reserve Account, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Certificate shall be a certification that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence and the Trustee shall not be responsible for determining such requirements. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold, in order to make the disbursements required or permitted by the Indenture, to prevent any default under the Indenture.

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 the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts.

The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. The Trustee shall not incur any liability for losses arising from any investments made pursuant to the Indenture. The Trustee shall not be required to determine the legality of any investments. The Trustee is not providing investment supervision, recommendation, or advice in acting pursuant to the provisions of the Indenture.

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 of the Indenture for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee thereunder, 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 the Indenture.

Against Encumbrances

The City shall not create and shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

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

Other Obligations or Other Liens; Refunding Bonds

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

Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be done or omit to be done any matter or things whatsoever whereby the lien of the Indenture or the priority thereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with the Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in the Indenture shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

Additionally, the City 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 Pledged Revenues securing payment of the Bonds Similarly Secured.

The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:

(i) Notwithstanding anything to the contrary herein, no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds is scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture; and

(ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under the Indenture shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

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SOURCES AND USES OF FUNDS

The table that follows summarizes the expected sources and uses of proceeds of the Bonds:

[*]Sources of Funds:	
Principal Amount	$
TOTAL SOURCES	$
Use of Funds:	
Deposit to Improvement Account of the Project Fund	$
Deposit to Costs of Issuance Account of the Project Fund	
Deposit to Capitalized Interest Account of the Bond Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to Administrative Fund	
Underwriter's Discount [(1)]	
TOTAL USES	$

[(1)] Includes the fee of counsel to the Underwriter.

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[*] To be completed upon pricing.

DEBT SERVICE REQUIREMENTS FOR THE BONDS*

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

Year Ending (September 30)	Principal	Interest	Total
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
2056			
Total			

* To be completed upon pricing.

OVERLAPPING TAXES AND DEBT

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

The District is located within the corporate limits of the City. The City, Liberty County, Texas ("the County"), Hardin Independent School District ("Hardin ISD"), and the Liberty County Hospital District No. 1 ("Hospital District No. 1") may each levy ad valorem taxes upon land in the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or assessments levied by any other taxing authorities.

The following table reflects the overlapping ad valorem tax rates levied on property located in the District.

Taxing Entity	Tax Year 2025 Ad Valorem Tax Rate [1]
The City	$0.583800
The County	0.480000
Hardin ISD	0.863700
Hospital District No. 1	0.089328
Total Current Tax Rate	$2.016828
Estimated Average Annual Assessment in the District as a Tax Rate Equivalent	$0.989973[2][3]
Estimated Total Tax Rate and Average Annual Assessment in the District as a Tax Rate Equivalent	**$3.006801 [2][3]**

(1) As reported by the taxing entities. Per $100 in assessed value.
(2) See Exhibit E to "APPENDIX C – Form of Service and Assessment Plan."
(3) *Preliminary, subject to change*.

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As noted above, the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the expected outstanding indebtedness payable from ad valorem taxes with respect to property within the District as of March 1, 2026, and City debt to be secured by the Assessments:

Taxing or Assessing Entity	Expected Gross Outstanding Debt as of March 1, 2026	Estimated Percentage Applicable [1]	Direct and Estimated Overlapping Debt [1]
The City (the Bonds)	$ 6,572,000[2]	100.00%	$6,572,000 [2]
The City (General Obligation)	15,425,000	1.49%	229,301
The County	22,085,000	0.08%	18,656
Hardin ISD	16,057,113	1.56%	260,051
Hospital District No. 1	-	0.24%	-
	$60,139,113		**$7,080,008**

(1) Based on certified valuations for Tax Year 2025 for the taxing entities and the Appraisal. See "APPRAISAL," "APPENDIX C – Form of Service and Assessment Plan," and "APPENDIX F – Appraisal."

(2) *Preliminary, subject to change*.

Agricultural Valuation

If land is devoted principally to agricultural use, a landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land's agricultural use valuation with respect to its ad valorem taxes. Agricultural use includes production of crops or livestock. It also can include leaving the land idle for a government program or for normal crop or livestock rotation.

If land qualified for an agricultural valuation but the land use changes to a non-agricultural use, "rollback taxes" are assessed for each of the previous three (3) years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land's agricultural value and the taxes that the landowner would have paid if the land had been taxed on a higher market value plus interest charged for each year from the date on which taxes would have been due.

As of January [_], 2026, the land within the District does not have an agricultural use valuation.

Homeowners' Association Dues

In addition to the Assessments and overlapping taxes and assessments referenced above, the Developer anticipates that each lot owner in the District will pay a property owner's association fee monthly to a homeowner's association (the "HOA"). Such fee is currently $470 per year.

ASSESSMENT PROCEDURES

General

Capitalized terms under this caption and not otherwise defined in this Limited Offering Memorandum shall be the meaning given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Authorized Improvements through Assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District to be subject to Assessments to pay the costs therefor. The City caused to be prepared the Assessment Roll, which shows the land within District assessed, the amount of the benefit to and the Assessment against each lot or parcel of land, and the number of Annual Installments into which the Assessment is divided. The Assessment Roll was or will be filed with the City Secretary and made available for public inspection. Statutory notice was or will be given to the owners of the Assessed Property and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Authorized Improvements and funding the same with Assessments. The City Council is expected to consider adoption of the Assessment Ordinance and levy the Assessments on February 10, 2026. Upon such adoption, the Assessments will become legal, valid, and binding liens upon the property against

which the Assessments were made. Upon the issuance of the Bonds, the Service and Assessment Plan will be updated to reflect the sale of the Bonds.

Pursuant to the PID Act, the costs of the Authorized Improvements to be defrayed through Assessments may be assessed by the City against the assessable property in the District so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Property similarly benefited. The allocation of benefits and assessments to the benefitted land within the District is presented in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX C – Form of Service and Assessment Plan."

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property within the District as a result of the Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Authorized Improvements to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues and other assets of the Trust Estate, including the Assessments.

As set forth in the Service and Assessment Plan, the City Council has determined that the costs of the Authorized Improvements shall be allocated to each Parcel within the District based on the ratio of the Estimated Buildout Value of each Parcel designated as an Assessed Property to the Estimated Buildout Value of all Assessed Property. Currently the Initial Parcel is allocated 100% of the Assessment levied for the Authorized Improvements.

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 the newly divided Assessed Properties

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.

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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 (as defined in the Service and Assessment Plan) based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

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

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat.

The sum of the Assessments for all newly subdivided Parcels 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 approved by the City Council in the next Annual Service Plan Update immediately following such consolidation. The Assessment for any resulting Lot will not exceed the Maximum Assessment, shown on Exhibit E to the Service and Assessment Plan for the applicable Lot Type, and compliance may require a mandatory Prepayment of Assessments pursuant to the Service and Assessment Plan.

Mandatory Prepayment of Assessments. If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefited Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefited Property shall pay to the City or the Administrator on behalf of the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, a homeowner association, any other governmental entity or utility provider for use as internal roads, utilities, parks, drainage and detention facilities, and other similar Authorized Improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

True-Up of Assessments if Maximum Assessment Exceeded at Time of Platting. Prior to the City approving a final subdivision plat, the Administrator will verify 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 such Lot Type shall be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City or cause to be paid to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

The following table provides the expected allocation of Assessments to the Assessed Property in the District.

Maximum Assessment and Tax Rate Equivalent [(1)]

Lot Type	Units [(2)]	Estimated Finished Lot Value Per Unit[(2)]	Estimated Buildout Value per Unit [(2)]	Maximum Assessment Per Unit [(4)]	Estimated Average Annual Installments per Unit [(3)]	Tax Rate Equivalent of Average Annual Installment of Assessment per Unit[(3)]	Estimated Ratio of Estimated Finished Lot Value Per Unit to Assessment[(3)]	Estimated Ratio of Estimated Buildout Value per Unit to Assessment[(3)]
50'	216	$55,463	$265,000	$30,426	$2,623	$0. 989973	1.8:1	8.7:1

(1) *Preliminary, subject to change*. Derived from information in the Service and Assessment Plan.

(2) As provided in the Appraisal.

(3) Derived from information in the Service and Assessment Plan.

(4) Pursuant to the Service and Assessment Plan, the Maximum Assessment that can be levied on a Lot within the District is the amount calculated pursuant to the assessment methodology described in Section V.A of, and shown in Exhibit E to, the Service and Assessment Plan. See "OVERLAPPING TAXES AND DEBT – Overlapping Taxes" and "APPENDIX C – Form of Service and Assessment Plan."

Collection and Enforcement of Assessment Amounts

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

The City covenants in the Indenture to collect, or cause to be collected, Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Annual Collection Costs shall be allocated among all Assessed Property in proportion to the amount of the Annual Installments for the Parcels.

The City covenants, agrees, and warrants in the Indenture that, for so long as any Bonds are Outstanding, 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 Law, and, to the extent permitted by Applicable Law, to cause no reduction, abatement, or exemption in the Assessments.

To the extent permitted by law and as is practically feasible, notice of the Annual Installments will be sent by, or on behalf of, the City to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be

subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property.

To the extent practically feasible, the City will generally implement the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit D of the Continuing Disclosure Agreement of the Issuer set forth in APPENDIX E-1 hereof and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Assessments.

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

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

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

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

Assessment Amounts

Assessment Amounts. The maximum amounts of the Assessments have been established by the methodology described in the Service and Assessment Plan. The Assessment Roll sets forth for each year the Annual Installment for each parcel consisting of payment of (i) principal, (ii) interest, (iii) Annual Collection Costs, and (iv) Additional Interest related to the Bonds. The Annual Installments for the District may not exceed the amounts shown on the Assessment Roll. The Assessments are expected to be levied against the Parcels comprising the Assessed Property as indicated on the Assessment Roll. See "APPENDIX C – Form of Service and Assessment Plan."

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds, the Additional Interest, and actual Annual Collection Costs (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

The Bonds are secured by a first lien on and pledge of the Trust Estate, including revenue from the Assessments. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "APPENDIX C – Form of Service and Assessment Plan."

Prepayment of Assessments

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

Priority of Lien

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

Foreclosure Proceedings

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

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

The City covenants in the Indenture to 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 cause no reduction, abatement or exemption in the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See "APPENDIX B – Form of Indenture." See also "APPENDIX E-1 – Form of Disclosure Agreement of Issuer" for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

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THE CITY

Background

The City is located in Liberty County, Texas, and is approximately 44 miles northeast of the City of Houston, Texas, along U.S. Highway 90. The City's 2020 census population was 8,279, and the City estimates its 2025 population to be 8,974. The City covers approximately 45.77 square miles. The City's economy is based on manufacturing, retail, agricultural chemical production, and oil and gas production.

In addition to water, sewer, and electric distribution services, the City provides police and fire protection, sanitary services, certain public health services, ambulance services, street and drainage maintenance, park facilities, library facilities, a drama theatre and a municipal airport, which contains a 3,700-foot runway. The George Bush Intercontinental Airport is 55 miles southwest of the City and is the closest airport with commercial service.

City Government

The City is a Home Rule City which operates under a City Charter (the "Charter") adopted by the voters in 1958. The Charter provides for a Council-Manager form of government composed of a mayor and six council members elected for staggered two-year terms. It is the City Council's responsibility to appoint a City Manager who is the chief administrative and executive officer of the City.

The current members of the City Council and their respective expiration of terms of office, as well as the principal administrators of the City, are noted on page i. See "APPENDIX A – General Information Regarding the City and Surrounding Areas" for more information.

Water and Wastewater Systems

Pursuant to the Development Agreement, the City agreed that it will timely provide sanitary sewer, and potable water service, at its standard rates to each home or business located within the Development. Additionally, the City agreed to reimburse the Developer for up to a total of One Million Dollars ($1,000,000) for the Offsite Improvements, which includes approximately 2,500 linear feet of water and sewer lines along 146 connecting the District to the City's utility infrastructure (the "Offsite Utility Improvements"), from lawfully available sources other than the Assessments. The reimbursement shall include payments made for geotechnical services, surveying, engineering, design, and construction services necessary to complete offsite water and sewer extensions required to extend both water and sewer utility services to the District. The Developer commenced construction of the Offsite Utility Improvements in January 2026, and the Developer currently expects to complete construction of the Offsite Utility Improvements in February 2026. The Developer expects the Offsite Utility Improvements to cost approximately $762,000. The Developer will not be reimbursed for the Offsite Utility Improvements from the Assessments or from proceeds of the Bonds.

The City has a municipal water system with a rating of Superior. City currently has two wells with a capacity of 2.4 million gallons per day and has 3,148 water connections. The City is currently in the process of drilling a new water well to increase the city's water capacity. The City's long term plans calls for the addition of wells and or pumping and water storage capacity as market conditions drive need.

The City owns and operates its own municipal sanitary system. The City currently has one wastewater treatment plant with a current capacity of 2.5 million gallons per day and is permitted by the Texas Commission on Environmental Quality for 2.5 million gallons per day. The City currently uses an average of 1.2 million gallons per day at the sewer plant. The City provides contract wastewater treatment for multiple smaller cities in the region and has 2,708 internal sewer connections. The City's long-term plans call for the addition of sanitary capacity as market conditions drive need.

City Regulation of Oil, Gas, Minerals or Groundwater

While the City does not prohibit oil and gas activities within it is corporate boundaries, any drilling activities require a permit issued by the City and such activities cannot occur within 600 feet of a protected use. A protected use includes a residence, religious institution, hospital building, public or private school, day care, or public park. As result of such limitation, it is unlawful to drill an oil and gas well on any land in the District.

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by Resolution No. 2022-40 of the City adopted on May 10, 2022 (the "Creation Resolution") in accordance with the PID Act for the purpose of undertaking and financing, in phases, the costs of certain public improvements within the District, including the Authorized Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the property within the District. The District is not a separate political subdivision of the State and is governed by the City Council. Maps of the property within the District are included on pages ii-v hereof.

Powers and Authority of the City

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City's extraterritorial jurisdiction. The District is located within the corporate limits of the City. The PID Act provides that the City may levy and collect assessments on property in the District, or portions thereof, payable in periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction, or improvement of the Authorized Improvements. See "THE AUTHORIZED IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, reimbursement, acquisition or purchase of certain improvements within the District, which include: (i) design, construction and other allowed costs related to street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) design, construction and other allowed costs related to improvement of parks and open space, together with any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) design, construction and other allowed costs related to sidewalks and landscaping and hardscaping, fountains, lighting and signage; (iv) design, construction and other allowed costs related to gas, water, wastewater and drainage (including detention) improvements and facilities; (v) design, construction and other allowed costs related to projects similar to those listed in subsections (i) - (iv) above authorized by the PID Act, including similar off-site projects that provide a benefit to the property within the District; (vi) special supplemental services for improvement and promotion of the district; (vii) payment of costs associated with operating and maintaining the public improvements listed in subparagraphs (i) - (v) above; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (v) above, and costs of establishing, administering and operating the District. The City has determined to finance a portion of the costs thereof through the issuance of the Bonds, and to provide for the payment of debt service on the Bonds from the Trust Estate. See "ASSESSMENT PROCEDURES" and "APPENDIX C – Form of Service and Assessment Plan."

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THE AUTHORIZED IMPROVEMENTS

General

The Authorized Improvements consist of the Public Improvements, Bond Issuance Costs, and First Year Annual Collection Costs. The Developer is responsible for the completion of construction, acquisition, or purchase of the Public Improvements, and the Developer or its designee will act as construction manager. The Developer is developing the Public Improvements in two phases, Section 1 and Section 2. The Developer currently expects to complete construction of the Public Improvements in Section 1 in [January 2026]. The Developer currently expects to complete construction of the Public Improvements in Section 2 by August 2026. The balance of the costs of the Authorized Improvements not paid by the proceeds of the Bonds will be paid by the Developer under the terms of the Reimbursement Agreement. As of January 1, 2026, the Developer has spent approximately $4,048,110 on the construction, acquisition, or purchase of the Public Improvements. See "APPENDIX G – Reimbursement Agreement."

The Public Improvements

A portion of the proceeds of the Bonds will be used to pay or reimburse a portion of the costs of the Public Improvements representing payment of the outstanding Reimbursement Agreement Balance. See "PLAN OF FINANCE – The Reimbursement Agreement."

The following table reflects the total costs of the Public Improvements.

Public Improvements	*Cost*
Roadways	$1,596,015
Water	671,233
Sewer	883,973
Drainage	1,122,911
Parks and Landscaping	56,140
Offsite Improvements Highway 146	437,000
Soft Costs	1,338,195
Total	**$6,105,467**

The costs of the Public Improvements are based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City and were approved by the City Council as part of the Service and Assessment Plan. See "APPENDIX C – Form of Service and Assessment Plan."

The Public Improvements consist of the following:

Roadways. Improvements include land acquisition for right-of-way, subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, and curbs. Intersections, Streetlights (HOA Responsibility) and signage are included. Roadway improvements include streets that will provide street access to each lot.

Drainage. Improvements include land acquisition for detention, and drainage, trench excavation and embedment, trench safety, reinforced concrete and PP piping, manholes, inlets, channels/swales, clearing, pond excavation and embankment, soil testing, channels, rock riprap, loose riprap walls, construction of outfall structures, silt fence, rock berms, construction entrances, inlet protection, topsoil, hydro mulch, seeding, and irrigation sleeves, revegetation, and utility improvements. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area and temporarily detain water as required by the City.

Water. Improvements include trench excavation and embedment, trench safety, PVC piping, fire hydrant assemblies, air release valves, gate valves, service connections, and testing. These lines will include

the necessary appurtenances to be fully operational transmission lines extending water service to the District. The water improvements will be owned by the City.

Sewer. Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. Sewer system will be owned by the City.

Parks and Landscaping. Improvements include community entry monument signs, landscape entry, land acquisition, street trees, play structures, basketball court, horseshoe pitches, fencing, perimeter walls, and planting and irrigation providing improvements to the public. Parks and Landscaping improvements will be owned by the City and maintained by the HOA.

Offsite Improvement Highway 146. Improvements include any improvement required by TXDOT to be made to Highway 146 as described in the Development Agreement.

Soft Costs. Costs related to District Formation Expense, mobilization, setup, and project overhead for all equipment, designing, constructing, and installing the Public Improvements including land planning and design, City fees, inspection fees, engineering, Geotechnical, Storm Water Pollution Prevention Plan, material testing and survey.

Ownership and Maintenance of Improvements

All Authorized Improvements are being designed and constructed in accordance with City standards and will be owned by the City. The City and the HOA entered into that certain Maintenance Agreement Public Improvement Maintenance Agreement on April 24, 2025, in which the HOA agreed to maintain the drainage improvements and the Amenities, including the parks and landscaping improvements (the "Maintenance Agreement"). The City will own and maintain the roadway, water and sewer improvements. See "THE DEVELOPMENT – Amenities."

The Reimbursement Agreement

The City and the Developer entered into the Reimbursement Agreement to outline the terms according to which the Developer will finance a portion of the Actual Costs of the Public Improvements, in an amount equal to the lesser of (a) amounts shown on each approved Certificate for Payment for Actual Costs (each as defined in the Reimbursement Agreement) of Authorized Improvements paid by or at the direction of the Developer, and (b) the reimbursement amount shown in the Service and Assessment Plan, plus interest calculated pursuant to the Reimbursement Agreement, subject to the limitations imposed by the PID Act (the "Reimbursement Agreement Balance"). The Reimbursement Agreement Balance is payable solely from (1) the PID Reimbursement Fund (as defined in the Reimbursement Agreement) if no Bonds are issued for the purpose of paying the Authorized Improvements related to the Reimbursement Agreement Balance, or (2) from proceeds of the Bonds. See "SOURCES AND USES OF FUNDS" and "APPENDIX G – Reimbursement Agreement."

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor, and the Underwriter, and none of the City, the City's Financial Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information. See "SOURCES OF INFORMATION – Source of Certain Information."

Overview

The District is an approximately 50.993 acre single-family residential development within the City, and is located East of Highway 146, between County Road 2830 and McGuire Road, approximately 5 miles northeast of the City. The District will consist of 216 50' lots, as well as the Amenities, as reflected on the map on page iv.

In July 2022, Von Schmidt Land and Cattle acquired the Property, at a purchase price of $570,000, using cash on hand, from Ernie W. Picket IV and Stacie Lynn Pickett. On March 25, 2025, the Developer acquired the

Property from Von Schmidt Land and Cattle, which shares common ownership with the Developer, pursuant to a Special Warranty Deed. See "THE DEVELOPER – Description of the Developer" and "– History and Financing of the District."

The Development Agreement

The City and the Developer entered into the Development Agreement to provide standards for developing the District, and to provide for the development of the Authorized Improvements, including the Public Improvements. The Development Agreement provides provisions for the construction of various improvements in the District, including homes, which must have a minimum of 1,400 square feet of livable space, the Public Improvements, including the Amenities, the Offsite Utility Improvements, the TxDOT Improvements, and other matters. See "THE DEVELOPMENT – Traffic Impact Analysis" and "– Zoning/Permitting."

Pursuant to the Development Agreement, the Developer is responsible for the construction of the Offsite Improvements, which will cost approximately $1,437,000. The Offsite Improvements include the Offsite Utility Improvements and the TxDOT Improvements. The City has agreed to reimburse the Developer for up to $1,000,000 of the cost of the Offsite Improvements from lawfully available sources other than the Assessments or proceeds of the Bonds. The remainder of the cost of the Offsite Improvements, in the approximate amount of $437,000, may be reimbursed from the proceeds of the Bonds. The Developer expects to complete construction of the Offsite Utility Improvements in February 2026 and expects to complete construction of the TxDOT Improvements in Q1 2026. As of January 1, 2026, the Developer has spent $198,060 on the construction of the Offsite Improvements and the Developer has not yet sought reimbursement from the City.

The Development Agreement additionally requires that prior to the City's authorization of the Bonds, the Developer, the City, and the Trustee shall have entered into an agreement obligating the Developer to satisfy the Authorized Improvement Costs (defined in the Development Agreement) not anticipated to be directly funded with proceeds of the Bonds (the "Completion Agreement"). Prior to the delivery of the Bonds, the Developer will be required to provide written evidence of its ability to pay any such Authorized Improvement Costs.

Pursuant to the Development Agreement, the issuance of the Bonds is subject to a number of conditions, in addition to execution of the Completion Agreement, including: (i) the City has confirmed there is a minimum value to lien ratio of at least 3:1, (ii) the maximum total City tax rate equivalent of the Assessments within the District shall be no greater than $1.25 per $100 assessed value unless the City and Developer agree otherwise, and (iii) the Developer has obtained approval from TxDOT for any driveway, entrance, or other access to or from Highway 146.

Development within the District

Development of the District is anticipated to include 216 single-family homes. The Developer is constructing, acquiring, or purchasing the Public Improvements, which provide a special benefit to the entire District, in two phases, consisting of Section 1 and Section 2. Section 1 is comprised of 108 lots. The Developer currently expects to complete construction of the Public Improvements in Section 1 in [January 2026], and, at which time there will be 108 completed lots in the District. Section 2 is comprised of the remaining 108 lots. The Developer currently expects to complete construction of the Public Improvements in Section 2 by August 2026. The improvements benefiting the land within the District will consist of, but are not limited to, improvements authorized under the PID Act, including the Authorized Improvements. See "THE AUTHORIZED IMPROVEMENTS".

Lot Purchase Agreements

The Developer is under contract to sell 162 of the 216 single-family lots in the District, consisting of 108 lots to be sold to Starlight Homes, and 54 lots to be sold to Hart Homes. Of the 108 lots under contract with Starlight Homes, 82 are located in Section 1 and 26 are located in Section 2. Of the 54 lots under contract with Hart Homes, 26 lots are located in Section 1 and 28 lots are located in Section 2. Fifty-four of the lots in Section 2 of the District are uncontracted. As of January 1, 2026, no lots have been purchased by the Homebuilders. The Developer expects the Homebuilders to begin purchasing lots in the District in February 2026. The Developer received a combined earnest money deposit from the Homebuilders equal to $1,374,750 (the "Earnest Money"), all of which has been released to

the Developer and will be credited to the purchase price at closing. Starlight Homes has the right of first refusal on the remaining 54 lots in Section 2 of the District.

Starlight Homes PSA. On December 13, 2024, Waterstone Development Group, LLC, a Texas limited liability company ("Waterstone"), which is an entity that shares common ownership with the Developer, and Starlight Homes entered into that certain Real Estate Purchase and Sale Agreement, as amended by that certain First Amendment to Real Estate Purchase and Sale Agreement entered into on January 27, 2025, by and between Waterstone and Starlight Homes, and as further amended by that certain Second Amendment to and Assignment of Real Estate Purchase and Sale Agreement (the "Second Amendment"), entered into on October 14, 2025, by and between Waterstone, Starlight Homes, and the Developer (collectively, the "Starlight Homes PSA"). Waterstone transferred and assigned all of its right, title and interest in and to the Starlight Homes PSA pursuant to the terms of the Second Amendment.

Pursuant to the Starlight Homes PSA, Starlight Homes has agreed to purchase 108 50' lots within the District. Of the 108 lots under contract with Starlight Homes, 82 are located in Section 1 and 26 are located in Section 2. The purchase price for the first 74 lots acquired by Starlight Homes shall be $55,000 per lot, and the purchase price for the final 34 lots, $60,000 per lot. Starlight Homes has paid earnest money in the amount of $916,500, which has been released to the Developer and will be credited to the purchase price at closing. Starlight Homes agreed to takedown the lots subject to the Starlight Homes PSA pursuant to four closings. Starlight Homes is expected to close on the initial 50 lots in February 2026.See "THE DEVELOPMENT – Status of Development" below for more information on the expected takedown schedule.

Pursuant to the Starlight Homes PSA, the Developer shall not sell any lots in the District for a purchase price which is less than $1,100 per front foot, or $55,000 for a 50' lot, unless and until Starlight Homes has acquired its first 74 lots, and the Developer shall not sell any lots in the District for a purchase price which is less than $1,200 per front foot, or $60,000 for a 50' lot, thereafter. The terms of the Hart Homes PSA, as defined and described below, comply with this provision in the Starlight Homes PSA.

Hart Homes PSA. On March 13, 2025, the Developer and Hart Homes entered into that certain Unimproved Property Contract, as amended by that certain First Amendment to Contract for Purchase and Sale and Escrow Instructions, entered into on April 14, 2025, and by that certain Second Amendment to Contract for Purchase and Sale Agreement, entered into on January 7, 2026 (collectively, the "Hart Homes PSA" and together with the Starlight Homes PSA, the "Lot Purchase Agreements").

Pursuant to the Hart Homes PSA, Hart Homes has agreed to purchase 54 50' lots within the District at a purchase price of $3,055,000. Of the 54 lots under contract with Hart Homes, 26 lots are located in Section 1 and 28 lots are located in Section 2. Hart Homes has paid earnest money in the amount of $458,250, which has been released to the Developer and will be credited to the purchase price at closing. The initial takedown under the Hart Homes PSA, consisting of 25 50' lots, must take place within 30 days after the Developer files the final plat for Section 1. The Developer currently expects to file the final plat for Section 1 in January 2026, and, as such, the Developer currently expects the initial takedown to take place in February 2026. See "THE DEVELOPMENT – Status of Development" below for more information on the expected takedown schedule.

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Status of Development

As of January 1, 2026, the Developer projects the following timeline for delivery of finished lots, sale of lots to homebuilders, and sale of homes to homeowners in the District, but such projections are subject to change based on a variety of factors, many of which are outside of the control of the Developer:

Expected Buildout of the District [(1)(2)]

Lots [(2)]	Lot Size	Section	Actual/Expected Infrastructure Completion Date	Actual/Expected Initial Sale Date of Single-Family Lots to Homebuilders	Expected Final Sale Date of Lots to Homebuilders	Expected Initial Sale Date of Single-Family Homes to Homeowners	Expected Final Sale Date of Single-Family Homes to Homeowners
108	50’	1	January 2026	February 2026	July 2026	May 2026	June 2027
108	50’	2	August 2026	August 2026	January 2028	April 2027	October 2028

(1) Provided by the Developer.

(2) Includes 2 lots designated as model homes. An additional lot may be designated as a model home if the uncontracted lots are sold to a third homebuilder.

As of January 1, 2026, no lots have been purchased by the Homebuilders. The following table shows the expected single-family lot take down schedule pursuant to the Lot Purchase Agreements.

Expected Lot Takedown Schedule[(1)]

Date	Starlight Homes	Hart Homes	Uncontracted	Total
Q1 2026	50	25	-	75
Q2 2026	-	-	-	-
Q3 2026	24	12	-	36
Q4 2026	-	-	-	-
Q1 2027	24	12	25	61
Q2 2027	-	-	-	-
Q3 2027	10	5	14	29
Q4 2027			_	_
Q1 2028			15	15
Total:	**108**	**54**	**54**[(2)]	**216**[(3)]

(1) As of January 1, 2026.

(2) Starlight Homes has the right of first refusal on the remaining 54 lots in the District.

(3) Includes 2 lots designated as model homes. An additional lot may be designated as a model home if the uncontracted lots are sold to a third homebuilder.

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The following table reflects the Developer's expectations regarding sales of completed homes to homeowners in the District.

Expected Absorption of Homes to Homeowners in the District

Expected Sale Dates to *Homeowners*	Total Lots
Q2 2026	16
Q3 2026	24
Q4 2026	24
Q1 2027	24
Q2 2027	30
Q3 2027	33
Q4 2027	27
Q1 2028	17
Q2 2028	9
Q3 2028	9
Q4 2028	3
Total	**216**

The actual and expected single-family residential lot prices and expected average home prices in the District are as follows:

Lot Prices and Expected Average Home Prices in the District

Lot Size	Number of Lots	Expected Average Base Lot Price [(1)]	Expected Average Home Price [(1)]
50'	216	$55,463	$265,000

[(1)] Developer estimates.

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Photographs of the District







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Zoning/Permitting

Pursuant to the Development Agreement, in the event that the City adopts a comprehensive zoning ordinance, the City shall zone the Property consistent with the Development Standards, Concept Plan (each as defined in the Development Agreement), and applicable provisions of the Development Agreement. Additionally, the Developer has agreed that development of the District will comply with the Concept Plan, Development Standards, and applicable City Regulations (defined in the Development Agreement).

Amenities

The Developer intends to construct the Amenities, including a children's play area, grass and concrete sport courts, horseshoe pits, approximately 600 linear feet of multi-use paths, approximately 20,000 square feet of greenbelt pedestrian paths, and sitting areas and structures. The Amenities fall under the "parks and landscaping improvements" category of the Public Improvements, and, as such, the costs of the Amenities may be reimbursed by the Assessments or from the proceeds of the Bonds. The Developer currently anticipates commencing construction of the Amenities in Q2 2026, and the Developer expects to complete construction of the Amenities in August 2026. The Developer expects that the Amenities will cost approximately $235,000, which the Developer will finance with proceeds of the Development Loan, cash flow from lot sales in Section 1, and cash on hand. The Amenities will be owned by the City, and the HOA will maintain the Amenities pursuant to the Maintenance Agreement. See "THE AUTHORIZED IMPROVEMENTS – The Public Improvements," and "Ownership and Maintenance of Improvements."

Schools

The District is located entirely within Hardin ISD. Students in the District are expected to attend Hardin Elementary School (approximately 4.3 miles north of the District), Hardin Junior High School (approximately 3.9 miles north of the District), and Hardin High School (approximately 3.9 miles north of the District).

GreatSchools.org rates Hardin Elementary School a 2-out-of-10, Hardin Junior High School a 4-out-of-10, and Hardin High School a 4-out-of-10. According to the Texas Education Agency Annual Accountability Ratings, Hardin ISD was rated "C," Hardin Elementary School was rated "D," Hardin Junior High School was rated "B," and Hardin High School was rated as "B" for 2025, the last school year for which such information is available. The categories for public school districts and public schools for such year were A, B, C, D, and F.

Environmental

A Phase I Environmental Site Assessment (the "Phase I ESA") of the land within the District was completed by Wild Associates in August 2021. The Phase I ESA revealed no evidence of recognized environmental conditions or other environmental concern in the District. The Phase I ESA concluded that no further investigation was required to identify a recognized environmental condition.

Traffic Impact Analysis

A traffic impact analysis ("TIA") was conducted by Voigt Associates, Inc. in June 2022. The report of such analysis stated that a left turn lane from SH 146 into the Development on the proposed Avalon Road, which is the site entrance road, will meet triggers for construction when the Development reaches about 40 homes built and occupied. According to the TIA, upon substantial completion of Section 1 and before a significant number of lots in Section 2 are occupied, the left turn lane should be constructed to TxDOT standards. Additionally, a right turn deceleration is warranted for construction when the Development reaches about 105 homes built and occupied or about when Section 1 is complete, and Section 2 is beginning construction. The improvements described herein, which comprise the "TxDOT Improvements", are a portion of the Offsite Improvements for which the Developer may be reimbursed by the City for the costs of construction, in an amount up to $1,000,000, pursuant to the terms of the Development Agreement. See "THE DEVELOPMENT – The Development Agreement". A portion of the TxDOT Improvements, in the approximate amount of $437,000, may be reimbursed from the proceeds of the Bonds. See "THE AUTHORIZED IMPROVEMENTS," and "PLAN OF FINANCE – Development Plan."

Flood Zone

According to the Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map ("FIRM"), Community Panel No. 48291C0475D, effective on June 18, 2007, approximately 9.6 acres of the District within Section 2 are within the 100-year flood plain. Per the Developer, such land is intended to be removed from such flood plain by a Letter of Map Revision-Based on Fill ("LOMR") as the Development progresses. The Developer expects to submit the LOMR in March 2026. Typical FEMA processing is 3-6 months. As of January 1, 2026, the Developer has filled the applicable area such that the elevation all lots within such area is in excess of the 100-year flood plain. See "BONDHOLDERS' RISKS – Flood Plains."

Utilities

Water and Wastewater Service. The City provides both water and wastewater service to end users within the District. See "THE CITY – Water and Wastewater Systems."

Other Utilities. Additional utilities are provided by: (1) Electric – Entergy; (2) Internet and Phone: Highline Fiber; and (3) Natural Gas – none.

Mineral Rights, Groundwater, Easements, and Other Third-Party Rights

There are certain mineral rights reservations of prior owners of real property within the District (the "Mineral Owners") pursuant to one or more deeds in the chain of title. While there is currently no drilling or exploration of minerals, the Developer cannot predict whether the Mineral Owners will take new action in the future to explore or develop the above-described mineral rights. Any such action to explore or develop must comply with the City's regulation of oil and gas drilling, as described herein.

While the City does not prohibit oil and gas activities within it is corporate boundaries, any drilling activities require a permit issued by the City and such activities cannot occur within 600 feet of a protected use. A protected use includes a residence, religious institution, hospital building, public or private school, day care, or public park. As result of such limitation, it is unlawful to drill an oil and gas well on any land in the District.

Although there is no exploration or production of oil, gas or other mineral or groundwater rights on the property within the District, exploration and/or production may be possible on adjacent properties. While adjacent properties may have developable mineral and groundwater rights, the City's drilling ordinance regulates the drilling, production, and operation of oil and gas wells, the exploration associated with such operations, and the transport of hydrocarbons or wastes associated with these operations, within the regulated area of the City. Such ordinance may make it difficult for owners of such rights to develop same.

Although the Developer does not expect the above-described Third-Party Rights, or the exercise of such rights or any other third-party rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See "BONDHOLDERS' RISKS – Exercise of Third-Party Property Rights."

THE DEVELOPER

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor, and the Underwriter, and none of the City, the City's Financial Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information. See "SOURCES OF INFORMATION – Source of Certain Information."

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of the revenue bonds, such as the Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development. See "BONDHOLDERS' RISKS – Dependence Upon Developer and Homebuilders."

Description of the Developer

The Developer is a Texas company with a single member, Charles Von Schmidt, who owns 100% of the Developer. The Developer shares common ownership with Waterstone, and was created by Waterstone for the purpose of managing and conveying property in the District to third parties, as described under the caption "THE DEVELOPMENT". The Developer is a nominally capitalized limited liability company, the primary asset of which is unsold property within the District.

The Developer will have no source of funds with which to pay Assessments or taxes levied by the City or any other taxing entity other than funds resulting from the sale of property within the District or funds advanced to the Developer by an affiliated party. See "BONDHOLDERS' RISKS – Dependence Upon Developer and Homebuilders."

Mr. Charles Von Schmidt has ultimate control over Waterstone and all of its affiliates. Waterstone maintains a corporate staff and remains in a growth mode. Waterstone creates single asset limited liability companies to own each development site while acting as developer for these projects.

Waterstone routinely cooperates with investors, landowners, financial institutions, and vendors to acquire land inventory for its diverse mix of projects. Waterstone has experience working closely with local municipalities, county officials, and public-school systems in the creation of relaxed communities reminiscent of simpler times which provide a higher quality of life for our working men and women along with their families. Collaborating with communities and thinking creatively Waterstone is able to create unique designs that offset visually the challenges to lot configuration, street layout, density, and material selections. Waterstone has focused its attention for the past several years on creating affordable communities, allowing families to join the ranks of homeowners, breaking the rental cycle, allowing them to provide financial stability, create generational wealth while increasing the sense of home for the children.

The following table contains the past and current development projects of Waterstone and its subsidiaries and affiliates. The information in this table was provided by the Developer.

Name of Community	City	Number of Lots	Status of Development
Villages of Westpointe	Dayton, TX	524 Lots	Fully Completed. Two PID Bond issuances. IA#1 $8.04MM Issuance and IA#2 $11.86MM Issuance
Crockett Meadows Sections 1-3	Conroe, TX	304 Lots Section	Fully Completed. IA#1 PID Bond Issuance $12.165MM. Sections 4-7 to be constructed based on market
Kiber Reserve	Angleton, Tx	93 Lots	Fully Completed. Cash flow PID
Crown Point	Huntsville, TX	94 Lots	Fully Completed
Villages of Greystone	Conroe, TX	164 lots	Fully Completed, PID Bond issuance anticipated Q3 2026
Villages of Magnolia	Conroe, TX	Approximately 2,500 lots	Under Design

Name of Community	City	Number of Lots	Status of Development
Farms			
The Highlands	Liberty, TX	Approximately 2,200 lots	Under Design
Davis Reserve	Dayton, TX	Approximately 500 lots	Under Design

Executive Biography of Principals of the Developer

Mr. Charles Von Schmidt, President. Since 1981, Mr. Von Schmidt has worked in the development industry in various capacities, with experience in office, retail, hospitality, single and multi-family projects. His expertise provided Waterfront Development, which was founded in 2006, the tools necessary to develop its projects, and now powers Waterstone. Mr. Von Schmidt is particularly proud to have gathered the consultants, engineers, and support staff he has been privileged to work with over the past 40 years to augment the capabilities of Waterstone.

Ken Schott, CPA, Director. Mr. Schott joined Waterstone in 2019 after a successful career in the finance and energy industries. Mr. Schott received a BBA in Finance from Texas A&M in 1992 and his MBA from UT Austin in 2000. He held various roles with El Paso Corporation during his eight years there, including Manager of Planning and Budgeting, and was integrally involved in business development. Upon transitioning to the private sector, he served as CFO of several private E&P companies.

Mr. Schott has quickly adapted to real estate development and serves as Director of Waterstone responsible for execution and management of development operations, overseeing feasibility, entitlement, design, and construction to ensure timely and successful completion of projects in the southern half of the Houston MSA. Mr. Schott also keeps a watchful eye on our financial efforts to include conventional financing as well as entitlements, PIDs, TIRZ and 380/381 agreements. Each of these tools allows delivery of a better product at a lower entry price.

John Madsen, CPA, Controller. Mr. Madsen, who serves as Waterstone Controller, has been a partner in two accounting firms after working for ten years as Vice President and Controller for the real estate subsidiary of American General Corporation. He also served as Controller of Weekley Homes as well as five years in "Big Eight" accounting with Touche Ross and Ernst & Whinney. He brings his broad experience into many facets of the real estate industry, taxation, and financial strategies. Mr. Madsen represented the firm for more than 10 years before accepting his position as Controller.

Homebuilders in the District

Starlight Homes. Starlight Homes is a privately held national homebuilding firm founded in 2017. Starlight focusses on entry level residential homes with operations in Arizona, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Texas. Within the greater Houston area, Starlight is currently located in a dozen communities and continues to rapidly expand its presence in this strong marketplace. Members of Starlight's senior management team have previously transacted with Developer's affiliate companies.

Hart Homes. Founded in 2022, Hart Homes is one of the nation's fastest growing homebuilders engaged in the design and construction of affordable homes in high growth markets in the Greater Houston MSA. Hart designs, builds and sells high quality homes that target renters & entry-level homebuyers. According to the Community Builder Advisory Services, Hart ranked #41 in the Greater Houston MSA Builder Ranking during 2024. Hart has previously worked with the Developer in two of their other subdivisions: The Villages at Westpointe in the City of Dayton, Texas, and Crockett Meadows, located in Montgomery County, Texas.

History and Financing of the District

In July 2022, Von Schmidt Land and Cattle, LLC, a Texas limited liability company, an affiliate of the Developer, acquired all of the land within the District, at a purchase price of $570,000, using cash on hand, from Ernie W. Picket IV and Stacie Lynn Pickett. On March 25, 2025, the Developer acquired the Property from Von Schmidt Land and Cattle pursuant to a Special Warranty Deed.

In October 2025, the Developer obtained an approximately $3,730,050 loan (the "Development Loan") from Prosperity Bank, a Texas banking association (the "Lender") for the purpose, among other things, of financing the costs associated with the development of the District. The Development Loan is a closed-end line of credit. Interest on amounts drawn by the Developer pursuant to the Development Loan is payable monthly at a rate equal to .5% over the Index Rate, which is defined as the highest per annum rate of interest published as the "Prime Rate" in the "Money Rates" Section of the Wall Street Journal. Notwithstanding the foregoing, the interest rate prior to maturity shall at no time be less than 6.250%.

The Development Loan matures on October 15, 2027. As of January 1, 2026, the outstanding balance of the Development Loan was approximately $2,122,705.

The Developer financed the costs of the Public Improvements in Section 1 of the District primarily with cash on hand and proceeds of the Development Loan. Construction of the Public Improvements in Section 2 will be financed with a combination of cash on hand, proceeds from lot sales in Section 1, proceeds from the Bonds, and proceeds of the Development Loan. Pursuant to the Development Agreement, the Developer must enter into a Completion Agreement obligating the Developer to satisfy the Authorized Improvement Costs (defined in the Development Agreement) not anticipated to be directly funded with proceeds of the Bonds. See "THE DEVELOPMENT – The Development Agreement".

The Development Loan is secured by a first lien deed of trust covering all of the land in the District in favor of the Lender. In the event of a default under the Development Loan and/or related documents, the Lender will have the right to various remedies, including foreclosure of the deed of trust. The Developer may purchase a partial release of the lien securing the Development Loan at the Release Price of $46,050 per lot.

The PID Act provides that the Assessment Lien is a first and prior lien against the Assessed Property and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. Prior to the levy of the Assessments, the Lender acknowledged the creation of the District, the levy of the Assessments, and the subordination of the liens securing the Development Loan to the Assessment Lien. The Assessment Lien has priority over the liens on the property within the District securing the Development Loan, Earnest Money, and any other loans that may be obtained by the Developer or its affiliates.

APPRAISAL

General. Barletta & Associates, Inc. (the "Appraiser"), prepared an appraisal report for the City dated December 16, 2025, based upon a site visit and effective date of value of December 15, 2025 (the "Appraisal"). The Appraisal was prepared at the request of the City and is addressed solely to the Underwriter for use in preparing an estimated value of property in connection with the issuance of the Bonds. The estimates of value presented in the Appraisal are no indication of the appraised property's actual market value and do not address the value or benefit of the Authorized Improvements. Investors should not assume that the disposition of the lots in the District in the event of default would provide sufficient funds to pay the principal of Bonds outstanding at that time. The Appraisal does not constitute a recommendation to any person to purchase or sell the Bonds. The description of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX F and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions, and qualifications, which are set forth therein. See "APPENDIX F – Appraisal."

Value Estimates. The Appraiser estimated the prospective "upon completion" bulk market value of the 216 completed lots in the District. The Appraisal provides the fee simple estate values for the District. See "APPENDIX F – Appraisal."

The hypothetical "upon completion" bulk market value of the fee simple interest in the 108 completed lots in Section 1, using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of December 31, 2025, is $5,990,000.

The hypothetical "upon completion" bulk market value of the fee simple interest in the 108 completed lots in Section 2, using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of May 1, 2026*, is $5,960,000.

None of the City, the Developer, the Financial Advisor, or the Underwriter makes any representation as to the accuracy, completeness assumptions or information contained in the Appraisal. The assumptions and qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions. See "BONDHOLDERS' RISKS – Use of Appraisal."

THE PID ADMINISTRATOR

The following information has been provided by P3Works, LLC, as the Administrator. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

The City has selected P3Works, LLC as the initial Administrator. The City has entered into an agreement for administration of the District with the Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The Administrator is a consulting firm focused on providing special taxing district services relating to the formation and administration of public improvement districts, and is based in Austin, Houston, and North Richland Hills, Texas.

The Administrator's duties will include:

- Preparation of the annual update to the Service and Assessment Plan
- Preparation of assessment rolls for County billing and collection
- Establishing and maintaining a database of all County parcel IDs within the District
- Trust account analysis and reconciliation
- Property owner inquires
- Determination of prepayment amounts
- Preparation and review of disclosure notices with the dissemination agent
- Review of developer draw requests for reimbursement of authorized improvement costs.

BONDHOLDERS' RISKS

Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM A FIRST LIEN ON, AND PLEDGE OF THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE TRUST ESTATE IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER

* Substantial completion of Section 2 is now expected in August 2026. A delay in the substantial completion date may affect appraised value[s].

**HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE.*

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

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

Deemed Representations and Acknowledgment by Initial Purchasers

Each initial purchaser of Bonds (each a "Initial Purchaser") will be deemed to have acknowledged and represented to the City the matters set forth under the heading "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" which include, among others, a representation and acknowledgment that the purchase of the Bonds involves investment risks, certain of which are set forth under this heading "BONDHOLDERS' RISKS" and elsewhere herein, and each Initial Purchaser, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act of 1933), has sophisticated knowledge and experience in financial and business matters and the capacity to evaluate such risks in making an informed investment decision to purchase the Bonds, and the Initial Purchaser can afford a complete loss of its investment in the Bonds.

General Factors relating to Payment of the Bonds

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

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

Assessment Limitations

Annual Installments of Assessments are billed to property owners of Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as described under

* Language should be consistent with cover.

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

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

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

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

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

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed.

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

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE DISTRICT.

Direct and Overlapping Indebtedness, Assessments and Taxes

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

Depletion of Accounts of the Reserve Fund

Failure of the owners of property within the District to pay the Assessments when due could result in the rapid, total depletion of the Reserve Account and the Additional Interest Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Fund. The Reserve Account of the Reserve Fund will be fully funded from the proceeds of the Bonds. The Indenture provides that if after a withdrawal from the Reserve Account the amounts therein are less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account sufficient to cure such deficiency.

Lien Foreclosure and Bankruptcy

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

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and at the written direction of the Owners of the Owners of at least a Quarter in Interest of the Bonds then Outstanding and its receipt of indemnity satisfactory to it shall, proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained therein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so its use rests within the discretion of the court but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

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

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

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

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

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted (subject to provisions set forth in the Indenture) to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and

receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

The Indenture expressly denies the right of acceleration in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Bankruptcy Limitation to Bondholders' Rights

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

If the City decides in the future to proceed voluntarily under Chapter 9, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of Chapter 9, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under State law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the Owners would be adjusted in accordance with the confirmed plan of adjustment of the City's debt. The City cannot predict a Bankruptcy Court's treatment of the Owners' creditor claim and whether an Owner would be repaid in full.

State Law Requiring Notice of Assessment; Failure of Developer and Homebuilders to Deliver Required Notice Pursuant to Texas Property Code

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract for the purchase of such real property, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a purchase contract is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the purchase contract. If the Developer or the homebuilders within the District do not provide the required notice and prospective purchasers of property within the District terminate a purchase contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed $5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property should be prepaid. In the event of such prepayment, a partial redemption of the Bonds could occur. See "DESCRIPTION OF THE BONDS – Redemption Provisions." On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the Developer or homebuilders does not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers are attached

as exhibits to the Service and Assessment Plan and will be included in each Annual Service Plan Update. See "APPENDIX C — Form of Service and Assessment Plan."

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 89th Legislative Session of the State (the "89th Regular Session") convened on January 14, 2025, and is scheduled to conclude on June 2, 2025. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. The Governor called two special sessions, the first of which began on July 21, 2025, and ended on August 15, 2025, and the second of which began on August 15, 2025, and ended on September 3, 2025. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the Security for the Bonds Similarly Secured.

Limited Secondary Market for the Bonds

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

No Credit Rating

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

Adverse Developments Affecting the Financial Services Industry

Actual events involving limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, transactional counterparties, or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. In the recent past troubled financial institutions have been closed and/or swept into receivership by the Federal Deposit Insurance Corporation ("FDIC") or acquired by or received cash rescue packages from more solvent financial institutions. Borrowers under credit agreements, letters of credit, and certain other financial instruments with any financial institution that is placed into receivership by the FDIC may be unable to access undrawn amounts for an unspecified period.

The Developer expects to finance the costs of the Public Improvements not paid from bond proceeds with the Development Loan. If the Developer is unable to access funds under the Development Loan, the Developer's ability to complete the Public Improvements could be adversely affected. If a homebuilder uses a line of credit or other financial instrument to finance home construction and is unable to access funds under such line of credit or other financial instrument, the homebuilder's ability to take down lots and complete homes could be adversely affected. Additionally, confidence in the safety and soundness of regional banks specifically, or the banking system generally, could impact where customers choose to maintain deposits, which could materially adversely impact the homebuilder's liquidity and access loan funding capacity, and results in an impact to operations. Similar impacts to the development industry have occurred in the past.

General Risks of Real Estate Investment and Development

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, including the schedule for and/or the costs of the various improvements to be constructed within the District necessary to serve residents therein, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

Furthermore, the operating revenues of the Developer may be materially adversely affected if specific conditions in the lot purchase contracts are not met. Contracts that the Developer may have with individual homebuilders are subject to a myriad of contractual conditions and contingencies, all or some of which if not complied with, could precipitate a termination or winding up of such contractual arrangement for the sale of lots, causing the Developer to possibly need to execute a different strategy for the development and sale of lots and residential units within the Development. As described herein, the Assessments are an imposition against the land only. Neither the Developer nor any other subsequent landowner is a guarantor of the Assessments and the recourse for the failure of the Developer or any other landowner to pay the Assessments is limited to the collection proceedings against the land as described herein. Failure to meet any lot purchase contract's conditions may allow the applicable lot purchaser to terminate its obligation to purchase lots from the Developer and obtain its Earnest Money. See "THE DEVELOPMENT – Status of Development" herein.

The Development cannot be completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of each phase of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer and any subsequent owners to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within the District in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Risks Related to the Current Residential Real Estate Market

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. It is difficult to determine what effects the on-again, off-again tariffs by the federal administration and the threaten of retaliatory tariffs will have on inflation and mortgage interest rates. Downturns in the real estate market, mortgage rates, and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot, and home sales within the District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

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

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's imposition and threatened imposition of tariffs and the imposition or threatened imposition of retaliatory tariffs will impact the ability of the Developer to estimate costs. If the Actual Costs of the Public Improvements are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Public Improvements or pay the Assessments when due. See "THE DEVELOPER — History and Financing of the District." If the cost of materials remains high or increase, it may affect the ability of the homebuilders to construct homes within the District.

The federal administration's immigration policies may impact the State's workforce. Undocumented construction workers make up a large portion of construction workers in the State. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages, particularly in construction. Labor shortages will impact the Developer's ability to estimate costs and to complete the Public Improvements and the homebuilders' ability to construct homes within the District.

Failure or Inability to Complete Proposed Development

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

Completion of Homes

The cost and time for completion of homes by the homebuilders is uncertain and may be affected by changes in national, regional and local and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes yet to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

Competition

The housing industry in the Greater Houston area is very competitive, and none of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs of the single-family residential development within the District which are planned will ever commence or be completed in accordance with the Developer's expectations. The competitive position of the Developer or of any homebuilder in the sale of developed lots or the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

Competitive projects in the area include, but are not limited to the following: [(1)]

Project Name	Number of Units	Proximity	Developer	Prices
Westpointe Villages	524	6 miles	Waterstone	$200k-$275k
River Ranch	2500	10 miles	Multiple	$300k-$500k
Medina	630	14 miles	D.R. Horton	$300k-$350k

[(1)] Provided by the Developer.

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

Hazardous Substances

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not consider the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within the District has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

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

See "THE DEVELOPMENT — Environmental" for discussion of the Phase One ESA performed on the property within the District.

Regulation

Development within the District may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the

District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

Availability of Utilities

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

Portions of the State, including the City and its surrounding area, are experiencing significant growth, which has produced and is expected to continue to produce a growing demand for water and wastewater service. The ability of the City to provide an adequate supply of water and sufficient capacity for treatment of wastewater, as applicable, is dependent on many factors, including, but not limited to, supply and demand of materials to complete necessary water and wastewater improvements, compliance with the Texas Commission on Environmental Quality regulations, the effects of extreme weather events on such entities' water and wastewater systems, and the construction of developments competing with the District. See "THE DEVELOPMENT — Utilities," "BONDHOLDERS' RISKS — General Risks of Real Estate Investment and Development," "— Risks Related to Current Increase in Costs of Building Materials, "— Competition," "— Regulation" and "— Risk from Weather Events."

None of the City, the Financial Advisor, the Underwriter, or the Developer can predict the impact that such growing demand may have on the City, the District, the projected buildout schedule, availability of water and wastewater service to the District or an investment in the Bonds.

100-Year Flood Plain

According to the Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map ("FIRM"), Community Panel No. 48291C0475D, effective on June 18, 2007, approximately 9.6 acres of the District within Section 2 are within the 100-year flood plain. Per the Developer, such land is intended to be removed from such flood plain by a Letter of Map Revision-Based on Fill ("LOMR") as the Development progresses. The Developer expects to submit the LOMR in March 2026. Typical FEMA processing is 3-6 months. As of January 1, 2026, the Developer has filled the applicable area such that the elevation all lots within such area is in excess of the 100-year flood plain.

FEMA will from time to time revise its FIRMs. None of the City, the Underwriter, or the Developer makes any representation as to whether FEMA may revise its FIRMs, whether such revisions may result in homes that are currently outside of the 500-year or 100-year flood plain from being included in the 500-year or 100-year flood plain in the future, or whether extreme flooding events may occur more often than assumed in creating the rate maps.

Risk from Weather Events

All of the State, including the City, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, hurricanes, tropical storms, flooding, heavy rains and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It is impossible to predict whether similar events will occur in the future and the impact they may have on the City, including land within the District.

Exercise of Third-Party Rights

As described herein under "THE DEVELOPMENT – Mineral Rights, Ground Water, Easements, and Other Third-Party Rights," there are certain Third-Party Rights within the District. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Liberty County.

The Developer does not expect the existence or exercise of any mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments. However, none of the City, the Financial Advisor, or the Underwriter provide any assurances as to such Developer expectations.

Tax-Exempt Status of the Bonds

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

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

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

Management and Ownership

The management and ownership of the Developer and related property owners could change in the future. Purchasers of the Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer or new officers in management positions may not have comparable experience in projects comparable to the Development.

Dependence Upon Developer and Homebuilders

Currently, the Developer and Homebuilders have the obligation for payment of [__]% and [__]%, respectively, of the Assessments. The ability of the Developer and Homebuilders to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The only assets of the Developer are land within the District, related permits and development rights and minor operating accounts. There can be no assurances given as to the financial ability of the Developer or Homebuilders to

advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer or any Homebuilder will advance such funds. See "THE DEVELOPER — Description of the Developer."

None of the Developer or the Homebuilders will guarantee or otherwise be obligated to pay debt service on the Bonds. Payment of the Assessments on the Assessed Property will initially be the responsibility of the Developer and/or the Homebuilders, as the case may be, as the owners of such Assessed Property prior to purchase by homeowners.

The ability of the Developer or the Homebuilders to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The Developer or the Homebuilders will not guarantee or otherwise be obligated to pay debt service on the Bonds.

Use of Appraisal

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

In performing its analysis, the Appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the Appraiser's, Underwriter's and City's control, as well as certain factual matters. Furthermore, the Appraiser's analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation and date of the Appraisal.

The intended use and user of the Appraisal are specifically identified in the Appraisal as agreed upon in the contract for services and/or reliance language found in the Appraisal. The Appraiser has consented to the use of the Appraisal in this Limited Offering Memorandum in connection with the issuance of the Bonds. No other use or user of the Appraisal is permitted by any other party for any other purpose.

Risks Related to Exposure to the Oil and Gas Industry

The economy of the greater Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand of residential and commercial property in the area and could reduce or negatively affect property values or homebuilding activity within the District.

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership, and disposition of the Bonds.

Tax Exemption

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the

Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See "APPENDIX D – Form of Opinion of Bond Counsel."

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

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

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

A ruling was not sought from the Internal Revenue Service by the City with respect to the Bonds or the facilities financed or refinanced with the proceeds of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the City that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

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

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

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

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

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

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

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

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

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

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

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

State, Local and Foreign Taxes

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

Information Reporting and Backup Withholding

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

Future and Proposed Legislation

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

CYBERSECURITY RISKS

The City, like other municipalities in the State, utilizes technology in conducting its operations. As a user of technology, the City potentially faces cybersecurity threats (e.g., hacking, phishing, viruses, malware and ransomware) on its technology systems. Accordingly, the City may be the target of a cyber-attack on its technology systems that could result in adverse consequences to the City. The City employs a multi-layered approach to combating cybersecurity threats. While the City deploys layered technologies and requires employees to receive cybersecurity training, as required by State law, among other efforts, cybersecurity breaches could cause material disruptions to the City's finances or operations. The costs of remedying such breaches or protecting against future cyber-attacks could be substantial. Further, cybersecurity breaches could expose the City to litigation and other legal risks, which could cause the City to incur other costs related to such legal claims or proceedings.

LEGAL MATTERS

Legal Proceedings

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

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

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney

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

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

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

Litigation – The City

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

Litigation – The Developer

At the time of delivery and payment for the Bonds, Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of Developer, threatened against or affecting Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of Developer or its officers or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Reimbursement Agreement, the Development Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a "Material Adverse Effect"). The Developer and its affiliates have been and are parties to pending and threatened litigation related to their commercial and real estate development activities. According to the Developer, such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

SUITABILITY FOR INVESTMENT

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

ENFORCEABILITY OF REMEDIES

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

NO RATING

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

CONTINUING DISCLOSURE

The City

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

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

The City's Compliance with Prior Undertakings

In the last five years, the City has not failed to comply in any material respect with any material provisions of the continuing disclosure agreements made by the City in accordance with the Rule.

The Developer

The Developer, the Administrator, and the Dissemination Agent, will, in connection with the issuance of the Bonds, enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of the Developer") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Developer, certain information regarding the District and the Authorized Improvements (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 – Form of Disclosure Agreement of Developer." Under certain circumstances, the failure of the Developer or the Administrator to comply with its obligations under the Disclosure Agreement of the Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The Developer's Compliance with Prior Undertakings

The Developer has not previously entered into an undertaking to provide continuing disclosure related to the Bonds.

UNDERWRITING

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

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the Texas Public Funds Investment Act (the "PFIA") requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "NO RATING." In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

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

INVESTMENTS

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

Legal Investments

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City's custodian of the banking deposits issued for the City's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that

is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above or clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

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

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, the

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

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

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Commission; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than ninety (90) days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than fifteen percent (15%) of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

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

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment

in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

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

SOURCES OF INFORMATION

General

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

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Authorized Improvements generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE – Overview," "– Development Plan," and "– Lot Purchase Agreements," "OVERLAPPING TAXES AND DEBT – Agricultural Valuation" (third paragraph only) and "– Homeowners' Association Dues," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Authorized Improvements, and the Development), "LEGAL MATTERS – Litigation – The Developer," "CONTINUING DISCLOSURE – The Developer" "– The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION – Source of Certain Information," and "APPENDIX E-2," "APPENDIX F," and "APPENDIX G" has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by the Administrator and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

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

Updating of Limited Offering Memorandum

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

FORWARD-LOOKING STATEMENTS

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

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

AUTHORIZATION AND APPROVAL

The City approved the form and content of this Preliminary Limited Offering Memorandum and authorized the use thereof by the Underwriter in connection with the marketing and sale of the Bonds.

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREAS

The City is located in Liberty County, Texas, and is approximately 44 miles northeast of the City of Houston, Texas, along U.S. Highway 90. The City's 2020 census population was 8,279, and the City estimates its 2025 population to be 8,974. The City covers approximately 45.77 square miles. The City's economy is based on manufacturing, retail, agricultural chemical production, and oil and gas production.

In addition to water, sewer, and electric distribution services, the City provides police and fire protection, sanitary services, certain public health services, ambulance services, street and drainage maintenance, park facilities, library facilities, a drama theatre and a municipal airport, which contains a 3,700-foot runway. The George Bush Intercontinental Airport is 55 miles southwest of the City and is the closest airport with commercial service.

The City is a Home Rule City which operates under a City Charter (the "Charter") adopted by the voters in 1958. The Charter provides for a Council-Manager form of government composed of a mayor and six council members elected for staggered two-year terms. It is the City Council's responsibility to appoint a City Manager who is the chief administrative and executive officer of the City.

The current members of the City Council and their respective expiration of terms of office, as well as the principal administrators of the City, are noted on page i.

Historical Annual Employment in Houston – Pasadena – The Woodlands Metropolitan Statistical Area

The following information has been provided for informational purposes only.

	2024[(1)]	2023	2022	2021	2020
Civilian Labor Force	3,835,585	3,736,245	3,601,335	3,511,131	3,401,400
Total Employed	3,668,691	3,578,660	3,449,835	3,292,314	3,468,699
Total Unemployed	166,894	157,585	151,500	218,817	296,060
Unemployment Rate	4.4%	4.2%	4.2%	6.2%	8.5%

[(1)] As of December 2025.

Source: Texas Workforce Commission

Major Employers in the City

The major employers in the City for 2025 are set forth in the table below.

Employer	Employees
Liberty ISD	450
Wal-Mart	350
Liberty/Dayton Hospital	157
Curtis and Sons	150
City of Liberty	100
Liberty Forge	40
TxDOT	26
KJ Chemical	10
Timberline/Quantum Products	10

Source: Libert Community Development Corporation

REGIONAL EMPLOYMENT

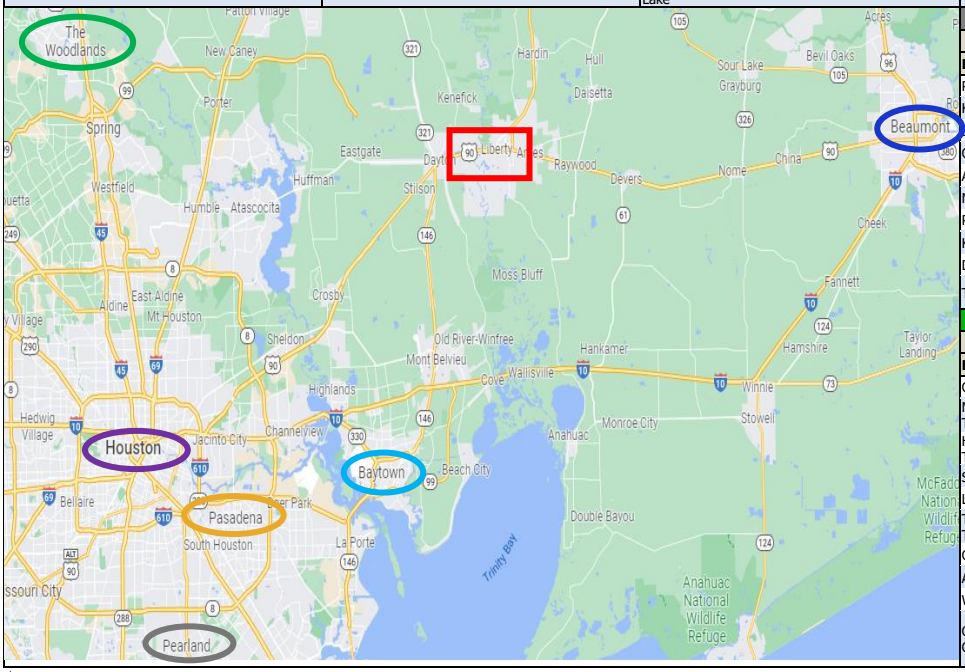
The major employers of municipalities near the City are set forth in the table below.

City of Baytown (2023)	
Approximately 31 Miles from Liberty	
Employer	**Employees**
Goose Creek Consolidated ISD	4,000
Exxon Mobil-Baytown Complex	3,785
Houston Methodist Baytown Hospital	1,975
Covestro	1,450
City of Baytown	1,133
Chevron Phillips	990
Lee College	700
Wal-Mart Distribution Center	600
Borusan Mannesmann	410
JSW Steel	330

City of Houston (2025) *	
Approximately 43 Miles from Liberty	
Employer	**Employees**
AT&T	
Baker Hughes	
CenterPoint Energy	
ConocoPhillips	
Enterprise Products Partners	
EOG Resources	
ExxonMobil	
Group 1 Automotive	
Halliburton	
Kinder Morgan	

City of Pasadena (2024)	
Approximately 42 Miles from Liberty	
Employer	**Employees**
Pasadena ISD	8,201
Turner Industries	3,364
San Jacinto College	2,958
The Boeing Co.	2,268
HCA Houston Healthcare	1,428
Mundy Company	1,342
Lyondell Chemical Co.	1,175
Kaneka North America	1,111
City of Pasadena	1,089
University of Houston – Clear Lake	858

City of Beaumont (2024)	
Approximately 42 Miles from Liberty	
Employer	**Employees**
ExxonMobil Corporation	3,472
Beaumont ISD	2,204
Memorial Hermann Baptist Hospital	1,705
Christus St. Elizabeth Hospital	1,530
City of Beaumont	1,342
Lamar University	1,332
Mark Stiles Unit	756
EN Global	545
Richard Construction	450
Beaumont Kidney Specialist	436



City of Pearland (2024)	
Approximately 54 Miles from Liberty	
Employer	**Employees**
Pearland ISD	2,700
Kelsey Seybold	1,221
Lonza	950
City of Pearland	850
Alvin ISD	753
Memorial Hermann	550
Pearland Medical Center	450
Kemlon	240
Dover Energy	240
Third Coast	225

The Woodlands (2023) †	
Approximately 50 Miles from Liberty	
Employer	**Employees**
Conroe ISD	4,831
Memorial Hermann Hospital, The Woodlands	3,218
Houston Methodist The Woodlands Hospital	2,5358
St. Luke's Health	2,164
Lone Star College	1,355
Texas Children's Hospital, The Woodlands	1,573
Chevron Phillips Chemical Co.	1,327
Alight Solutions	1,321
Woodforest National Bank	1,121
Occidental Petroleum Corporation	1,052

* Alphabetical list from *City of Houston, Texas, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025*.

† Top 10 Non-Retail Employers of The Woodlands Area from *The Woodlands Township Annual Comprehensive Financial Report for the Fiscal Year Ended December 31, 2023*

Source: Municipal Advisory Council of Texas, unless otherwise footnoted

APPENDIX B

FORM OF INDENTURE

INDENTURE OF TRUST

By and Between

CITY OF LIBERTY, TEXAS

and

UMB BANK, N.A.,
AS TRUSTEE

DATED AS OF _____, 2026

SECURING

$6,572,000

CITY OF LIBERTY, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)

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EXHIBIT A DESCRIPTION OF THE PROPERTY WITHIN THE LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT

EXHIBIT B FORM OF CERTIFICATION FOR PAYMENT

INDENTURE OF TRUST

THIS INDENTURE, dated as of _____, 2026, is by and between the CITY OF LIBERTY, TEXAS (the "*City*"), and UMB Bank, N.A., 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 City Secretary of the City (the "*City Secretary*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "*PID Act*"), requesting the creation of a public improvement district located within the corporate limits of the City to be known as Liberty Ranch Public Improvement District; and

WHEREAS, the petition contained the signatures of the record owners of taxable real property representing more than 50% of the appraised value of the real property liable for assessments within the District, as determined by the then current ad valorem tax rolls of the Liberty Central Appraisal District, and the signatures of record property owners who own taxable real property that constitutes more than 50% of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on May 10, 2022, after due notice, the City Council (the "*City 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 May 10, 2022, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2022-40, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, on May 10, 2022, the City Council authorized the formation of the Liberty Ranch Public Improvement District (the "*District*") pursuant to Resolution No. 2022-40 (the "*Creation Resolution*"); and

WHEREAS, following the adoption of Resolution No. 2022-40, the City filed such resolution in the real property records of the County (as defined herein) on May 11, 2022; and

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

WHEREAS, on April 8, 2025, the City Council adopted Resolution No. 2025-23 approving a development agreement by and between the City and the Developer (as defined herein) to establish the development and improvement standards for the District and whereby the City formally amended the name of the District to Liberty Ranch Public Improvement District; and

WHEREAS, on December 8, 2025, the City Council adopted Resolution No. [_____] approving the execution of the Reimbursement Agreement (as defined herein); and

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice on [_____, 20__] of a public hearing in a newspaper of general circulation in the City to consider the proposed "*Assessment Roll*" and the "*Service and Assessment Plan*" and the levy of the "*Assessments*" in the amount of $6,572,000 on property in the District (all as defined herein); and

WHEREAS, the City 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 City Council convened the hearing on [_____, 20__], at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Actual Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, at the public hearing referenced in the preceding paragraph, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Actual Costs, the Assessment Roll, or the levy of the Assessments; and

WHEREAS, the City Council closed the hearing and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, at a meeting held on [_____, 20__], respectively, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Assessment Roll and levied the Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Actual Costs of the Improvements (as defined herein), (ii) paying capitalized interest on the Bonds during the period of construction and acquisition of Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs (as defined herein), and (v) paying the costs of issuance of the Bonds; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District)" (the "*Bonds*"), such Bonds being payable solely from the Assessments and other funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in this preamble; and

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

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

FIRST GRANTING CLAUSE

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

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

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

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

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

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

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

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

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

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

"*Actual Cost(s)*" , with respect to the Public Improvements, the actual costs paid or incurred by or on behalf of the Developer of the District: (the costs for the design, planning, administration/management, acquisition, installation, construction and/or implementation and dedication of such Public Improvements; (2) the fees paid for obtaining permits, zoning, licenses, plan approvals, inspections or other governmental approvals for such Public 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 Public Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, legal, consulting, and other governmental fees, construction security, insurance premiums, directly related to the construction of the Public Improvements, and (6) charges and costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee not exceeding four percent (4%) of construction costs if managed by or on behalf of the Developer.

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

"*Additional Interest Rate*" means up to an additional 0.50% interest charged on the Assessments as authorized by Section 372.018 of the PID Act.

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

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

"*Annual Collection Costs"* means the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying and redeeming the Bonds Similarly Secured; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan, the PID Act, and any Indenture, with respect to the Bonds Similarly Secured, including the City's continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with the Bonds Similarly Secured, 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 Similarly Secured in such Bond, assuming that the Outstanding Bonds Similarly Secured are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds Similarly Secured due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

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

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

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

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

"*Assessment Ordinance*" means Ordinance No. [_____] adopted by the City Council on [_____, 20__], that levied the Assessments, and any additional ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on Assessed Property within the District, as shown on any Assessment Roll.

"*Assessed Property*" or "*Assessed Properties*" means property within the District that benefits from an Authorized Improvement and on which Assessments have been levied as shown on an Assessment Roll (as the same may be updated each year by an update to a Service and Assessment Plan) and which includes any and all Parcels within the District other than Non-Benefitted Property.

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

"*Assessment Roll(s)*" means any assessment roll for the Assessed Property within the District, including the Assessment Roll included in the Service and Assessment Plan as Exhibit F, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the levy of an Assessment, the issuance of the Bonds Similarly Secured, or in connection with any Annual Service Plan Update.

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

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

"*Authorized Improvements*" means all costs to be paid with Assessments, including the Public Improvements, Bond Issuance Costs and District Formation Expenses.

"*Bond*" means any of the Bonds Similarly Secured.

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

"*Bond 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 established pursuant to Section 6.1 and administered pursuant to Section 6.4.

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

"*Bond Ordinance*" means Ordinance No. [_____] adopted by the City Council on [_____, 20__], authorizing the issuance of the Bonds pursuant to this Indenture.

"*Bond Year*" means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District)."

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

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

"*Certification for Payment*" means a certificate given pursuant to the Reimbursement Agreement executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the written approval of a City Representative, specifying the amount of work performed and the cost thereof, presented to the Trustee to request funding for Actual Costs from money on deposit in the Project Fund. The Form of Certification for Payment is attached hereto as Exhibit B.

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

"*City Representative*" means that official or agent of the City authorized by the City Council to undertake the action referenced herein as evidenced by a written incumbency certificate provided to the Trustee. Such certificate may designate alternates, each of whom shall be entitled to perform all duties of the City Representative.

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

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

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

"*Continuing Disclosure Agreement of the Developer*" means the agreement executed between the Developer, Administrator and dissemination agent in connection with the issuance of the Bonds pursuant to which the Developer agrees to provide certain information regarding the development of the District and the Public Improvements for the benefit of the owners of the Bonds.

"*Continuing Disclosure Agreement of the Issuer*" means the agreement executed between the Issuer, Administrator and the dissemination agent for the benefit of the Owners of the Bonds (including owners of beneficial interests of the Bonds), to provide, by certain dates prescribed in the Continuing Disclosure Agreement of the Issuer to provide periodic information and notices of material events regarding the Issuer in accordance with Securities and Exchange Commission Rule 15c2-12.

"*County*" means Liberty County, Texas.

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

"*Delinquency & Prepayment Reserve Requirement*" means an amount equal to 6.0% of the principal amount of the then Outstanding Bonds Similarly Secured, which amount will be funded from Assessments and Annual Installments deposited to the Pledged Revenue Fund for subsequent transfer to the Delinquency & Prepayment Reserve Account of the Reserve Fund in accordance with the terms of this Indenture.

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

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

"*Developer*" means Liberty Ranch, LLC, a Texas limited liability company.

"*District Formation Expenses*" means the costs associated with forming the District, including but not limited to 1st year Annual Collection Costs, and any other cost or expense directly associated with the establishment of the District.

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

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

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

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

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

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

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

"*Interest Payment Date*" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year, commencing September 1, 2026.

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

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

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

"*Owner*" or "*Holder*" 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. The term "*Owner*" or "*Holder*", when used in connection with the Bonds Similarly Secured, shall also include the Person who is the registered owner of a Bond Similarly Secured under the terms of any indenture relating thereto.

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

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

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

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

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

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

"*Prepayment Costs*" means interest and expenses to the date of Prepayment, plus any additional expenses related to the Prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any Prepayment.

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

"*Property*" means that certain 50.993 acres of land more particularly described in Exhibit A attached hereto.

"*Public Improvements*" means the Authorized Improvements that benefit the District and on which the Developer may expend Actual Costs, as described in Section III.A of the Service and Assessment Plan.

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

"*Quarter in Interest*" means as of any particular date of calculation, the Owners of no less than twenty-five percent (25%) of the principal amount of the then Outstanding Bonds Similarly Secured. In the event that two or more groups of Owners satisfy the percentage requirement set forth in the immediately preceding sentence and act (or direct the Trustee in writing to act) in a conflicting manner, only the group of Owners with the greatest percentage of then Outstanding Bonds Similarly Secured (as measured in accordance with the immediately preceding sentence) shall, to the extent of such conflict, be deemed to satisfy such requirement.

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

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

"*Record Date*" means the close of business on the 15th calendar day of the month next preceding an Interest Payment Date.

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

"*Redemption Price*" means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bond to the date fixed for redemption payable upon redemption thereof pursuant to this Indenture.

"*Refunding Bonds*" means bonds issued to refund all or any portion of the Bonds Similarly Secured and secured by a parity lien with the Bonds Similarly Secured on the Trust Estate, as more specifically described in the indenture authorizing such Refunding Bonds.

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

"*Reimbursement Agreement*" means the Liberty Ranch Public Improvement District Reimbursement Agreement between the City and the Developer, dated as of December 8, 2025, as may have been or may be further amended and supplemented from time to time.

"*Release Condition*" has the meaning assigned in Section 6.5(h).

"*Reserve Account Requirement*" means the least of: (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to Section 6.7(b); and provided further that as a result of (1) an optional redemption pursuant to Section 4.3 or (2) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the date of delivery of the Bonds, the Reserve Account Requirement is $_____ which is an amount equal to Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance. The City Representative shall provide the Trustee with written confirmation of the Reserve Account Requirement and any modifications related thereto.

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

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

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

"*Special Record Date*" means 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 that will be established by the Trustee, if and when funds for the payment of such interest have been received from the City.

"*State*" means the State of Texas.

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

"*Subaccount*" means any of the subaccounts established pursuant to Section 6.1 of this Indenture.

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

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

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

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

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

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) When used in Article XI of this Indenture in connection with the Bonds Similarly Secured, any reference to this Indenture, Article XI of this Indenture or any Section thereunder, and/or any events of default or remedies set forth therein, such terms and references shall be read and interpreted to include any indenture relating to any Bonds Similarly Secured, the related Article or Section in such indenture, and/or the events of default and remedies set forth therein.

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

ARTICLE II

THE BONDS

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

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

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

Section 2.2. **Limited Obligations.**

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

Section 2.3. **Authorization for Indenture.**

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

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

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. **Authorization.**

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of $6,572,000 for the purpose of (i) paying a portion of the Actual Costs of the Public Improvements, (ii) paying capitalized interest on the Bonds during the period of construction and acquisition of Public Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying the costs of issuance of the Bonds.

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

(a) The Bonds shall be dated the date of the initial delivery thereof (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 Bond Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing September 1, 2026, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

Year	Principal Amount	Interest Rate

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

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

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:

(a) a certified copy of the Assessment Ordinance;

(b) a certified copy of the Bond Ordinance;

(c) a copy of the executed Reimbursement Agreement and any amendments;

(d) a copy of a Continuing Disclosure Agreement of the Issuer between the City, the Administrator and the dissemination agent thereunder and a Continuing Disclosure Agreement of the Developer between the Developer, the Administrator and the dissemination agent thereunder;

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

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

(g) an executed signature and no-litigation certificate of the City;

(h) executed opinions of Bond Counsel and the City Attorney; and

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

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

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

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

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

(d) The principal of each Bond Similarly Secured 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 Similarly Secured at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

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

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds Similarly Secured to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds Similarly Secured, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any holders of such Bonds Similarly Secured for any further payment of such unclaimed moneys or on account

of any such Bonds Similarly Secured, subject to any applicable escheat law or similar law of the State.

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

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

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds Similarly Secured ceases to be such officer before the authentication of such Bonds Similarly Secured 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 or in a Supplemental Indenture, 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 Similarly Secured. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date of each series of Bonds Similarly Secured shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein or in a Supplemental Indenture, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

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

Section 3.6. **Ownership.**

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

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

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

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

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

(b) A Bond Similarly Secured shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond Similarly Secured shall be effective until entered in the Register.

(c) The Bonds Similarly Secured shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond Similarly Secured or Bonds Similarly Secured of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond Similarly Secured presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds Similarly Secured in accordance with this Section.

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

(e) Each exchange Bond Similarly Secured delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits

and security of this Indenture to the same extent as the Bond Similarly Secured or Bonds Similarly Secured in lieu of which such exchange Bond Similarly Secured is delivered.

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

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

Section 3.8. **Cancellation.**

All Bonds Similarly Secured paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds Similarly Secured or replacement Bonds Similarly Secured are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds Similarly Secured, the Trustee shall destroy such Bonds Similarly Secured and deliver a certificate of such destruction to the City.

Section 3.9. **Temporary Bonds.**

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

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

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds Similarly Secured in definitive form; thereupon, upon the presentation and surrender of the Bond Similarly Secured or Bonds Similarly Secured in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds Similarly Secured in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond Similarly Secured or Bonds Similarly Secured of the same maturity and series, in definitive form,

in the Authorized Denomination, and in the same aggregate principal amount, as the Bond Similarly Secured or Bonds Similarly Secured in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. **Replacement Bonds.**

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

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

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

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

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

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

(c) After the delivery of such replacement Bond Similarly Secured, if a bona fide purchaser of the original Bond Similarly Secured in lieu of which such replacement Bond was issued presents for payment such original Bond Similarly Secured, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond Similarly Secured from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

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

pay such Bond Similarly Secured if it has become due and payable or may pay such Bond Similarly Secured when it becomes due and payable.

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

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

(a) The Bonds Similarly Secured 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 City to DTC. On the Closing Date the definitive Bonds Similarly Secured shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC.

(b) With respect to Bonds Similarly Secured registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds Similarly Secured. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant will respect to any ownership interest in the Bonds Similarly Secured, (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 Similarly Secured, 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 Similarly Secured. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond Similarly Secured is registered in the Register as the absolute owner of such Bond Similarly Secured for the purpose of payment of principal of, premium, if any, and interest on Bonds Similarly Secured, for the purpose of giving notices of redemption and other matters with respect to such Bond Similarly Secured, for the purpose of registering transfer with respect to such Bond Similarly Secured, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds Similarly Secured only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds Similarly Secured 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 Similarly Secured certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the Record Date or Special Record Date, as applicable, the word "Cede & Co." in this Indenture shall refer to

such new nominee of DTC.

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

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds Similarly Secured to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds Similarly Secured and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds Similarly Secured to DTC Participants having Bonds Similarly Secured credited to their DTC accounts. In such event, the Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured, and all notices with respect to such Bonds Similarly Secured shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS SIMILARLY SECURED 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. Each series of Bonds Similarly Secured, other than the Bonds, shall be subject to mandatory sinking fund redemption and optional redemption as provided in the Supplemental Indenture authorizing the issuance of such series of Bonds Similarly Secured.

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

(a) The Bonds maturing on September 1 in the years 20__ and 20__ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price equal to the principal amount of the Term Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from moneys available for such purpose in the Principal and Interest Account of

the Bond Fund pursuant to Article VI, on the dates and in the respective sinking fund installments as set forth in the following schedule:

Term Bonds Maturing _____, 20__†

Redemption Date	Principal Amount

†Final Maturity

Term Bonds Maturing _____, 20__†

Redemption Date	Principal Amount

†Final Maturity

(b) At least thirty (30) days prior to each mandatory sinking fund redemption date, the Trustee shall select, in accordance with Section 4.5, a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installment amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Term Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Term Bonds required to be redeemed on any 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 Term Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. **Optional Redemption.**

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 20___, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

Section 4.4. **Extraordinary Optional Redemption.**

The City reserves the right and option to redeem Bonds Similarly Secured before their respective scheduled maturity dates, in whole or in part, on any date, at a redemption price equal to the principal amount of the Bonds Similarly Secured called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7(c)) or any other transfers to the Redemption Fund under the terms of this Indenture.

Section 4.5. **Partial Redemption.**

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

(b) If less than all of a series of Bonds Similarly Secured are called for optional redemption pursuant to Section 4.3 hereof, the City shall, pursuant to a City Certificate, determine the Bond Similarly Secured or Bonds Similarly Secured or the amount thereof within a Stated Maturity to be redeemed and direct the Trustee to call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

(c) If less than all Bonds Similarly Secured are called for extraordinary optional redemption, the Bonds Similarly Secured or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured. If less than all Bonds Similarly Secured within a Stated Maturity are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Trustee shall call by lot the Bonds Similarly Secured, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

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

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

(a) Upon notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds Similarly Secured by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond Similarly Secured or portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds Similarly Secured are to be surrendered for payment, and, if less than all the Outstanding Bonds Similarly Secured are to be redeemed, and subject to Section 4.5, an identification of the Bonds Similarly Secured 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 Similarly Secured 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 City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds Similarly Secured then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Section 4.7. **Payment Upon Redemption.**

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

(b) Upon presentation and surrender of any Bond Similarly Secured called for redemption at the Designated Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond Similarly Secured 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 Similarly Secured 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 amount plus accrued unpaid interest on such Bonds Similarly Secured to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds Similarly Secured or portions thereof shall cease

to bear interest from and after the date fixed for redemption, whether or not such Bonds Similarly Secured are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS SIMILARLY SECURED

Section 5.1. **Form Generally.**

(a) The Bonds Similarly Secured, 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, with respect to the Bonds, substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and, with respect to any Refunding Bonds, substantially in the form set forth in a Supplemental Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by the Supplemental 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 Bond Counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

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

(c) The definitive Bonds Similarly Secured 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 Similarly Secured, as evidenced by their execution thereof.

(d) The Initial Bond of each series of Bonds Similarly Secured submitted to the Attorney General may be typewritten and photocopied or otherwise reproduced.

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

(a) Form of Bond.

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

REGISTERED	United States of America	REGISTERED
NO. __	State of Texas	$_____

CITY OF LIBERTY, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
%	September 1, 20__	_____, 2026	

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

_____

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

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the 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 1 and March 1 of each year, commencing September 1, 2026.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the "*Designated Payment/Transfer Office*"), of UMB Bank, N.A., as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the 15th day of the month next preceding

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

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

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated as of the Date of Delivery and issued in the aggregate principal amount of $6,572,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of _____, 2026 (the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each Holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Public Improvements, (ii) paying capitalized interest on the Bonds during the period of construction and acquisition of the Public Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying the costs of issuance of the Bonds;

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

The City has reserved the right to issue Refunding Bonds and other obligations on the terms and conditions specified in the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or

certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

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

The Bonds maturing on September 1 in the years 20__ and 20__ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price equal to the principal amount of the Term Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective sinking fund installments as set forth in the following schedule:

Term Bonds Maturing _____, 20__†

Redemption Date	Principal Amount

_____
†Final Maturity

Term Bonds Maturing _____, 20__†

Redemption Date	Principal Amount

_____
†Final Maturity

At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds of such maturity equal to the sinking fund installments of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

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

The principal amount of Term Bonds required to be redeemed on any sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the

principal amount of any Term Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 20__, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any date, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. If less than all Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

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

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

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

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

The City has reserved the right to issue Refunding Bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, LIBERTY COUNTY, OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

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

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

_____ _____

City Secretary, City of Liberty, Texas Mayor, City of Liberty, Texas

[CITY SEAL]

(b) Form of Comptroller's Registration Certificate.

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

I HEREBY CERTIFY THAT there is on file and of record in my office an opinion to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

_____
Acting Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

DATED: _____, 20__

UMB Bank, N.A., as Trustee

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

_____

_____

_____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints

_____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed by:

_____	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.
Authorized Signatory	

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

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

(ii) the Initial Bond shall be numbered T-1; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of "SIX MILLION FIVE HUNDRED SEVENTY TWO THOUSAND DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Year of Maturity	Principal Amount	Interest Rate

Section 5.3. **CUSIP Registration.**

The City may secure identification numbers through CUSIP Global Services, managed by FactSet Research Systems, Inc. on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds Similarly Secured. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds Similarly Secured shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds Similarly Secured as to legality or the Trustee are to

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

Section 5.4. **Legal Opinion.**

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

ARTICLE VI

FUNDS AND ACCOUNTS

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

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

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund;

(vii) Administrative Fund; and

(b) Creation of Accounts and Subaccounts.

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

(A) Principal and Interest Account; and

(B) Capitalized Interest Account.

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

(A) Reserve Account; and

(B) Delinquency & Prepayment Reserve Account.

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

(A) Improvement Account; and

(B) Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

(c) Each Fund, each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds Similarly Secured. Amounts on deposit in the Funds, Accounts and Subaccounts shall be used solely for the purposes set forth herein.

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

(e) The Trustee may, from time to time, upon written direction from the City pursuant to a City Certificate, create additional Funds or Accounts hereunder as may be necessary for the receipt and application of 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 Similarly Secured.

Section 6.2. **Initial Deposits to Funds and Accounts.**

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

(i) to the Reserve Account of the Reserve Fund $_____ which is equal to the initial Reserve Account Requirement;

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

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

(iv) to the Improvement Account of the Project Fund: $_____; and

(v) to the Administrative Fund: $_____.

Section 6.3. **Pledged Revenue Fund.**

(a) Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues. Specifically, the Trustee shall deposit or cause to be deposited the foregoing amounts 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 Similarly Secured next coming due, (ii) second, 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, (iii) third to pay other Actual Costs of the Public Improvements, and (iv) fourth to pay other costs permitted by the PID Act. Notwithstanding the foregoing, the Additional Interest of the Annual Installments shall only be utilized for the purposes set forth in Section 6.7(a-1) hereof and, on each March 1, beginning March 1, 2027, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments confirmed by the City pursuant to a City Certificate, will be deposited into the Delinquency & Prepayment Reserve Account and/or the Redemption Fund, as applicable.

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

(c) The Trustee shall transfer the amounts determined in writing by the City as Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(d) Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Reserve Fund to restore any transfers from the Reserve Fund made to which the Foreclosure Proceeds relate, second, to replenish the Delinquency & Prepayment Reserve Requirement, and third, to the Redemption Fund.

(e) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Assessments may be used under the PID Act. The Trustee may rely upon any such request of the City 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 interest then due and payable on the Bonds Similarly Secured less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account, as provided below.

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

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (a) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.

(d) 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 ($)
_____, 20__	$_____

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 Improvement Account of the Project Fund, or if the Improvement Account of the Project Fund has 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.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Each such City Certificate shall include a list of the payees and the payments (not to exceed) to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions though given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein. Disbursements from the Improvement Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The disbursement of funds from the Improvement Account

shall be pursuant to and in accordance with the disbursement procedures described in the Reimbursement Agreement or as provided in such written direction from the City. Such provisions and procedures related to such disbursement contained in the Financing Agreement and no other provisions of the Reimbursement Agreement, are herein incorporated by reference and deemed set forth herein in full.

(c) Except as provided in Section 6.5(d) and (f), money on deposit in the Improvement Account shall be used solely to pay Actual Costs provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Account in reliance upon a Certification for Payment approved by the City.

(d) If the City Representative determines in the City Representative's reasonable discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Public Improvements such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

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

(f) Upon the filing of a City Certificate stating that all of the Public Improvements have been completed and that all Actual Costs have been paid, or that any Actual Costs of the Public Improvements are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

(g) Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the applicable series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Account of the Project Fund and used to pay Actual Costs of the Public Improvements or (ii) if no Public Improvements remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

(h) (1) Notwithstanding the above sections, the aggregate amount of funds that the Trustee may disburse from the Improvement Account of the Project Fund shall not exceed $_____

(the "Authorized Amount") except and until the Release Condition (as defined in Section 6.5(h)(2) below) has been satisfied, after which the Trustee may resume disbursements. The Trustee may make disbursements from the Improvement Account of the Project Fund that exceed the Authorized Amount only when the Developer provides written certification to the Trustee and the City in a Certificate for Payment that the Release Condition has been satisfied. The first Certification for Payment that requests funds in excess of the Authorized Amount from the Improvement Account of the Project Fund after satisfaction of the Release Condition shall be submitted to the City, the Trustee, the City's financial advisor, Bond Counsel and the Administrator for review and confirmation.

(2) Money may be disbursed from the Improvement Account of the Project Fund in excess of the Authorized Amount only if the City has performed and approved the final inspections of at least __ homes within the District and issued certificates of completion on each such home in accordance with its customary residential building inspection practices (the "Release Condition"). The City may not approve a Certification for Payment for payment from the Improvement Account of the Project Fund for any amounts that exceed the Authorized Amount until the Release Condition has been satisfied.

(3) Notwithstanding anything in this Indenture to the contrary, in the event the Developer has not provided the required evidence that the Release Condition has been satisfied on or before _____, 2029, then the Trustee shall transfer any funds remaining in the Improvement Account of the Project Fund to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 of this Indenture.

Section 6.6. **Redemption Fund.**

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. **Reserve Fund.**

(a) The City agrees with the Owners of the Bonds Similarly Secured to accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund or the Redemption Fund as provided in this Indenture.

(a-1) Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, commencing March 1, 2027, and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. Once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency &

Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV provided, however, that at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer.

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

(c) In the event of an extraordinary optional redemption of Bonds Similarly Secured pursuant to Section 4.4, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds Similarly Secured to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of $1,000, from the Delinquency & Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

(d) Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4, unless prior to the next Interest Payment Date, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Project Fund to pay Actual Costs of the Public Improvements if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(d-1) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written

notice to the City of the amount of the excess, and the Trustee shall transfer such excess pursuant to Section 6.7(a-1) hereof.

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

(f) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Delinquency & Prepayment Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds Similarly Secured.

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

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

Section 6.8. **Rebate Fund: Rebatable Arbitrage.**

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate.

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

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

Section 6.9. **Administrative Fund.**

(a) Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with Section 9.6. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.10. **Investment of Funds.**

(a) Money in any Fund or Account, other than the Reserve Account, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Certificate shall be a certification that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence and the Trustee shall not be responsible for determining such requirements. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold, in order to make the disbursements required or permitted by this Indenture, to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee shall invest and re-invest cash balances in the _____ Fund, CUSIP No. _____, until directed otherwise by the City Certificate.

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and

Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities as determined and directed in writing by the City.

(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 may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. 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 legality of any investments. The Trustee is not providing investment supervision, recommendation, or advice in acting pursuant to the provisions hereof.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Certificate, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatable Arbitrage owed by the City. The City Certificate shall specify the amount to the transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. **Security of Funds.**

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

ARTICLE VII

COVENANTS

Section 7.1. **Confirmation of Assessments.**

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the property in the District from which the Assessment Revenues will be collected and received.

Section 7.2. **Collection and Enforcement of Assessments.**

(a) For so long as any Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the Reimbursement Agreement to reimburse it for its funds it has contributed to pay Actual Costs of the Public Improvements, the City covenants, agrees and warrants that it will take and pursue all reasonable actions pemissib1e under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments.

(b) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of, the City to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

(c) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding property.

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

Section 7.3. **Against Encumbrances.**

(a) The City shall not create and shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

(b) So long as Bonds Similarly Secured are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds Similarly Secured, (including, any Refunding Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Section 7.4. **Records, Accounts, Accounting Reports.**

The City hereby covenants and agrees that so long as any Bonds Similarly Secured are Outstanding, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and Holder or Holders of any Bonds Similarly Secured or any duly authorized agent or agents of such Holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. **Covenants Regarding Tax Exemption of Interest on Bonds.**

(a) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the Holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, for a period of 90 days or less until such proceeds are needed for the purpose for which the Bonds is issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code;

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds has been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and,

(9) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code.

(b) In order to facilitate compliance with the above covenant (a)(8), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the Registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if

any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor or Mayor Pro-Tem to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Actual Costs of the Authorized Improvements on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Public Improvements are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds is retired. The City agrees to obtain the advice of nationally recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. **Liability of City.**

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds Similarly Secured or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds Similarly Secured or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The City shall not incur any responsibility in respect of the Bonds Similarly Secured or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds Similarly Secured assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds Similarly Secured, or as to the existence of a default or event of default thereunder.

(c) In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

(d) No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (collectively, the "Bond Documents"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the amounts collected to pay Annual Collection Costs deposited in the Administrative Fund) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Trust Estate and the amounts collected to pay Annual Collection Costs deposited in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any

governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other independent person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

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

ARTICLE IX

THE TRUSTEE

Section 9.1. **Acceptance of Trust; Trustee as Registrar and Paying Agent.**

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds Similarly Secured agree. The Trustee undertakes to perform such duties and only such duties as are specifically set forth herein. No implied covenants or obligations shall be read into this Indenture against the Trustee.

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

Section 9.2. **Trustee Entitled to Indemnity.**

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making scheduled debt service payments prior to the occurrence of a default, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Administrative Fund to pay all fees, costs, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder on amounts held within the Administrative Fund.

Section 9.3. **Responsibilities of the Trustee.**

(a) The recitals contained in this Indenture and in the Bonds Similarly Secured shall be taken as the statements of the City and the Trustee assumes no responsibility for 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 Similarly Secured or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds Similarly Secured for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) any loss suffered in connection with any investment of funds in accordance with this Indenture, or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City pursuant to this Indenture. The Trustee has the right to act through agents and attorneys and shall have no liability for the negligent or willful misconduct of the agents and attorneys appointed with due care.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. 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 Project. If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights

and powers vested in it by this Indenture and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(d) The Trustee shall not be liable for any action taken, or errors of judgment made in good faith by any one of its officers, agents, or employees unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(f) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee has actual knowledge thereof or shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least Quarter in Interest of the Bonds Similarly Secured at that time. The Trustee may assume conclusively that there is no Event of Default, except as noted above.

(g) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds Similarly Secured.

(h) 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 negligence or willful misconduct.

(i) The Trustee may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care.

(j) Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the City, the Developer, or any of their directors, members, officers, agents, affiliates or employees, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(k) In the event that any of the Trust Estate shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the such assets, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate

or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(l) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility; it being understood that the Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances.

Section 9.4. **Property Held in Trust.**

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

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

(a) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, resolution, direction, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith 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. Subject to Section 9.1 and 9.3, the Trustee may, at the expense of the City, consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its 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 City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative. the Trustee shall be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Certificate shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

(c) The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13.

Section 9.6. **Compensation.**

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from 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, which, with respect to ordinary fees and expenses incurred prior to an Event of Default hereunder, shall be transferred pursuant to a City Certificate and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Certificate, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund prior to any Bonds Similarly Secured Outstanding. Following an Event of Default, the foregoing limitation on expenses shall not apply, however any such fees or expenses must be reasonable. 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 City 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 and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder. In the event that the Trustee renders any service not contemplated in this Indenture, or if any material controversy arises hereunder, or the Trustee is made a party to any litigation pertaining to this Indenture or the subject matter hereof, then the Trustee shall be compensated for such extraordinary services and any services or work performed by the Trustee in connection with any delay, controversy, litigation or event, and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. The right of the Trustee to fees, expense, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7. **Permitted Acts.**

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds Similarly Secured and may join in any

action that any Owner of Bonds Similarly Secured may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the holders of a Quarter in Interest of the Bonds Similarly Secured.

Section 9.8. **Resignation of Trustee.**

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bonds Similarly Secured. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. **Removal of Trustee.**

The Trustee may be removed by giving not fewer than 30 days' notice, specifying the date when such removal shall take effect at any time by (i) the Owners of at least a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate principal amount of Bonds Similarly Secured then Outstanding.

Section 9.10. **Successor Trustee.**

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

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

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds Similarly Secured, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds Similarly Secured within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds Similarly Secured.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds Similarly Secured may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

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

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

Section 9.11. **Transfer of Rights and Property to Successor Trustee.**

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor and upon receipt of its outstanding charges, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or

obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. **Merger, Conversion or Consolidation of Trustee.**

Any corporation or association into which the Trustee may be 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 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. **Trustee To File Continuation Statements.**

The City will cause to be filed all appropriate financing statements. If necessary, the Trustee shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "*UCC*"), in order to continue perfection of the security interest and rights 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. Unless otherwise notified in writing by the City or an Owner, the Trustee may conclusively rely upon the initial financing statements in filing any continuation statements hereunder. The Trustee shall have no responsibility to file financing statements or continuation statements other than to file continuation statements that are delivered to it.

If applicable, but immediately upon its receipt thereof, the City, or an authorized third-party representative thereof, shall deliver to the Trustee file-stamped copies of each UCC initial financing statement recorded in the jurisdictions applicable thereto.

The Trustee’s UCC filing requirements are limited to those responsibilities as set forth in this Section 9.13.

Section 9.14 **Offering Documentation.**

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds Similarly Secured and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds Similarly Secured.

Section 9.15 **Expenditure of Funds and Risk.**

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable

grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured.

Section 9.16 **Environmental Hazards.**

The Trustee may inform any Owner of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and in such event, no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

The Trustee shall not be responsible or liable for the environmental condition related to the improvements to any real property or for diminution in value of the same, or for any claims by or on behalf of the owners thereof as the result of any contamination by a hazardous substance, hazardous material, pollutant, or contaminant. The Trustee assumes no duty or obligation to assess the environmental condition of any improvements or with respect to compliance thereof under State or federal laws pertaining to the transport, storage, treatment, or disposal of hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits, or licenses issued under such laws.

Section 9.17. **Accounts, Periodic Reports and Certificates.**

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

Section 9.18. **Construction of Indenture.**

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds Similarly Secured.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. **Amendments Permitted.**

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds Similarly Secured may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds

Similarly Secured, or with the written consent without a meeting, of the Owners of the Bonds Similarly Secured of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time and City approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured (except as otherwise permitted by Applicable Laws and this Indenture), or reduce the percentage of Bonds Similarly Secured required for the amendment hereof. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of qualified counsel addressed and delivered to the Trustee stating that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (b) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds Similarly Secured, and (c) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by Applicable Laws, and only for anyone or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds Similarly Secured in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds Similarly Secured; and

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

(c) Notwithstanding anything to the contrary herein, no Supplemental Indenture entered into in accordance with Section 10.1(b) above shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment will not adversely affect the: (i) interests of the Owners in any material respect, or (ii) exclusion of interest on any Bond Similarly Secured from gross income for purposes of federal income taxation.

Section 10.2. **Owners' Meetings.**

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

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

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

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

(c) After the Owners of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds Similarly Secured and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds Similarly Secured at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. **Procedure for Amendment Not Requiring Owner Consent.**

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, shall be mailed by first class mail by the Trustee to each Owner of Bonds Similarly Secured, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds Similarly Secured as of the date of such execution and delivery.

Section 10.5. **Effect of Supplemental Indenture.**

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Bonds Similarly Secured Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.6. **Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments.**

The City may determine that Bonds Similarly Secured issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bonds Similarly Secured Outstanding at such effective date and presentation of his Bond Similarly Secured for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond Similarly Secured. The City may determine that new Bonds Similarly Secured, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.7. **Amendatory Endorsement of Bonds Similarly Secured.**

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

Section 10.8. **Waiver of Default.**

Subject to Section 10.1, with the written consent of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. **Execution of Supplemental Indenture.**

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. **Events of Default.**

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

(i) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2;

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture other than a default under (i) above or (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding; and

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

Section 11.2. **Immediate Remedies for Default.**

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding hereunder and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that any action for money damages against the City shall be limited to recovery from the Trust Estate may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SIMILARLY SECURED SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) 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. The Trustee shall sell Trust Estate assets, according to the appraised value thereof, beginning with the asset of the highest value and continuing such sales in the order of next succeeding most valuable asset until satisfaction of debts pertaining to the outstanding Bonds Similarly Secured. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

(d) In an Event of Default shall have occurred and be continuing, the City, upon demand of the Trustee, shall surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers, and accounts of the City pertaining thereto, and including the

rights and the position of the City, and to hold, operate, and manage the same, and from time to time make all needed repairs and improvements, as well as set up proper reserve for the payment of all proper costs and expenses, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents, and counsel, (ii) any reasonable charges of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this of Indenture, and (iv) all expenses of such repairs and improvements. After payment in full of the foregoing, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns.

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 actual knowledge thereof or has been notified in writing as provided in Section 9.3(f), or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds Similarly Secured.

(c) In case the Trustee or any Owners of Bonds Similarly Secured 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 of Bonds Similarly Secured, then and in every such case the City, the Trustee and the Owners of Bonds Similarly Secured shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4. **Application of Revenues and Other Moneys After Default.**

(a) All moneys, securities, funds and Pledged Revenues and 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, liabilities, advances 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, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

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

Within thirty (30) days of receipt of such good and available funds, the Trustee may fix a record date and a payment date for any payment to be made to Owners of Bonds Similarly Secured 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 Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of this Indenture.

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

Section 11.5. **Effect of Waiver.**

The Trustee may, with the prior written consent of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time, waive an Event of Default occurring hereunder. 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 Similarly Secured.**

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

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

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

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

Section 11.7. **No Acceleration.**

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

Section 11.8. **Mailing of Notice.**

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

Section 11.9. **Exclusion of Bonds Similarly Secured.**

Bonds Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for any purpose. The City shall promptly deliver any such Bonds Similarly Secured to the Trustee for cancellation.

Section 11.10. **Remedies Not Exclusive.**

Subject to Section 11.2, 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.

Section 11.11. **Direction by Owners**.

Anything herein to the contrary notwithstanding, the Owners of a Quarter in Interest of the Bonds Similarly Secured shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method and place of conducting any proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with law and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. **Representations as to Trust Estate.**

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

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

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate and will 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 Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. **General.**

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

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. **Further Assurances; Due Performance.**

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

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

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

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

(b) Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be done or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

(c) Additionally, the City 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 Pledged Revenues securing payment of the Bonds Similarly Secured.

(d) The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds

and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:

(i) Notwithstanding anything to the contrary herein, no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds is scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture; and

(ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 13.2 shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

Section 13.3. **Books of Record.**

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

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

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS SIMILARLY SECURED AND SATISFACTION OF THE INDENTURE

Section 14.1. **Trust Irrevocable.**

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

Section 14.2. **Satisfaction of Indenture.**

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds Similarly Secured, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds Similarly Secured has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder as directed in writing by the City.

Section 14.3. **Bonds Similarly Secured Deemed Paid.**

(a) Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. 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 Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of

clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

ARTICLE XV

MISCELLANEOUS

Section 15.1. **Benefits of Indenture Limited to Parties.**

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 15.2. **Successor is Deemed Included in All References to Predecessor.**

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

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

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

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

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

(d) Any request, declaration or other instrument or writing of the Owner of any Bond Similarly Secured shall bind all future Owners of such Bond Similarly Secured in respect of

anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. **No Waiver of Personal Liability.**

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. **Notices to and Demands on City and Trustee.**

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City	City of Liberty, Texas 1829 Sam Houston Street Liberty, Texas 77575 Attn: City Manager Telephone: _____
If to the Trustee	_____
Or the Paying Agent/Registrar	_____

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

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

(d) The Trustee shall mail to each Owner of a Bond Similarly Secured notice of (1) any substitution of the Trustee; or (2) the redemption or defeasance of all Outstanding Bonds Similarly Secured.

(e) The Trustee agrees to accept and act upon instructions or directions pursuant to the governing documents sent in writing by Electronic Notice and Electronic Signature, provided, however, that such instructions or directions shall be signed by an Authorized Representative. If the Issuer elects to give the instructions by Electronic Notice or Electronic Signature, the Trustee may deem such instructions controlling. 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 instructions conflict or are inconsistent with a subsequent

written instruction. The Issuer agrees to assume all risks arising out of the use of such Electronic Notice or Electronic Signature to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk or interception and misuse by third parties.

Section 15.6. **Partial Invalidity.**

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

Section 15.7. **Applicable Laws; Jurisdiction.**

THIS INDENTURE SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS AND THE OBLIGATIONS OF THE PARTIES HERETO ARE AND SHALL BE PERFORMABLE IN THE COUNTY WHEREIN THE PROPERTY IS LOCATED, AND IF LEGAL ACTION IS NECESSARY BY EITHER PARTY WITH RESPECT TO THE ENFORCEMENT OF ANY TERM OF THIS INDENTURE, EXCLUSIVE VENUE FOR SAME SHALL LIE IN THE COURTS OF THE COUNTY. BY EXECUTING THIS INDENTURE, EACH PARTY HERETO EXPRESSLY (a) CONSENTS AND SUBMITS TO PERSONAL JURISDICTION AND VENUE CONSISTENT WITH THE PREVIOUS SENTENCE, (b) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL CLAIMS AND DEFENSES THAT SUCH JURISDICTION AND VENUE ARE NOT PROPER OR CONVENIENT, AND (c) CONSENTS TO THE SERVICE OF PROCESS IN ANY MANNER AUTHORIZED BY TEXAS LAW.

Section 15.8. **Payment on Business Day.**

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

Section 15.9. **Counterparts.**

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

Section 15.10. **Boycotts and Foreign Business Engagements.**

The Trustee makes the following representations and covenants pursuant to Chapters 2252,

2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary. Notwithstanding anything in this Indenture to the contrary, the Issuer reserves and retains all rights and remedies at law and in equity for pursuit and recovery of damages, if any.

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

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

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

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

Section 15.11. **Electronic Storage.**

The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

[Remainder of page left blank intentionally]

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

CITY OF LIBERTY, TEXAS

By: _____
Mayor

Attest:

_____
City Secretary

(CITY SEAL)

_____,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

DESCRIPTION OF THE PROPERTY WITHIN THE LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT

EXHIBIT B

FORM OF CERTIFICATION FOR PAYMENT

(Certification for Payment – Liberty Ranch)

CERTIFICATION FOR PAYMENT FORM NO. _____

The undersigned _____ (the "**Construction Manager**") requests payment from Improvement Account of the Project Fund from the City of Liberty (the "**City**") in the amount of $_____ for labor, design, materials, fees, and/or other general costs related to the acquisition or construction of certain Authorized Improvements providing a special benefit to property within the Liberty Ranch Public Improvement District (the "**District**"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Liberty Ranch Public Improvement District Reimbursement Agreement between the Owner and the City (the "**PID Financing Agreement**").

In connection with the above referenced payment, the Construction Manager represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Certification for Payment Form No. _____ on behalf of the Construction Manager, and is knowledgeable as to the matters set forth herein.

2. The work described in Attachment A has been completed in the percentages stated therein.

3. The Certification for Payment for the below referenced Public Improvements has not been the subject of any prior Certification for Payment submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

4. The amounts listed for Actual Costs of the Public Improvements, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Public Improvements, and such costs (i) are in compliance with the PID Financing Agreement, and (ii) are consistent with the Service and Assessment Plan.

5. The Construction Manager is in compliance with the terms and provisions of the PID Financing Agreement and the Service and Assessment Plan.

6. The Construction Manager has timely paid all ad valorem taxes and annual installments of Special Assessments it owes or an entity under common control with the

Construction Manager owes, located in the District and has no outstanding delinquencies for such taxes and assessments.

7. The work with respect to the Public Improvements referenced below (or its Segment) has been completed, and the City has inspected [and accepted] such Public Improvements (or its completed Segment). ***[Include bracketed language if final progress payment for such Authorized Improvement]***

8. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the Public Improvements identified may be paid until the work with respect to such Public Improvements (or Segment thereof) has been completed and the City has accepted such Public Improvements (or Segment thereof). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Public Improvements (or Segment thereof).

9. [Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.][***Include bracketed language if final progress payment for such Authorized Improvement]***

10. Attached hereto as Attachment C are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.

11. Also attached hereto as Attachment D are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to the District.

Pursuant to the PID Financing Agreement, after receiving this Certification for Payment, the City has inspected [and accepted] the Completed Public Improvements and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations. ***[Include bracketed language if final progress payment for such Authorized Improvement*]**

(Signature pages follow)

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

_____
a Texas _____
as _____

By: _____
Name:_____
Title: _____

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

_____

By:
Name:_____
Title: _____

APPROVAL OF CERTIFICATION FOR PAYMENT

The City is in receipt of the attached Certification for Payment Form No. ____, acknowledges the Certification for Payment, acknowledges that the Public Improvements (or its Segment) covered by the certificate have been inspected by the City, and otherwise finds the Certification for Payment Form No. ____ to be in order. After reviewing the Certification for Payment Form, the City approves the Certification for Payment Form No. ____ and shall direct the Trustee to make payment from the Improvement Account of the Project Fund to the Construction Manager or to any person designated by the Construction Manager.

CITY OF LIBERTY, TEXAS

By: _____
Name: _____
Title: _____

Date: _____ **ATTACHMENT A**

TO CERTIFICATION FOR PAYMENT FORM NO. ____

Segment	Description of Work Completed under this Certification for Payment	Actual Costs

ATTACHMENT B

TO CERTIFICATION FOR PAYMENT FORM NO. _____

[***Include Attachment B bracketed if final progress payment for such Authorized Improvement***]

[bills paid affidavit and release of liens - attached]

ATTACHMENT C

TO CERTIFICATION FOR PAYMENT FORM NO. ___

INVOICE LEDGER

Invoice Ledger
Entity: Continental Homes of Texas, L.P.
Project: Liberty Ranch Public Improvement District

Certification of Payment Form No. ___	Date	Vendor	Invoice #	Invoice Amount	Requested Amount	Approved Amount	Budget Sub-Category	Budget Description

[INVOICES AND/OR RECEIPTS - ATTACHED]

ATTACHMENT D

TO CERTIFICATION FOR PAYMENT FORM NO. _____

[lender consents or approvals - attached]

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

Liberty Ranch Public Improvement District

PRELIMINARY SERVICE AND ASSESSMENT PLAN

JANUARY 13, 2026

P3 WORKS

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

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INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section", "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 May 10, 2022, the City Council passed and approved a Resolution authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon adoption as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 50.993 acres located within the corporate limits of the City, as described by the legal description on **Exhibit J** and depicted on **Exhibit A**.

The PID Act requires a Service Plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements and including 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**.

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

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

SECTION I: DEFINITIONS

"Actual Costs" mean, with respect to Public Improvements, the actual costs paid or incurred by or on behalf of the Developer[s], (either directly or through affiliates), including : (1) the costs for the design, planning, administration/management, acquisition, installation, construction and/or implementation and dedication of such Authorized Improvements; (2) the fees paid for obtaining permits, zoning, licenses, plan approvals, inspections 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 Public Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, legal, consulting, and other governmental fees, construction security, insurance premiums, directly related to the construction of the Public Improvements, and (6) charges and costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee not exceeding four percent (4%) of construction costs if managed by or on behalf of the Developer.

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

"Additional Interest Rate" means the additional interest rate, not to exceed 0.50%, that may be charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act.

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

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan, the PID Act, and any Indenture, with respect to the PID Bonds, including the City's continuing disclosure requirements; and (8) 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 on an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest related to the Bonds, if applicable.

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

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

"Assessment" means an assessment levied against Assessed Property, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Assessed Property or reduction according to the provisions herein and in the PID Act.

"Assessment Ordinance" means Ordinance No._____ adopted by the City Council on February 10, 2026, in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

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

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

"Authorized Improvements" means the improvements authorized by Section 372.003 of the PID Act, including the Public Improvements, Bond Issuance Costs, and First Year Annual Collection Costs, as described in **Section III**.

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

"County" means Liberty 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 Liberty Ranch, LLC, a Texas limited liability company, and any successors or assigns thereof that intends to develop the property in the District.

"Development Agreement" means that certain Liberty Ranch Development Agreement entered into on April 24, 2025, by and between the Developer and the City.

"District" means the Liberty Ranch Public Improvement District containing approximately 50.993 acres located within the corporate limits of the City, as generally depicted on **Exhibit A**, and described on **Exhibit J**.

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

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

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

"First Year Annual Collection Costs" means the Annual Collection Costs associated with the first year of the District.

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

"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**.**

"Lot" means (1) for any portion of the District for which a final subdivision plat has been recorded in the 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 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 City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as provided by the Developer, and confirmed by the City Council, as shown on **Exhibit E.**

"Lot Type 1" means a Lot within the District marketed to homebuilders as a 50' Lot. The buyer disclosure for Lot Type 1 is attached as **Appendix B.**

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

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

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

"Offsite Improvements" means offsite water and sewer utility extensions located outside the Property and improvements to Highway 146 as described in Section 12.11 of the Development Agreement.

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

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

"PID Bonds" means those certain "City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District)", to finance the Authorized Improvements, and secured in whole or in part by the Assessments.

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

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

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

"**Public Improvements**" means the Authorized Improvements to be constructed by the Developer and that are specifically described in **Section III.A** and depicted on **Exhibit G.**

"Reimbursement Agreement" means that certain "Liberty Ranch Public Improvement District Reimbursement Agreement" effective _____, 2025 entered into by and between the City and the Developer, whereby all or a portion of the Actual Costs as set forth herein will be paid to the Developer from the Assessments to reimburse the Developer for Actual Costs paid by the Developer, that are eligible to be paid with the Assessments plus interest

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

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

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

SECTION II: THE DISTRICT

The District includes approximately 50.993 contiguous acres located within the corporate limits of the City. The boundaries of the District are more particularly described by the legal description on **Exhibit J** and depicted on the boundary map attached as **Exhibit A**. Development of the District is anticipated to include approximately 216 Lots developed with single-family homes.

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be operated and maintained by the City or the homeowner 's association unless otherwise noted. The project costs for the Authorized Improvements are shown on **Exhibit B**. Maps depicting the Public Improvements are included on **Exhibit G**.

A. Public Improvements

- *Roadways*

  Improvements include land acquisition for right-of-way, subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, and curbs. Intersections, streetlights and signage are included. Roadway improvements include streets that will provide street access to each Lot.

- *Drainage*

  Improvements include land acquisition for detention, and drainage, trench excavation and embedment, trench safety, reinforced concrete and PP piping, manholes, inlets, channels/swales, clearing, pond excavation and embankment, soil testing, channels, rock riprap, loose riprap walls, construction of outfall structures, silt fence, rock berms, construction entrances, inlet protection, topsoil, hydromulch, seeding, and irrigation sleeves, revegetation, and utility improvements. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area and temporarily detain water as required by the City.

- *Water*

  Improvements include trench excavation and embedment, trench safety, PVC piping, fire hydrant assemblies, air release valves, gate valves, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission

lines extending water service to the District. The water improvements will be owned by the City.

- *Sewer*

  Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. Sewer system will be owned by City of Liberty.

- *Parks and Landscaping*

  Improvements include community entry monument signs, landscape entry, land acquisition, street trees, play structures, basketball court, horseshoe pitches, fencing, perimeter walls, and planting and irrigation providing improvements to the public. Parks and Landscaping improvements will be owned by the City and maintained by the HOA.

- *Offsite Improvement Highway 146*

  Improvements include any improvement required by TXDOT to be made to Highway 146 as described in the Development Agreement.

- *Soft Costs*

  Costs related to District Formation Expense, mobilization, setup, and project overhead for all equipment, designing, constructing, and installing the Public Improvements including land planning and design, City fees, inspection fees, engineering, Geotechnical, Storm Water Pollution Prevention Plan, material testing and survey.

B. Offsite Improvements

- *Sewer*

  Improvements include utility extensions located outside the Property to extend sewer utility services to the Property as described in the Development Agreement.

- *Water*

  Improvements include utility extensions located outside the Property to extend water utility services to the Property as described in the Development Agreement

C. Bond Issuance Costs

- *Debt Service Reserve Fund*

  Equals the amount to be deposited in a debt service reserve fund under an applicable

Indenture in connection with the issuance of PID Bonds.

- *Underwriter's Discount*

  Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds, which includes Underwriter's counsel fee.

- *Cost of Issuance*

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

D. Other Costs

- *Initial Administrative Fund Deposit*

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

SECTION IV: SERVICE PLAN

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

Exhibit D summarizes the sources and uses of funds required to construct the Public Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update to show any budget revisions and the amount required to fund the required reserves and issue the PID Bonds at the time the PID Bonds are issued.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot;

(2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

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

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

A. Assessment Methodology

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

- The costs of the Authorized Improvements shall be allocated to each Parcel within the District based on the ratio of the Estimated Buildout Value of each Parcel designated as an Assessed Property to the Estimated Buildout Value of all Assessed Property. Currently the Initial Parcel is allocated 100% of the Assessment levied for the Authorized Improvements.

B. Assessments

The Assessment will be levied on the Assessed Property in the amount shown on the Assessment Roll, attached hereto as **Exhibit F-1**. The projected Annual Installments are shown on **Exhibit F-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 Lot Type 1 is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1 exceed the corresponding Maximum Assessment for Lot Type 1.

C. Findings of Special Benefit

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

- The costs of the Authorized Improvements equal $7,471,583 as shown on **Exhibit B**;
- The Assessed Property receives special benefit from the Authorized Improvements equal to or greater than the Actual Cost of the Authorized Improvements;
- The Assessed Property will be allocated 100% of the Assessment levied for the Authorized Improvements, which equals $6,572,000 as shown on the Assessment Roll attached hereto as **Exhibit F-1**;
- The special benefit ($\geq$ $7,471,583) received by the Assessed Property from the Authorized Improvements is equal to or greater than the amount of the Assessment ($6,572,000) levied on the Assessed Property for the Authorized Improvements; and
- At the time the City Council initially approved this Service and Assessment Plan, the Developer owned 100% of the Assessed Property. In a landowner consent certificate executed by the Developer, the Developer acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and consented to the imposition of the Assessment to pay for the Actual Costs associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the Assessment Ordinance; (2) the Service and Assessment Plan and the Assessment Ordinance; and (3) the levying of the Assessment on the Assessed Property.

D. Annual Collection Costs

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

E. Additional Interest

The interest rate on Assessments securing each respective series of PID Bonds may exceed the interest rate on each respective series of PID Bonds by the Additional Interest Rate. To the extent

required by any Indenture, Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

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

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

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

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

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

Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the Annual Service Plan Update immediately following such reallocation.

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

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

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

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

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single Lot or Parcel, the

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

B. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefited Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefited Property shall pay to the City or the Administrator on behalf of the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, a homeowner association, any other governmental entity or utility provider for use as internal roads, utilities, parks, drainage and detention facilities, and other similar Authorized Improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

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

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

D. Reduction of Assessments

If the Actual Costs of completed Authorized Improvements are less than the Assessments, then (1) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (2) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds as directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

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

E. Prepayment of Assessments

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

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

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

the City shall provide the owner with a recordable "Notice of PID Assessment Termination", a form of which is included as **Exhibit I**.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the estimated Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION VII: ASSESSMENT ROLL

The Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the 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 City Council's approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to

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

B. Amendments

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

C. Administration and Interpretation

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

D. Form of Buyer Disclosure; Filing in Real Property Records

Within seven days of approval by the City Council, the City Secretary shall file and record in the real property records of the County the executed Assessment Ordinance approving this Service and Assessment Plan. In addition, the City Secretary shall similarly file each Annual Service Plan Update approved by the City Council, with each such filing to occur within seven days of the date each respective Annual Service Plan Update is approved.

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	District Boundary Map
Exhibit B	Authorized Improvements
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E	Maximum Assessment and Tax Rate Equivalent
Exhibit F-1	Assessment Roll
Exhibit F-2	Annual Installments
Exhibit G	Maps of Public Improvements
Exhibit H	Liberty Ranch Section 1 Plat
Exhibit I	Form of Notice of PID Assessment Termination
Exhibit J	District Boundary Legal Description

APPENDICES

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

Appendix A Engineer's Report

Appendix B Buyer Disclosures

EXHIBIT A – DISTRICT BOUNDARY MAP

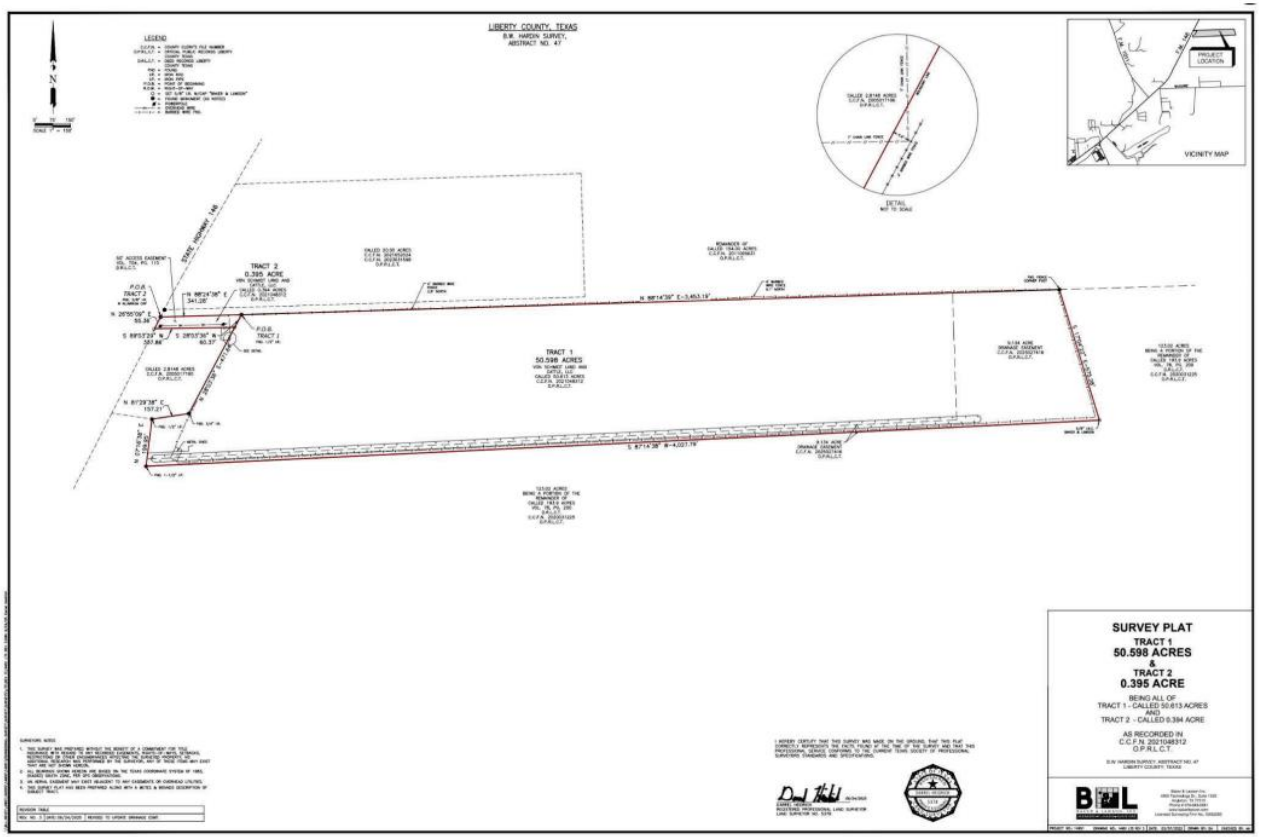


EXHIBIT B – AUTHORIZED IMPROVEMENTS

	Total Costs[a]	District		Non-District	
		%	Cost	%	Cost
Public Improvements					
Roadways	$ 1,596,015	100.00%	$ 1,596,015	0.00%	$ -
Water	671,233	100.00%	671,233	0.00%	-
Sewer	883,973	100.00%	883,973	0.00%	-
Drainage	1,122,911	100.00%	1,122,911	0.00%	-
Parks and Landscaping	56,140	100.00%	56,140	0.00%	-
Offsite Improvement - Highway 146[c]	675,000	64.74%	437,000	35.26%	238,000
Soft Costs[b]	1,338,195	100.00%	1,338,195	0.00%	-
	$ 6,343,467		$ 6,105,467		$ 238,000
Offsite Improvements [c]					
Water	$ 400,000	0.00%	$ -	100.00%	$ 400,000
Sewer	362,000	0.00%	$ -	100.00%	$ 362,000
	$ 762,000		$ -		$ 762,000
Bond Issuance Costs [d]					
Debt Service Reserve Fund	$ 492,750	100.00%	$ 492,750	0.00%	$ -
Capitalized Interest	241,886	100.00%	241,886	0.00%	-
Underwriter Discount[e]	197,160	100.00%	197,160	0.00%	-
Cost of Issuance	394,320	100.00%	394,320	0.00%	-
	$ 1,326,116		$ 1,326,116		$ -
Other Costs					
Deposit to Administrative Fund	40,000	100.00%	40,000	0.00%	-
	$ 8,471,583		**$ 7,471,583**		**$ 1,000,000**

Footnotes:

[a] Per Engineer's Report dated 10/12/2025.

[b] Soft costs include engineering, staking, surveying, and contingency.

[c] Per the Development Agreement, the City will reimburse the Developer up to $1,000,000 for Offsite Improvements from funds other than Assessments or PID Bond proceeds. Costs incurred by Developer in excess of $1,000,000 for Offsite Improvements shall be considered an Authorized Improvement and funded by proceeds of Assessments or PID Bonds.

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

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

EXHIBIT C – SERVICE PLAN

District						
Annual Installment Due		**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**	**1/31/2031**
Principal		$ 82,000.00	$ 87,000.00	$ 92,000.00	$ 97,000.00	$ 103,000.00
Interest		$ 410,750.00	$ 405,625.00	$ 400,187.50	$ 394,437.50	$ 388,375.00
Capitalized Interest		$ -	$ -	$ -	$ -	$ -
	(1)	$ 492,750.00	$ 492,625.00	$ 492,187.50	$ 491,437.50	$ 491,375.00
Additional Interest	(2)	$ 32,860.00	$ 32,450.00	$ 32,015.00	$ 31,555.00	$ 31,070.00
Annual Collection Costs	(3)	$ 40,800.00	$ 41,616.00	$ 42,448.32	$ 43,297.29	$ 44,163.23
Total Annual Installment Due	(4) = (1) + (2) + (3)	$ 566,410.00	$ 566,691.00	$ 566,650.82	$ 566,289.79	$ 566,608.23

EXHIBIT D – SOURCES AND USES OF FUNDS

	District	Non-District	Total
Sources of Funds			
Bond Par Amount	$ 6,572,000	$ -	$ 6,572,000
Developer Contribution[a]	899,583	$ -	899,583
Non-District Sources - Offsite Improvements[b]	-	1,000,000	1,000,000
Total Sources of Funds	**$ 7,471,583**	**$ 1,000,000**	**$ 8,471,583**
Uses of Funds			
Public Improvements	$ 6,105,467	$ 238,000	$ 6,343,467
Offsite Improvements	-	762,000	$ 762,000
	$ 6,105,467	$ 1,000,000	$ 7,105,467
Bond Issuance Costs[c]			
Debt Service Reserve Fund	$ 492,750	$ -	$ 492,750
Capitalized Interest	241,886	-	241,886
Underwriter Discount[d]	197,160	-	197,160
Cost of Issuance	394,320	-	394,320
	$ 1,326,116	$ -	$ 1,326,116
Other Costs			
Deposit to Administrative Fund	$ 40,000	$ -	$ 40,000
	$ 40,000	$ -	$ 40,000
Total Uses of Funds	**$ 7,471,583**	**$ 1,000,000**	**$ 8,471,583**

Footnotes:

[a] Not reimbursable to the Developer through Assessments or the issuance of PID Bonds.
[b]Non-District sources are lawfully available revenue of the City, other than the Assessments or proceeds of the Bonds, to be contributed by the City to pay or reimburse the Developer for the costs of certain Offsite Improvements. The sources are to be paid as a direct reimbursement to the Developer for costs
[c] Preliminary estimates only and subject to change upon the issuance of PID Bonds.
[d] Includes the fee of counsel to the Underwriter.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units[a]	Finished Lot Value[a]		Estimated Buildout Value[a]		Assessment		Average Annual Installment		PID TRE
		Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	
District										
Lot Type #1	216	$ 55,463	$ 11,980,000	$ 265,000	$ 57,240,000	$ 30,426	$ 6,572,000	$ 2,623	$ 566,661	$ 0.989973
Total	**216**		**$ 11,980,000**		**$ 57,240,000**		$ 6,572,000		**$ 566,661**	**$ 0.989973**

Footnotes:

[a] As provided by the appraisal dated December 16, 2025.

EXHIBIT F-1 – ASSESSMENT ROLL

		District[d]	
Property ID[a]	Lot Type	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b],[c]
15087	Initial Parcel	$ 6,572,000.00	$ 566,410.00
Total		**$ 6,572,000.00**	**$ 566,410.00**

Footnotes:

[a] Property IDs are preliminary and subject to change prior to billing.

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

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

[d] For a version of the Assessment Roll broken out on a per lot basis by legal description per the Final Plat Liberty Ranch Section 1 Plat submitted by the Developer, see below. Note, Property ID numbers will be added when assigned by Liberty County.

Property ID[a]	Lot	Block	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
TBD	1	1	1	$ 30,425.93	$ 2,622.27
TBD	2	1	1	$ 30,425.93	$ 2,622.27
TBD	3	1	1	$ 30,425.93	$ 2,622.27
TBD	4	1	1	$ 30,425.93	$ 2,622.27
TBD	5	1	1	$ 30,425.93	$ 2,622.27
TBD	6	1	1	$ 30,425.93	$ 2,622.27
TBD	7	1	1	$ 30,425.93	$ 2,622.27
TBD	8	1	1	$ 30,425.93	$ 2,622.27
TBD	9	1	1	$ 30,425.93	$ 2,622.27
TBD	10	1	1	$ 30,425.93	$ 2,622.27
TBD	1	2	1	$ 30,425.93	$ 2,622.27
TBD	2	2	1	$ 30,425.93	$ 2,622.27
TBD	3	2	1	$ 30,425.93	$ 2,622.27
TBD	4	2	1	$ 30,425.93	$ 2,622.27
TBD	5	2	1	$ 30,425.93	$ 2,622.27
TBD	6	2	1	$ 30,425.93	$ 2,622.27
TBD	7	2	1	$ 30,425.93	$ 2,622.27
TBD	8	2	1	$ 30,425.93	$ 2,622.27
TBD	9	2	1	$ 30,425.93	$ 2,622.27
TBD	10	2	1	$ 30,425.93	$ 2,622.27
TBD	11	2	1	$ 30,425.93	$ 2,622.27
TBD	12	2	1	$ 30,425.93	$ 2,622.27
TBD	13	2	1	$ 30,425.93	$ 2,622.27
TBD	14	2	1	$ 30,425.93	$ 2,622.27
TBD	15	2	1	$ 30,425.93	$ 2,622.27
TBD	16	2	1	$ 30,425.93	$ 2,622.27
TBD	17	2	1	$ 30,425.93	$ 2,622.27
TBD	18	2	1	$ 30,425.93	$ 2,622.27
TBD	19	2	1	$ 30,425.93	$ 2,622.27
TBD	20	2	1	$ 30,425.93	$ 2,622.27
TBD	21	2	1	$ 30,425.93	$ 2,622.27
TBD	22	2	1	$ 30,425.93	$ 2,622.27
TBD	23	2	1	$ 30,425.93	$ 2,622.27
TBD	24	2	1	$ 30,425.93	$ 2,622.27
TBD	25	2	1	$ 30,425.93	$ 2,622.27
TBD	26	2	1	$ 30,425.93	$ 2,622.27
TBD	27	2	1	$ 30,425.93	$ 2,622.27
TBD	1	3	1	$ 30,425.93	$ 2,622.27
TBD	2	3	1	$ 30,425.93	$ 2,622.27
TBD	3	3	1	$ 30,425.93	$ 2,622.27
TBD	4	3	1	$ 30,425.93	$ 2,622.27
TBD	5	3	1	$ 30,425.93	$ 2,622.27
TBD	6	3	1	$ 30,425.93	$ 2,622.27
TBD	7	3	1	$ 30,425.93	$ 2,622.27
TBD	8	3	1	$ 30,425.93	$ 2,622.27
TBD	9	3	1	$ 30,425.93	$ 2,622.27
TBD	10	3	1	$ 30,425.93	$ 2,622.27
TBD	11	3	1	$ 30,425.93	$ 2,622.27
TBD	12	3	1	$ 30,425.93	$ 2,622.27
TBD	13	3	1	$ 30,425.93	$ 2,622.27

Property ID[a]	Lot	Block	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
TBD	14	3	1	$ 30,425.93	$ 2,622.27
TBD	15	3	1	$ 30,425.93	$ 2,622.27
TBD	16	3	1	$ 30,425.93	$ 2,622.27
TBD	17	3	1	$ 30,425.93	$ 2,622.27
TBD	18	3	1	$ 30,425.93	$ 2,622.27
TBD	19	3	1	$ 30,425.93	$ 2,622.27
TBD	20	3	1	$ 30,425.93	$ 2,622.27
TBD	21	3	1	$ 30,425.93	$ 2,622.27
TBD	22	3	1	$ 30,425.93	$ 2,622.27
TBD	23	3	1	$ 30,425.93	$ 2,622.27
TBD	24	3	1	$ 30,425.93	$ 2,622.27
TBD	25	3	1	$ 30,425.93	$ 2,622.27
TBD	26	3	1	$ 30,425.93	$ 2,622.27
TBD	27	3	1	$ 30,425.93	$ 2,622.27
TBD	28	3	1	$ 30,425.93	$ 2,622.27
TBD	29	3	1	$ 30,425.93	$ 2,622.27
TBD	30	3	1	$ 30,425.93	$ 2,622.27
TBD	1	4	1	$ 30,425.93	$ 2,622.27
TBD	2	4	1	$ 30,425.93	$ 2,622.27
TBD	3	4	1	$ 30,425.93	$ 2,622.27
TBD	4	4	1	$ 30,425.93	$ 2,622.27
TBD	5	4	1	$ 30,425.93	$ 2,622.27
TBD	6	4	1	$ 30,425.93	$ 2,622.27
TBD	7	4	1	$ 30,425.93	$ 2,622.27
TBD	8	4	1	$ 30,425.93	$ 2,622.27
TBD	9	4	1	$ 30,425.93	$ 2,622.27
TBD	10	4	1	$ 30,425.93	$ 2,622.27
TBD	11	4	1	$ 30,425.93	$ 2,622.27
TBD	12	4	1	$ 30,425.93	$ 2,622.27
TBD	13	4	1	$ 30,425.93	$ 2,622.27
TBD	14	4	1	$ 30,425.93	$ 2,622.27
TBD	15	4	1	$ 30,425.93	$ 2,622.27
TBD	16	4	1	$ 30,425.93	$ 2,622.27
TBD	17	4	1	$ 30,425.93	$ 2,622.27
TBD	18	4	1	$ 30,425.93	$ 2,622.27
TBD	19	4	1	$ 30,425.93	$ 2,622.27
TBD	20	4	1	$ 30,425.93	$ 2,622.27
TBD	21	4	1	$ 30,425.93	$ 2,622.27
TBD	1	5	1	$ 30,425.93	$ 2,622.27
TBD	2	5	1	$ 30,425.93	$ 2,622.27
TBD	3	5	1	$ 30,425.93	$ 2,622.27
TBD	4	5	1	$ 30,425.93	$ 2,622.27
TBD	5	5	1	$ 30,425.93	$ 2,622.27
TBD	6	5	1	$ 30,425.93	$ 2,622.27
TBD	7	5	1	$ 30,425.93	$ 2,622.27
TBD	8	5	1	$ 30,425.93	$ 2,622.27
TBD	9	5	1	$ 30,425.93	$ 2,622.27
TBD	10	5	1	$ 30,425.93	$ 2,622.27
TBD	11	5	1	$ 30,425.93	$ 2,622.27
TBD	12	5	1	$ 30,425.93	$ 2,622.27

Property ID[a]	Lot	Block	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
TBD	13	5	1	$ 30,425.93	$ 2,622.27
TBD	14	5	1	$ 30,425.93	$ 2,622.27
TBD	15	5	1	$ 30,425.93	$ 2,622.27
TBD	16	5	1	$ 30,425.93	$ 2,622.27
TBD	17	5	1	$ 30,425.93	$ 2,622.27
TBD	18	5	1	$ 30,425.93	$ 2,622.27
TBD	19	5	1	$ 30,425.93	$ 2,622.27
TBD	20	5	1	$ 30,425.93	$ 2,622.27
TBD	Reserve A		Non-Benefited	$ -	$ -
TBD	Reserve B		Non-Benefited	$ -	$ -
TBD	Reserve C		Non-Benefited	$ -	$ -
TBD	Reserve D		Non-Benefited	$ -	$ -
TBD	Remainder Parcel		Remainder Parcel	$ 3,286,000.00	$ 283,205.00
Total				**$ 6,572,000.00**	**$ 566,410.00**

Footnotes:

[a] Property IDs are preliminary and subject to change prior to billing.

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

EXHIBIT F-2 – ANNUAL INSTALLMENTS

	District Bonds					
Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2026	$ -	$ 241,886	$ (241,886)	$ -	$ -	$ -
2027	$ 82,000	$ 410,750	$ -	$ 32,860	$ 40,800	$ 566,410
2028	$ 87,000	$ 405,625	$ -	$ 32,450	$ 41,616	$ 566,691
2029	$ 92,000	$ 400,188	$ -	$ 32,015	$ 42,448	$ 566,651
2030	$ 97,000	$ 394,438	$ -	$ 31,555	$ 43,297	$ 566,290
2031	$ 103,000	$ 388,375	$ -	$ 31,070	$ 44,163	$ 566,608
2032	$ 109,000	$ 381,938	$ -	$ 30,555	$ 45,046	$ 566,539
2033	$ 116,000	$ 375,125	$ -	$ 30,010	$ 45,947	$ 567,082
2034	$ 122,000	$ 367,875	$ -	$ 29,430	$ 46,866	$ 566,171
2035	$ 130,000	$ 360,250	$ -	$ 28,820	$ 47,804	$ 566,874
2036	$ 138,000	$ 352,125	$ -	$ 28,170	$ 48,760	$ 567,055
2037	$ 146,000	$ 343,500	$ -	$ 27,480	$ 49,735	$ 566,715
2038	$ 155,000	$ 334,375	$ -	$ 26,750	$ 50,730	$ 566,855
2039	$ 164,000	$ 324,688	$ -	$ 25,975	$ 51,744	$ 566,407
2040	$ 174,000	$ 314,438	$ -	$ 25,155	$ 52,779	$ 566,372
2041	$ 185,000	$ 303,563	$ -	$ 24,285	$ 53,835	$ 566,682
2042	$ 196,000	$ 292,000	$ -	$ 23,360	$ 54,911	$ 566,271
2043	$ 209,000	$ 279,750	$ -	$ 22,380	$ 56,010	$ 567,140
2044	$ 222,000	$ 266,688	$ -	$ 21,335	$ 57,130	$ 567,152
2045	$ 235,000	$ 252,813	$ -	$ 20,225	$ 58,272	$ 566,310
2046	$ 250,000	$ 238,125	$ -	$ 19,050	$ 59,438	$ 566,613
2047	$ 266,000	$ 222,500	$ -	$ 17,800	$ 60,627	$ 566,927
2048	$ 283,000	$ 205,875	$ -	$ 16,470	$ 61,839	$ 567,184
2049	$ 300,000	$ 188,188	$ -	$ 15,055	$ 63,076	$ 566,318
2050	$ 319,000	$ 169,438	$ -	$ 13,555	$ 64,337	$ 566,330
2051	$ 340,000	$ 149,500	$ -	$ 11,960	$ 65,624	$ 567,084
2052	$ 361,000	$ 128,250	$ -	$ 10,260	$ 66,937	$ 566,447
2053	$ 384,000	$ 105,688	$ -	$ 8,455	$ 68,275	$ 566,418
2054	$ 409,000	$ 81,688	$ -	$ 6,535	$ 69,641	$ 566,863
2055	$ 435,000	$ 56,125	$ -	$ 4,490	$ 71,034	$ 566,649
2056	$ 463,000	$ 28,938	$ -	$ 2,315	$ 72,454	$ 566,707
Total	**$ 6,572,000**	**$ 8,364,699**	**$ (241,886)**	**$ 649,825**	**$ 1,655,178**	**$ 16,999,815**

Footnotes:

[a] Interest is calculated at 6.25 % for illustrative purposes.

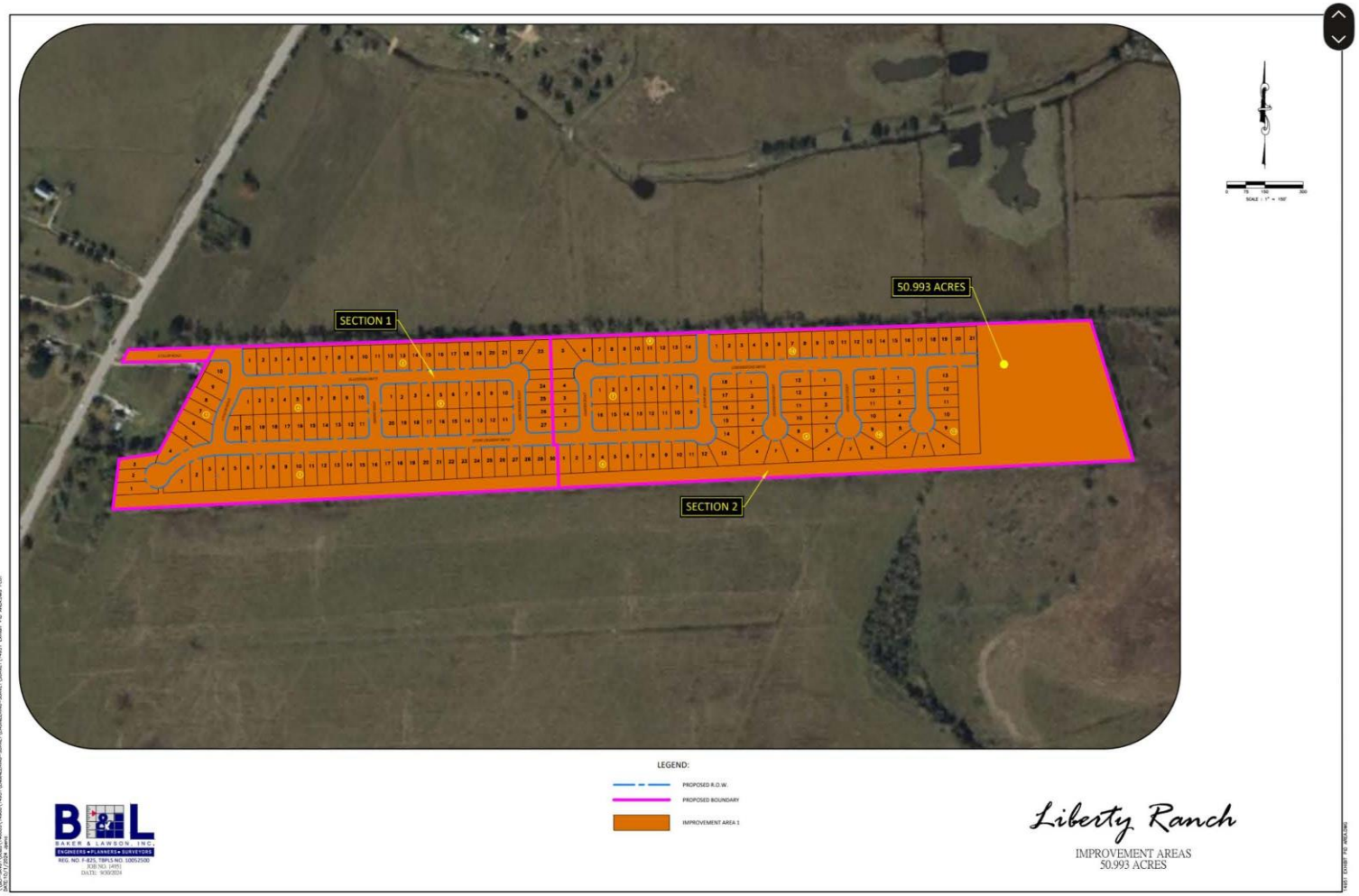
[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G – MAPS OF PUBLIC IMPROVEMENTS

LIBERTY RANCH

OVERALL AREA IMPROVEMENTS – IA#1 & IA#2

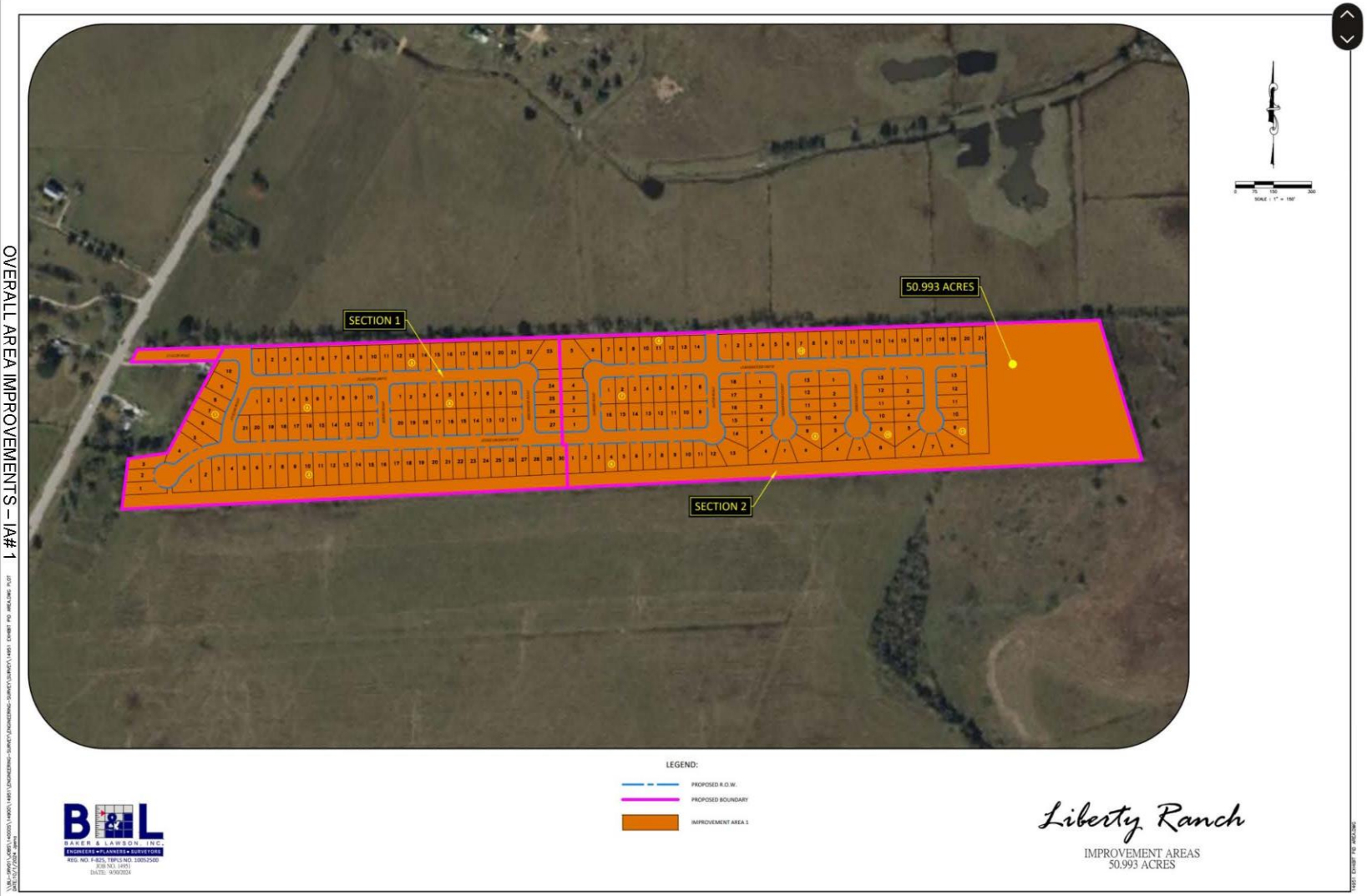
LIBERTY, TEXAS

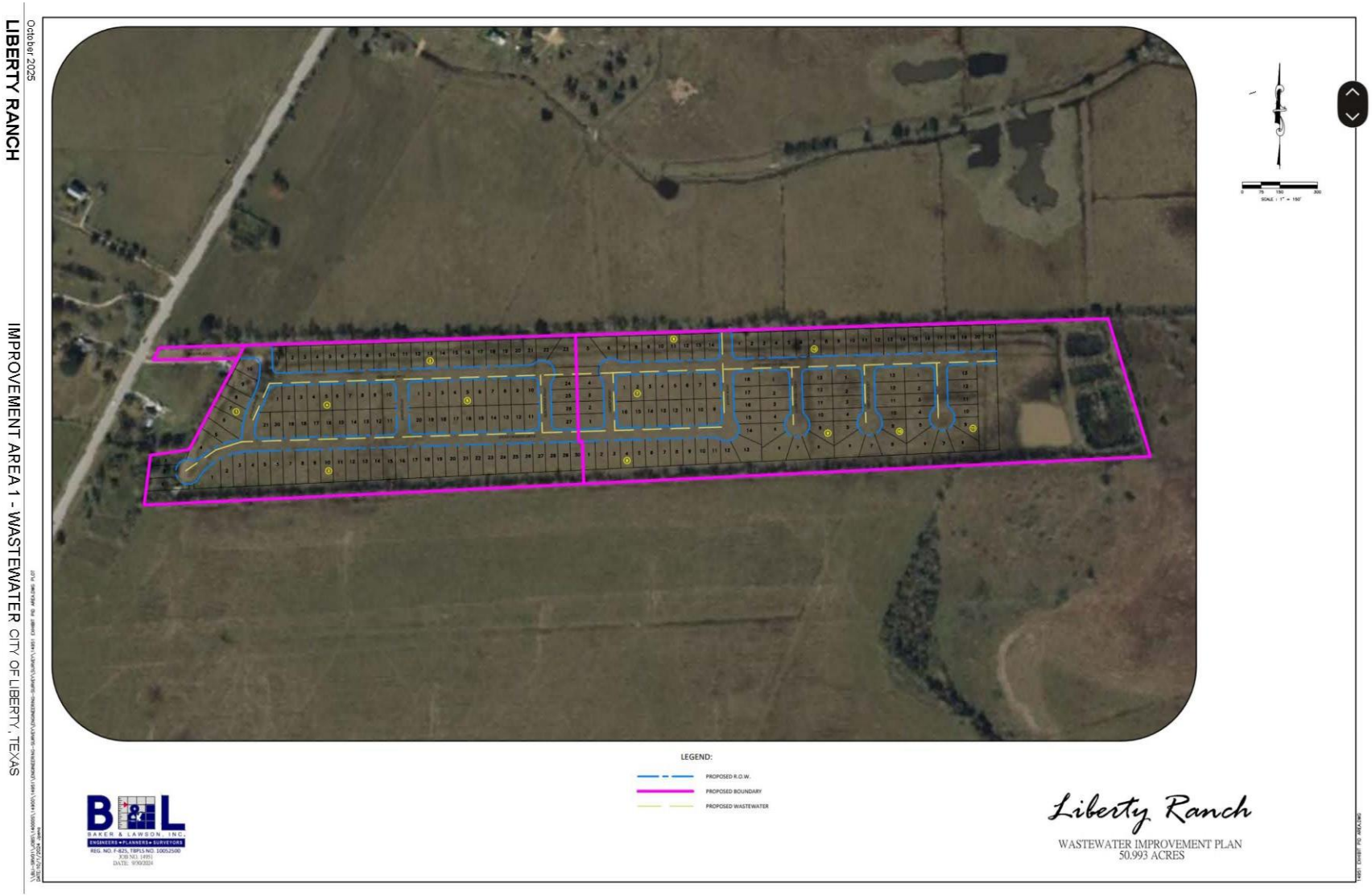


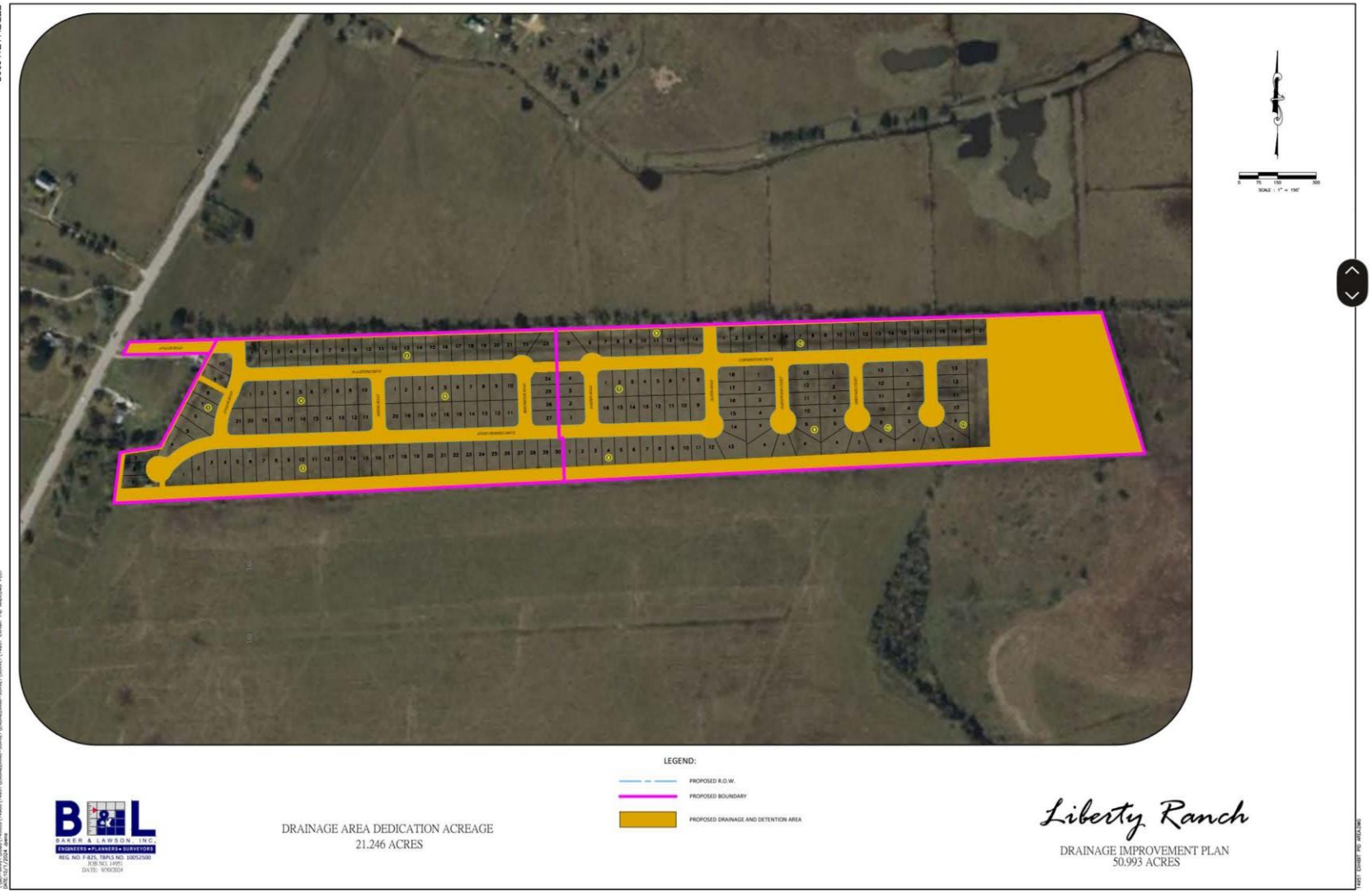
LIBERTY RANCH

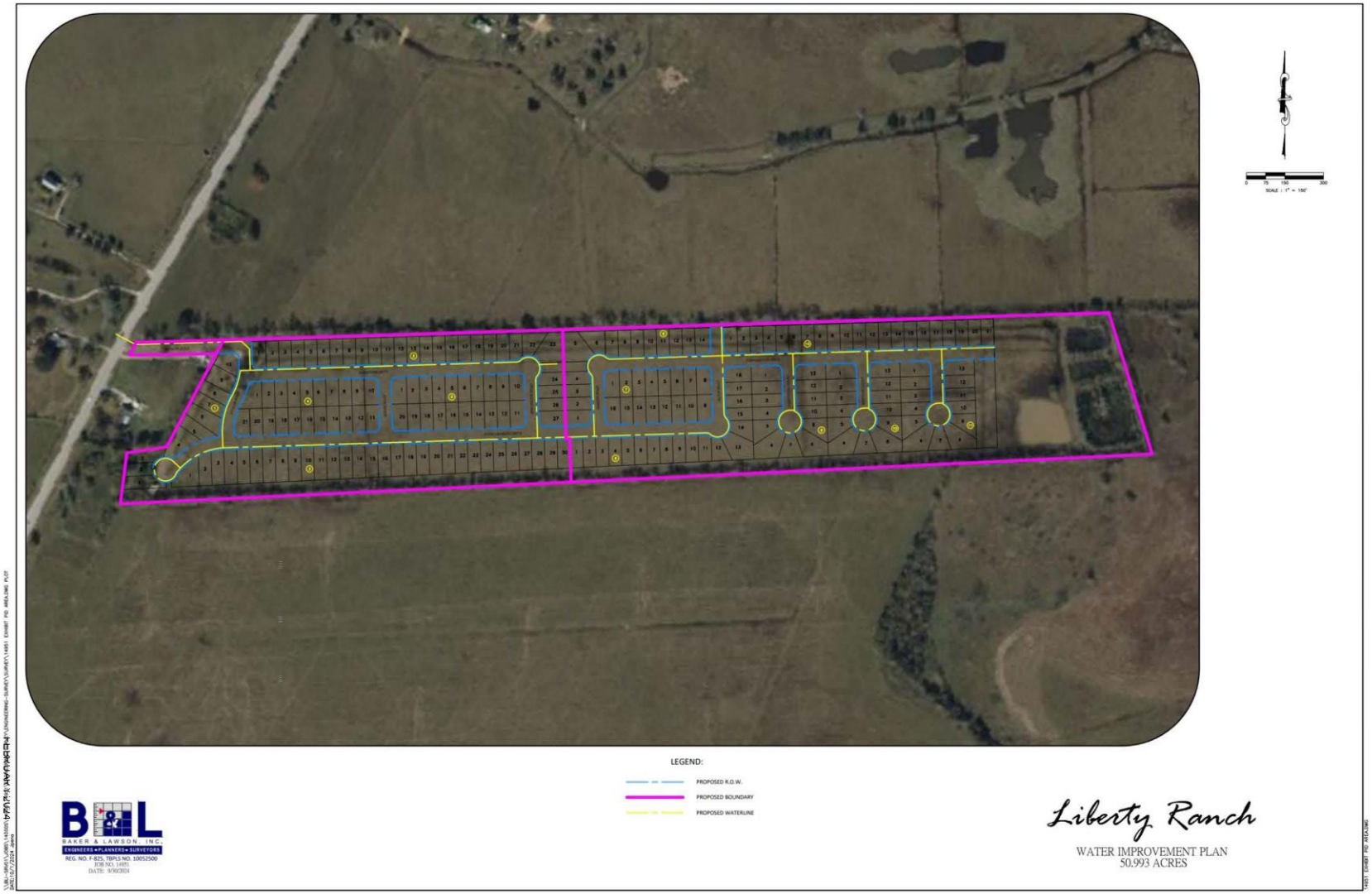
CITY OF LIBERTY, TEXAS

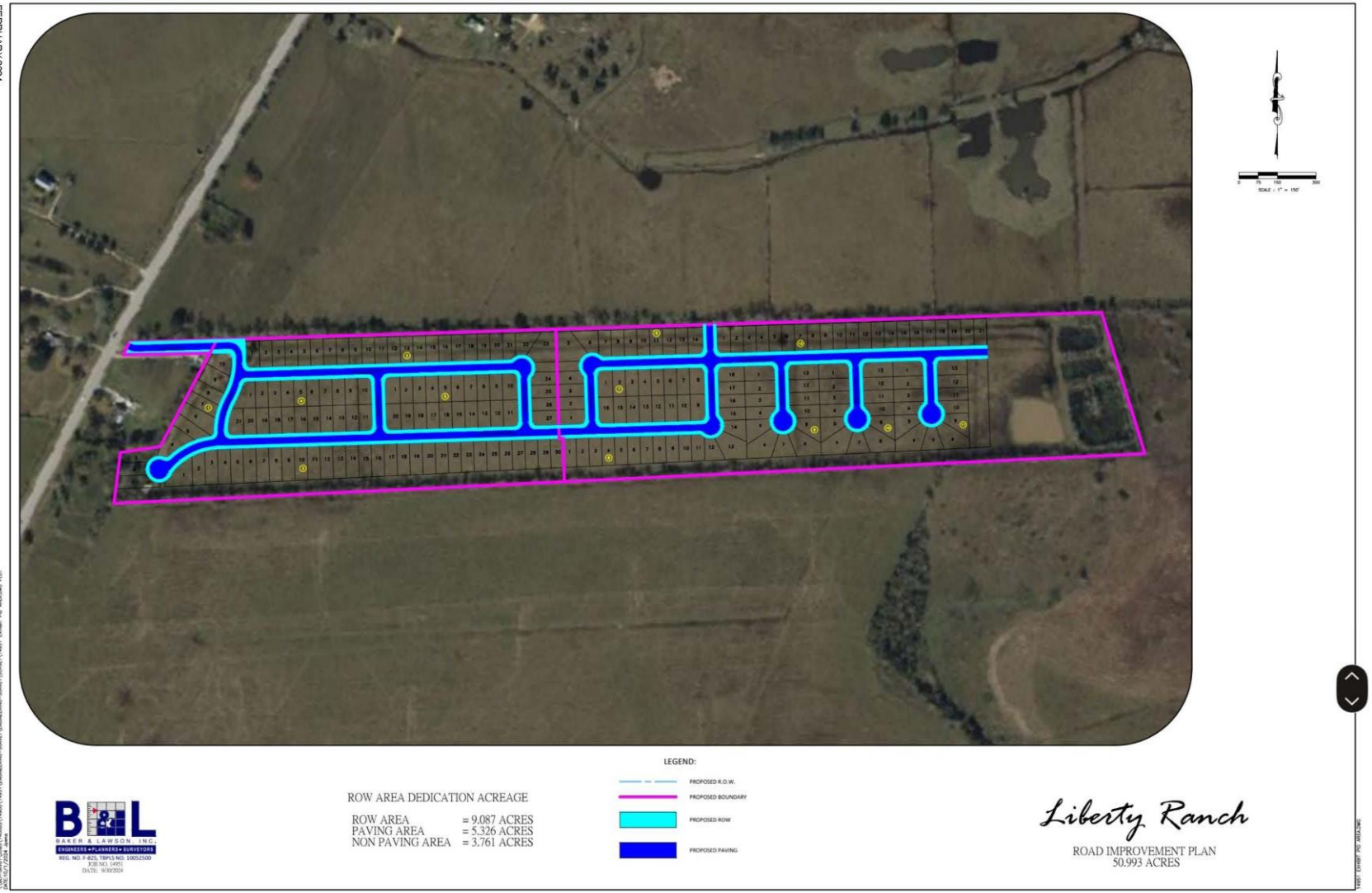
OVERALL AREA IMPROVEMENTS – IA# 1




LIBERTY RANCH
October 2025
IMPROVEMENT AREA 1 - WASTEWATER CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED WASTEWATER
BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS
REG. NO. F-825, TBPLS NO. 10052500
Liberty Ranch
WASTEWATER IMPROVEMENT PLAN
50.993 ACRES


LIBERTY RANCH
FEBRUARY 2025
IMPROVEMENT AREA 1 - DRAINAGE
CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED DRAINAGE AND DETENTION AREA
DRAINAGE AREA DEDICATION ACREAGE
21.246 ACRES
Liberty Ranch
DRAINAGE IMPROVEMENT PLAN
50.993 ACRES
BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS


LIBERTY RANCH
IMPROVEMENT AREA 1 - WATER
CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED WATERLINE
BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS
Liberty Ranch
WATER IMPROVEMENT PLAN
50.993 ACRES


LIBERTY RANCH
FEBRUARY 2024
IMPROVEMENT AREA 1 - STREETS
CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED ROW
PROPOSED PAVING
ROW AREA DEDICATION ACREAGE
ROW AREA = 9.087 ACRES
PAVING AREA = 5.326 ACRES
NON PAVING AREA = 3.761 ACRES
BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS
Liberty Ranch
ROAD IMPROVEMENT PLAN
50.993 ACRES

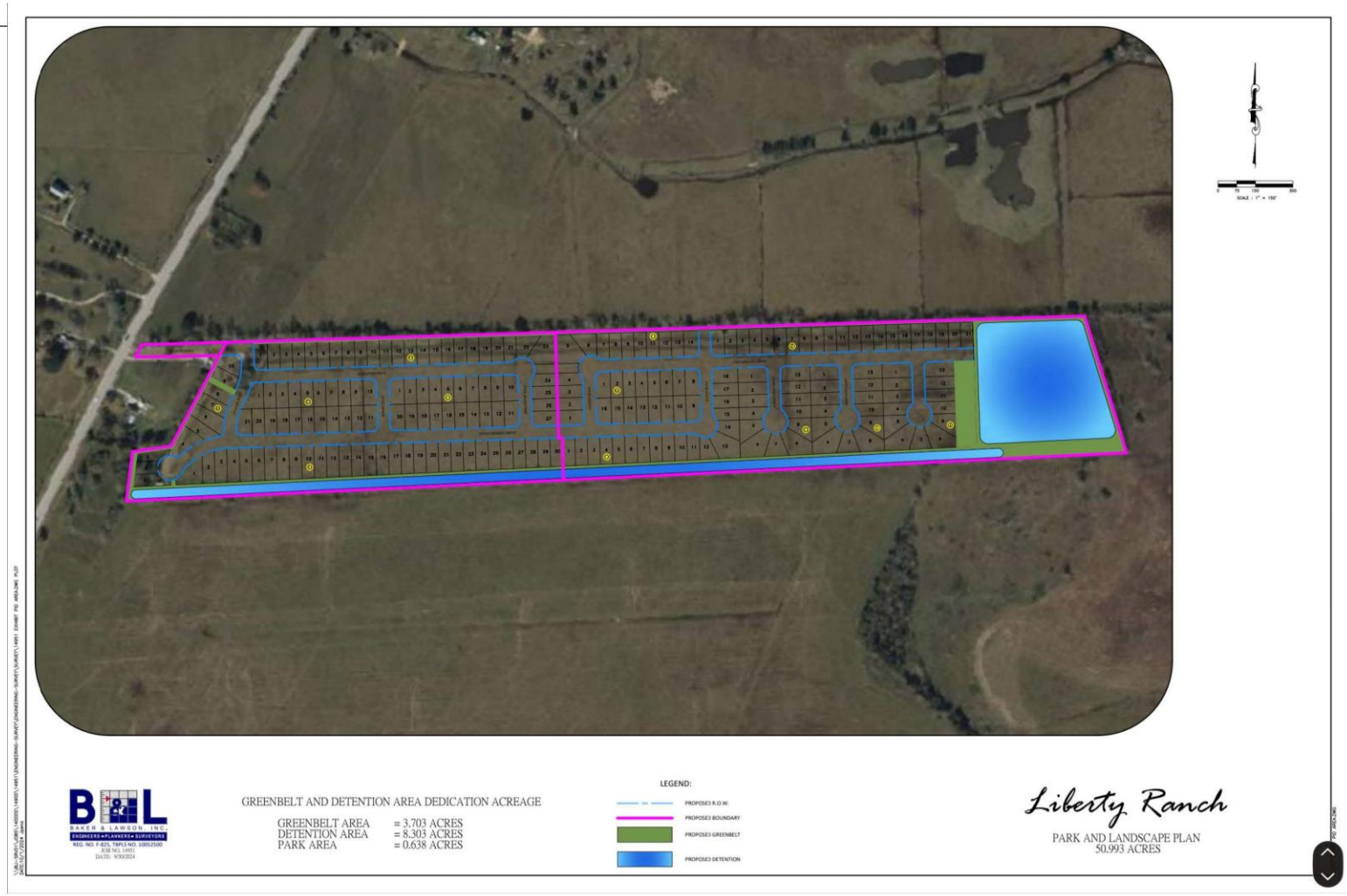
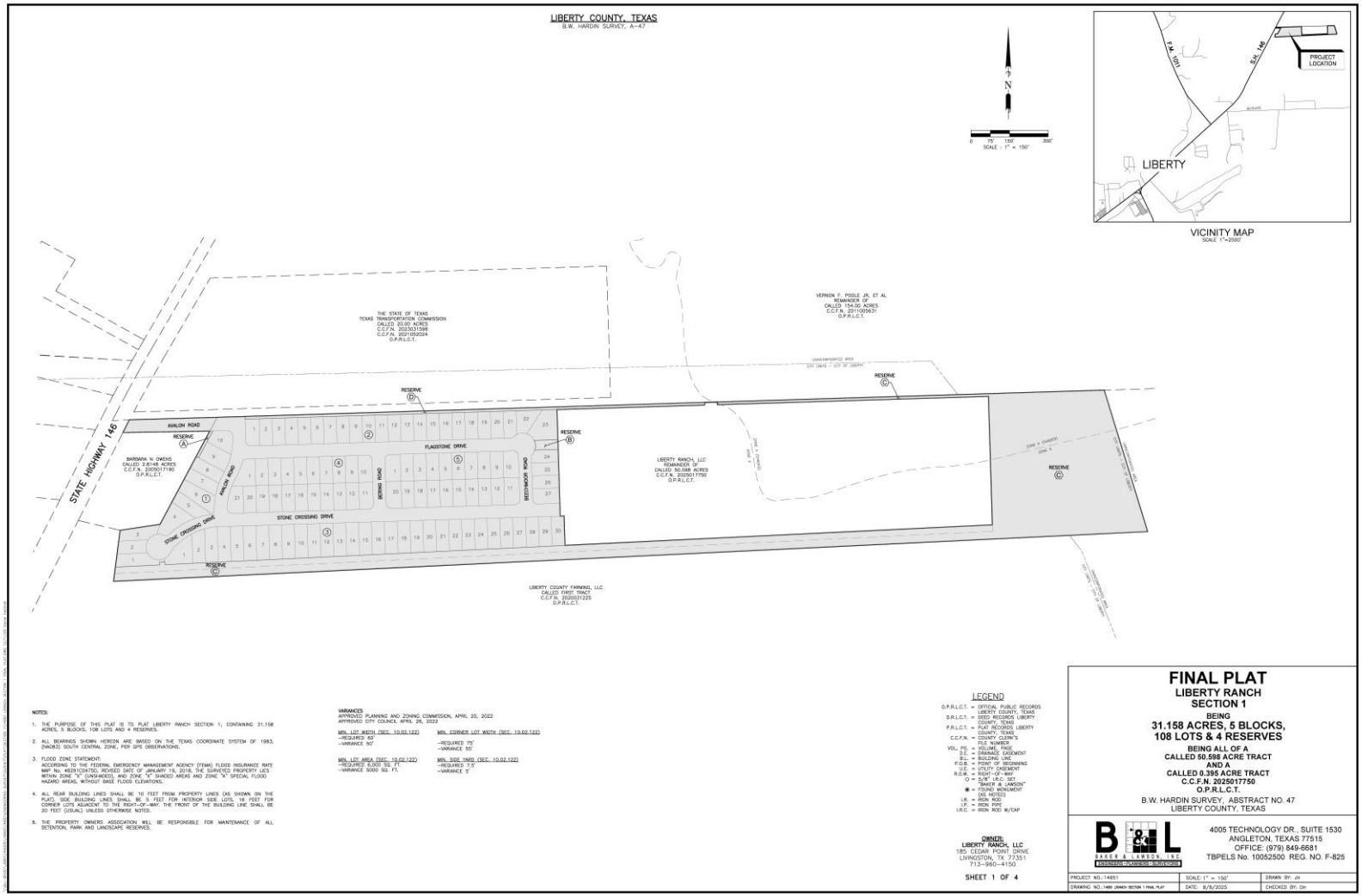
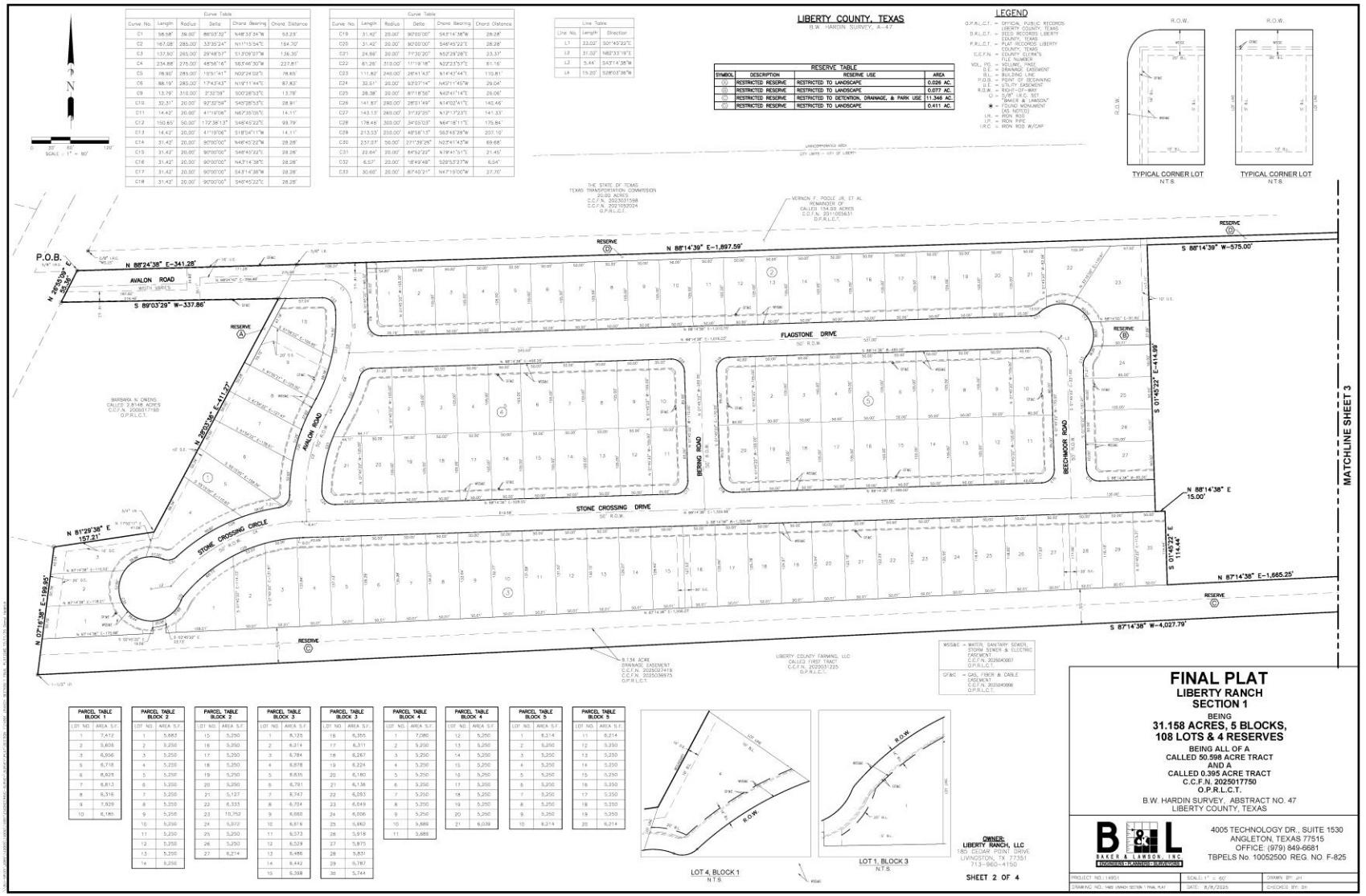
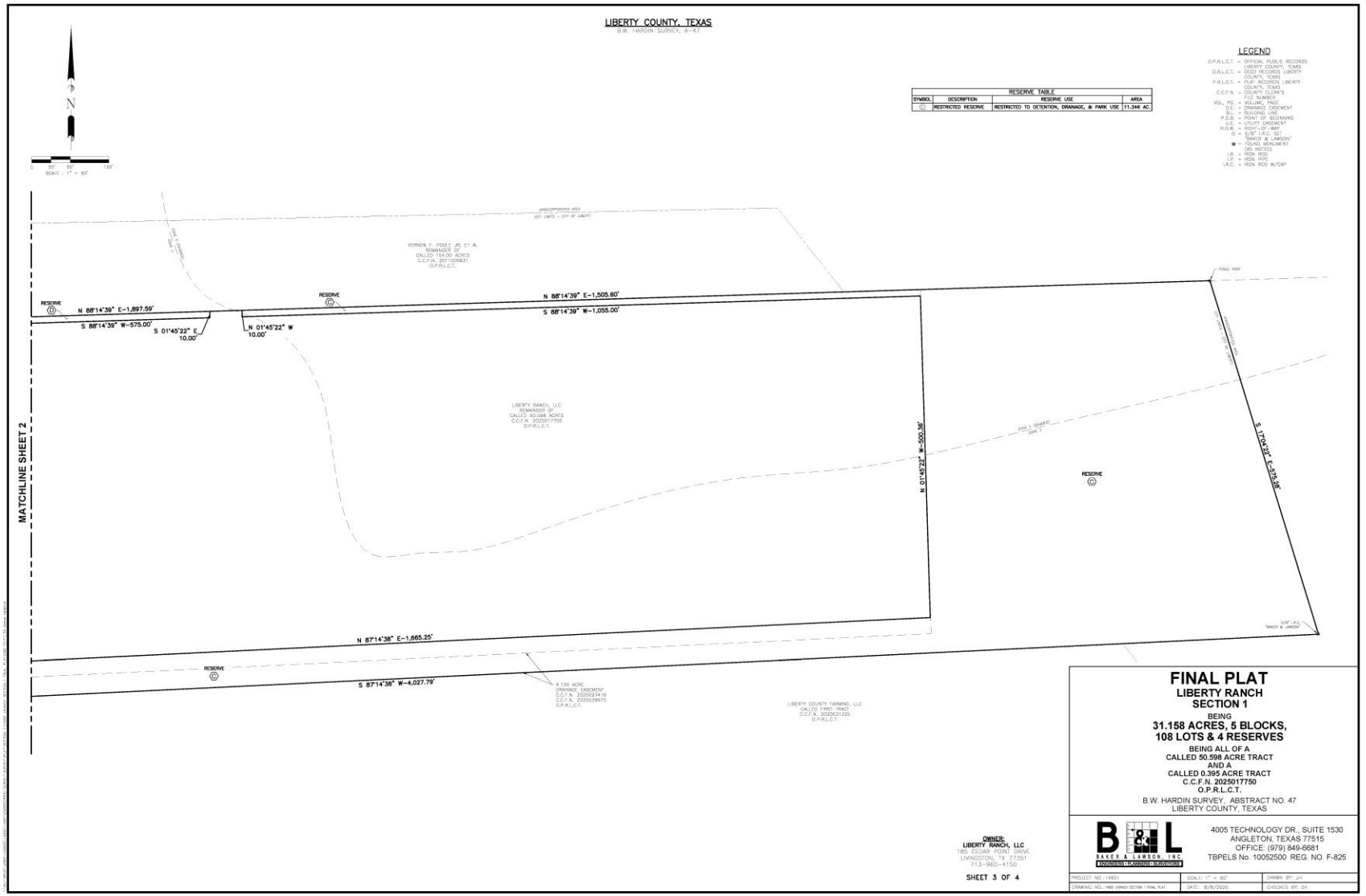
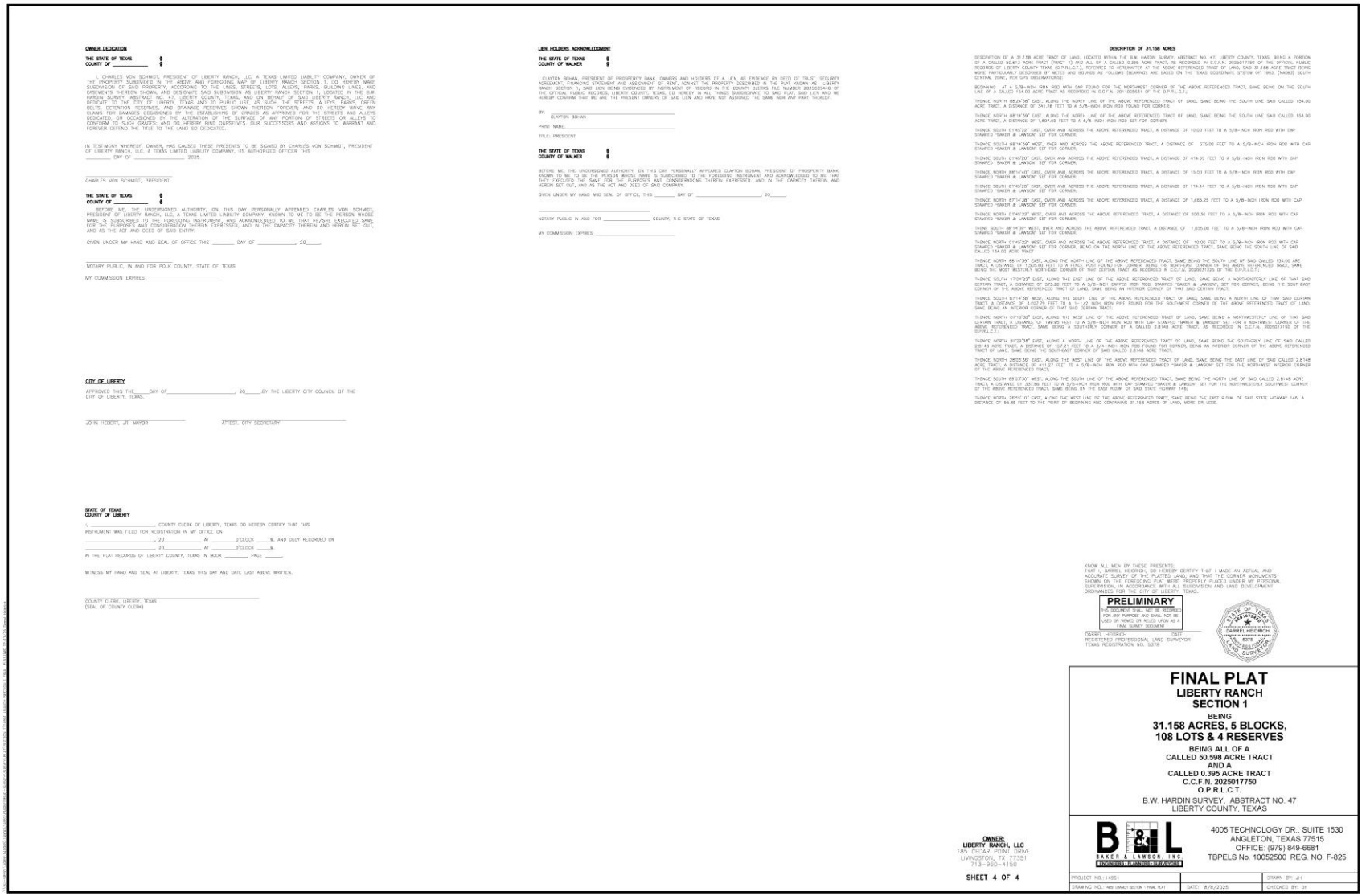

GREENBELT AND DETENTION AREA DEDICATION ACREAGE
GREENBELT AREA = 3.703 ACRES
DETENTION AREA = 8.303 ACRES
PARK AREA = 0.638 ACRES
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED GREENBELT
PROPOSED DETENTION
Liberty Ranch
PARK AND LANDSCAPE PLAN
50.993 ACRES

EXHIBIT H – LIBERTY RANCH SECTION 1 PLAT




LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47
LEGEND
RESERVE TABLE
SYMBOL | DESCRIPTION | RESERVE USE | AREA
(A) RESTRICTED RESERVE RESTRICTED TO LANDSCAPE 0.026 AC.
(B) RESTRICTED RESERVE RESTRICTED TO LANDSCAPE 0.077 AC.
(C) RESTRICTED RESERVE RESTRICTED TO DETENTION, DRAINAGE, & PARK USE 11.349 AC.
(D) RESTRICTED RESERVE RESTRICTED TO LANDSCAPE 0.411 AC.
TYPICAL CORNER LOT N.T.S.
TYPICAL CORNER LOT N.T.S.
P.O.B.
N 88°24'38" E-341.28'
S 89°03'29" W-337.86'
N 88°14'39" E-1,897.59'
S 88°14'39" W-575.00'
AVALON ROAD
FLAGSTONE DRIVE
50' R.O.W.
BERING ROAD
BEECHMOOR ROAD
STONE CROSSING DRIVE
STONE CROSSING CIRCLE
N 88°14'38" E
15.00'
S 01°45'22" E-414.99'
S 01°45'22" E
114.44'
N 87°14'38" E-1,665.25'
S 87°14'38" W-4,027.79'
N 81°29'38" E
157.21'
N 07°18'38" E-199.85'
MATCHLINE SHEET 3
OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713-960-4150
LOT 4, BLOCK 1
N.T.S.
LOT 1, BLOCK 3
N.T.S.
SHEET 2 OF 4
FINAL PLAT
LIBERTY RANCH
SECTION 1
BEING
31.158 ACRES, 5 BLOCKS,
108 LOTS & 4 RESERVES
BEING ALL OF A
CALLED 50.598 ACRE TRACT
AND A
CALLED 0.395 ACRE TRACT
C.C.F.N. 2025017750
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
BAKER & LAWSON, INC
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10052500 REG. NO. F-825


LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47
LEGEND
RESERVE TABLE
SYMBOL
DESCRIPTION
RESERVE USE
AREA
RESTRICTED RESERVE
RESTRICTED TO DETENTION, DRAINAGE, & PARK USE
11.346 AC.
SCALE : 1" = 80'
MATCHLINE SHEET 2
N 88°14'39" E-1,897.59'
S 88°14'39" W-575.00'
S 01°45'22" E 10.00'
N 01°45'22" W 10.00'
N 88°14'39" E-1,505.60'
S 88°14'39" W-1,055.00'
N 01°45'22" W-500.38'
S 17°43'22" E-519.38'
N 87°14'38" E-1,665.25'
S 87°14'38" W-4,027.79'
RESERVE
9.134 ACRE DRAINAGE EASEMENT C.C.F.N. 2020027416 C.C.F.N. 2020039975 O.P.R.L.C.T.
OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713-960-4150
SHEET 3 OF 4
FINAL PLAT
LIBERTY RANCH
SECTION 1
BEING
31.158 ACRES, 5 BLOCKS,
108 LOTS & 4 RESERVES
BEING ALL OF A
CALLED 50.598 ACRE TRACT
AND A
CALLED 0.395 ACRE TRACT
C.C.F.N. 2025017750
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
B&L
BAKER & LAWSON, INC.
ENGINEERING & SURVEYING CONSULTANTS
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10052500 REG. NO. F-825



OWNER DEDICATION

THE STATE OF TEXAS §
COUNTY OF _____ §

I, CHARLES VON SCHMIDT, PRESIDENT OF LIBERTY RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, OWNER OF THE PROPERTY SUBDIVIDED IN THE ABOVE AND FOREGOING MAP OF LIBERTY RANCH SECTION 1, DO HEREBY MAKE SUBDIVISION OF SAID PROPERTY, ACCORDING TO THE LINES, STREETS, LOTS, ALLEYS, PARKS, BUILDING LINES, AND EASEMENTS THEREON SHOWN, AND DESIGNATE SAID SUBDIVISION AS LIBERTY RANCH SECTION 1, LOCATED IN THE B.W. HARDIN SURVEY, ABSTRACT NO. 47, LIBERTY COUNTY, TEXAS, AND ON BEHALF OF SAID LIBERTY RANCH, LLC AND DEDICATE TO THE CITY OF LIBERTY, TEXAS AND TO PUBLIC USE, AS SUCH, THE STREETS, ALLEYS, PARKS, GREEN BELTS, DETENTION RESERVES, AND DRAINAGE RESERVES SHOWN THEREON FOREVER, AND DO HEREBY WAIVE ANY CLAIMS FOR DAMAGES OCCASIONED BY THE ESTABLISHING OF GRADES AS APPROVED FOR THE STREETS AND ALLEYS CONCERNED OCCASIONED BY THE ALTERATION OF THE SURFACE OF ANY PORTION OF STREETS OR ALLEYS TO CONFORM TO SUCH GRADES, AND DO HEREBY BIND OURSELVES, OUR SUCCESSORS AND ASSIGNS TO WARRANT AND FOREVER DEFEND THE TITLE TO THE LAND SO DEDICATED.

IN TESTIMONY WHEREOF, OWNER, HAS CAUSED THESE PRESENTS TO BE SIGNED BY CHARLES VON SCHMIDT, PRESIDENT OF LIBERTY RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, ITS AUTHORIZED OFFICER THIS _____ DAY OF _____, 2025.

_____
CHARLES VON SCHMIDT, PRESIDENT

THE STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED CHARLES VON SCHMIDT, PRESIDENT OF LIBERTY RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE/SHE EXECUTED SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED, AND IN THE CAPACITY THEREIN AND HEREIN SET OUT, AND AS THE ACT AND DEED OF SAID ENTITY.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____, 20____

_____
NOTARY PUBLIC, IN AND FOR POLK COUNTY, STATE OF TEXAS

MY COMMISSION EXPIRES _____

CITY OF LIBERTY

APPROVED THIS THE_____DAY OF_____, 20____ BY THE LIBERTY CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS.

_____ _____
JOHN HEBERT, JR. MAYOR ATTEST: CITY SECRETARY

STATE OF TEXAS
COUNTY OF LIBERTY

I, _____, COUNTY CLERK OF LIBERTY, TEXAS DO HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED FOR REGISTRATION IN MY OFFICE ON _____, 20____ AT _____ O'CLOCK ____M. AND DULY RECORDED ON _____, 20____ AT _____ O'CLOCK ____M. IN THE PLAT RECORDS OF LIBERTY COUNTY, TEXAS IN BOOK _____ PAGE _____

WITNESS MY HAND AND SEAL AT LIBERTY, TEXAS THIS DAY AND DATE LAST ABOVE WRITTEN.

_____
COUNTY CLERK, LIBERTY, TEXAS
(SEAL OF COUNTY CLERK)

LIEN HOLDERS ACKNOWLEDGMENT

THE STATE OF TEXAS §
COUNTY OF WALKER §

I, CLAYTON BOHAN, PRESIDENT OF PROSPERITY BANK, OWNERS AND HOLDERS OF A LIEN, AS EVIDENCE BY DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF RENT, AGAINST THE PROPERTY DESCRIBED IN THE PLAT KNOWN AS LIBERTY RANCH SECTION 1, SAID LIEN BEING EVIDENCED BY INSTRUMENT OF RECORD IN THE COUNTY CLERKS FILE NUMBER 2023035446 OF THE OFFICIAL PUBLIC RECORDS, LIBERTY COUNTY, TEXAS, DO HEREBY IN ALL THINGS SUBORDINATE TO SAID PLAT, SAID LIEN AND WE HEREBY CONFIRM THAT WE ARE THE PRESENT OWNERS OF SAID LIEN AND HAVE NOT ASSIGNED THE SAME NOR ANY PART THEREOF.

BY: _____
CLAYTON BOHAN

PRINT NAME: _____

TITLE: PRESIDENT

THE STATE OF TEXAS §
COUNTY OF WALKER §

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED CLAYTON BOHAN, PRESIDENT OF PROSPERITY BANK, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT THEY EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED, AND IN THE CAPACITY THEREIN AND HEREIN SET OUT, AND AS THE ACT AND DEED OF SAID COMPANY.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS _____ DAY OF _____, 20____

_____
NOTARY PUBLIC IN AND FOR _____ COUNTY, THE STATE OF TEXAS

MY COMMISSION EXPIRES _____

DESCRIPTION OF 31.158 ACRES

DESCRIPTION OF A 31.158 ACRE TRACT OF LAND, LOCATED WITHIN THE B.W. HARDIN SURVEY, ABSTRACT NO. 47, LIBERTY COUNTY, TEXAS, BEING A PORTION OF A CALLED 50.974 ACRE TRACT (TRACT 1) AND ALL OF A CALLED 0.395 ACRE TRACT, AS RECORDED IN C.C.F.N. 2025017750 OF THE OFFICIAL PUBLIC RECORDS, LIBERTY COUNTY, TEXAS (O.P.R.L.C.T.), REFERRED TO HEREINAFTER AS THE ABOVE REFERENCED TRACT OF LAND, SAID 31.158 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS (BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, (NAD83) SOUTH CENTRAL ZONE, FOR GPS OBSERVATIONS):

BEGINNING AT A 5/8"-INCH IRON ROD WITH CAP FOUND FOR THE NORTHWEST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING ON THE SOUTH LINE OF A CALLED 154.00 ACRE TRACT AS RECORDED IN C.C.F.N. 2011005631 OF THE O.P.R.L.C.T.;

THENCE NORTH 88°24'26" EAST, ALONG THE NORTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTH LINE SAID CALLED 154.00 ACRE TRACT, A DISTANCE OF 341.38 FEET TO A 5/8-INCH IRON ROD FOUND FOR CORNER;

THENCE NORTH 88°14'39" EAST, ALONG THE NORTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTH LINE SAID CALLED 154.00 ACRE TRACT, A DISTANCE OF 1,997.59 FEET TO A 5/8-INCH IRON ROD SET FOR CORNER;

THENCE SOUTH 01°45'33" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 10.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE SOUTH 88°14'39" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 975.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE SOUTH 01°45'33" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 414.99 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE NORTH 88°14'40" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 15.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE SOUTH 01°45'20" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 114.44 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE NORTH 87°14'28" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 1,655.25 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE NORTH 01°45'20" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 530.36 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE SOUTH 88°14'39" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 1,055.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE NORTH 01°45'20" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 10.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER, BEING ON THE NORTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE SOUTH LINE OF SAID CALLED 154.00 ACRE TRACT;

THENCE NORTH 88°14'39" EAST, ALONG THE NORTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE SOUTH LINE OF SAID CALLED 154.00 ARE TRACT, A DISTANCE OF 1,997.59 FEET TO A FENCE POST FOUND FOR CORNER, BEING THE NORTHEAST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING THE WEST WESTERLY NORTHEAST CORNER OF THAT CERTAIN TRACT AS RECORDED IN C.C.F.N. 2020007225 OF THE O.P.R.L.C.T.;

THENCE SOUTH 17°04'23" EAST, ALONG THE EAST LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING A NORTH-EASTERLY LINE OF THAT SAID CERTAIN TRACT, A DISTANCE OF 578.28 FEET TO A 5/8-INCH CAPPED IRON ROD, STAMPED "BAKER & LAWSON", SET FOR CORNER, BEING THE SOUTH-EAST CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING AN INTERIOR CORNER OF THAT SAID CERTAIN TRACT;

THENCE SOUTH 87°14'28" WEST, ALONG THE SOUTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING A NORTH LINE OF THAT SAID CERTAIN TRACT, A DISTANCE OF 4,057.79 FEET TO A 1-1/2 INCH IRON PIPE FOUND FOR THE SOUTHWEST CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING AN INTERIOR CORNER OF THAT SAID CERTAIN TRACT;

THENCE NORTH 01°16'38" EAST, ALONG THE WEST LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING A NORTHWESTERLY LINE OF THAT SAID CERTAIN TRACT, A DISTANCE OF 599.95 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR A NORTHWEST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING A SOUTHERLY CORNER OF A CALLED 2.8148 ACRE TRACT, AS RECORDED IN C.C.F.N. 2025017160 OF THE O.P.R.L.C.T.;

THENCE NORTH 81°28'38" EAST, ALONG A NORTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTHERLY LINE OF SAID CALLED 2.8148 ACRE TRACT, A DISTANCE OF 197.21 FEET TO A 3/4-INCH IRON ROD FOUND FOR CORNER, BEING AN INTERIOR CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTH-EAST CORNER OF SAID CALLED 2.8148 ACRE TRACT;

THENCE NORTH 7°20'23.56" EAST, ALONG THE WEST LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE EAST LINE OF SAID CALLED 2.8148 ACRE TRACT, A DISTANCE OF 411.77 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR THE NORTH-WEST INTERIOR CORNER OF THE ABOVE REFERENCED TRACT;

THENCE SOUTH 89°03'30" WEST, ALONG THE SOUTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE NORTH LINE OF SAID CALLED 2.8148 ACRE TRACT, A DISTANCE OF 337.86 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR THE NORTH-WESTERLY SOUTHWEST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING ON THE EAST R.O.W. OF SAID STATE HIGHWAY 146;

THENCE NORTH 28°55'10" EAST, ALONG THE WEST LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE EAST R.O.W. OF SAID STATE HIGHWAY 146, A DISTANCE OF 66.58 FEET TO THE POINT OF BEGINNING AND CONTAINING 31.158 ACRES OF LAND, MORE OR LESS.

KNOW ALL MEN BY THESE PRESENTS:
THAT I, DARREL HIDIRICH, DO HEREBY CERTIFY THAT I MADE AN ACTUAL AND ACCURATE SURVEY OF THE PLATTED LAND, AND THAT THE CORNER MONUMENTS SHOWN ON THE FOREGOING PLAT WERE PROPERLY PLACED UNDER MY PERSONAL SUPERVISION, IN ACCORDANCE WITH ALL SUBDIVISION AND LAND DEVELOPMENT ORDINANCES FOR THE CITY OF LIBERTY, TEXAS.

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

DARREL HIDIRICH DATE:
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 5378

STATE OF TEXAS
DARREL HIDIRICH
5378
REGISTERED PROFESSIONAL LAND SURVEYOR

OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713-960-4150

SHEET 4 OF 4

FINAL PLAT
LIBERTY RANCH
SECTION 1

BEING
31.158 ACRES, 5 BLOCKS, 108 LOTS & 4 RESERVES

BEING ALL OF A
CALLED 50.598 ACRE TRACT
AND A
CALLED 0.395 ACRE TRACT
C.C.F.N. 2025017750
O.P.R.L.C.T.

B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS

BAKER & LAWSON, INC
ENGINEERING PLANNING SURVEYING
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10052500 REG. NO. F-825

PROJECT NO.: 14951		DRAWN BY: JH
DRAWING NO.: 14951 (RANCH SECTION 1 FINAL PLAT	DATE: 8/8/2025	CHECKED BY: DH

EXHIBIT I – FORM OF NOTICE OF PID ASSESSMENT TERMINATION



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

[Date]
Liberty County Clerk's Office
Honorable _____
1923 Sam Houston
Liberty, TX 77575

Re: City of Liberty Lien Release documents for filing

Dear Ms./Mr. _____,

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

City of Liberty
Attn: [City Secretary]
1829 Sam Houston St.
Liberty, TX 77575

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

Sincerely,
[Signature]

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

AFTER RECORDING RETURN TO:

[City Secretary Name]
[City Secretary Address]

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

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS §
§ **NOW ALL MEN BY THESE PRESENTS:**
COUNTY OF LIBERTY §

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

RECITALS

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

WHEREAS, on or about May 10, 2022, the City Council for the City, approved a Resolution, creating the Liberty Ranch Public Improvement District; and

WHEREAS, the Liberty Ranch Public Improvement District consists of approximately 50.993 contiguous acres within the corporate limits of the City; and

WHEREAS, on or about, February 10, 2026, the City Council, approved Ordinance No. [xxx-2026], (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property (defined herein) within the Liberty Ranch Public Improvement District; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") for the following property: [legal description], a subdivision in Liberty County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Liberty County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property Developers of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Liberty County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said Lien held by the undersigned securing said indebtedness.

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

CITY OF LIBERTY, TEXAS,

By: _____
[City Manager Name], City Manager

ATTEST:

_____
[City Secretary Name], City Secretary

STATE OF TEXAS **§**
§
COUNTY OF LIBERTY **§**

This instrument was acknowledged before me on the ____ day of _____, 20__, by [City Manager], for the City of Liberty, Texas, on behalf of said City.

_____
Notary Public, State of Texas

EXHIBIT J – DISTRICT BOUNDARY DESCRIPTION

BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS

County: Liberty County
Project: 50.598 Acres
Job No.: 14951

TRACT 1
DESCRIPTION OF 50.598 ACRES

Description of a 50.598 acre tract of land, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas, being all of a called 50.613 acre tract (Tract 1) as recorded in County Clerk's File No. (C.C.F.N.) 2021048312 of the Official Public Records of Liberty County Texas (O.P.R.L.C.T.), referred to hereinafter at the above referenced tract of land, said 50.598 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 1/2-inch iron rod found for corner, being the Northwest corner of the above referenced tract, same being on the South line of a called 154.00 acre tract as recorded in C.C.F.N. 2011005631 of the O.P.R.L.C.T., same being the Northeast corner of a called 0.394 acre tract, as recorded in C.C.F.N. 2021048312 of the O.P.R.L.C.T.

THENCE North 88°14'39" East, along the North line of the above referenced tract of land, same being the south line said called 154.00 acre tract, a distance of 3,453.19 feet to a fence post found for corner, being the Northeast corner of the above referenced tract, same being the most Westerly Northeast corner of a that certain tract as recorded in C.C.F.N. 2020031225 of the O.P.R.L.C.T.;

THENCE South 17°04'22" East, along the East line of the above referenced tract of land, same being a Northeasterly line of that said certain tract, a distance of 575.28 feet to a 5/8-inch iron rod with cap, stamped "Baker & Lawson", found for corner, being the Southeast corner of the above referenced tract of land, same being an interior corner of that said certain tract;

THENCE South 87°14'38" West, along the South line of the above referenced tract of land, same being a North line of that said certain tract, a distance of 4,027.79 feet to a 1-1/2 inch iron pipe found for the Southwest corner of the above referenced tract of land, same being an interior corner of that said certain tract;

THENCE North 07°16'38" East, along the West line of the above referenced tract of land, same being a Northwesterly line of that said certain tract, a distance of 199.95 feet to a 1/2-inch pipe found for a Northwest corner of the above referenced tract, same being a Southerly corner of a called 2.8148 acre tract, as recorded in C.C.F.N. 2005017190 of the O.P.R.L.C.T.;

THENCE North 81°29'38" East, along a North line of the above referenced tract of land, same being the Southerly line of said called 2.8148 acre tract, a distance of 157.21 feet to a 3/4-inch iron rod found for corner, being an interior corner of the above referenced tract of land, same being the Southeast corner of said called 2.8148 acre tract;

THENCE North 28°03'36" East, along the West line of the above referenced tract of land, same being the East line of said called 2.8148 acre tract, a distance of 471.64 feet to the **POINT OF BEGINNING** of the above referenced tract of land, containing 50.598 acres of land, more or less.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

09/24/2025
Darrel Heidrich
Registered Professional Land Surveyor
Texas Registration No. 5378

STATE OF TEXAS
REGISTERED
DARREL HEIDRICH
5378
PROFESSIONAL
LAND SURVEYOR

County: Liberty County
Project: 0.395 Acre
Job No.: 14951

TRACT 2
DESCRIPTION OF 0.395 ACRE

Description of a called 0.395 acre tract of land, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas, being all of a called 0.394 acre tract as recorded in County Clerk's File No. (C.C.F.N.) 2021048312 of the Official Public Records of Liberty County Texas (O.P.R.L.C.T.), referred to hereinafter as the above referenced tract, said 0.395 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 5/8-inch iron rod with aluminum cap, found for corner, being the Northwest corner of the above referenced tract, same being on the East Right-of-Way (R.O.W.) of State Highway 146;

THENCE North 88°24'38" East, along the North line of the above referenced tract of land, same being the South line of a called 154.000 acre tract, as recorded in 2011005631 of the O.P.R.L.C.T., a distance of 341.28 feet to a 1/2-inch iron rod found for corner, being the Northeast corner of the above referenced tract, same being the Northwest corner of a called 50.613 acre tract, as recorded in C.C.F.N. 2021048312 of the O.P.R.L.C.T.;

THENCE South 28°03'36" West, along the East line of the above referenced tract of land, same being the West line of said called 50.613 acre tract, a distance of 60.37 feet to a 5/8-inch capped iron rod, stamped "Baker & Lawson", set for corner, being the Southeast corner of the above referenced tract of land, same being the Northeast corner of a called 2.8148 acre tract, as recorded in C.C.F.N. 2005017190 of the O.P.R.B.C.T.;

THENCE South 89°03'29" West, along the South line of the above referenced tract of land, same being the North line of said called 2.8148 acre tract, a distance of 337.86 feet to a 5/8-inch capped iron rod, stamped "Baker & Lawson", set for corner, being the Southwest corner of the above referenced tract of land, same being in the East R.O.W. line of said State Highway 146;

THENCE North 26°55'09" East, along the West line of the above referenced tract of land, same being the East R.O.W. line of said State Highway 146, a distance of 55.36 feet to the **POINT OF BEGINNING** of the above referenced tract of land, containing 0.395 of an acre of land, more or less.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

STATE OF TEXAS
REGISTERED
DARREL HEIDRICH
5378
PROFESSIONAL
LAND SURVEYOR

09/24/2025

Darrel Heidrich
Registered Professional Land Surveyor
Texas Registration No. 5378

APPENDIX A – ENGINEER'S REPORT

[Remainder of page intentionally left blank.]

ENGINEERING REPORT
Liberty Ranch
Public Improvement District

Improvement Area #1

City of Liberty, Texas

Prepared For:

Liberty Ranch, LLC

And **City of Liberty, Texas**

4005 Technology Drive Suite 1530

Angleton, TX 77515

Firm #: F-825

October 12, 2025

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Appendix 3 Overall Improvements Map: IA#1 & IA#2
Appendix 4 Overall Improvements Map: IA#1
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Appendix 6 Improvement Area #1 Map: Drainage
Appendix 7 Improvement Area #1 Map: Potable Water
Appendix 8 Improvement Area #1 Map: Streets
Appendix 9 Improvement Area #1 Map: Parks, Open Space, & Landscaping
Appendix 10 Legal Description Improvement Area #1 Tracts 1, and 2

Introduction

The Liberty Ranch development is a single-family residential development tract currently under development located in the City of Liberty, Texas. A site location map has been included in ***Appendix 1***. As part of this development, the Liberty Ranch Public Improvement District ("PID") was created May 10th of 2022 to fund future expenditures associated with the Development. The Liberty Ranch PID is comprised of 51 acres and will consist of ONE improvement area which will include Liberty Ranch, Sections 1, and 2. These two sections will include 216 50 ft lots.

This report includes supporting documentation for costs of construction of reimbursable items within PID Improvement Area #1.

Development Costs

An engineer's opinion of probable cost (Engineer's OPC) has been prepared for all on and off-site infrastructure. The Engineer's OPC has been provided as ***Appendix 2***. Dry utilities including Fiber, Electrical, Phone have been excluded from the OPC and total construction costs.

Development Improvements

Development improvements have been defined as Improvement Area #1 for this report.

Improvement Area #1 consists of Liberty Ranch, Sections 1, and 2 containing 216 50ft lots and is depicted in ***Appendix 5 – 10***.

Development improvements will be designed and constructed in accordance with City of Liberty standards and specifications and will be owned and operated by the City, Home Owners Association, or public utility company unless otherwise indicated.

Development improvements include:

Streets

Improvements include land acquisition for right-of-way, subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, and curbs. Intersections, Streetlights (HOA Responsibility) and signage are included. These roadway improvements include streets that will provide street access to each Lot. These projects provide access to community roadways and State Highway 146.

Drainage

Improvements include land acquisition for Detention, and Drainage, trench excavation and embedment, trench safety, reinforced concrete and PP piping, manholes, inlets, channels/swales. These will include

the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area and temporarily detain water as required by the City of Liberty.

Water

Improvements include trench excavation and embedment, trench safety, PVC piping, fire hydrant assemblies, air release valves, gate valves, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. Water system will be owned by City of Liberty.

Wastewater

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. Sewer system will be owned by City of Liberty.

Erosion Control & Miscellaneous

Includes silt fence, rock berms, construction entrances, inlet protection, topsoil, hydromulch and seeding, and irrigation sleeves for the limits of the improvement area.

Clearing

Includes clear and grub, excavation, and embankment for the limits of the improvement area.

Project Detention

Includes land acquisition, clearing, pond excavation and embankment, soil testing, channels, rock riprap, loose riprap walls, construction of outfall structures. Erosion controls, revegetation, and utility improvements are also included.

Landscape and Amenities Improvements for IA#1

Neighborhood will contain unique street designs, pedestrian/bike circulation routes, landscaping, and recreational activities. A focus on public spaces combines with these to form a cohesive community. Neighborhood park areas, public places and multi-use paths promote meaningful connections to the public and residents. Land for greenbelts and parks are included in costs.

Entry Monument and Neighborhood Entries

Community entry monument signs, perimeter walls, and landscape entry are intended to identify the character of the community by expressing distinctive qualities and/or features of the neighborhoods.

Common Area and Pocket Parks

Common Areas include land acquisition, landscaped areas along the collector streets, including street trees, trails, and planting and irrigation. Pocket Parks are open space areas within neighborhood which are landscaped, providing outdoor landscape improvements open to the public and residents of the community.

Main Amenities Area

Located in IA#1, this area will include high quality Play Structures, Basketball court, Horseshoe pitches.

Trails

Trails consist of multi-use paths, greenbelt pedestrian paths, and walkways located in public corridors that serve origin and destination points.

Fencing for Common Areas

Fencing for Common Areas includes perimeter walls and adjacent to pocket parks.

Development Schedule

Design Stage

Sections 1 and 2 are approved, Section 1 is in final stages of construction with final inspection by City of Liberty projected for January 2026. Section 1 Final Plat planned approval date is January 2026 and section 2 submission Q1 2027. There is sufficient water and sewer capacity for the entire project. Contracts have been entered into for 162 of the 216 lots within IA# 1.

Offsite wastewater interceptor ties in at Texas State Highway 146 and is being extended as part of this project to the Liberty Ranch property. Offsite utility extension to the existing Liberty Infrastructure under construction with completion anticipated Q4 2025 prior to final plat.

The 10" offsite water transmission line ties in at Texas State Highway 146 and has been extended to the Liberty Ranch property. Offsite utility extension to the existing Liberty Infrastructure under construction with completion anticipated Q4 2025 prior to final plat.

The Liberty Ranch Project Detention pond and drainage areas are located throughout the community as part of the subdivision improvements and are located east of Hwy 146. These will serve Improvement Area #1.

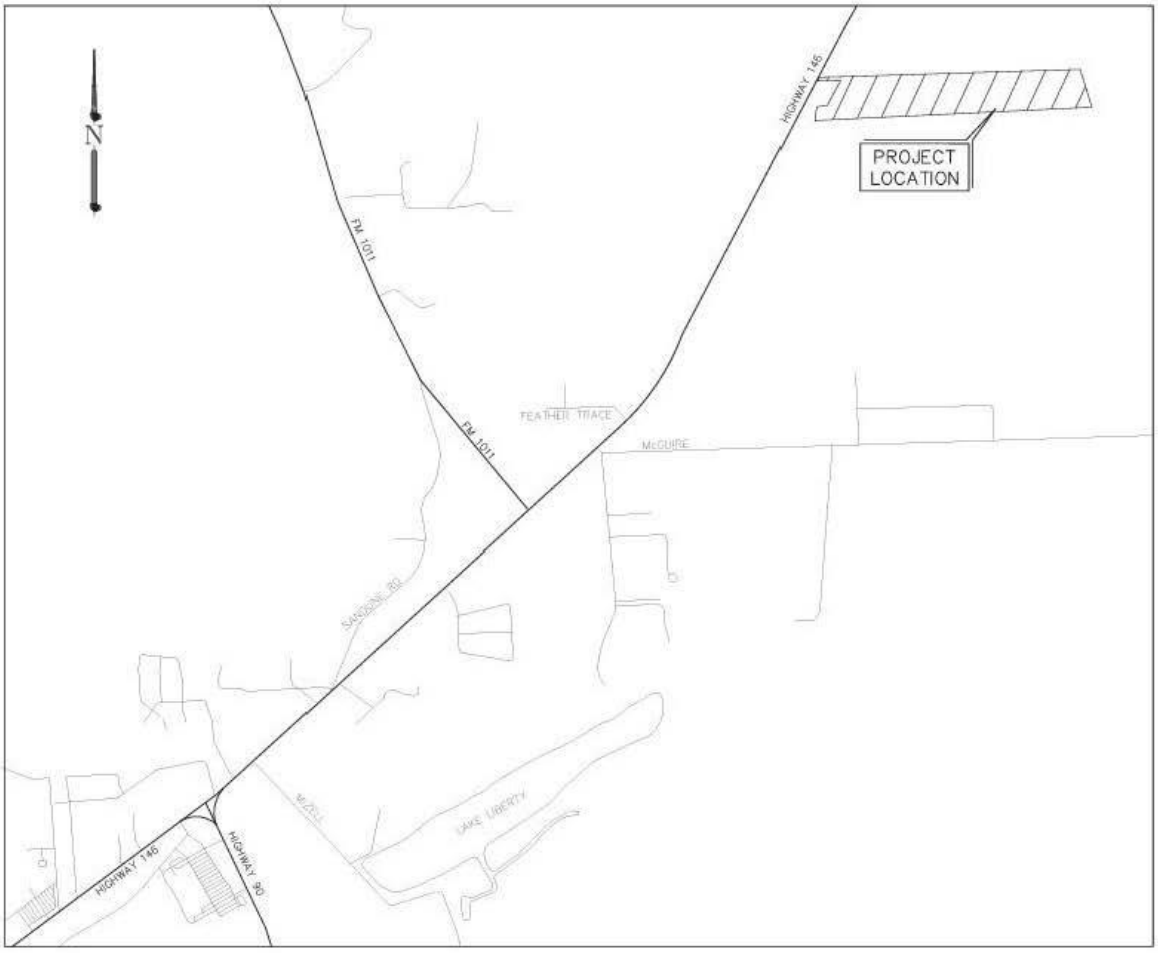
Construction Stage

Section 1, consisting of 108 50 x 105' lots which is a portion of Improvement Area #1, and Section 2 consisting of 108 lots representing the final portion of IA#1 and the PID are currently under construction. The entirety of IA#1 is scheduled for Completion 2026, with inspections for Section 1 at the end of December 2025 by City of Liberty and anticipated acceptance into the 1 year maintenance program in January of 2026.

Liberty Ranch Sections 1&2																	
TASK	PID AREA	SECTION	2024				2025				2026				2027			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Plan Design and Approval	1	1																
Construction of Improvements																		
Lot Delivery																		
Plan Design and Approval	1	2																
Construction of Improvements																		
Lot Delivery																		
Plan Design and Approval																		
Construction of Improvements																		
Lot Delivery																		
Plan Design and Approval																		
Construction of Improvements																		
Lot Delivery																		
Plan Design and Approval																		
Construction of Improvements																		
Lot Delivery																		

APPENDIX

APPENDIX 1
SITE LOCATION MAP



VICINITY MAP
SCALE 1"=1200'

N.T.S.

LOCATION MAP

LIBERTY RANCH
PUBLIC IMPROVEMENT DISTRICT
LOCATION MAP

APPENDIX 2
ENGINEER'S OPINION OF PROBABLE COST

Liberty Ranch Sections 1&2			
OVERALL SUMMARY			
	Improvement Area #1	Improvement Area #2	Totals
Section1: Hard Construction Costs			
Hard Costs:			
WATER	$671,233	$0	$671,233
SANITARY SEWER	$883,973	$0	$883,973
STORM DRAINAGE	$609,111	$0	$609,111
STREET	$1,384,840	$0	$1,384,840
MISC STREET	$29,125	$0	$29,125
EROSION CONTROL	$50,800	$0	$50,800
GRADING	$182,050	$0	$182,050
FINE GRADING/DITCH STREET RESTORATION	$109,500	$0	$109,500
PERMANENT PONDS	$353,500	$0	$353,500
PARK LAND / EQUIPMENT	$35,440	$0	$35,440
SUBDIVISION GATE SIGNS AND ENTRANCE	$20,700	$0	$20,700
STREAM CROSSINGS	$0	$0	$0
OFFSITE ROAD IMPROVEMENTS	$675,000	$0	$675,000
OFFSITE WATER	$0	$0	$0
OFFSITE SEWER	$0	$0	$0
Total Construction Costs +/- 1.00 Rounding	$5,005,271	$0	$5,005,271
Section 2: Soft Costs			
Soft Costs			
EXTERNAL OVERHEAD/PERMITS/CAPACITY FEES	$128,200	$0	$128,200
SURVEY/STUDIES	$152,750	$0	$152,750
Engineering, Inspections and Testing	$422,898	$0	$422,898
Bond Fees			$0
Total Soft Costs +/- 1.00 Rounding	$703,848	$0	$703,848
Subtotal	$5,709,119	$0	$5,709,119
Contingency Civil 12.00%	$634,347	$0	$634,347
Contingency Landscape			$0
Total Contingency	$634,347	$0	$634,347
Total Qualified PID Costs	$6,343,466	$0	$6,343,466
		0	

Liberty Ranch Sections 1&2			ENGINEERING SUMMARY	
IMPROVEMENT AREA	CONSTRUCTION COST (W/CONTINGENCY)	FEES	TOTAL	
IMPROVEMENT AREA # 1	$5,639,618	$703,848	$6,343,466	
IMPROVEMENT AREA # 2	$0	$0	$0	
TOTAL	$5,639,618	$703,848	$6,343,466	

Liberty Ranch IA#1 Sec 1-2

Subdivision	Liberty Ranch Sections 1&2
Total Units	216
Length of Street	6780
Number of Intersections	5
Width of streets	28
Number of Cul-de-Sacs	2

Legend		
Empty	User Input Lines	With Values
	Calculated Cells (DO NOT EDIT)	
	Optional Items (remove 0 in front of formula to include)	

10.12.25

Infrastructure Budget

Description					
EXTERNAL OVERHEAD/PERMITS/CAPACITY FEES	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Mobilization/ General Conditions	0	LS	25,830.00	$0	Comments
Bonds Letter of Credit to County	4.50	%	20,000.00	$90,000	
Insurance	0.00	per 1 M	9,000.00	$0	
City County Fees	1	Per	35,000.00	$35,000	
Permitting /Review	0	Ea.	8,000.00	$0	
Capacity Fee	0	Lot	5,000.00	$0	
Impact Fee		Lot	0.00	$0	
Development Permit Fee	0	Lot	250.00	$0	
Site Work Permit Fee	1.00	Ea.	3,200.00	$3,200	
Development Cost Alocation	0	Lot	2,250.00	$0	
Subtotal					$128,200
SURVEY/STUDIES	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Construction Staking	216	Lot	350.00	$75,600	Comments
Elevation Surveys	1.00		9,250.00	$9,250	
Subdivision Platting	1.00		14,500.00	$14,500	
Market Study	1.00		3,000.00	$3,000	
Environmental Phase 1	1.00		4,500.00	$4,500	
Soils Testing	2.00		11,000.00	$22,000	
Traffic Study	1		13,000.00	$13,000	
Wetlands Study	0.00		18,590.00	$0	
Boundary Survey	2.00	Open	5,450.00	$10,900	
Subtotal					$152,750
EROSION CONTROL	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Construction Entrance	1	EA	4,800.00	$4,800	Comments
Clear & Grub	7	AC	5,500.00	$38,500	
Erosion Control Measures (Silt Fence etc....)	5	AC	650.00	$3,250	
Erosion Control Basins	0	EA	10,000.00	$0	
Temporary Erosion Control Seeding	5	AC	850.00	$4,250	
Open	1	Open	0.00	$0	
Subtotal					$50,800

GRADING	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Strip Topsoil - Waste Onsite	0	CY	1.25	$0	Comments
Swap/ Borrow Topsoil Onsite	0	CY	2.75	$0	
Cut/ Fill Excavation	34,000	CY	5.20	$176,800	
Retaining Wall	0	SF	37.00	$0	
Pad Set	0	EA	350.00	$0	
Install Culvert 12-18" Driveway w fill	1	EA	5,250.00	$5,250	
Remove Temporary Sediment Basins	0	EA	4,800.00	$0	
Open	0	Open	0.00	$0	
Subtotal					$182,050
FINE GRADING/DITCH STREET RESTORATION	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Fine Grading (pads, COS)	216	LOT	350.00	$75,600	Comments
Fine Grade ROW after dry utilities	6,780	LF	2.50	$16,950	
Fine Grade/ Backfill Curb & Gutter	13,560	LF	1.25	$16,950	
Swale Grade	0	LF	3.00	$0	
Re Grade Exterior Streets	0	LF	3.00	$0	
Ditch Restoration	0	LF	6.50	$0	
Open		Open	0.00	$0	
Subtotal					$109,500
SANITARY SEWER	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Tie to Existing Manhole	1	EA	4,200.00	$4,200	Comments
8" PVC Sanitary Sewer (Depth 6'-18')	3,249	LF	49.00	$159,201	
8" DIP Sanitary Sewer	0	LF	48.00	$0	
8" C900 Sanitary Sewer (Depth 6'-18')	0	LF	49.00	$0	
10" PVC Sanitary Sewer (Depth 6'-18')	0	Lf	67.00	$0	
12" SDR-26, PVC Sanitary Sewer All Depths	0	LF	84.00	$0	
15" SDR-26, PVC Sanitary Sewer All Depths	0	LF	0.00	$0	
18" SDR-26, PVC Sanitary Sewer All Depths	0	LF	0.00	$0	
Long Single 4" PVC Sanitary Sewer Lateral w/ CO	10	LOT	2,200.00	$22,000	

Description					
Long Double 4" PVC Sanitary Sewer Lateral w/ CO	46	EA	2,800.00	$128,800	
Short Single 4" PVC Sanitary Sewer Lateral w/ CO	10	LOT	1,200.00	$12,000	
Short Double 4" PVC Sanitary Sewer Lateral w/ CO	46	EA	1,800.00	$82,800	
Jack & Bore	0	LF	285.00	$0	
Sanitary Sewer Manhole	37	EA	4,406.00	$163,022	
Large Sanitary Sewer Manhole (5 Foot)	0	EA	0.00	$0	
4" PVC Force Main line w/fittings	1,770	LF	35.00	$61,950	
6" PVC Force Main line w/fittings	0	LF	40.00	$0	
8" PVC Force Main line w/fittings	0	LF	45.00	$0	
Pump Station	0.00	LS	115,000.00	$0	
Trenchless Construction SAN (additional cost)	0	LF	135.00	$0	
Trenchless Construction SA (Steel Casing)	0	LF	240.00	$0	
Trench Safety	0	LF	1.00	$0	
Lift Station Public	1	EA	250,000.00	$250,000	
Lift Station Private	0	EA	90,000.00	$0	
Stabilized sand	0	Ea.	250.00	$0	
Open		Open			
Move in, Startup, and Bonds (5%)	0	LS	44,198.65	$0	
As Built Topo (1%)	0	LS	8,839.73	$0	
Construction Materials Testing (3%)	0	LS	26,519.19	$0	
SWPPP (3%)	0	LS	26,519.19	$0	
Domestic Sewer Service	0	EA	1,100.00	$0	
Pressure Test	0	LF	1.75	$0	
Open	0	Open	0.00	$0	
Subtotal					$883,973
STORM DRAINAGE	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
15" RCP Class III	58	LF	66.00	$3,828	Comments
18" RCP Class III	728	LF	74.00	$53,872	
24" RCP Class III	1,919	LF	75.00	$143,925	
30" RCP Class III	589	LF	87.50	$51,538	
36" RCP Class III	540	LF	120.00	$64,800	
42" RCP Class III	540	LF	144.00	$77,760	
48" RCP Class III	0	LF	165.00	$0	
54" RCP Class III	0	LF	250.00	$0	
60" RCP Class III	0	LF	288.00	$0	
66" RCP Class III	0	LF	324.00	$0	
72" RCP Class III	0	LF	372.00	$0	
30" RCP Class III Inlet	0	LF	100.00	$0	
24 " RCP Class III Inlet	0	LF	75.00	$0	
HDPE Storm Sewer 12	0	LF	34.00	$0	
HDPE Storm Sewer 15	0	LF	42.00	$0	
HDPE Storm Sewer 18	0	LF	48.00	$0	
HDPE Storm Sewer 24	0	LF	61.00	$0	
HDPE Storm Sewer 30	0	LF	0.00	$0	
HDPE Storm Sewer 36	0	LF	0.00	$0	
HDPE Storm Sewer 48	0	LF	0.00	$0	
HDPE Storm Sewer 60	0	LF	0.00	$0	
RCP Storm Sewer 24" Culvert	0	LF	160.00	$0	
8" Brick Blug	0	EA	300.00	$0	
4'x7' PC RCB Culvert	0	LF	0.00	$0	
5'x5' PC RCB Culvert	0	LF	0.00	$0	
5'x10' RCB Culvert	0	LF	1,140.00	$0	0.00
5'x12' RCB Culvert	0	LF	1,550.00	$0	
6'x7' RCB Culvert	0	LF	0.00	$0	
6'x8' RCB Culvert	0	LF	0.00	$0	
9'x9' PC RCB Culvert	0	LF	1,500.00	$0	
Headwalls	0	SF	62.00	$0	0.00
Headwalls	0	EA	62,500.00	$0	
Decorative Facing	0	SF	0.00	$0	
Standard Type "C" Manhole 24-42"	0	EA	3,200.00	$0	
Type "C" Manhole (48" Larger)	0	EA	0.00	$0	
Storm Water Pump Station	0	EA	112,000.00	$0	
4- Inch Concrete Slope Paving	0	SY	110.00	$0	
5- Inch Concrete Slope Paving	0	SY	116.00	$0	
6- Inch Concrete Slope Paving	0	SY	139.00	$0	0.00
6- Inch Concrete for Wier	0	CY	139.00	$0	
Rip Rap		SY	101.00	$0	
Control Structure	0	EA	0.00	$0	
Flared End Sections w/ rip rap	0	EA	0.00	$0	
Type "A" Curb Inlet	23	EA	3,700.00	$83,620	
Double Curb Inlet	5	EA	4,200.00	$18,984	
Drop Inlet	27	EA	2,700.00	$72,900	
5' x 5' Junction Box	5	EA	7,000.00	$37,884	
5'x8' Junction Box	0	EA	0.00	$0	
Storm Plug	0	EA	0.00	$0	
Hydro Seeding	0	AC	2,400.00	$0	
Turf Establishment Via Dry Application (Ponds)	0	AC	2,700.00	$0	
Trench Safety	0	EA	1.00	$0	
Open	0	Open	0.00	$0	

Description					
Move in, Startup, and Bonds (5%)	0	LS	30,455.53	$0.00	
As Built Topo (1%)	0	LS	6,091.11	$0.00	
Construction Materials Testing (3%)	0	LS	18,273.32	$0.00	
SWPPP (3%)	0	LS	18,273.32	$0.00	
Subtotal	4,374				$609,111
PERMANENT PONDS	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Dry Pond BMP	0.00	EA	30,000.00	$0	Comments
Sand Filter BMP	0.00	EA	40,000.00	$0	
Wet Pond BMP	0.00	EA	115,000.00	$0	
Outflow Systems	1.00	Ea.	78,500.00	$78,500	
Excavation	50000.00	Open	5.50	$275,000	
Drainage Land	0.000	Ac	52,000.00	$0	
Subtotal					$353,500
Park Lands, Improvements, and Equipment	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Land	0.000	Ac.	52,000.00	$0	Comments
Equipment	1.00	Ea.	30,000.00	30,000.00	
Improvements	0.00	Ea.	20,000.00	0.00	
Central Mail Facilities	216	Ea.	0.00	0.00	
3' 6' WIDE Granite Walkway	0	LF	30.00	0.00	
BUTTERFLY GARDEN	0	Ea.	4,250.00	0.00	
WOOD DOCK POND AMENITY	0	Ea.	8,450.00	0.00	
FOUNTAIN POND AMENITY	0.00	Ea.	12,500.00	0.00	
3" DIAMETER FLOWING TREE	0	Ea.	325.00	0.00	
SHRUB	20	Ea.	52.00	1,040.00	
AQUATIC HABITAT POND AMENITY	0	Ea.	8,750.00	0.00	
COASTAL HABITAT POND AMENITY	0	Ea.	4,500.00	0.00	
Walking Trails	0	LF	9.00	0.00	
Horseshoe Ct	2	Ea.	2,200.00	4,400.00	
Disk Golf Holes	0	Ea.	545.00	0.00	
Soccer Fields Youth	0	Ea.	14,500.00	0.00	
Softball Field Youth	0	Ea.	18,000.00	0.00	
Pool	0.00	Ea.	105,000.00	0.00	
Clubhouse/ Joint Work Center	0.00	SF	150.00	0.00	
Birdhouse Village	0	Ea.	105.00	0.00	
Relaxation Garden	0	Ea.	5,650.00	0.00	
Fire Pits	0	Ea.	2,585.00	0.00	
Park In Lieu Fees	0	Lot	540.00	0.00	
Open	0.00	Open	0.00	0.00	
Open	0.00	Open	0.00	0.00	
					$35,440
WATER	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Tie to Existing Water Main	1	EA	1,950.00	$1,950	Comments
Number of Cul-de-Sacs	0	NA	0.00	NA	
Jack & Bore	0	LF	285.00	$0	
2" PVC Water Main	0	LF	18.00	$0	
4" C900 Water Main	315	LF	21.00	$6,615	
6" C900 Water Main	2,712	LF	22.00	$59,664	
8" C900 Water Main	2000	LF	38.00	$76,000	
8" C900 Water Main W/ 16 inch Casing	350	LF	166.00	$58,100	
8" DIP Water Main	1,356	LF	48.00	$65,088	
12" C900 Water Main	0	LF	52.00	$0	
16" C900 Waterline	0	LF	52.00	$0	
6" Gate Valve w/Box	65	Ea.	1,300.00	$84,500	
8" Gate Valve/ w Box	15	EA	2,000.00	$30,000	
12" Gate Valve / w Box	0	Ea	2,500.00	$0	
Blow off and Box 2"	24	EA	731.00	$17,544	
Water Line Service Short Single	10	Ea.	660.00	$6,600	
Water Line Service Short Double	46	Ea.	932.00	$42,872	
Water Line Service Long Single	10	Ea.	1,820.00	$18,200	
Water Line Service Long Double	46	Ea.	1,960.00	$90,160	
6X6 Wet Connection	0	EA	600.00	$0	
8x6 Wet Connection	0	EA	700.00	$0	
12" wet Connection	1	EA	1,000.00	$1,000	
Plug and Clamp 4"	0	EA	160.00	$0	
Plug and Clamp 6"	22	EA	50.00	$1,100	
Plug and Clamp 8"	7	EA	400.00	$2,800	
Plug and Clamp 10"	0	EA	410.00	$0	
Plug and Clamp 12"	2	EA	420.00	$840	

Description					
Trenchless Construction WTR additional cost	0	LF	165.00	$0	
Trenchless Construction WTR Steel Casing	0	LF	265.00	$0	
Flushing Valve	16	EA	3,600.00	$57,600	
Flushing / air relief Valve w Manhole		EA	4,000.00	$0	
Ductile Iron Fittings	0	Ton	6,500.00	$0	
PVC Fittings	3	Ton	5,000.00	$15,000	
Trench Safety	0	LF	1.00	$0	
Fire Hydrant Assembly	8	EA	4,450.00	$35,600	
3/4 " Meters	0	EA	250.00	$0	
Move in, Startup, and Bonds (5%)	0	LS	33,464.15	$0.00	
As Built Topo (1%)	0	LS	6,692.83	$0.00	
Construction Materials Testing (3%)	0	LS	20,078.49	$0.00	
SWPPP (3%)	0	LS	20,078.49	$0.00	
Domestic Water Service	0	EA	1,000.00	$0	
Pressure Test & Chlorinate	0	LF	1.00	$0	
Open	0	Open	0.00	$0	
Open	0	Open	0.00	$0	
Subtotal					$671,233
STREET	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Roadway Excavation& Spread and Compact Onsite	9,741	CY	5.60	$54,549	Comments
Curb & Gutter Streets	1	1 or 0	1.00	$1	
Subgrade Preparation	16,450	SY	7.25	$119,263	
Lime for Subgrade 20#/SY	139	TON	220.00	$30,565	
Fly Ash for Sub grade 40 #/SY	278	TON	0.00	$0	
6" Reinforced Concrete Pavement	16,450	SY	62.50	$1,028,125	
7" Reinforced Concrete Pavement	0	SY	48.00	$0	
8" Reinforced Concrete Pavement	0	SY	56.00	$0	
6x12 Rollover Curb & Gutter	13,560	LF	5.85	$79,326	
Tie to Existing Reinforced Concrete Paving	0	EA	1.00	$0	
Asphalt Paving (8" ABC+1.5"S9.5)	21,093	SY	0.00	$0	
Asphalt Paving (1.5" Final Surface)	21,093	SY	0.00	$0	
8" Compacted Base	21,093	SY	0.00	$0	
Asphalt Transitions	0	EA	110.00	$0	
Asphalt Trail	0	SY	11.00	$0	
Handicap Ramps Type 7 ADA	20	EA	1,408.30	$28,166	
Handicap Ramps Type 12 ADA	0	EA	1,100.00	$0	
Sign Street with Stop	6	EA	410.00	$2,460	
Street Signs	0	EA	400.00	$0	
Type III Barricade	2	EA	997.00	$1,994	
Traffic Control Plan	1	EA	3,200.00	$3,200	
Striping and Pavement Markings	1	EA	3,500.00	$3,500	
Open		Open	0.00	$0	
Move in, Startup, and Bonds (5%)	0.5	LS	67,382.43	$33,691	
As Built Topo (1%)	0	LS	13,476.49	$0	
Construction Materials Testing (3%)	0	LS	40,429.46	$0	
SWPPP (3%)	0	LS	40,429.46	$0	
ROW	0.000	Open	52,000.00	$0	
Subtotal					$1,384,840
MISC STREET	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
5' Sidewalk	250	LF	31.00	$7,750	Comments
Street Trees	45	EA	325.00	$14,625	
Conc. D/W	0	SY	3.00	$0	
Mailbox Pads	3	Open	2,250.00	$6,750	
Subtotal					$29,125
ELECTRICAL/PHONE/FIBER GRID	Quantity	Unit	Unit Price	2	Pricing Type 0 for None 1,2,3
Mobilization	0	EA	0.00	$0	Comments
Main/Lift Transformer	0	EA	0.00	$0	
Individual Lots/Transformers	216	EA	0.00	$0	
Fiber	216	EA			
Telephone	216	EA			
Surcharge	0	EA	0.00	$0	
Rebate at 24	216	EA	0.00	$0	
	6780	LF	0.00	$0	
Sub Total					$0
STREAM CROSSINGS	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Wetland/Stream Impact Mitigation Fee	0.00	LF	0	$0	Comments
Onsite Mitigation in lieu of fee	0.00	LS	0	$0	

Description					
Pipe Stream Crossing (Turnkey inc walls)	0.00	EA	75,000	$0	
Bottomless Culvert (Turnkey inc walls)	0.00	EA	0	$0	
Bridge Construction	0.00	SECTION	500,000	$0	
Open	0.00	Open	0	$0	
Subtotal					$0
OFFSITE ROAD IMPROVEMENTS	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Build new Left Turn lane DOT Road	1.00	LF	350,000.00	$350,000	Comments
Stop Light	0.00	EA	587,000.00	$0	
Cross Walk	0.00	EA	2,500.00	$0	
Public Road Signage	0.00	EA	875.00	$0	
Turn lanes Right (Turnkey)	1.00	EA	325,000.00	$325,000	
Open	0.00	Open	250,000.00	$0	
Subtotal					$675,000
SUBDIVISION ENTRY	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Entry Gate House	0.00	EA	0.00	$0	Comments
Entry Gate System	0.00	EA	0.00	$0	
Entry signage	0.60	EA	19,500.00	$11,700	
Entry Landscaping and Lighting	0.50	Open	18,000.00	$9,000	
Entry Irrigation System	0.00	Open	9,500.00	$0	
Subtotal					$20,700
OFFSITE WATER	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
8" Water Main with Fittings	0.00	LF	42.00	$0	Comments
12" Water Main with Fittings	0.00	LF	135.00	$0	0.00
Blow Off Valves	0.00	Ea.	450.00	$0	
Main shutoff Valves	0.00	Ea.	2,250.00	$0	
Trenchless Construction WTR additional cost	0.00	LF	165.00	$0	0.00
Trenchless Construction WTR Steel Casing	0.00	LF	122.00	$0	0.00
Open	0.00	Ea.	283,484.44	$0	
Subtotal					$0
OFFSITE SEWER	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
4" Force Main Sewer	0.00	LF	22.00	$0	Comments
6" Force Main Sewer			0.00	$0	
			0.00	$0	
8" Gravity Sewer with Manholes/clearing/grading	0.00	LF	85.00	$0	
12" Gravity Sewer with Manholes/clearing/grading	0.00	LF	135.00	$0	0.00
Trenchless Construction SWR additional cost	0.00	LF	165.00	$0	
Trenchless Construction SWR Steel Casing	0.00	LF	122.00	$0	
Open cut roadway for tie-in	0.00	SY	118.00	$0	
Traffic Control for roadway open cut	0.00	LS	2,500.00	$0	
Open	0.00	Open	283,484.44	$0	
Subtotal					$0
LAND DEDICATIONS	1.00	$ 25,000		Total without contingency	$5,286,221
Greenbelt, Drainage, Detention	11.11			Contingency Percentage	12%
Parks	1.47			Contingency	$634,347
Non ROW Dedications	12.58	$314,500		Engineering, Inspections and Testing %	8%
ROW	9.09	$227,175		Engineering, Inspections and Testing	$422,898
		$541,675		Total	$6,343,466
				Construction ONLY Cost per Lot	$29,367.90
				Cost per LF of Street	$935.61
				Cost per LF of Lot	$592.85
				Land Dedication	$541,675
				Total Project Cost	$6,885,141

BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS

NOTES:

1. This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction bids may vary significantly due to timing of construction, changing conditions, the competitive nature of the market, labor rate changes, or other factors.
2. Engineer's OPC is based on incomplete and unapproved construction plans.
3. Dry utility cost associated with electric, gas, and telecom is not included.
4. Hardscape and landscaping is limited to items listed.
5. Developer soft costs are not included
6. Unit prices were taken from Liberty Civil, 2024.
7. Geotech report available to verify pavement sections in sections 1&2. High P.I. areas requiring moisture barrier are excluded and are part of the contingency.
8. Homebuilder sidewalk not included.
9. Assumes spoils are stockpiled onsite for future phase use.

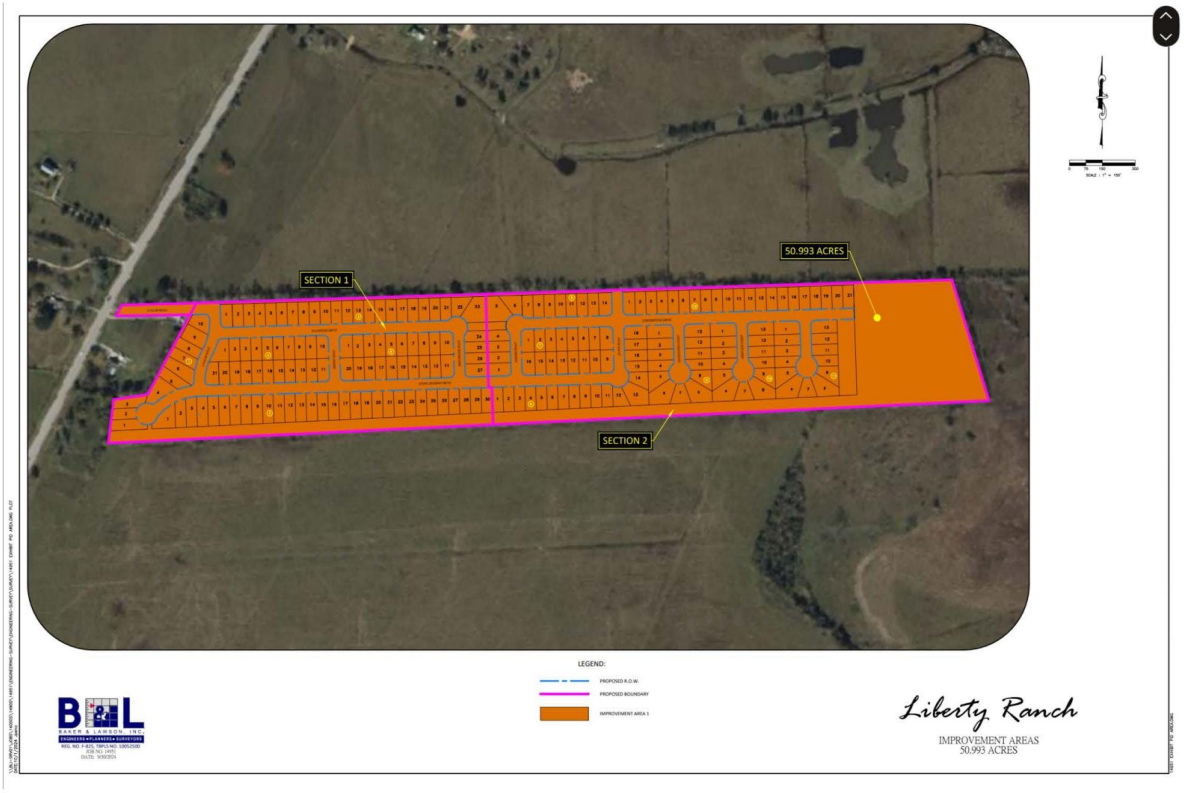
APPENDIX 3

OVERALL IMPROVEMENTS MAP: IA#1

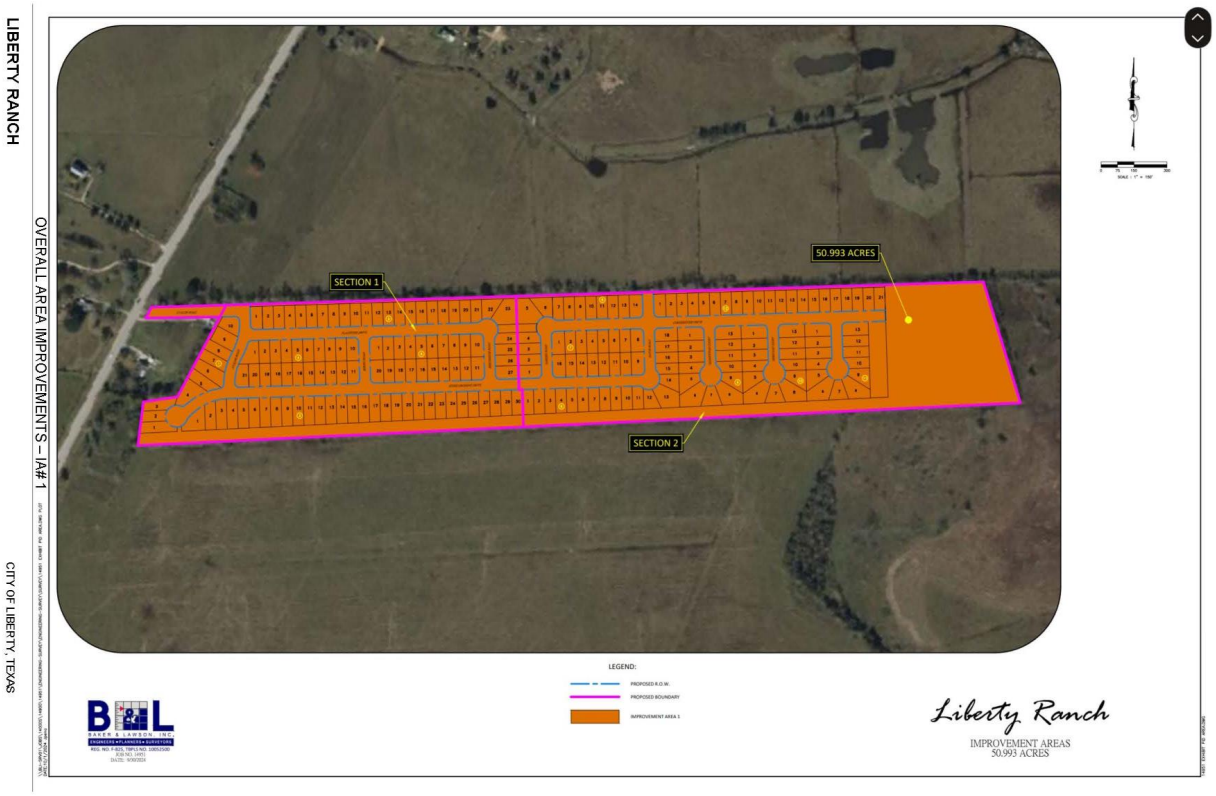
LIBERTY RANCH

OVERALL AREA IMPROVEMENTS – IA#1 & IA#2

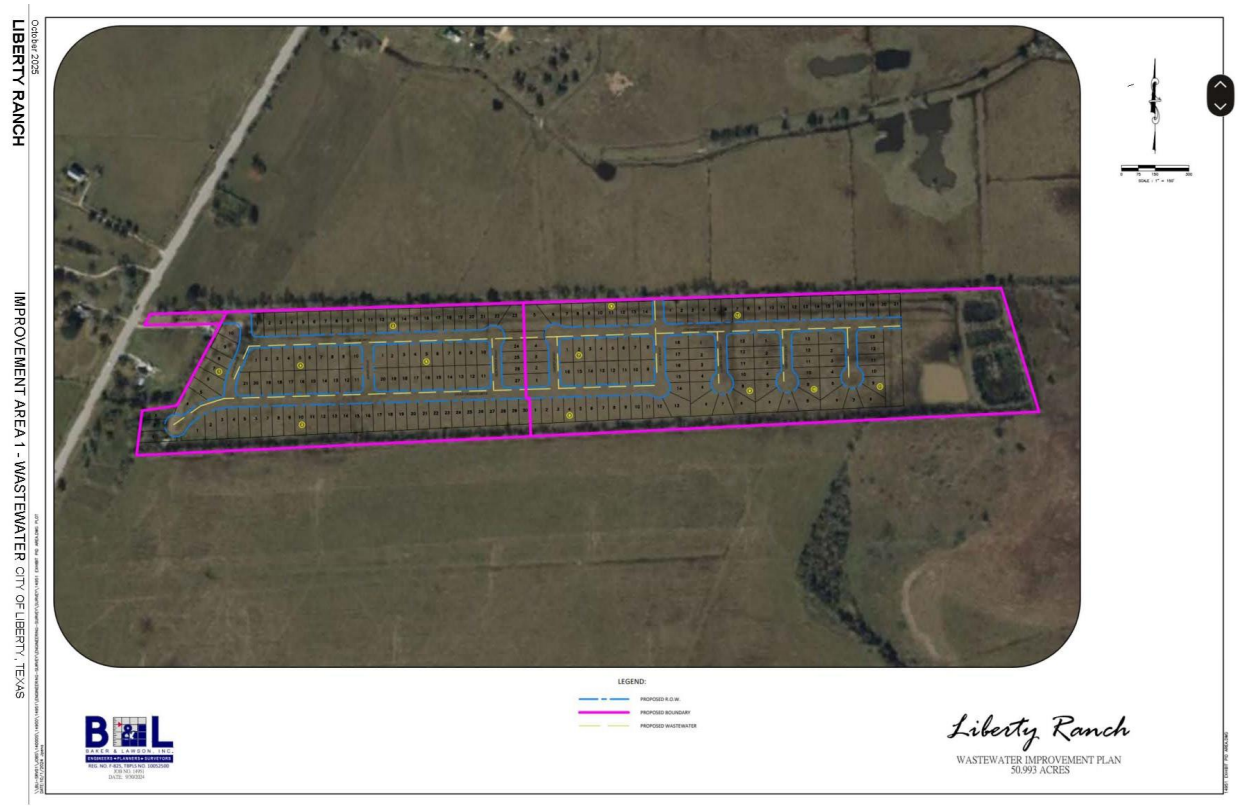
LIBERTY, TEXAS



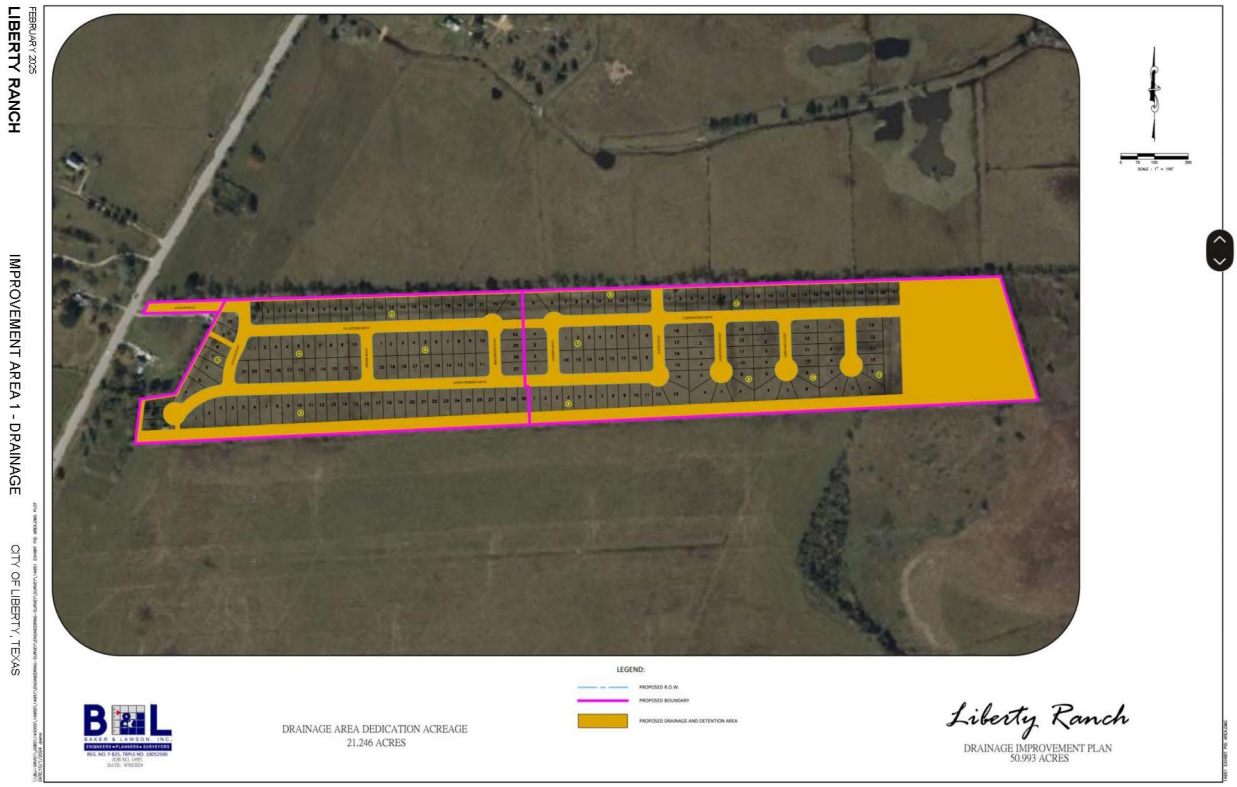
APPENDIX 4
OVERALL IMPROVEMENTS MAP:
IA# 1


LIBERTY RANCH
OVERALL AREA IMPROVEMENTS – IA# 1
CITY OF LIBERTY, TEXAS
SECTION 1
50.993 ACRES
SECTION 2
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
IMPROVEMENT AREA 1
Liberty Ranch
IMPROVEMENT AREAS
50.993 ACRES

APPENDIX 5
IMPROVEMENT AREA #1 MAP: WASTEWATER


LIBERTY RANCH
October 2025
IMPROVEMENT AREA 1 - WASTEWATER CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED WASTEWATER
Liberty Ranch
WASTEWATER IMPROVEMENT PLAN
50.993 ACRES

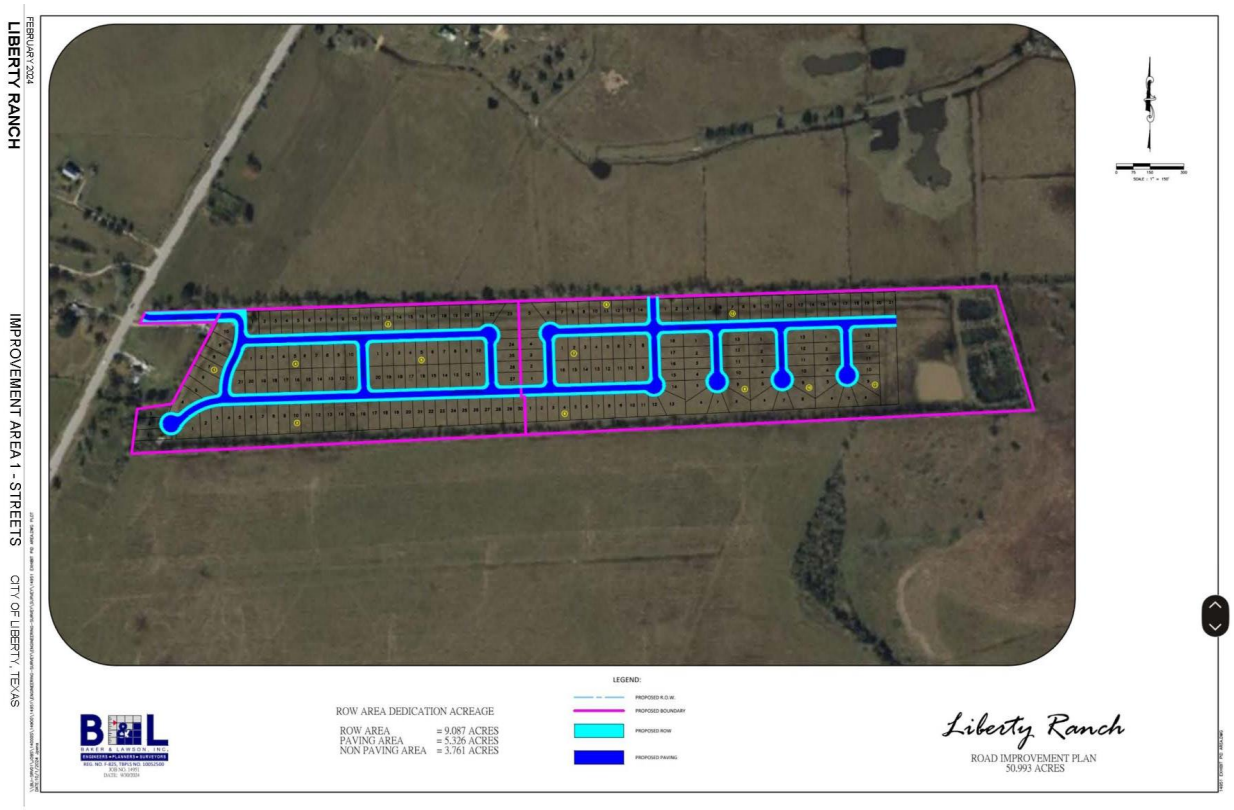
APPENDIX 6
IMPROVEMENT AREA #1 MAP: DRAINAGE


LIBERTY RANCH
FEBRUARY 2025
IMPROVEMENT AREA 1 - DRAINAGE
CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED DRAINAGE AND DETENTION AREA
DRAINAGE AREA DEDICATION ACREAGE
21.246 ACRES
Liberty Ranch
DRAINAGE IMPROVEMENT PLAN
50.993 ACRES

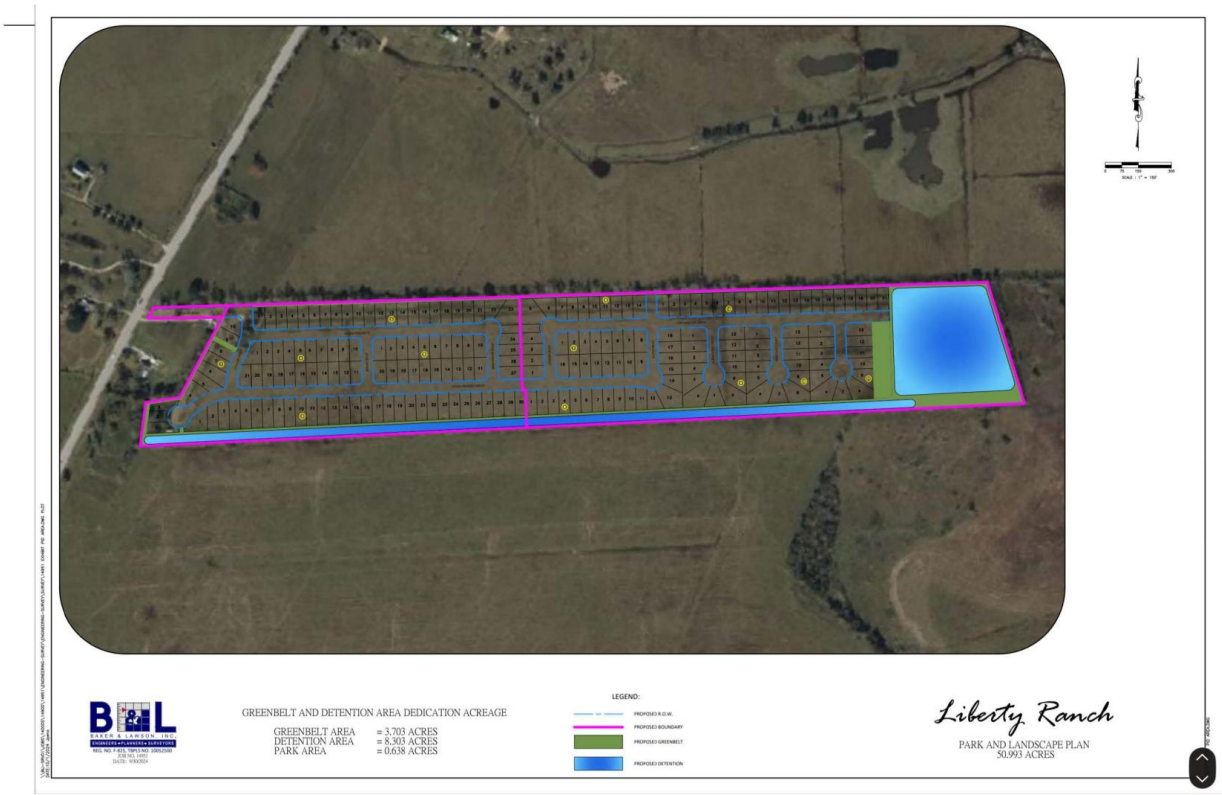
APPENDIX 7
IMPROVEMENT AREA #1 MAP:
POTABLE WATER


LIBERTY RANCH
IMPROVEMENT AREA 1 - WATER
CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED WATERLINE
Liberty Ranch
WATER IMPROVEMENT PLAN
50.993 ACRES

APPENDIX 8
IMPROVEMENT AREA #1 MAP: STREETS


LIBERTY RANCH
FEBRUARY 2024
IMPROVEMENT AREA 1 - STREETS
CITY OF LIBERTY, TEXAS
ROW AREA DEDICATION ACREAGE
ROW AREA = 9.087 ACRES
PAVING AREA = 5.326 ACRES
NON PAVING AREA = 3.761 ACRES
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED ROW
PROPOSED PAVING
Liberty Ranch
ROAD IMPROVEMENT PLAN
50.993 ACRES

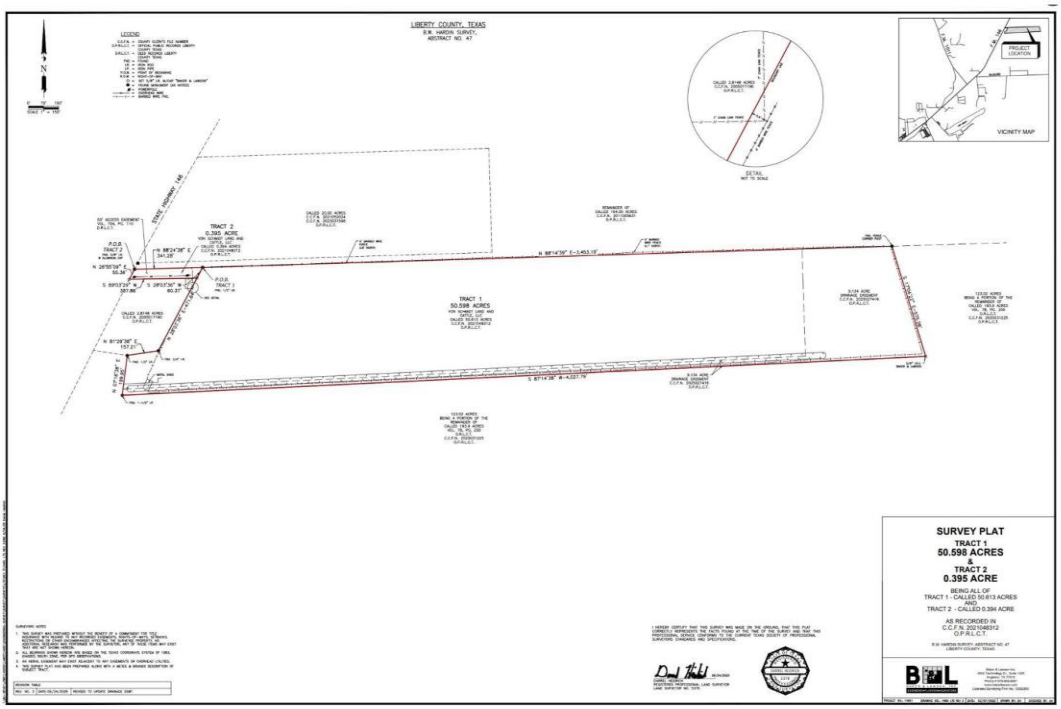
APPENDIX 9
IMPROVEMENT AREA #1 MAP:
PARKS, OPEN SPACE, & LANDSCAPING


GREENBELT AND DETENTION AREA DEDICATION ACREAGE
GREENBELT AREA = 3.703 ACRES
DETENTION AREA = 8.303 ACRES
PARK AREA = 0.638 ACRES
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED GREENBELT
PROPOSED DETENTION
Liberty Ranch
PARK AND LANDSCAPE PLAN
50.993 ACRES

APPENDIX 10

LEGAL DESCRIPTION:

IMPROVEMENT AREA #1
Tracts 1 & 2


LIBERTY COUNTY, TEXAS
B.M. HARDIN SURVEY,
ABSTRACT NO. 47
LEGEND
DETAIL
NOT TO SCALE
VICINITY MAP
PROJECT LOCATION
TRACT 2
0.395 ACRE
TRACT 1
50.598 ACRES
SURVEY PLAT
TRACT 1
50.598 ACRES
&
TRACT 2
0.395 ACRE
BEING ALL OF
TRACT 1 - CALLED 50.613 ACRES
AND
TRACT 2 - CALLED 0.394 ACRE
AS RECORDED IN
C.C.F.N. 2021048312
O.P.R.L.C.T.
B.M. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS

County: Liberty County
Project: 50.598 Acres
Job No.: 14951

TRACT 1
DESCRIPTION OF 50.598 ACRES

Description of a 50.598 acre tract of land, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas, being all of a called 50.613 acre tract (Tract 1) as recorded in County Clerk's File No. (C.C.F.N.) 2021048312 of the Official Public Records of Liberty County Texas (O.P.R.L.C.T.), referred to hereinafter at the above referenced tract of land, said 50.598 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 1/2-inch iron rod found for corner, being the Northwest corner of the above referenced tract, same being on the South line of a called 154.00 acre tract as recorded in C.C.F.N. 2011005631 of the O.P.R.L.C.T., same being the Northeast corner of a called 0.394 acre tract, as recorded in C.C.F.N. 2021048312 of the O.P.R.L.C.T.

THENCE North 88°14'39" East, along the North line of the above referenced tract of land, same being the south line said called 154.00 acre tract, a distance of 3,453.19 feet to a fence post found for corner, being the Northeast corner of the above referenced tract, same being the most Westerly Northeast corner of a that certain tract as recorded in C.C.F.N. 2020031225 of the O.P.R.L.C.T.;

THENCE South 17°04'22" East, along the East line of the above referenced tract of land, same being a Northeasterly line of that said certain tract, a distance of 575.28 feet to a 5/8-inch iron rod with cap, stamped "Baker & Lawson", found for corner, being the Southeast corner of the above referenced tract of land, same being an interior corner of that said certain tract;

THENCE South 87°14'38" West, along the South line of the above referenced tract of land, same being a North line of that said certain tract, a distance of 4,027.79 feet to a 1-1/2 inch iron pipe found for the Southwest corner of the above referenced tract of land, same being an interior corner of that said certain tract;

THENCE North 07°16'38" East, along the West line of the above referenced tract of land, same being a Northwesterly line of that said certain tract, a distance of 199.95 feet to a 1/2-inch pipe found for a Northwest corner of the above referenced tract, same being a Southerly corner of a called 2.8148 acre tract, as recorded in C.C.F.N. 2005017190 of the O.P.R.L.C.T.;

THENCE North 81°29'38" East, along a North line of the above referenced tract of land, same being the Southerly line of said called 2.8148 acre tract, a distance of 157.21 feet to a 3/4-inch iron rod found for corner, being an interior corner of the above referenced tract of land, same being the Southeast corner of said called 2.8148 acre tract;

THENCE North 28°03'36" East, along the West line of the above referenced tract of land, same being the East line of said called 2.8148 acre tract, a distance of 471.64 feet to the **POINT OF BEGINNING** of the above referenced tract of land, containing 50.598 acres of land, more or less.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

09/24/2025

Darrel Heidrich
Registered Professional Land Surveyor
Texas Registration No. 5378

STATE OF TEXAS
REGISTERED
DARREL HEIDRICH
5378
PROFESSIONAL
LAND SURVEYOR

County: Liberty County
Project: 0.395 Acre
Job No.: 14951

TRACT 2
DESCRIPTION OF 0.395 ACRE

Description of a called 0.395 acre tract of land, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas, being all of a called 0.394 acre tract as recorded in County Clerk's File No. (C.C.F.N.) 2021048312 of the Official Public Records of Liberty County Texas (O.P.R.L.C.T.), referred to hereinafter as the above referenced tract, said 0.395 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 5/8-inch iron rod with aluminum cap, found for corner, being the Northwest corner of the above referenced tract, same being on the East Right-of-Way (R.O.W.) of State Highway 146;

THENCE North 88°24'38" East, along the North line of the above referenced tract of land, same being the South line of a called 154.000 acre tract, as recorded in 2011005631 of the O.P.R.L.C.T., a distance of 341.28 feet to a 1/2-inch iron rod found for corner, being the Northeast corner of the above referenced tract, same being the Northwest corner of a called 50.613 acre tract, as recorded in C.C.F.N. 2021048312 of the O.P.R.L.C.T.;

THENCE South 28°03'36" West, along the East line of the above referenced tract of land, same being the West line of said called 50.613 acre tract, a distance of 60.37 feet to a 5/8-inch capped iron rod, stamped "Baker & Lawson", set for corner, being the Southeast corner of the above referenced tract of land, same being the Northeast corner of a called 2.8148 acre tract, as recorded in C.C.F.N. 2005017190 of the O.P.R.B.C.T.;

THENCE South 89°03'29" West, along the South line of the above referenced tract of land, same being the North line of said called 2.8148 acre tract, a distance of 337.86 feet to a 5/8-inch capped iron rod, stamped "Baker & Lawson", set for corner, being the Southwest corner of the above referenced tract of land, same being in the East R.O.W. line of said State Highway 146;

THENCE North 26°55'09" East, along the West line of the above referenced tract of land, same being the East R.O.W. line of said State Highway 146, a distance of 55.36 feet to the **POINT OF BEGINNING** of the above referenced tract of land, containing 0.395 of an acre of land, more or less.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

09/24/2025
Darrel Heidrich
Registered Professional Land Surveyor
Texas Registration No. 5378

STATE OF TEXAS
REGISTERED
DARREL HEIDRICH
5378
PROFESSIONAL
LAND SURVEYOR

APPENDIX B – BUYER DISCLOSURES

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

- District
  - Initial Parcel
  - Lot Type 1

[Remainder of page intentionally left blank.]

LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE – INITIAL PARCEL

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF LIBERTY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

INITIAL PARCEL PRINCIPAL ASSESSMENT: $6,572,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to City of Liberty, 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 ***Liberty Ranch Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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 Liberty 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 Liberty 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 Liberty County.

ANNUAL INSTALLMENTS – INITIAL PARCEL

Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 82,000.00	$ 410,750.00	$ 32,860.00	$ 40,800.00	$ 566,410.00
2028	$ 87,000.00	$ 405,625.00	$ 32,450.00	$ 41,616.00	$ 566,691.00
2029	$ 92,000.00	$ 400,187.50	$ 32,015.00	$ 42,448.32	$ 566,650.82
2030	$ 97,000.00	$ 394,437.50	$ 31,555.00	$ 43,297.29	$ 566,289.79
2031	$ 103,000.00	$ 388,375.00	$ 31,070.00	$ 44,163.23	$ 566,608.23
2032	$ 109,000.00	$ 381,937.50	$ 30,555.00	$ 45,046.50	$ 566,539.00
2033	$ 116,000.00	$ 375,125.00	$ 30,010.00	$ 45,947.43	$ 567,082.43
2034	$ 122,000.00	$ 367,875.00	$ 29,430.00	$ 46,866.38	$ 566,171.38
2035	$ 130,000.00	$ 360,250.00	$ 28,820.00	$ 47,803.70	$ 566,873.70
2036	$ 138,000.00	$ 352,125.00	$ 28,170.00	$ 48,759.78	$ 567,054.78
2037	$ 146,000.00	$ 343,500.00	$ 27,480.00	$ 49,734.97	$ 566,714.97
2038	$ 155,000.00	$ 334,375.00	$ 26,750.00	$ 50,729.67	$ 566,854.67
2039	$ 164,000.00	$ 324,687.50	$ 25,975.00	$ 51,744.27	$ 566,406.77
2040	$ 174,000.00	$ 314,437.50	$ 25,155.00	$ 52,779.15	$ 566,371.65
2041	$ 185,000.00	$ 303,562.50	$ 24,285.00	$ 53,834.73	$ 566,682.23
2042	$ 196,000.00	$ 292,000.00	$ 23,360.00	$ 54,911.43	$ 566,271.43
2043	$ 209,000.00	$ 279,750.00	$ 22,380.00	$ 56,009.66	$ 567,139.66
2044	$ 222,000.00	$ 266,687.50	$ 21,335.00	$ 57,129.85	$ 567,152.35
2045	$ 235,000.00	$ 252,812.50	$ 20,225.00	$ 58,272.45	$ 566,309.95
2046	$ 250,000.00	$ 238,125.00	$ 19,050.00	$ 59,437.90	$ 566,612.90
2047	$ 266,000.00	$ 222,500.00	$ 17,800.00	$ 60,626.65	$ 566,926.65
2048	$ 283,000.00	$ 205,875.00	$ 16,470.00	$ 61,839.19	$ 567,184.19
2049	$ 300,000.00	$ 188,187.50	$ 15,055.00	$ 63,075.97	$ 566,318.47
2050	$ 319,000.00	$ 169,437.50	$ 13,555.00	$ 64,337.49	$ 566,329.99
2051	$ 340,000.00	$ 149,500.00	$ 11,960.00	$ 65,624.24	$ 567,084.24
2052	$ 361,000.00	$ 128,250.00	$ 10,260.00	$ 66,936.72	$ 566,446.72
2053	$ 384,000.00	$ 105,687.50	$ 8,455.00	$ 68,275.46	$ 566,417.96
2054	$ 409,000.00	$ 81,687.50	$ 6,535.00	$ 69,640.97	$ 566,863.47
2055	$ 435,000.00	$ 56,125.00	$ 4,490.00	$ 71,033.79	$ 566,648.79
2056	$ 463,000.00	$ 28,937.50	$ 2,315.00	$ 72,454.46	$ 566,706.96
Total	**$ 6,572,000.00**	**$ 8,364,698.50**	**$ 649,825.00**	**$ 1,655,177.63**	**$ 16,999,815.13**

Footnotes:

[a] Interest is calculated at a 6.125% for illustrative purposes.

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

LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE – LOT TYPE 1

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF LIBERTY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: $30,425.93

As the purchaser of the real property described above, you are obligated to pay assessments to City of Liberty, 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 ***Liberty Ranch Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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 Liberty 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 Liberty 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 Liberty County.

ANNUAL INSTALLMENTS – LOT TYPE 1

Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 379.63	$ 1,901.62	$ 152.13	$ 188.89	$ 2,622.27
2028	$ 402.78	$ 1,877.89	$ 150.23	$ 192.67	$ 2,623.57
2029	$ 425.93	$ 1,852.72	$ 148.22	$ 196.52	$ 2,623.38
2030	$ 449.07	$ 1,826.10	$ 146.09	$ 200.45	$ 2,621.71
2031	$ 476.85	$ 1,798.03	$ 143.84	$ 204.46	$ 2,623.19
2032	$ 504.63	$ 1,768.23	$ 141.46	$ 208.55	$ 2,622.87
2033	$ 537.04	$ 1,736.69	$ 138.94	$ 212.72	$ 2,625.38
2034	$ 564.81	$ 1,703.13	$ 136.25	$ 216.97	$ 2,621.16
2035	$ 601.85	$ 1,667.82	$ 133.43	$ 221.31	$ 2,624.42
2036	$ 638.89	$ 1,630.21	$ 130.42	$ 225.74	$ 2,625.25
2037	$ 675.93	$ 1,590.28	$ 127.22	$ 230.25	$ 2,623.68
2038	$ 717.59	$ 1,548.03	$ 123.84	$ 234.86	$ 2,624.33
2039	$ 759.26	$ 1,503.18	$ 120.25	$ 239.56	$ 2,622.25
2040	$ 805.56	$ 1,455.73	$ 116.46	$ 244.35	$ 2,622.09
2041	$ 856.48	$ 1,405.38	$ 112.43	$ 249.23	$ 2,623.53
2042	$ 907.41	$ 1,351.85	$ 108.15	$ 254.22	$ 2,621.63
2043	$ 967.59	$ 1,295.14	$ 103.61	$ 259.30	$ 2,625.65
2044	$ 1,027.78	$ 1,234.66	$ 98.77	$ 264.49	$ 2,625.71
2045	$ 1,087.96	$ 1,170.43	$ 93.63	$ 269.78	$ 2,621.81
2046	$ 1,157.41	$ 1,102.43	$ 88.19	$ 275.18	$ 2,623.21
2047	$ 1,231.48	$ 1,030.09	$ 82.41	$ 280.68	$ 2,624.66
2048	$ 1,310.19	$ 953.13	$ 76.25	$ 286.29	$ 2,625.85
2049	$ 1,388.89	$ 871.24	$ 69.70	$ 292.02	$ 2,621.84
2050	$ 1,476.85	$ 784.43	$ 62.75	$ 297.86	$ 2,621.90
2051	$ 1,574.07	$ 692.13	$ 55.37	$ 303.82	$ 2,625.39
2052	$ 1,671.30	$ 593.75	$ 47.50	$ 309.89	$ 2,622.44
2053	$ 1,777.78	$ 489.29	$ 39.14	$ 316.09	$ 2,622.31
2054	$ 1,893.52	$ 378.18	$ 30.25	$ 322.41	$ 2,624.37
2055	$ 2,013.89	$ 259.84	$ 20.79	$ 328.86	$ 2,623.37
2056	$ 2,143.52	$ 133.97	$ 10.72	$ 335.44	$ 2,623.64
Total	**$ 30,425.93**	**$ 38,725.46**	**$ 3,008.45**	**$ 7,662.86**	**$ 78,702.85**

Footnotes:

[a] Interest is calculated at 6.25 % for illustrative purposes.

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

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

CITY OF LIBERTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of [_____], 2026 (this "Disclosure Agreement"), is executed and delivered by and among the City of Liberty, Texas (the "Issuer"), P3Works, LLC, a Delaware limited liability company (the "Administrator"), and UMB Bank, N.A., acting solely in its capacity as dissemination agent (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District 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 [_____], 2026, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

"Administrator" shall mean, initially, P3Works, as the current Administrator, and any person or independent firm designated by the Issuer as a successor Administrator who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

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

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

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

"Annual Financial Statements" shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for governmental units as

prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

"Annual Financials Filing Date" shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is twelve (12) months after the end of the Issuer's Fiscal Year. The Annual Financials Filing Date is currently September 30.

"Annual Information Filing Date" shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer's Fiscal Year. The Annual Information Filing Date is currently March 31.

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

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

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of [February 1], 2026, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

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

"Dissemination Agent" shall mean UMB Bank, N.A., 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 have the meaning assigned to such term in the Indenture.

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

"Filing Date" means any one or all of the Annual Financials Filing Date, Annual Information Filing Date, and Annual Collections Report Filing Date.

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

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

"Fiscal Year" shall mean the Issuer's fiscal year, currently the twelve-month period from October 1 through September 30."Listed Events" shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

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

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

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

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

"SEC" shall mean the United States Securities and Exchange Commission.

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

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2026, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, the Annual Financial Information and the Annual Financial Statements, as follows:

(i) The Issuer shall provide or caused to be provided the Annual Financial Information to the MSRB not later than the Annual Information Filing Date; and

(ii) The Issuer shall provide or caused to be provided audited Annual Financial Statements to the MSRB not later than the Annual Financials Filing Date, or if audited Annual Financial Statements are not available by the Annual Financials Filing Date, unaudited Annual Financial Statements, provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement.

In each case, the Annual Financial Information and Annual Financial Statements may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Information Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten (10) days prior to the applicable Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as the case may be, to the Dissemination Agent together with written direction to file such Annual Financial Information and Annual Financial Statements with the MSRB. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten (10) days from the

date such documents are received by the Dissemination Agent from the Issuer, but in no event later than the applicable Filing Date for such Fiscal Year.

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

(c) The Dissemination Agent, pursuant to written direction, shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information and the Annual Financial Statements on the dates required in subsection (a);

(ii) on behalf of the Issuer, file the Annual Financial Information and the Annual Financial Statements containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and the Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or Annual Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Financial Information and Annual Financial Statements.

(a) *Annual Financial Information*. The Annual Financial Information for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Information Filing Date, the following Annual Financial Information (any or all of which may be unaudited):

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

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the Fiscal Year to which the information being reported relates.

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (collectively, a "SAP Update").

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

(b) *Annual Financial Statements*. The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited Annual Financial Statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If the audited Annual Financial Statements of the Issuer are not available by the Annual Financials Filing Date, the Issuer shall provide unaudited Annual Financial Statements of the Issuer no later than the Annual Financials Filing Date and audited Annual Financial Statements when and if available.

(c) The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Financial Information under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference. The Dissemination Agent has no duty or obligation to determine whether or not the information contained in any completed forms containing financial information and operating data as shown in Exhibit B provided to it has been accurately completed and shall only be required to file the forms as completed and provided to it by either the Administrator or the Issuer.

SECTION 5. Annual Collections Report.

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

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

If by the fifth (5th) day before the Annual Collections Report Filing Date the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the applicable Annual Collections Report Filing Date.

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

SECTION 6. Reporting of Significant Events.

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

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of 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; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the issuance of Refunding Bonds without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than one (1) Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

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

In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written

instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

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

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

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

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any

amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

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

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

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

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

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

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Dissemination Agent (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being

indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

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

(a) Except as otherwise provided herein, the Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses, or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Financial Information or Annual Financial Statements in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit Annual Financial Information, Annual Financial Statements, or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

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

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties

hereunder, including the reasonable costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

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

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

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

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

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

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

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

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the District, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

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

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

foregoing representation excludes the Dissemination Agent and the Administrator and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

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

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

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

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

SECTION 21. Governing Law and Venue. This Disclosure Agreement shall be governed by the laws of the State of Texas. Any action to enforce the terms of this Disclosure Agreement shall be brought in the State district court of Liberty County, Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same

instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

CITY OF LIBERTY, TEXAS

By: _____
City Manager

UMB Bank, N.A.
(as Dissemination Agent)

By: _____
Authorized Officer

P3Works, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE [ANNUAL FINANCIAL INFORMATION][ANNUAL FINANCIAL STATEMENTS][ANNUAL COLLECTIONS REPORT]

Name of Issuer:	City of Liberty, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project) (the "Bonds")
CUSIP Nos.	[insert CUSIP Nos.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of Liberty, Texas (the "Issuer"), has not provided the [Annual Financial Information][Annual Financial Statements][Annual Collections Report] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of [February 1], 2026, by and among the Issuer, P3Works, LLC, as "Administrator," and UMB Bank, N.A., as "Dissemination Agent." The Issuer anticipates that the [Annual Financial Information] [audited][unaudited] [Annual Financial Statements] [Annual Collections Report] will be filed by _____.

Dated: _____

UMB Bank, N.A., on behalf of the City of Liberty, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Liberty, Texas

EXHIBIT B

CITY OF LIBERTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT PROJECT)

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 6034 W. Courtyard Drive, Suite 225
Austin, Texas 78730
Telephone: ( ) -
Contact Person: Attn: _____

Section 4(a)(i)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				–
				–
		Total		

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value(1)	Book Value(1)	Market Value(1)

(1) As such information is provided by the Trustee.

*Excluding audited financial statements of the Issuer

ASSETS AND LIABILITIES OF TRUST ESTATE

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

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

Accounting Type: ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)

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

Debt Service Requirements on the Bonds

Year Ending (September 30)	Principal	Interest	Total

Top [Five] Assessment Payers in the District [(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 of the District is approximately $[AMOUNT] according to the Hays Central Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

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

[insert any necessary footnotes]

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

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

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

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

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

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

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

History of Prepayment of Assessments for the Past Five Fiscal Years

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

[insert any necessary footnotes]

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

EXHIBIT C

CITY OF LIBERTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT PROJECT)

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 6034 W. Courtyard Drive, Suite 225
City: Austin, Texas 78730
Telephone: ( ) -
Contact Person: Attn: _____

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

Foreclosure History Related To The Annual Installments[1]

Succeeding Fiscal Year 20__	Delinquent Annual Installment Amount not in Foreclosure Proceedings $	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings $	Foreclosure Sales	Foreclosure Proceeds Received $

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

Collection and Delinquency of Annual Installments [1]

Succeeding Fiscal Year 20__	Total Annual Installments Levied $	Parcels Levied[2]	Delinquent Amount as of 3/1 $	Delinquent % as of 3/1 %	Total Annual Installments Collected[3] $

[1] Period covered includes October 1, 20__ through March 1, 20__.
[2] Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.
[3] [Does/does not] include interest and penalties.

Prepayment of Assessments[1]

Succeeding Fiscal Year	Number of Prepayments	Amount of Prepayments $	Bond Call Date	Amount of Bonds Redeemed $

[1] Period covered includes October 1, 20__ through March 1, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES[1]

Date	Delinquency Clock (Days)	Activity
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 20	20	Immediately upon receipt, but in no event later than February 20, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 1	43/44	Trustee pays bond interest payments to Owners.
April 1	59/60	At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice,

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

		Dissemination Agent to notify MSRB of such draw or the Reserve Fund.
July 1	**152/153**	**If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full September payment, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Financial Information.** **Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.** If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer. If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
August 15	197/198	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198). **Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures**. **Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Report**.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

CITY OF LIBERTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer, dated as of February 1, 2026 (this "Disclosure Agreement"), is executed and delivered by and among Liberty Ranch, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC, a Delaware limited liability company (the "Administrator"), and UMB Bank, N.A., acting solely in its capacity as dissemination agent (the "Dissemination Agent") with respect to the captioned bonds (the "Bonds"). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

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

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust, dated as of [_____], 2026, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

"Administrator" shall mean, initially, P3Works, as the current Administrator, and any person or independent firm designated by the Issuer as a successor Administrator who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District.

"Affiliate" shall mean an entity that is controlled by, controls, or is under common control with another entity.

"Amenities" means a children's play area, grass and concrete sport courts, horseshoe pits, multi-use paths, 20,0000 square feet of greenbelt pedestrian paths, and sitting areas and structures..

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Certification Letter" shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

"Completion Agreement" means that certain Completion Agreement entered into on [____ __], 2026, by and between the Trustee, the City, and the Developer.

"Developer" shall mean Liberty Ranch, LLC, a Texas limited liability company, its successors and assigns, including any Affiliate of the Developer who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Public Improvements or the Amenities.

"Developer Listed Event" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of even date herewith, executed and delivered by and among the Issuer, the Administrator, and the Dissemination Agent.

"Dissemination Agent" shall mean UMB Bank, N.A., 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 have the meaning assigned to such term in the Indenture.

"EMMA" shall mean the Electronic Municipal Market Access system administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at http://emma.msrb.org.

"Homebuilder" shall mean Developer and any homebuilder who enters into a Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

"Issuer" shall mean the City of Liberty, Texas.

"Listed Events" shall mean, collectively, Developer Listed Events, and Significant Homebuilder Listed Events.

"Lot Purchase Agreement" shall mean, with respect to lots or land within the District, any lot purchase agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

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

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

"Public Improvements" shall have the meaning assigned to such term in the Indenture.

"Quarterly Ending Date" shall mean each March 31, June 30, September 30, and December 31, beginning June 30, 2026.

"Quarterly Filing Date" shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, and November 15.

"Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

"Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and containing the information listed in Exhibit A attached hereto.

"Reporting Party" shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

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

"SEC" shall mean the United States Securities and Exchange Commission.

"Significant Homebuilder" shall mean a Homebuilder that owns 11 or more single-family residential lots in the District, which represents five percent (5%) of the single-family residential lots in the District.

"Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party shall, at its cost and expense, provide or cause to be provided to the Administrator not more than 10 days after each Quarterly Ending Date, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to subsection 3(d) hereof (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such Reporting Party's obligations terminate pursuant to Section 7 of this Disclosure Agreement. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above, and (ii) no later than 20 days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to such Person's Quarterly Information, or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than 30 days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly Information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Party pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than 20 days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than 30 days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize and direct the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, no later than 35 days after each Quarterly Ending Date, the Quarterly Report containing the information described in subsection 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within 10 days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party, file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereto.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied on the Assessed Property owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be

considered a Developer Listed Event under this Section 4 nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within the District, including the Public Improvements and the Amenities;

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of the Public Improvements undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within the District owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of $1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of the Public Improvements, or litigation that may materially and adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any material change in the legal structure, chief executive officer, or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied the Assessed Property owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 hereof.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator, and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within 10 Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Reporting Party. Additionally, if a Significant Homebuilder does not execute the assignment and assumption of disclosure obligations pursuant to Section 6 hereof, and, therefore, the Developer is reporting on behalf of the Significant Homebuilder, the Developer shall not be required to conduct an independent investigation of the occurrence of a Significant Homebuilder Listed Event.

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

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within 10 Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person, unless an Affiliate of the Developer, who, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Public Improvements or the Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement with respect thereto. The Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement and assumption from each Person, unless an Affiliate of the Developer, who assumes the obligations, requirements or covenants to construct one or more of the Public Improvements, or the Amenities in substantially the form attached as Exhibit E (the "Developer Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall provide written direction to the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person's delivery of written acknowledgement of assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the construction of the Public Improvements or the Amenities, so assigned. Notwithstanding anything to the contrary elsewhere herein, after such assignment, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall require that any Person comply with obligations of this Section 5 with respect to any subsequent transfers by such Person to any individual or entity having the obligations, requirements or covenants to construct one or more of the Public Improvements or the Amenities in the future.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) As long as a Homebuilder is a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under subsections 3(d)(iv) and 4(b) hereof with respect to such acquired real property until such party's disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement, or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer's disclosure obligations, as described in clause (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in clause (a)(i) above, the Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to subsections 4(a)(ix) and 4(b)(vi) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder's delivery of an executed Significant Homebuilder Acknowledgment assuming the Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Homebuilder until an executed Significant Homebuilder Acknowledgment with respect to such real property is delivered to the Dissemination Agent, the Administrator, the Issuer, and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall use commercially reasonable efforts to require that any Significant Homebuilder comply with obligations of this Section 6 with respect to any subsequent transfers by such Significant Homebuilder to any individual or entity meeting the definition of a "Significant Homebuilder" in the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(e) above.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or any Significant Homebuilder under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) when the Developer or such Significant Homebuilder, including their respective Affiliates and/or successors and assigns, owns fewer than 11 lots in the District, as of each Quarterly Ending Date; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with subsection 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) when (x) the Developer, including its Affiliates and/or successors and assigns, owns fewer than 11 lots in the District, and (y) such Significant Homebuilder(s)

(on behalf of whom the Developer is reporting), including their respective Affiliates and/or successors and assigns, owns fewer than 11 lots in the District, as of each Quarterly Ending Date.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, of the termination of the applicable Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party, and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) and (b), if any, of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with 30 days' notice to the Issuer, the Developer, and the Administrator; provided, however, that if the Dissemination Agent is serving in the same capacity under the Disclosure Agreement of Issuer, the Dissemination Agent shall resign under the Disclosure Agreement of Issuer simultaneously with its resignation hereunder; provided, further, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each of the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be UMB Bank, N.A.

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

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

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

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided under this Disclosure Agreement.

SECTION 12. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the request of any Participating Underwriter or the Owners of at least 50% aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction, the Dissemination Agent shall, take such actions as may be necessary and appropriate to cause the Reporting Party and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party or the Administrator to comply with this Disclosure Agreement shall be an action in mandamus or specific performance. A default under this Disclosure Agreement by a Reporting Party shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer

shall not be deemed a default under this Disclosure Agreement by a Reporting Party or the Administrator. Additionally, a default by a Reporting Party of its obligations under this Disclosure Agreement shall not be deemed a default by any other Reporting Party of such Reporting Party's obligations under this Disclosure Agreement. Additionally, a default by the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by any Reporting Party and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding (i) liabilities due to the Dissemination Agent's negligence or willful misconduct, and (ii) liabilities resulting from claims made by the Developer against the Dissemination Agent. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation, or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to indemnify and hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding (i) liabilities due to the Administrator's breach, negligence, or willful misconduct, and (ii) liabilities resulting from claims made by the Developer against the Administrator. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation, or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any

liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The Developer, the Administrator, and the Dissemination Agent agree that the legal expenses of the Dissemination Agent or the Administrator to which it is expressly entitled to be paid pursuant to this subsection 13(c) are Annual Collection Costs.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, director, shareholder, member, managing partner, agent, or employee of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent in other than that person's official capacity.

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

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the District, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute 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. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Parties and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer:	Liberty Ranch, LLC Attn: Charles Von Schmidt 185 Cedar Point Drive Livingston, Texas, 77351 E-mail: c.vonschmidt@wdtexas.com
If to the Dissemination Agent:	UMB Bank, N.A. Attn: [____]_____ 6034 W. Courtyard Drive, Suite 225 Austin, Texas 78730

	_____ Email: _____
If to Administrator:	P3Works, LLC 9284 Huntington Square, Ste 100 North Richland Hills, Texas 76182 E-mail: admin@p3-works.com
If to the Issuer:	City of Liberty, Texas Attn: _Naomi Herrington City of Liberty, Texas 1829 Sam Houston St. Liberty, TX, 77575 E-mail: nherrington@cityofliberty.org
If to Participating Underwriter:	FMSbonds, Inc. 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034 E-mail: tdavenport@fmsbonds.com
If to the Trustee	UMB Bank, N.A. Attn: [_____] 6034 W. Courtyard Drive, Suite 225 Austin, Texas 78730 Email: [_____]_____

SECTION 21. Term of Disclosure Agreement. Except for surviving indemnities of the parties to this Disclosure Agreement, this Disclosure Agreement terminates on the earlier of (i) the first date on which none of the Bonds remain Outstanding, and (ii) the first date on which the reporting obligations of all Reporting Parties have terminated in accordance with the terms of Section 7 of this Disclosure Agreement.

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

Signature pages follow.

UMB Bank, N.A.,
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

Liberty Ranch, LLC,
a Texas limited liability company

By: _____
Charles Von Schmidt, President

P3Works, LLC,
Administrator

By:_____
Name:_____
Title:_____

EXHIBIT A

CITY OF LIBERTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT PROJECT)

DEVELOPER QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 6034 W. Courtyard Drive, Suite 225
Austin, Texas 78730

City: City of Liberty
1829 Sam Houston Street
Liberty, Texas 77575
Telephone: (936) 336-3684
Contact Person: Naomi Herrington

I. Unit Mix for Bond Assignment

Product Type	**Number of Units**
Lot Type 1	216

II. Ownership of Lots/Units in Improvement Area

PLANNED LOTS IN THE DISTRICT: 216

Of the 216 lots in the District:

1. Number of lots owned by the Developer: _____
2. If applicable, number of lots under contract but not closed to Homebuilder(s): _____
3. If applicable, number of lots owned by Homebuilder(s): _____
4. Number of units owned by homeowners: _____

III. Lot Status in Improvement Area

Of the 216 lots in the District, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 216
2. Planned lots as of the date of this Quarterly Report: ___
3. Lots developed: ___
4. Lots platted: ___
5. Expected/actual completion date of all lots in the District (if incomplete): _____

IV. Home Sales Information in Improvement Area

PLANNED HOMES IN THE DISTRICT: 216

Of the 216 homes planned for the District:

1. How many building permits were issued **during the current quarter**? _____
2. How many homes have closed with homebuyers **during the current quarter**? _____
3. How many homes have closed with homebuyers **cumulatively**? _____

V. Expenditures Paid from Accounts under Indenture

1. Total Budgeted Costs for the Public Improvements: $_____

2. Of the total budgeted costs, the total amount drawn from the Improvement Account[1]:
   a. Improvement Account: $ _____
   b. Improvement Area Major Improvements Account: $N/A
   c. Improvement Area Developer Improvement Account: $N/A

VI. Status of Improvements in Improvement Area

1. Projected/actual completion date of the Public Improvements: _____
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: N/A

VII. Amenities

TOTAL EXPECTED/ACTUAL COSTS OF AMENITIES: $[_____]

Of the $[_____] budgeted costs of the Amenities:

1. Amount spent as of Quarterly Ending Date: $_____
2. Actual/Expected completion date of Amenities: _____

VIII. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the

[1] For purposes of this report, this refers to the "Improvement Account" of the Project Fund created in the Indenture.

development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report?

2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?

5. **Completion Agreement**. Is the Developer required to provide evidence of available funds, in addition to the amounts on deposit in the Project Fund, to complete the construction of the Improvement Area #1 Projects? If so, with each quarterly report filing, pursuant to the Reimbursement Agreement and the Completion Agreement, the Developer shall provide Evidence of Available Funds as defined in the Completion Agreement, as well as the timeline for completion of the Improvement Area #1 Projects.

6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.

7. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer:	City of Liberty, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project) (the "Bonds")
CUSIP Numbers:	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[2]"] ["Significant Homebuilder"]) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer related to such Bonds, by and among Liberty Ranch, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC, as Administrator, and UMB Bank, N.A., as Dissemination Agent. The [Developer][Significant Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

UMB Bank, N.A.,
on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Liberty, Texas

[2] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of Liberty, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project) (the "Bonds")
CUSIP Numbers.	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

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

UMB Bank, N.A.
6034 W. Courtyard Drive, Suite 225
Austin, Texas 78730

_____

City of Liberty, Texas
1829 Sam Houston St.
Liberty, TX, 77575

Liberty Ranch, LLC
185 Cedar Point Drive
Livingston, Texas, 77351

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[1]"] ["Significant Homebuilder"]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Bonds, thereby terminating such party's reporting obligations under the Continuing Disclosure Agreement of Developer related to such Bonds, by and among Liberty Ranch, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC, as Administrator, and UMB Bank, N.A., as Dissemination Agent.

Dated: _____

P3Works, LLC
on behalf of the [Developer] [Significant Homebuilder],
as Administrator)

By: _____

Title: _____

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer:	City of Liberty, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project)
CUSIP Numbers:	[insert CUSIP Numbers]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Liberty Ranch Public Improvement District

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among Liberty Ranch, LLC, a Texas limited liability company[1] (the "Developer"), P3Works, LLC, as Administrator, and UMB Bank, N.A., as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a "Significant Homebuilder"], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have any questions or comments.

Liberty Ranch, LLC,
a Texas limited liability company

By: _____
Charles Von Schmidt, President

[OR

Significant Homebuilder
(as Significant Homebuilder)
By:_____
Title: _____]

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF DEVELOPER REPORTING OBLIGATIONS

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Liberty Ranch Public Improvement District – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__, you have been assigned and have assumed the obligations, requirements or covenants to construct one or more of the Public Improvements or the Amenities (each as defined in the Disclosure Agreement of Developer) within the Liberty Ranch Public Improvement District (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer dated as of February 1, 2026 (the "Disclosure Agreement of Developer"), by and among Liberty Ranch, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and UMB Bank, N.A., (the "Dissemination Agent") with respect to the "City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project)," any person that, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Public Improvements or the Amenities is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3 and 4(a) of the Disclosure Agreement of Developer for the construction of the Public Improvements or the Amenities as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Liberty Ranch, LLC,
a Texas limited liability company

By: _____
Charles Von Schmidt, President

Acknowledged by:
[INSERT ASSIGNEE NAME]

By:_____
Title:_____

EXHIBIT F

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Liberty Ranch Public Improvement District – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ lots in the Liberty Ranch Public Improvement District (the "District"). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer dated as of February 1, 2026 (the "Disclosure Agreement of Developer"), by and among Liberty Ranch, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and UMB Bank, N.A. (the "Dissemination Agent"), with respect to the "City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project)," any entity that owns 11 or more of the single family residential lots in the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(b) of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Liberty Ranch, LLC,
a Texas limited liability company

By: _____
Charles Von Schmidt, President

Acknowledged by:

[INSERT ASSIGNEE NAME]

By:_____
Title:_____

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APPENDIX F

APPRAISAL

AN APPRAISAL REPORT OF

LIBERTY RANCH, SECTIONS 1 AND 2
PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA NO. 1

COMPRISED OF 216 UNDER-DEVELOPMENT LOTS ON 50.598 ACRES IN SECTIONS 1 AND 2, LOCATED ALONG THE EAST LINE OF S.H. 146, APPROXIMATELY 3.55 MILES NORTH OF U.S. 90, AND APPROXIMATELY 0.62 MILE SOUTH OF F.M. 2830, IN LIBERTY, LIBERTY COUNTY, TEXAS 77575



FOR

MR. R.R. "TRIPP" DAVENPORT, III
UNDERWRITER
FMSBONDS, INC.
5 COWBOY WAY, SUITE 300-25
FRISCO, TEXAS 75034

BY

BARLETTA & ASSOCIATES, INC.
1313 CAMPBELL ROAD, BUILDING C
HOUSTON, TEXAS 77055-6429

B&A FILE NUMBER: C8997-01

AS OF

DATE OF APPRAISAL TRANSMITTAL:	**DECEMBER 16, 2025**
DATE OF SITE VISIT:	**DECEMBER 15, 2025**
EFFECTIVE DATE OF "UPON COMPLETION" VALUE:	**DECEMBER 31, 2025 & MAY 1, 2026**

December 16, 2025

Mr. R.R. “Tripp” Davenport, III
Underwriter
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Phone: 877-899-2220
Email: tdavenport@fmsbonds.com

RE: **An Appraisal Report of Liberty Ranch, Sections 1 and 2, being 216 under-development lots on 50.598 acres in Sections 1 and 2**, located along the east line of S.H. 146, approximately 3.55 miles north of U.S. 90, and approximately 0.62 mile south of F.M. 2830, in Liberty, Liberty County, Texas 77575. The subject lots have a typical lot size of 50’ x 100’, or 5,000 SF.

Client: FMSbonds, Inc.
B&A File No. C8997-01

Dear Mr. Davenport:

At your request, we have visited the above-referenced property, gathered comparable market data, and conducted a study of the market area for the purpose of providing our opinions of the **“Upon Completion” Bulk Market Values** of the property referenced above, in compliance with FMSbonds, Inc.’s Appraisal Instructions, the Uniform Standards of Professional Appraisal Practice, and the Appraisal Institute’s Code of Professional Ethics. This appraisal also complies with applicable fair lending and anti-defamation laws including the Equal Credit Opportunity Act (ECOA), the Fair Housing Act (FHAct), the Civil Rights Act of 1866, as well as other federal, state or local laws that prohibit discrimination.

At the request of the client, the “As Is” Market Value of the under-development lots in Sections 1 and 2 have not been valued herein.

It is our opinion that the **Prospective “Upon Completion” Bulk Market Values** of the fee simple interest in the subject property, as of the indicated dates, are as follows:

Description	No. of Lots	Avg. Lot FF	Value	Effective Date
"Upon Completion" Bulk Market Value, Section 1	108	50'	**$5,990,000**	12/31/2025
"Upon Completion" Bulk Market Value, Section 2	108	50'	**$5,960,000**	5/1/2026

The Bulk Market Values above are derived from a Sum of Retail Revenue of **$6,723,000**, or $62,250 per lot for Section 1; and **$6,922,800,** or $64,100 per lot for Section 2.

The estimated prospective **Marketing Period** and historic **Exposure Time** for the 216 under-development subject lots at the above concluded Prospective "Upon Completion" Market Values in Bulk is estimated within 3-6 months, based upon discussions with area builders, and the marketing period for comparable properties that have recently sold.

Extraordinary Assumptions:

1.) The 216-lot subdivision appraised herein is under-development, with prospective completion dates. In this Appraisal Report, we have projected market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, we have projected the retail valuation of the individual subject lots, absorption period and holding costs based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from that which are expected on the anticipated dates of completion that are reflected in this report. Because actual future market conditions may deviate from that which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sales data that will be available on the prospective date of completion.

2.) The valuation of the subject improvements "Upon Completion" require valuation of the various subject improvements as of the prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, we have relied upon surveys, plats and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value estimate is subject to revision.

3.) This appraisal is subject to all proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.

4.) This appraisal is subject to final subdivision plat/s.

5.) This appraisal assumes that Starlight Homes and Hart Homes, or comparable production builder/s, will build upon the under-development subject lots, detached single-family units with a projected price from $265,000.

6.) If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions: None

As referenced herein, **Market Value** is defined as follows:

> The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> (1) buyer and seller are typically motivated;
> (2) both parties are well informed or well advised, and acting in what they consider their own best interests;
> (3) a reasonable time is allowed for exposure in the open market;
> (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
> (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
>
> (Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, September 300, 2010, page 394-395)

It has been a pleasure serving you. Please call if we may be of further assistance.

Sincerely,

BARLETTA & ASSOCIATES, INC.

Phillip F. Barletta, MAI, SRA
President
State Certified, 1320197-CG

David M. Baehr, MAI, SRA, AI-GRS
State Certified, 1380372-CG

CERTIFICATION

We certify, to the best of our knowledge and belief, the following:

USPAP Certifications

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
4. David M. Baehr, MAI, SRA, AI-GRS and Phillip F. Barletta, MAI, SRA have provided no other real estate services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this Appraisal Report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. David M. Baehr, MAI, SRA, AI-GRS made an unaccompanied visit to the site on December 15, 2025. Phillip F. Barletta, MAI, SRA did not inspect the property, but is familiar with the subject market area and the subject subdivision.
10. No one provided significant real property appraisal assistance to the signers of this appraisal report.
11. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
12. The appraisers have extensive experience in appraising subdivisions, subdivision lots, base master floor plans, and master-planned residential subdivisions, and are State General Certified; thus, they are well-qualified to appraise the subject property and fully satisfy the Competency Rule of the Uniform Standards of Professional Appraisal Practice.
13. Phillip F. Barletta, MAI, SRA and David M. Baehr, MAI, SRA, AI-GRS are State Certified General Real Estate Appraisers by the Texas Appraiser Licensing and

Certification Board for the State of Texas.

AI Certifications

1. The reported analyses, opinions and conclusions were developed, and this report has also been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
2. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
3. As of the date of this report, Phillip F. Barletta, MAI, SRA and David M. Baehr, MAI, SRA, AI-GRS have completed the continuing education program for Designated Members of the Appraisal Institute.

It is our opinion that the **Prospective "Upon Completion" Bulk Market Values** of the fee simple interest in the subject property, as of the indicated dates, are as follows:

Description	No. of Lots	Avg. Lot FF	Value	Effective Date
"Upon Completion" Bulk Market Value, Section 1	108	50'	**$5,990,000**	12/31/2025
"Upon Completion" Bulk Market Value, Section 2	108	50'	**$5,960,000**	5/1/2026

The estimated prospective **Marketing Period** and historic **Exposure Time** for the 216 under-development subject lots at the above concluded "Prospective "Upon Completion" Market Values in Bulk is estimated within 3-6 months, based upon discussions with area builders, and the marketing period for comparable properties that have recently sold.

Extraordinary Assumptions:

1.) The 216-lot subdivision appraised herein is under-development, with prospective completion dates. In this Appraisal Report, we have projected market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, we have projected the retail valuation of the individual subject lots, absorption period and holding costs based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from that which are expected on the anticipated dates of completion that are reflected in this report. Because actual future market conditions may deviate from that which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sales data that will be available on the prospective date of completion.

2.) The valuation of the subject improvements "Upon Completion" require valuation of the various subject improvements as of the prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing

this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, we have relied upon surveys, plats and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value estimate is subject to revision.

3.) This appraisal is subject to all proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.

4.) This appraisal is subject to final subdivision plat/s.

5.) This appraisal assumes that Starlight Homes and Hart Homes, or comparable production builder/s, will build upon the under-development subject lots, detached single-family units with a projected price from $265,000.

6.) If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions: None

Sincerely,

BARLETTA & ASSOCIATES, INC.



Phillip F. Barletta, MAI, SRA
President
State Certified, 1320197-CG



David M. Baehr, MAI, SRA, AI-GRS
State Certified, 1380372-CG

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following conditions:

1. This Appraisal Report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice, Standards Rule 2-2 (a). As such, this report does, in fact, include narrative discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is included in this report. The appraiser is not responsible for unauthorized use of this report.

2. No responsibility is assumed for legal or title consideration. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.

5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this appraisal report.

10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, lead contamination, or other potentially hazardous materials may affect the value of the property. The appraisers' value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans With Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.

18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are

connected) shall be disseminated to the public through advertising, public relations, new sales, or other media without prior written consent and approval of the appraisers.

19. Texas is a non-disclosure state. It is important that the intended user of the appraisal understand that, in Texas, there is no legal requirement for grantors or grantees to disclose any information relative to a transfer of real property. In Texas, deeds typically do not contain information about the transaction other than the legal description, the parties involved in the transaction and minimum consideration of $10.00. As a result, no data source provides absolute coverage of all transactions. It is possible that there are sales data in the market, of which the appraisers are unaware. Our sources provide the data typically available to appraisers in the ordinary course of business.

Extraordinary Assumptions:

1.) The 216-lot subdivision appraised herein is under-development, with prospective completion dates. In this Appraisal Report, we have projected market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, we have projected the retail valuation of the individual subject lots, absorption period and holding costs based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from that which are expected on the anticipated dates of completion that are reflected in this report. Because actual future market conditions may deviate from that which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sales data that will be available on the prospective date of completion.

2.) The valuation of the subject improvements “Upon Completion” require valuation of the various subject improvements as of the prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, we have relied upon surveys, plats and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value estimate is subject to revision.

3.) This appraisal is subject to all proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.

4.) This appraisal is subject to final subdivision plat/s.

5.) This appraisal assumes that Starlight Homes and Hart Homes, or comparable production builder/s, will build upon the under-development subject lots, detached single-family units with a projected price from $265,000.

If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions: None

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Name:	**Liberty Ranch, Sections 1 and 2 – Liberty Ranch Public Improvement District**
Type of Property:	The subject consists of 216 under-development lots on 50.598 acres in Sections 1 and 2, located along the east line of S.H. 146, approximately 3.55 miles north of U.S. 90, and approximately 0.62 mile south of F.M. 2830, in Liberty, Liberty County, Texas 77575. The subject lots have a typical lot size of 50' x 100', or 5,000 SF.
Coordinates:	Latitude 30.105700; Longitude: -94.740878
Postal Address:	Liberty, Texas 77575
Location:	Located along the east line of S.H. 146, approximately 3.55 miles north of U.S. 90, and approximately 0.62 mile south of F.M. 2830, in Liberty, Liberty County, Texas 77575.
Tract Size:	50.598 acres (216 lots)
Density:	4.27 lots per acre

Subject Lot Mix:

No.	Description	Avg. FF	Avg. Size
216	Under-development	50'	5,000 SF

Appraisal Dates:

- Date of Report Transmittal:	December 16, 2025
- Date of Site Inspection:	December 15, 2025
- Upon Completion Date of Value:	December 1, 2025 (Section 1) May 1, 2026 (Section 2)
Purpose of the Appraisal:	To provide an opinion of the "Upon Completion" Bulk Market Values, per U.S.P.A.P.; FMSbonds, Inc.'s Appraisal Guidelines; and the Appraisal Institute's Code of Professional Ethics.
Rights Appraised:	Fee Simple Estate
Zoning/Restrictions:	The City of Liberty does not have a comprehensive zoning ordinance regulating land use for single-

family detached homes; however, the City of Liberty does require that residential lots be at least 5,000 SF. The subdivision will be subject to typical residential lot deed restrictions. Yet, we are aware of no restrictions that would adversely affect development of the subject lots' to their highest and best use.

Utilities/Services:

Utilities/Services	
Electricity:	Entergy
Water/Sanitary Sewer:	City Of Liberty
Gas:	CenterPoint Energy
Phone:	AT&T & others
Police Protection:	City of Liberty/Liberty County Sheriff's Dept.
Fire Protection:	City of Liberty
School District:	Hardin ISD

Floodplain:

FEMA Flood Map	
Flood Map No.:	48291C0475D
Flood Map Date:	1/19/2018
Flood Map Designation:	Zone X

Environmental: No adverse influences noted or known, such as endangered species, habitats, or wetlands.

Builder/s: Starlight Homes and Hart Homes

New Home Price Range: From $265,000+

Highest & Best Uses:

Highest & Best Use of Lots: Construction of starter single-family residential homes, as demand and market conditions warrant from $265,000 by Starlight Homes and Hart Homes or comparable builders.

CONCLUSIONS:

It is our opinion that the **Prospective "Upon Completion" Bulk Market Values** of the fee simple interest in the subject property, as of the indicated dates, are as follows:

Description	No. of Lots	Avg. Lot FF	Value	Effective Date
"Upon Completion" Bulk Market Value, Section 1	108	50'	**$5,990,000**	12/31/2025
"Upon Completion" Bulk Market Value, Section 2	108	50'	**$5,960,000**	5/1/2026

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject of this appraisal is Liberty Ranch, Sections 1 and 2, consisting of 216 under-development lots on 50.598 acres**,** located along the east line of S.H. 146, approximately 3.55 miles north of U.S. 90, and approximately 0.62 mile south of F.M. 2830, in Liberty, Liberty County, Texas 77575. The subject parent site can be legally identified by as follows:

BAKER & LAWSON, INC
ENGINEERS • PLANNERS • SURVEYORS

County: Liberty County
Project: 51.000 Acre
Job No.: 14951

FIELD NOTES FOR 51.000 ACRES

Being a tract of land containing 51.000 acres, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas; Said 51.000 acre tract, being the same tract conveyed to Von Schmidt Land and Cattle LLC, as recorded in Liberty County Clerk's File No. (L.C.C.F.N.) 2021048312, said 51.000 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) Central Zone, per GPS observations):

BEGINNING at a point in the east right-of-way (R.O.W.) line of State Highway 146, for the southwest corner of a called 154.00 acre tract conveyed to Vernon F. Poole Jr., as recorded in L.C.C.F.N. 2011005631, for the most northerly northwest corner of the herein described tract;

THENCE North 88°24'40" East, along the south line of said 154.00 acre tract and the north line of the herein described tract, a distance of 341.19 feet to an angle point;

THENCE North 88°14'39" East, continuing along the south line of said 154.00 acre tract and the north line of the herein described tract, a distance of 3453.19 feet to a point in the northeasterly line of a called 123.02 acre tract conveyed to Liberty County Farming, LLC as recorded in L.C.C.F.N. 2020031225, for the northeast corner of the herein described tract;

THENCE South 17°04'22" East, along the east line of the herein described tract, a distance of 575.28 feet to a point for an interior corner of said 123.02 acre tract and the southeast corner of the herein described tract;

THENCE South 87°14'38" West, along the south line of the herein described tract, a distance of 4,027.79 feet to a point for an "ell" corner of said 123.02 acre tract the southwest corner of the herein described tract;

THENCE North 07°16'38" East, along the west line of the herein described tract, a distance of 199.95 feet to a point in the south line of a called 2.8148 acre tract conveyed to Barbara N. Owens, as recorded in L.C.C.F.N. 2005017190, for corner;

THENCE North 81°29'38" East, along the south line of said 2.8148 acre tract, a distance of 157.21 feet to a point for the southeast corner of said 2.8148 acre tract;

THENCE North 28°03'36" East, along the east line of said 2.8148 acre tract, a distance of 411.27 feet to a point for the northeast corner of said 2.8148 acre tract and an interior corner of the herein described tract;

THENCE South 88°50'50" West, along the north line of said 2.8148 acre tract, a distance of 340.45 feet to a point in the east R.O.W. line of said State Highway 146 for the most southerly northwest corner of the herein described tract;

THENCE North 28°41'36" East, along the east R.O.W. line of said State Highway 146, a distance of 57.75 feet to the **POINT OF BEGINNING**, containing 51.000 acres (2,221,539 square feet) of land, more or less.

An exhibit drawing of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

3/7/22

Phil Hammons
Registered Professional Land Surveyor
Texas Registration No. 5840

STATE OF TEXAS
REGISTERED
PHIL HAMMONS
5840
PROFESSIONAL
LAND SURVEYOR

4005 Technology Drive, Suite 1530, Angleton, Texas 77515 • Phone: (979) 849-6681
Texas Firm Registration No. 10052500

HISTORY OF THE SUBJECT PROPERTY

Per the requirements of the Appraisal Institute's Standards of Professional Practice and the U.S.P.A.P., the following are comments pertaining to the three-year sales history of the subject property.

The subject is owned by Liberty Ranch, LLC, has owned the property in excess of three years. The subject lots are under contract to Starlight Homes and Hart Homes on a takedown basis for $55,000 for $1,100 per FF for the initial takedowns, increasing to $60,000, or $1,200 per FF.

There are no other known contracts, listings, or offers pending with respect to the subject, and the appraisers are unaware of any other transactions involving the subject property during the past three years.

INTENDED USE/USER OF THE APPRAISAL

This appraisal is intended to offer our opinion of the **"Upon Completion" Bulk Market Values of the subject 216 under-development lots,** to the client, FMSbonds, Inc., for the underwriting of Liberty Ranch, Sections 1 and 2, Bond transaction. The use of the appraisal by anyone other than Mr. Tripp Davenport, III and Mr. Robert Rivera (c/o FMSbonds, Inc.), or the Liberty Ranch Public Improvement District (the "District") is prohibited, except as provided herein. Additionally, we confirm our permission to use the final Appraisal Report in the offer and sale of public securities, secured by the special assessments levied on property within the District, and we confirm that we will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose, as provided by the client. Any other party is an unintended unauthorized user.

SCOPE OF WORK OF THE APPRAISAL

Barletta & Associates, Inc. has an internal Quality Control Program. All appraisals are read a second time by an MAI who may or may not participate in the assignment. For this

assignment, Quality Control Oversight was provided by Phillip F. Barletta, MAI, SRA, who was an active appraiser participant.

The scope of work of the appraisal is the process to support our opinion of the "Upon Completion" Bulk Market Values of the 216 under-development lots that comprise Liberty Ranch, Sections 1 and 2, employing all applicable approaches to value in a comprehensive appraisal process and presented in this Appraisal Report. In preparing this appraisal, the appraisers:

- visited the subject property and surrounding market area, unaccompanied;
- contacted Mr. Ken Schott (713-206-8291) with Waterstone Development Group, who provided physical, financial and historical data for this valuation analysis;
- analyzed macro and micro market conditions of this region and market area;
- interviewed active market participants;
- gathered relevant available information on current comparable builder takedown lot sales and lot absorption data, referencing such publications as the Houston MLS, the Zonda Houston Metrostudy and the appraisers' extensive database;
- referenced other publications and services such as MapPro, Loop Net, Crexi, Google Earth, Realty Rates.com, the Liberty County Appraisal District, and the Liberty County Clerk's Office, among other services;
- confirmed and analyzed the data and applied the most applicable approaches to value; i.e. the Sales Comparison Approach-Retail Lot Sales; and the Income Approach-DCF analysis;
- the Cost Approach was not developed. At the request of the client, the "As Is" Market Value of the subject under-development lots in Sections 1 and 2 has not been valued herein. The absence of the Cost Approach does not affect the credibility of the Market Value conclusions in this appraisal;
- concluded the "Upon Completion" Bulk Market Values of the prospective "Upon Completion" Bulk Market Values of 216 under-development lots in Sections 1 and 2 to a single purchaser, and, as such, our report conforms to the reporting guidelines of the Appraisal Institute, the Texas Appraiser Licensing and Certification Board, the Appraisal Foundation's U.S.P.A.P., and Regulation 12 CFR Part 564; and
- concluded the "Upon Completion" Bulk Market Values of the under-development subject lots, as of the stated effective dates for a reasonable exposure period.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the ***Fee Simple Estate***. Fee Simple Estate is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 73, as follows:

> Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

DEFINITION OF MARKET VALUE

As referred to herein, ***Market Value*** is defined by as follows:

> The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> (1) buyer and seller are typically motivated;
> (2) both parties are well informed or well advised, and each acting in what they consider their own best interests;
> (3) a reasonable time is allowed for exposure in the open market;
> (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
> (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
>
> (Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, September 300, 2010, page 394-395)

DEFINITION OF "SUM OF THE RETAIL VALUES"

As referred to herein, ***Sum of Retail Values*** is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 185, as follows:

> The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the

> prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the aggregate of the retail values or aggregate retail selling price.

DEFINITION OF "AS IS" MARKET VALUE ON APPRAISAL DATE

As referred to herein, ***"As Is" Market Value*** is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 10, as follows:

> The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraised date.

DEFINITION OF "BULK VALUE"

As referred to herein, ***"Bulk Value"*** is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, revised 2022, by the Appraisal Institute, Page 22, as follows:

> The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

DATES OF THE APPRAISAL

The "Upon Completion" Bulk Market Value effective dates of value of this appraisal is December 31, 2025 (Section 1) and May 1, 2026 (Section 2). The date of transmittal of the report is December 16, 2025.

ZONING & RESTRICTIONS

The City of Liberty does not have a comprehensive zoning ordinance regulating land use for single-family detached homes; however, the City of Liberty does require that residential lots be at least 5,000 SF. The subject lots are assumed to be deed restricted, and we are unaware of any adverse deed restrictions which would preclude development to the subject's highest and best use.

AD VALOREM TAX DATA

All properties in the State of Texas are taxed at 100% of their assessed value, which are determined for all taxing jurisdictions within a county by a central county appraisal district, in this case, the Liberty County Appraisal District (LCAD). The under-development lots have not been individually assessed and are considered a portion of the Parent Tract,

under Account Number 15087 with a total assessed value of $50,750. The subject carries an agricultural exemption with three years of rollback taxes due upon development.

In most cases, the taxing entities typically assess lots at around 30% to 100% of the retail value. Within the discounted cash flow section of this report, the appraisers will utilize an average **35%** assessment-to-retail value ratio, which was derived from tax comparables from the subject's market area. See table below:

Property Tax Comps for Liberty Ranch			
LCAD Property ID	**Street Address**	**2025 Lot Value**	**% Tax Assessment**
203026	1071 Mulberry Ln.	$24,190	38.86%
284875	1989 Brookpointe Ln.	$20,160	32.39%
Average Tax Assessment-to-Total Value Ratio:			35.63%
Rounded:			**35%**

2025 Tax Rates: The 2025 property tax rates per $100, applicable to the subject, are summarized in the following table:

Taxing Authorities and 2025 Rates per $100	
Hardin ISD	$0.8637
City of Liberty	$0.5838
Liberty County	$0.4800
Hospital District 1	$0.0893
2025 Cumulative Tax Rate per $100:	**$2.0168**

GREATER HOUSTON AREA DATA

The subject property's regional area is the Houston-Galveston-Brazoria Consolidated Metropolitan Statistical Area (CMSA), which consists of Harris, Brazoria, Chambers, Liberty, Fort Bend, Montgomery, Waller, and Galveston counties. The total land area of the Houston CMSA consists of approximately 8,778.34 square miles. The following data was taken in most part from research material published by the City of Houston and the Greater Houston Partnership's Research Department, together with secondary sources cited where applicable, as of August 2025.

Economic/Employment Update: Metro Houston added 57,800 jobs in the 12 months ending in December 2024, down sharply from 102,900 jobs added during 2023. The area added just 2,300 jobs in June 2025, down from 3,600 jobs in May 2025, and a total of 31,100 jobs over the 12 months ending in June 2025. The region’s payroll employment has increased by just 300 jobs thus far in 2025 and is down to 3.471M from the high recorded in December 2024.

Purchasing Manager’s Index (PMI): The Houston PMI improved to 50.6 in June 2025, up sharply from 48.1 in May 2024, after declining for several months and is at its highest level so far in 2025. According to the Institute for Supply Management, readings above 45 indicate the local economy is expanding, below 45 indicate that it's contracting. Nationally, the GDP increased a healthy 2.9% in 2024 up slightly from 2.8% in 2023, and both over the 20-year average of 2.4%.

The year 2024 ended with GDP growing 2.3% in 4Q 2024, while the GDP declined 0.5% in 1Q 2025, due primarily to a downward spike in imports, in anticipation of tariffs later in 2025, however current estimates (July 25, 2025) are at a strong 3.0% growth in GDP, in the 2Q 2025.

Population Update: The U.S. Census Bureau data indicates that metro Houston's population grew by 139,789 residences (1.9%) in 2023. The 10-county metro area topped 7,370,000 residents in 2023, and now exceeds that of 37 states and the District of Columbia. Houston had the 2nd largest numeric gain, growing by 152,598 residents (also by 1.9%).

The nation's 3 most populous metros, New York, Los Angeles, and Chicago, declined in population. Just 5 of the nation's 20 largest major cities, Atlanta, Dallas-Fort Worth, Houston, Phoenix, and Tampa, had significant gains.

HOUSTON METRO POPULATION, CHANGE BY COUNTY, 7/1/22 to 7/1/23

County	'23 Population	'22 Population	# Change	% Change
Austin	31,070	31,677	607	2.0
Brazoria	388,234	398,938	10,704	2.8
Chambers	51,309	53,876	2,567	5.0
Fort Bend	888,919	916,778	27,859	3.1
Galveston	357,387	361,744	4,357	1.2
Harris	4,781,337	4,835,125	53,788	1.1
Liberty	102,462	108,272	5,810	5.7
Montgomery	679,554	711,354	31,800	4.7
San Jacinto	28,936	28,340	596	2.1
Waller	61,852	53,553	1,701	2.8
Total	7,372,486	7,512,276	139,790	1.9

Source: U.S. Census Bureau, Population Estimates

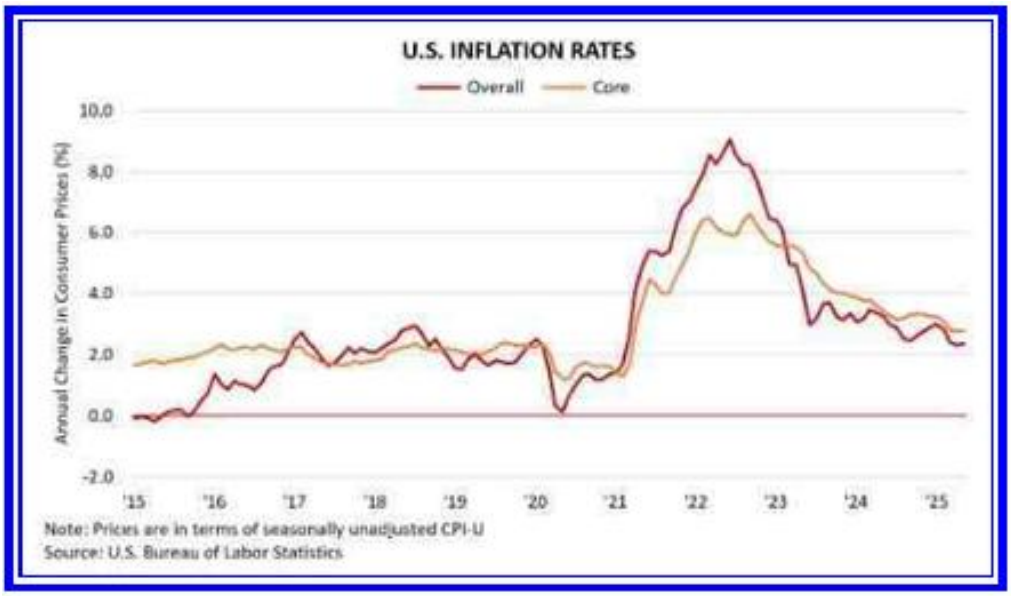
COMPONENTS OF POPULATION CHANGE, 7/1/22 TO 7/1/23

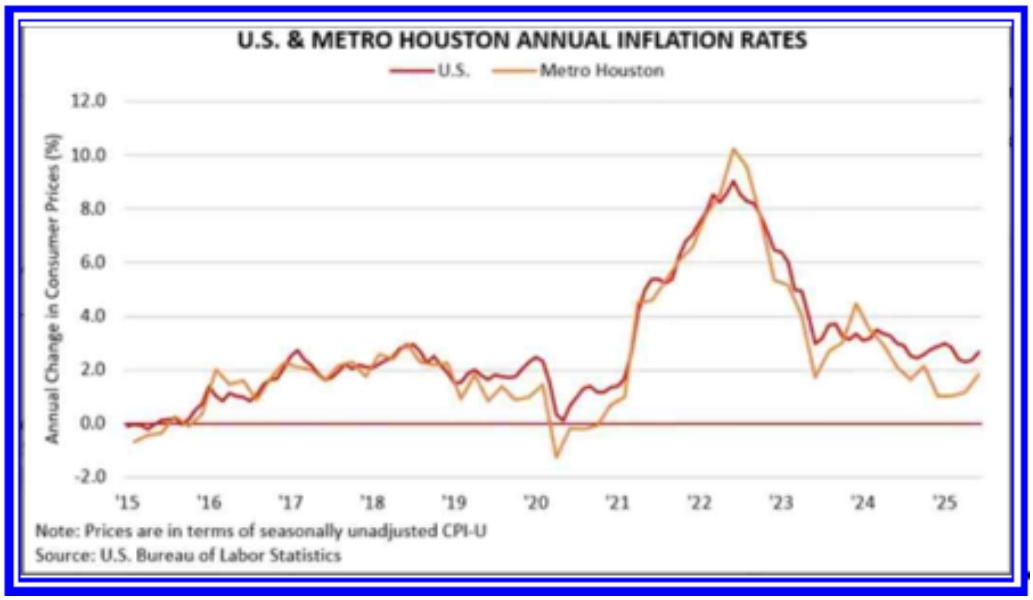
		Vital Events		Net Migration		
County	Total Change	Natural Change	Births	Deaths	Inmi-gration	Inter-national	Domestic
Austin	607	47	390	343	562	3	559
Brazoria	10,704	1,875	4,834	2,959	8,843	955	7,888
Chambers	2,567	217	611	394	2,362	89	2,273
Fort Bend	27,859	5,389	9,567	4,178	22,591	6,834	15,757
Galveston	4,357	882	4,053	3,171	3,493	505	2,988
Harris	53,788	34,695	65,450	30,755	18,873	41,665	-22,792
Liberty	5,810	400	1,415	1,015	5,447	52	5,395
Montgomery	31,800	4,011	8,570	4,559	27,866	2,365	25,501
San Jacinto	596	-142	307	449	740	3	737
Waller	1,701	279	761	482	1,421	83	1,338
Total	**139,789**	**47,653**	**95,958**	**48,305**	**92,198**	**52,554**	**39,644**

Source: U.S. Census Bureau, Population Estimates

Harris County led the nation in population growth, adding the most residents among the nation's 3,144 counties, however 2023 is the 8th consecutive year that Harris County experienced negative domestic migration (i.e., more people moved out of Harris County than moved in from elsewhere in the U.S.). Harris County lost 22,792 residents to domestic out-migration last year. That was the 13th worst performance in the nation. By comparison, Montgomery County had the 2nd highest level of domestic migration (+25,501 residents) and Fort Bend the 8th best (+15,757). If not for the high number of births inside Harris County, 65,450 last year, the county would have plummeted in the growth rankings.

Inflation: Inflation, as measured by the Consumer Price Index for all Urban Consumers (CPI-U), increased slightly to 2.7% nationwide in the 12 months ending in June 2025, up from 2.4% the prior month and may be a sign that the national economy is ramping up due to easing of government regulations and trillions in investments from private enterprise and foreign governments. In Houston, inflation has recently generally tracked under the national rate, but increased to 1.8% in June 2025, up from 1.2% in April 2025, and from 1.0% in February 2025.





Unemployment: The unemployment rate in Houston ticked up to 4.3% in June 2025, from 4.2% in May 2025, and up from 3.9% in April 2025, but down from 4.7% in June 2024. The unemployment rate in Texas ticked up to 4.1% in June 2025 from 4.0% in May 2025 and from 3.7% in April 2025. The U.S. unemployment also increased to 4.4% in June 2025, from 4.0% in May 2025, and from 3.7% in April 2025. The rates are not seasonally adjusted.

JUNE '25 UNEMPLOYMENT RATE*, CITIES IN METRO HOUSTON

City	Rate	City	Rate	City	Rate
Alvin	4.4	Houston	4.3	Pearland	3.8
Baytown	6.8	La Porte	4.8	Rosenberg	4.3
Conroe	3.8	Lake Jackson	5.0	Sugar Land	3.8
Deer Park	4.7	League City	3.6	Texas City	5.1
Friendswood	3.7	Missouri City	4.7		
Galveston	3.9	Pasadena	5.2	**Overall**	**4.3**

Source: Texas Workforce Commission

*Not seasonally adjusted

Crude Oil: The U.S. Energy Information Administration (EIA) estimates domestic crude production hit a record of 13.6M barrels per day (b/d) in December 2024. EIA reported a slight decrease to 13.3M barrels per day in April 2025, with production expected to remain in the range of 13.0 to 13.5 barrels per day in 2025. In Texas, crude oil production remained in the range of 172k to 180k barrels per day in the 2nd half or 2024. Producers expect a friendlier regulatory environment under President Trump's administration, which should help increase production.

Oil prices peaked in mid-2022, following Russia's invasion of Ukraine, but have fallen since. West Texas Intermediate (WTI), the U.S. benchmark for light sweet crude, averaged $69.95 in November 2024, down from $114.89 in June 2022. EIA projects WTI crude oil will average slightly less than $70 in 2025. West Texas Intermediate (WTI), the U.S. benchmark for light sweet crude, declined to about $60 per barrel in early April 2025 and averaged $62.17 per barrel in May 2025.



Global consumption of oil and other liquid fuels is largely unchanged from a year ago, at roughly 103M barrels per day. EIA projects consumption will grow slightly to 105M barrels per day by November 2025, driven by demand from developing countries. Increased crude production from non-OPEC countries is expected to push prices down even with growing consumption.

U.S. natural gas production slipped to 113.5B CF per day in November 2024 versus 115.6B in November 2023. Natural gas inventories were above the average for the preceding five years as of November 2024 but are expected to fall during the winter heating season, with spot prices rising from around $2.10 per million BTUs in November 2024 to more than $3.00. EIA projects prices will tick upward again in late summer 2025, after dropping in the spring of 2025.

Houston Area Existing Home Sales: Single-family sales totaled 85,163 in 2024, up 1.3% over 2023. This is much better than in 2022 and 2023, when annual sales declined 10.7% and 11.8%, respectively. From June 2024 to June 2025, sales totaled 43,795 homes, a healthy increase of 3.0% over the same time period in 2024.

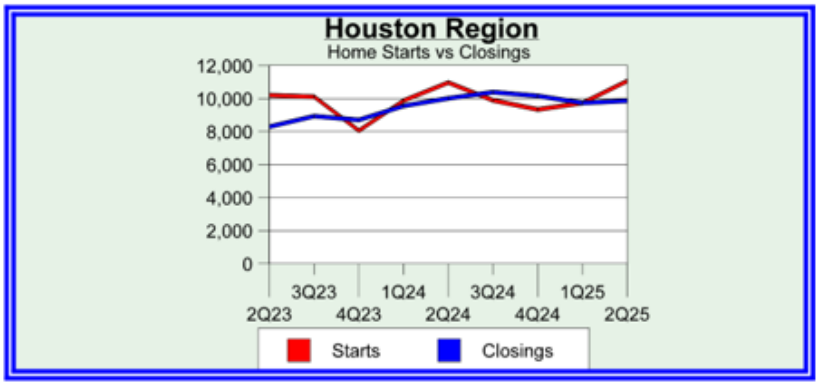
Overall, Houston is in a buyer's housing market, with minor price increases of 0.2% from June 2024 to June 2025, inventories at high levels of 5.4 months in June 2025, and a healthy increase in sales volume, up 3.0%, however the overall trend of decreasing interest rates reversed in April 2025, with 30-year fixed rates increasing from an average of 6.8%, which has stabilized into August July 2025.

Houston Area New Lot Development & Home Sales: The overall Houston Area had 9,866 closings and 11,066 starts in the 2nd Quarter of 2025, up 13.70% from 9,733 starts in the 1st Quarter of 2025, but down 0.89% from the 10,968 starts in the 2nd Quarter of 2024. The result is a stabilized new home inventory of 25,022 new homes, or 7.5 months for the overall Houston new home market.

In 2Q 2025, there was a total existing inventory of 63,776 vacant developed lots in the Houston area. This equates to **a moderate shortage supply level of 19.1 months**, down slightly from 19.2 months in 1Q 2025, but up from 17.1 months in 2Q 2024.

Housing starts continued at a steady pace in 2Q 2025 and are at levels similar before the spike in inflation and prior to the current higher mortgage interest rates. Historically, a 20-to-24-month supply of vacant developed lots indicated a stabilized condition. Historical new home closings, starts, inventory and vacant lot inventory for the overall Houston Area, are summarized on the following chart:

Market Area		2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	Annual Rates/ Inventory Supply (Mos)
Houston Area	Starts	10,196	10,112	8,058	9,876	10,968	9,890	9,342	9,733	11,066	40,031
	Closings	8,298	8,938	8,706	9,557	10,018	10,387	10,162	9,736	9,866	40,151
	Housing Inv.	22,407	23,581	22,933	23,396	25,142	24,645	23,825	23,822	25,022	7.5 Mos.
	VDL Inv.	51,641	51,431	52,497	54,101	55,723	56,721	63,099	63,981	63,776	19.1 Mos.







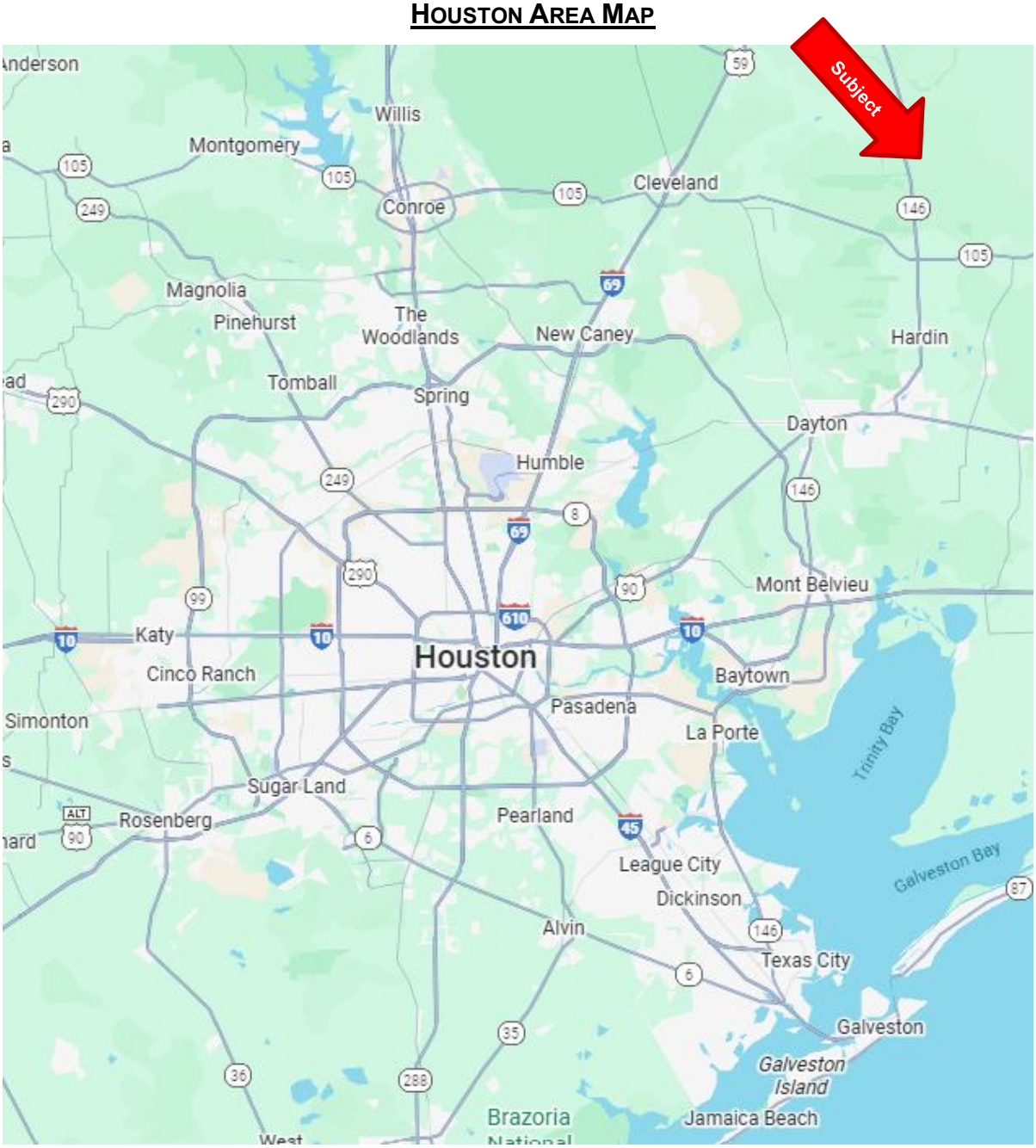
Mortgage interest rates have stabilized, ranging from 5.875% to 6.592% (7 lenders surveyed), in the Houston region, and averaging 6.500%, per Realtor.com, as of August 8, 2025, just under the national average of 6.63%.

Houston Commercial/Multifamily Real Estate: Per CoStar, overall rent and vacancy rates comparisons for end of year 2023, 2024, and year-to-date 2025 were as follows:

Property Type	Rent					Vacancy				
	2023	2024	% Change	YTD 2025	% Change	2023	2024	% Change	YTD 2025	% Change
Retail	**$23.59**	**$23.83**	1.0%	**$24.22**	1.6%	**4.9%**	**5.1%**	0.2%	**5.3%**	0.2%
Office	**$29.63**	**$30.46**	2.8%	**$28.42**	-6.7%	**18.9%**	**19.1%**	0.2%	**19.6%**	0.5%
Industrial	**$8.93**	**$9.10**	1.9%	**$9.35**	2.7%	**6.9%**	**6.6%**	-0.3%	**6.8%**	0.2%
Multifamily	**$1,316**	**$1,370**	4.1%	**$1,378**	0.6%	**10.9%**	**11.3%**	0.4%	**11.2%**	-0.1%
Hospitality	**$113.22**	**$120.47**	6.4%	**$123.39**	2.4%	**40.2%**	**35.6%**	-4.6%	**37.0%**	1.4%

Source: CoStar 8-3-2025

HOUSTON AREA MAP



MARKET AREA ANALYSIS

Market Area Defined: According to The Dictionary of Real Estate Appraisal, Seventh Edition, by the Appraisal Institute, 2022, page 116, a ***market area*** is defined as: "The geographic region from which a majority demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area."

Boundaries: In order to discuss a market area, the boundaries must be established in order to distinguish it from the rest of the community. The market area boundaries are generally delineated as follows:

North: Highway 105
South: I-10
East: F.M. 770
West: Trinity River

Access: S.H. 146, U.S. Highway 59/Interstate 69, S.H. 242, F.M. 1960 East, U.S. 90, and S.H. 105 are the major expressways serving the market area. U.S. Highway 59/Interstate 69 extends generally in a northeast/southwest direction, providing the most direct route from the subject market area to Houston's Central Business District to the southwest. Estimated drive time to downtown is typically about 45 minutes, up to about 60 minutes or more, during periods of heavy traffic.

F.M. 1960 East, S.H. 105, U.S. Highway 90 and S.H. 99 provide primary east/west access to and through the subject market area.

Land Uses: The subject market area is predominately residential and supportive commercial in nature. The majority of residential development has occurred in single-family residential subdivisions, ranging in age from new to 60+ years and older with a high concentration of SFRs on acreage lots. Several garden apartment complexes are distributed throughout the market area. Adequate retail, schools, and community facilities are also located throughout the market area. It is estimated that approximately 50% of

the immediate subject area is developed with predominantly residential uses and supportive commercial properties along the major thoroughfares, with scattered light industrial use, and scattered commercial/retail uses along S.H. 105, U.S. 90 and F.M. 1960 East.

Education: The majority of the market area is in the Hardin, Liberty, Dayton, Splendora and Cleveland ISDs, providing adequate schools from elementary through high school throughout the area. Lone Star College provides convenient classes for higher education in Kingwood, just to the west of the subject area. Numerous institutes of higher education are also within commuting distance of the market area.

Lone Star College (LSC) offers academic and occupational courses. LSC is the seventh-largest community college district in Texas and is growing. Since 1973, LSC has grown from 613 students to nearly 83,000 credit students each semester, and an additional 12,000 non-credit students. LSC currently has six colleges and 10 off-campus sites that are accessible to all students in all of the college district's neighborhoods. The University Center is a multi-university center that opened in the fall of 1997 near the Montgomery College campus in the 78,000-square-foot George P. Mitchell Building in the Woodlands.

The University Center is an alliance of six universities, the Lone Star College District and the private sector. The six Lone Star Colleges offer the freshman and sophomore course work. In addition to Lone Star College, The University Center partners include Prairie View A&M University, Sam Houston State University, Texas A&M University, Texas Southern University, University of Houston, and University of Houston-Downtown.

Recreation: Recreational amenities include green belts, ball fields, bowling lanes, golf courses, public libraries, cinemas, skating, swimming, tennis and area lakes provided by or in proximity thereto. Lake Houston is also a significant recreational draw for the region.

The Grand Texas Sports and Entertainment District is being developed in New Caney. Two parks have recently been added the development, Big Rivers Waterpark and Gator

Bayou Adventure Park, which opened in the Summer 2018. Both parks will occupy 80 acres of the 630 acre venue.

Services/Utilities: Police protection is provided by the local municipalities, local constables, Harris County, Liberty County and Montgomery County, while fire protection is provided by local volunteer fire departments, or ESD's. Public utilities (electricity, gas, sewer, water, and telephone) are available to most developed properties, with water and sanitary sewer services typically supplied by municipal utility districts (MUD's) within platted subdivisions, or the local municipalities. Properties that are outside of municipalities and MUDs are typically privately served by water wells and septic tanks.

Employment Centers: The market area is in proximity to one of Houston's major employers, Bush Intercontinental Airport. Most residents of this community must commute to downtown Houston or one of the other major employment centers in this region. Other area employment centers include Harding ISD, Dayton ISD, New Caney ISD, Humble ISD, Splendora ISD, Cleveland ISD, Reliant Energy or Bush Intercontinental Airport.

Single-Family Residential: The appraisers have referenced the Zonda Houston Metrostudy, 3rd Quarter 2025. The subject of this appraisal is located within the Lake Houston East Submarket and is located within the Northeast Market Area of the overall Houston region. The following chart summarizes the vital statistics for Lake Houston East Submarket, the Northeast Market Area, and the overall Houston region.

Zonda Houston Metrostudy 3Q 2025								% Change
Submarket/ Market Area		3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	Yrly. Rates/ Supply	12 Month
Lake Houston East Submarket	Starts	166	172	181	293	274	920	65.06%
	Closings	128	126	186	147	144	603	12.50%
	Housing Inv.	374	420	415	561	691	13.8 mos.	84.76%
	VDL Inv.	1,649	1,938	2,158	2,159	2,639	34.4 mos.	60.04%
Northeast Market Area	Starts	1,321	1,418	1,391	1,645	1,452	5,906	9.92%
	Closings	1,542	1,424	1,329	1,327	1,558	5,638	1.04%
	Housing Inv.	3,257	3,251	3,313	3,631	3,525	7.5 mos.	8.23%
	VDL Inv.	9,948	11,849	12,274	12,274	12,795	26.0 mos.	28.62%
Houston Total	Starts	9,493	9,045	9,449	10,809	8,618	37,921	-9.22%
	Closings	9,996	9,801	9,404	9,494	9,869	38,568	-1.27%
	Housing Inv.	23,744	22,988	23,033	24,348	23,097	7.2 mos.	-2.72%
	VDL Inv.	52,188	58,383	59,120	58,946	61,337	19.4 mos.	17.53%

For the 3rd Quarter 2025, the Lake Houston East Submarket had 920 housing starts (a 65.06% increase since 3rd Quarter 2024), and 603 closings, (a 12.50% increase since 3rd Quarter 2024). The Lake Houston East Submarket ended the quarter with a new home inventory of 691 units or a 13.8-month supply, which is inferior to the 7.5-month supply for the Northeast Market Area new home market. The Lake Houston East Submarket concluded the 3rd Quarter 2025 with 2,639 vacant developed lots in inventory. This lot inventory equates to a 34.4-month **oversupply**, which is inferior to the 26.0 VDL moderate oversupply for Northeast Market Area. A 20-to-24-month supply of lots is considered to be a market in equilibrium.

For the 3rd Quarter 2025, the overall Northeast Market Area had 1,452 starts (a 9.92% increase since 3rd Quarter 2024) and 1,558 closings (a 1.04% increase since 3rd Quarter 2024). The result is a new home inventory of 3,525 units, or a 7.5-month supply, which is similar to the 7.2-month supply for the overall Houston new home market. At the time of this Zonda Houston Metrostudy report, there was a total inventory of 12,795 vacant developed lots in the Northeast Market Area. This equates to a 26.0-month **moderate oversupply**, which is inferior to the 19.4-month stable supply for the overall Houston region. Again, a 20-to-24-month supply of lots is considered to be a market in equilibrium.

CONCLUSION:

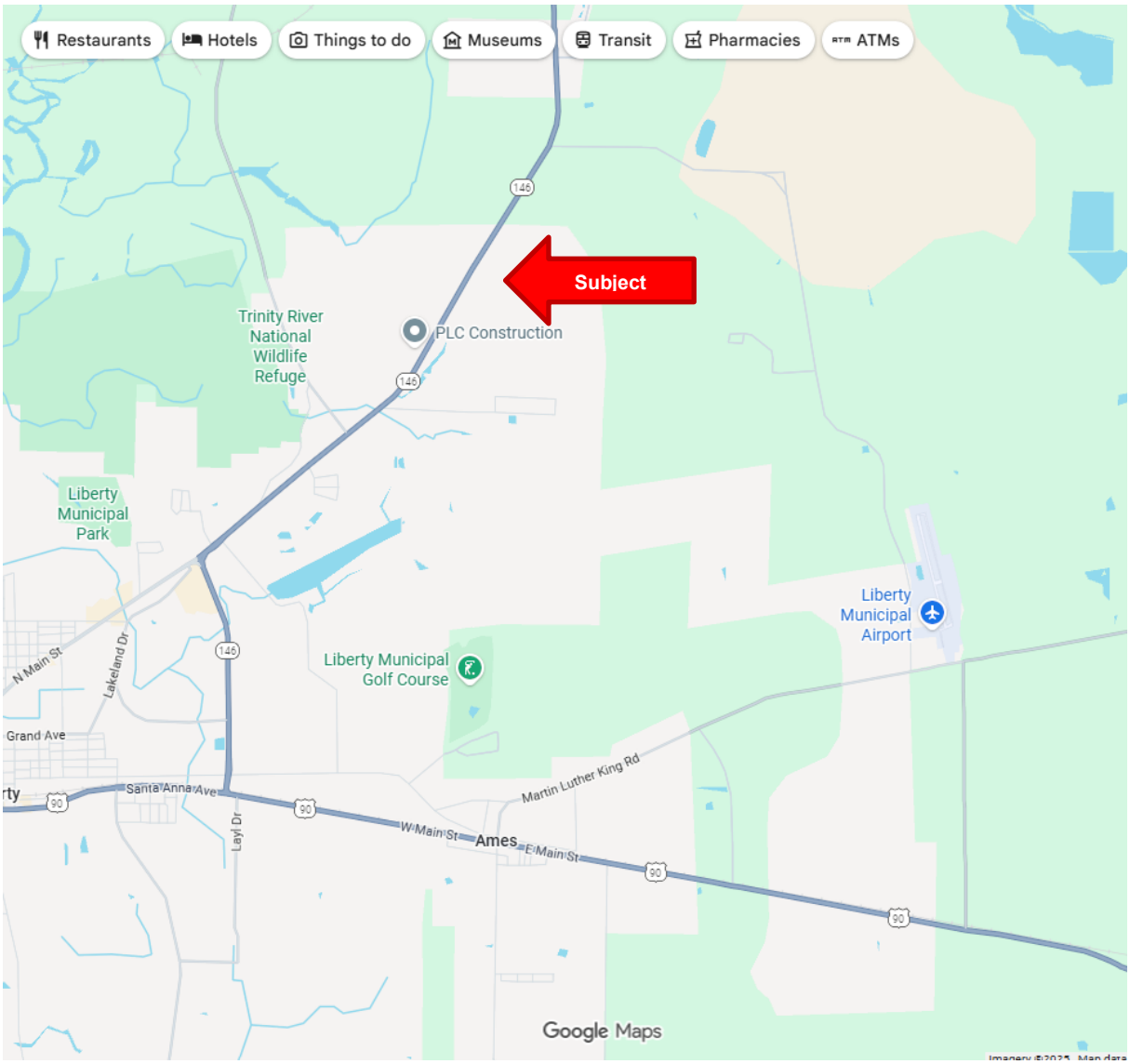
The subject market area, with its convenient location and rapidly growing population has experienced rapid growth since late 2012, after several years of slower, post-

recessionary growth. The majority of development has been a good balance of single-family residential and supportive commercial uses. Utilities are available to most properties in the area, and no adverse conditions were observed that would represent a negative influence for the market area. The commercial properties are generally located along the major thoroughfares and are considered to enhance rather than adversely affect the residential values.

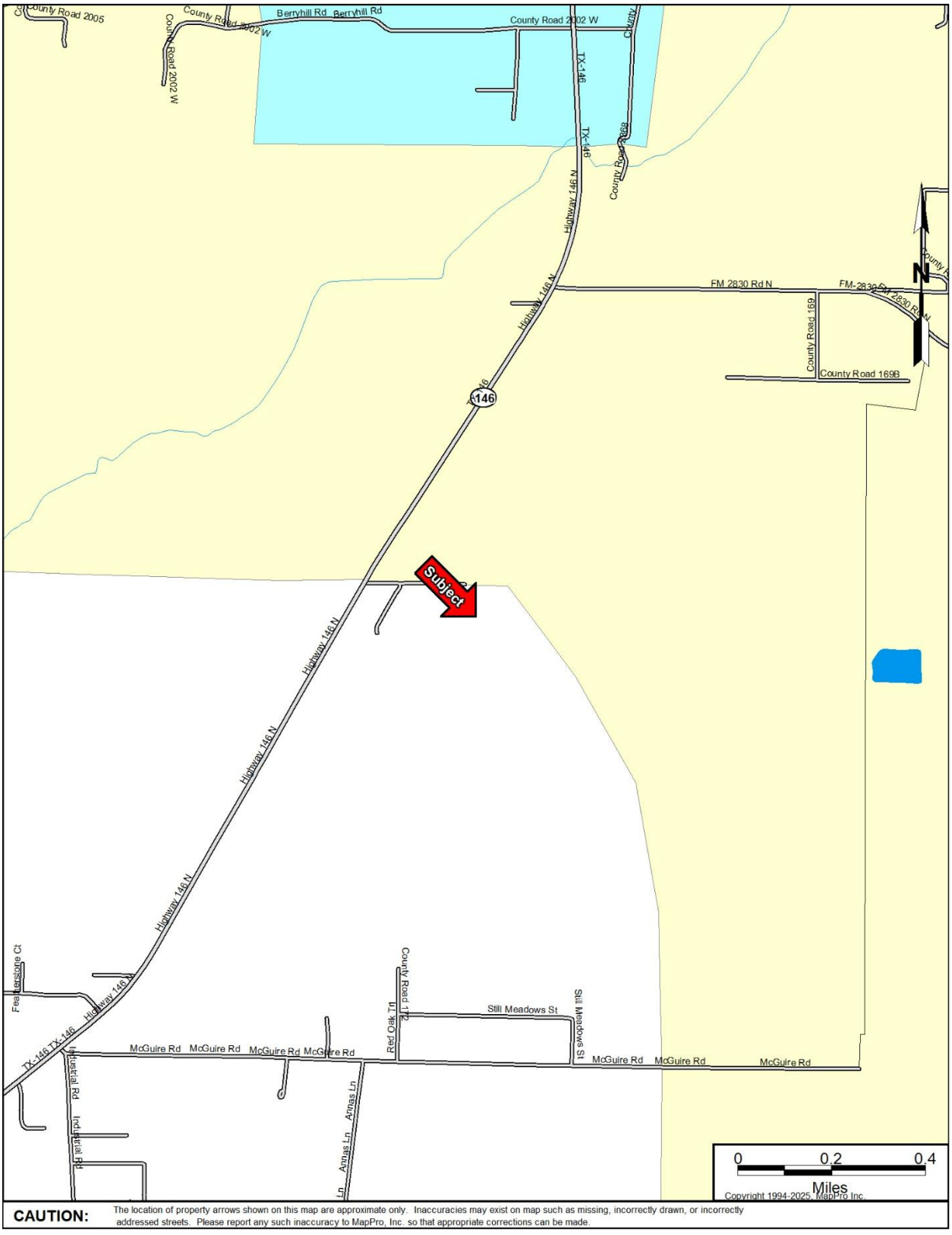
Inflation has greatly recovered from its 2022 peak of about 9%, settling to 2.3%, as of the end of April 2025. The overall impact to the local residential market is to be determined, as mortgage rates remain approximately 6.15%, but most experts expect continued steady activity throughout 2025 into 2026, with lower rates forthcoming by year-end and into 2026.

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MARKET AREA MAP



LOCATION MAP



CAUTION: The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.

SITE ANALYSES

The subject consists of 216 under-development on 50.598 acres in Sections 1 and 2, located along the east line of S.H. 146, approximately 3.55 miles north of U.S. 90, and approximately 0.62 mile south of F.M. 2830, in Liberty, Liberty County, Texas 77575. The subject lots have a typical lot size of 50' x 100', or 5,000 SF.

Coordinates:	Latitude 30.105700; Longitude: -94.740878
Postal Address:	Liberty, Texas 77575
Location:	Located along the east line of S.H. 146, approximately 3.55 miles north of U.S. 90, and approximately 0.62 mile south of F.M. 2830, in Liberty, Liberty County, Texas 77575.
Tract Size:	50.598 acres (216 lots)
Density:	4.27 lots per acre

Subject Lot Mix:

No.	Description	Avg. FF	Avg. Size
216	Under-development	50'	5,000 SF

Zoning/Restrictions:	The City of Liberty does not have a comprehensive zoning ordinance regulating land use for single-family detached homes; however, the City of Liberty does require that residential lots be at least 5,000 SF. The subdivision will be subject to typical residential lot deed restrictions. Yet, we are aware of no restrictions that would adversely affect development of the subject lots' to their highest and best use.
Shape:	The subject lots are generally rectangular in shape.
Topography:	The topography of the subject lots are generally level.
Subdivision Improvements:	Site improvements will include public concrete-paved streets, water and sanitary sewer provided by public lines, electrical lines, natural gas lines,

cable/telephone lines, concrete curb and gutter drainage and offsite detention.

Easements: The appraisers know of no easements that would adversely affect development of the subject lots to their highest and best use.

Soil/Subsoil Conditions: A soil and subsoil report has not been provided to the appraisers; however, as evidenced by the existing and surrounding development, the soil conditions appear to be adequate in all respects for most types of construction.

Environmental: Upon physical inspection of the subject, no obvious environmental hazards or endangered species were observed. The appraisers are not environmental engineers and are not qualified to detect environmental hazards or endangered species. For a conclusive analysis of the lots, a study by qualified environmental experts would be necessary.

Subdivision Amenities: Walking trails

Utilities/Services:

Utilities/Services	
Electricity:	Entergy
Water/Sanitary Sewer:	City Of Liberty
Gas:	CenterPoint Energy
Phone:	AT&T & others
Police Protection:	City of Liberty/Liberty County Sheriff's Dept.
Fire Protection:	City of Liberty
School District:	Hardin ISD

Floodplain:

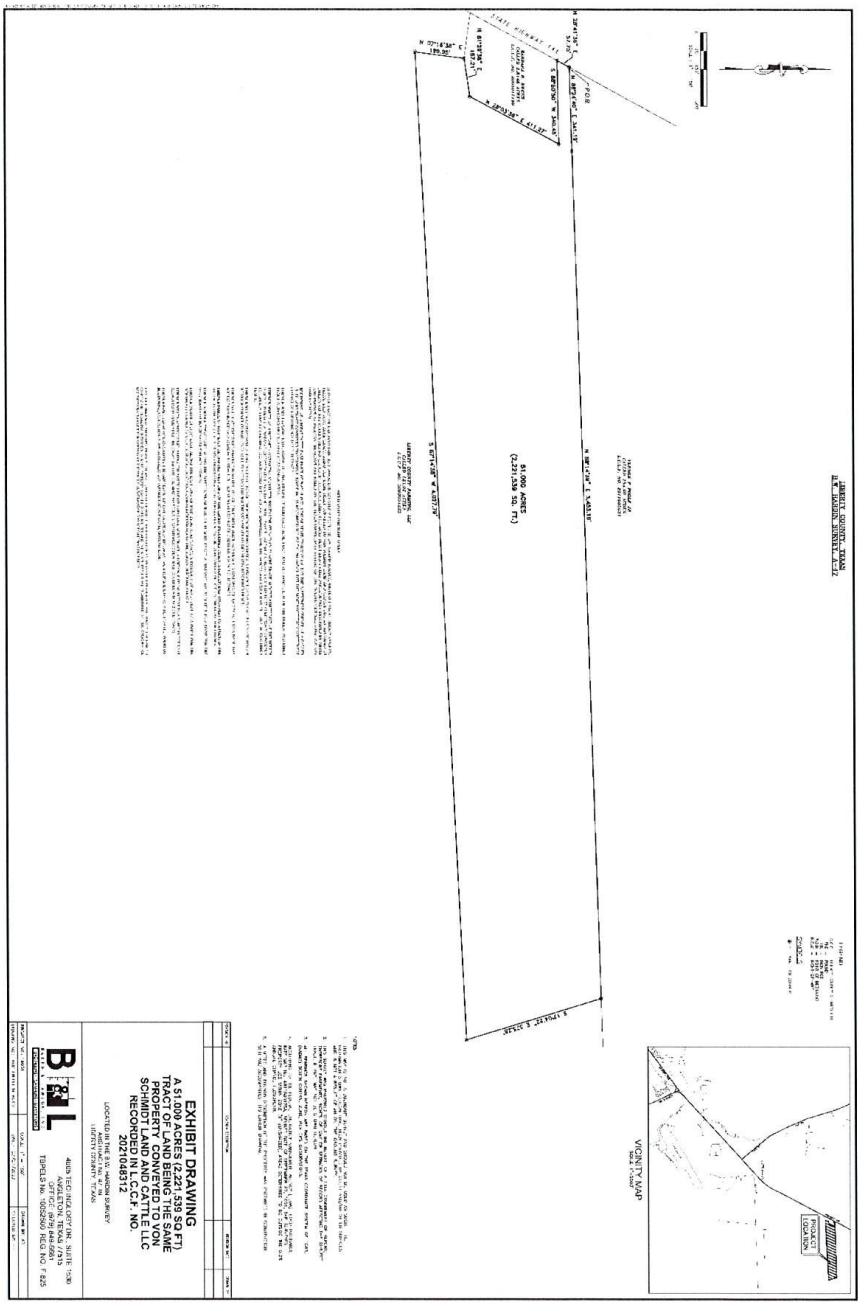
FEMA Flood Map	
Flood Map No.:	48291C0475D
Flood Map Date:	1/19/2018
Flood Map Designation:	Zone X

Subject Builders: Starlight Homes and Hart Homes

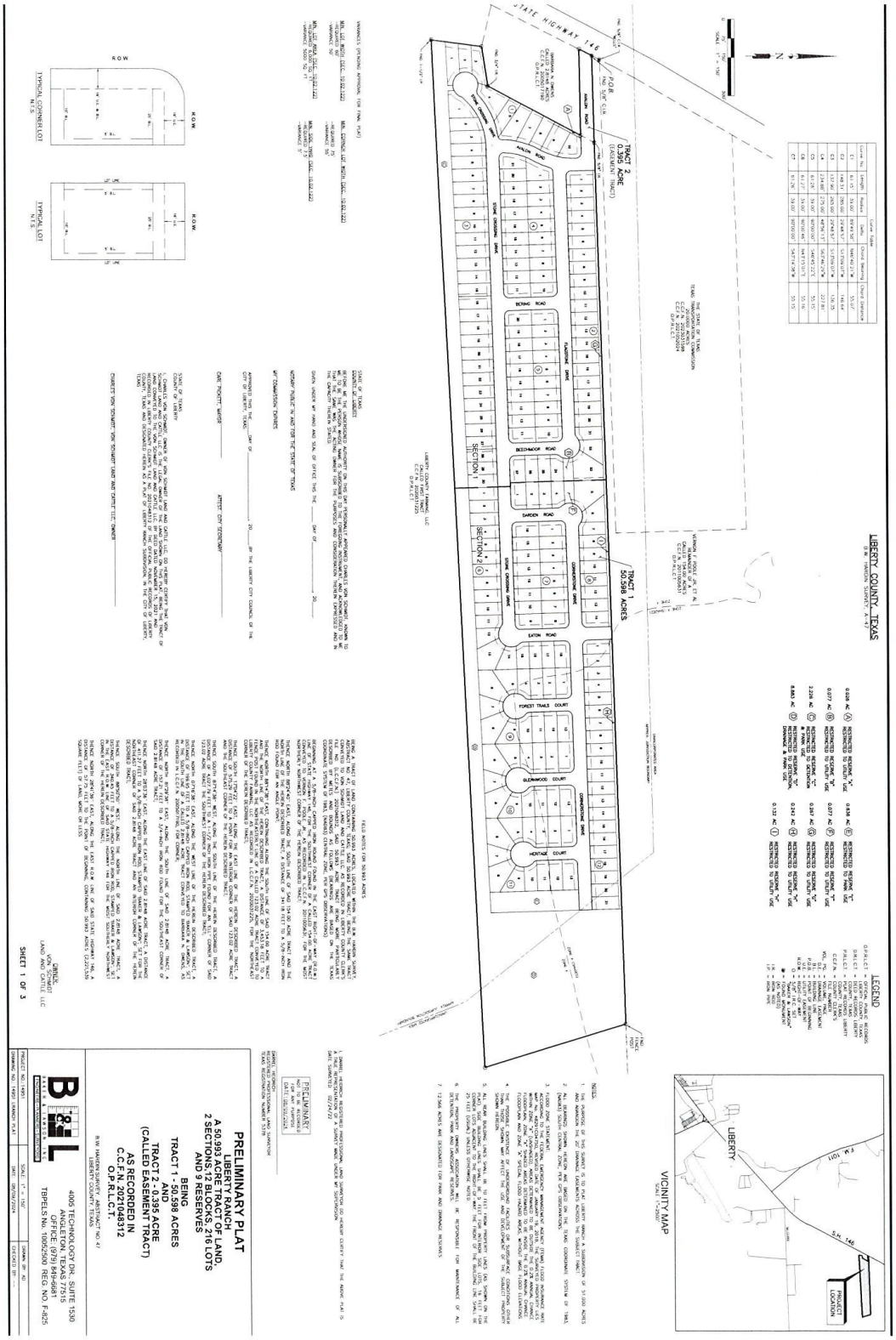
New Home Price Range: From $265,000+

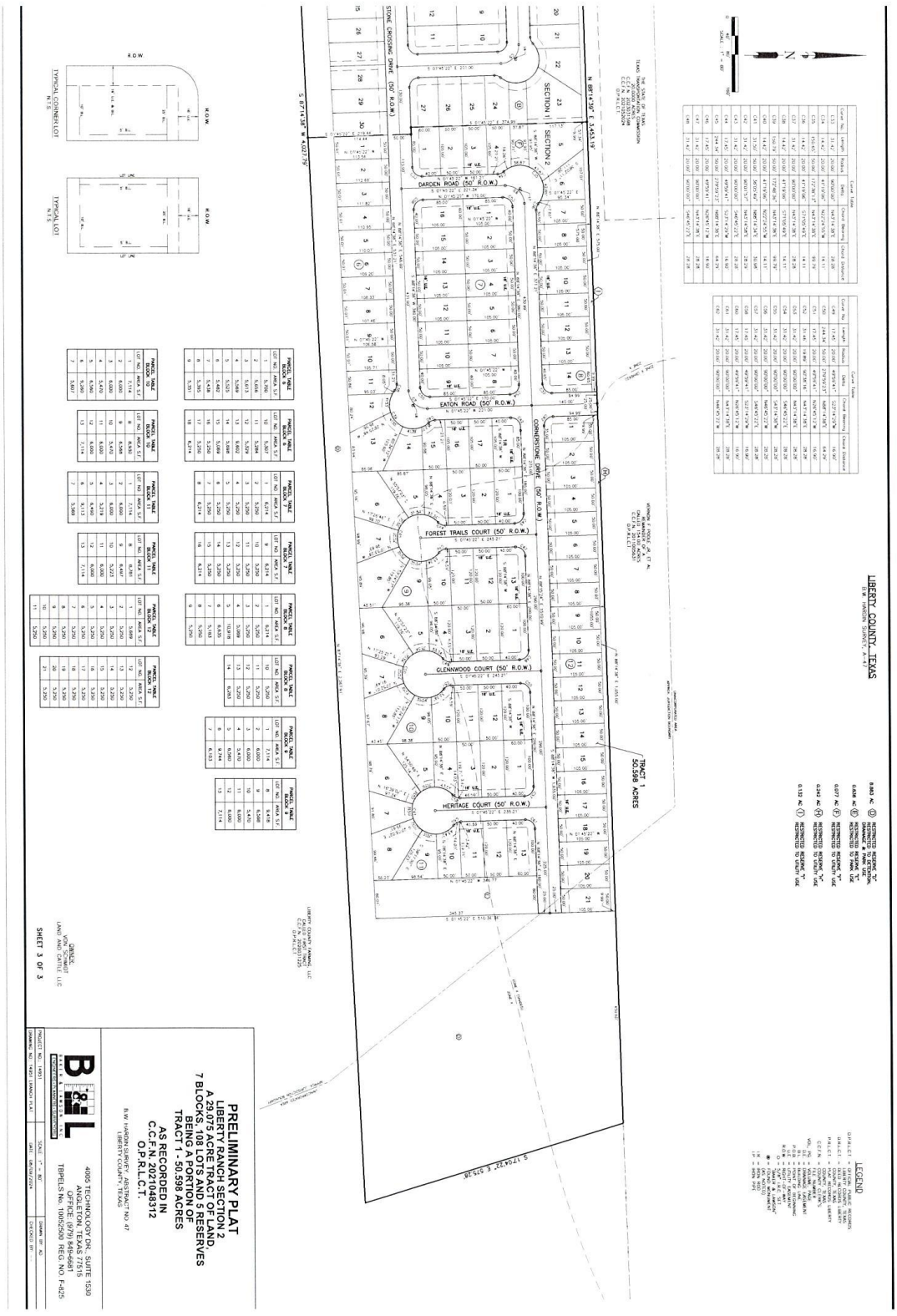
Conclusion: All services and public utilities are available, and no detrimental zoning, encroachments, or restrictions were noted, which would represent an adverse influence to the subject lots for new residential construction with an average price point of the low $265,000+ by Starlight Homes and Hart Homes, or a comparable builder/s. Local employment and residential demand are anticipated to grow for the immediate market area and regional corridor. All services and public utilities are available, and the starter new home price range of the development is a good draw for the under-development subject single-family lots.

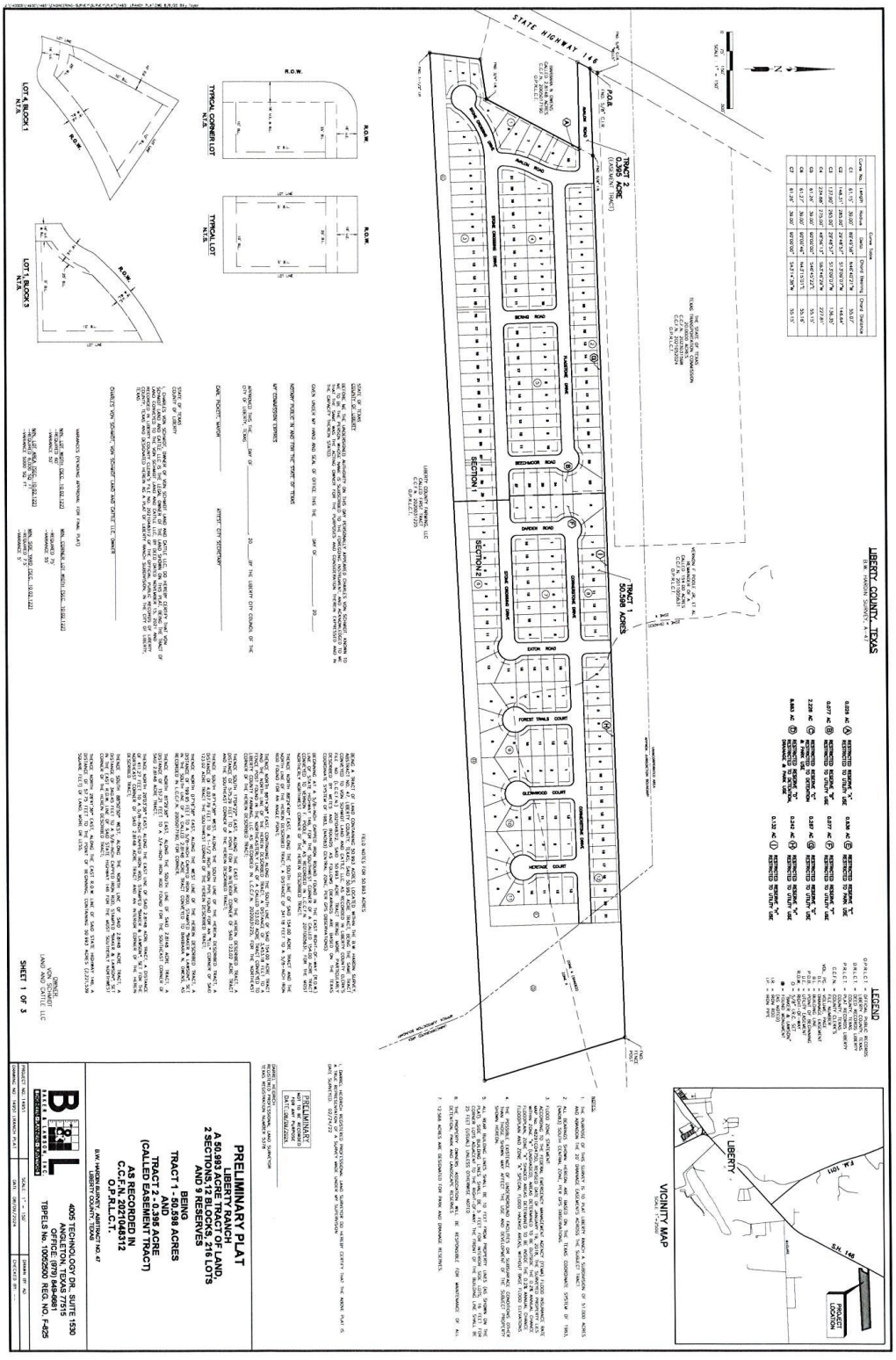
SURVEY

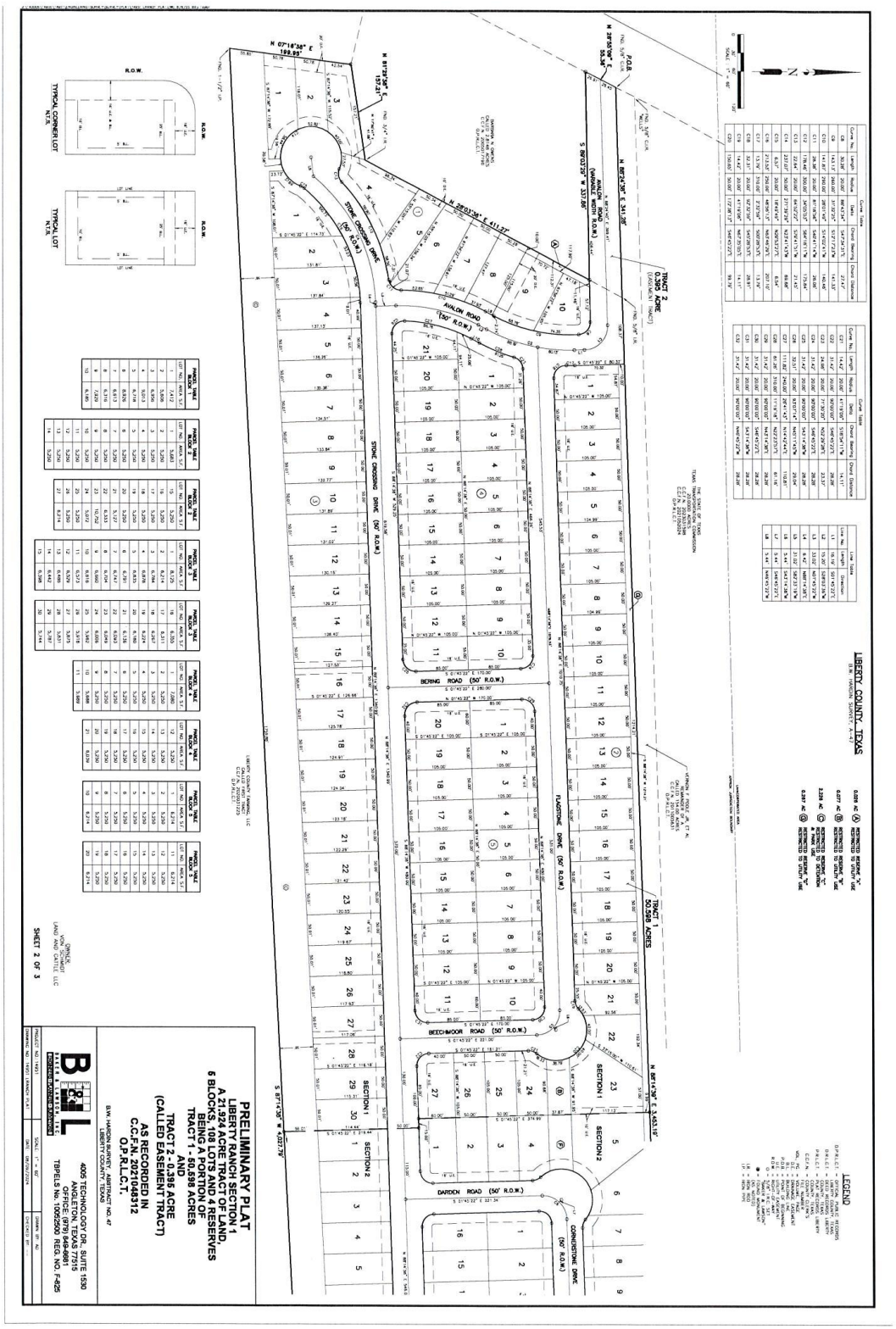

EXHIBIT DRAWING
A 51.009 ACRES (2,221,539 SQ FT)
TRACT OF LAND BEING THE SAME
PROPERTY CONVEYED TO VON
SCHMIDT LAND AND CATTLE LLC
RECORDED IN CLK.F. NO.
20210048312
LOCATED IN THE B.B.B. HARRIS SURVEY
ABSTRACT NO. 78
GIBBS COUNTY, TEXAS
VICINITY MAP
PROJECT LOCATION
(2,221,539 SQ. FT.)
4609 TECHNOLOGY DR., SUITE 1500
ANGLETON, TEXAS 77515
TBPELS No. 10052900 REG. NO. F 625

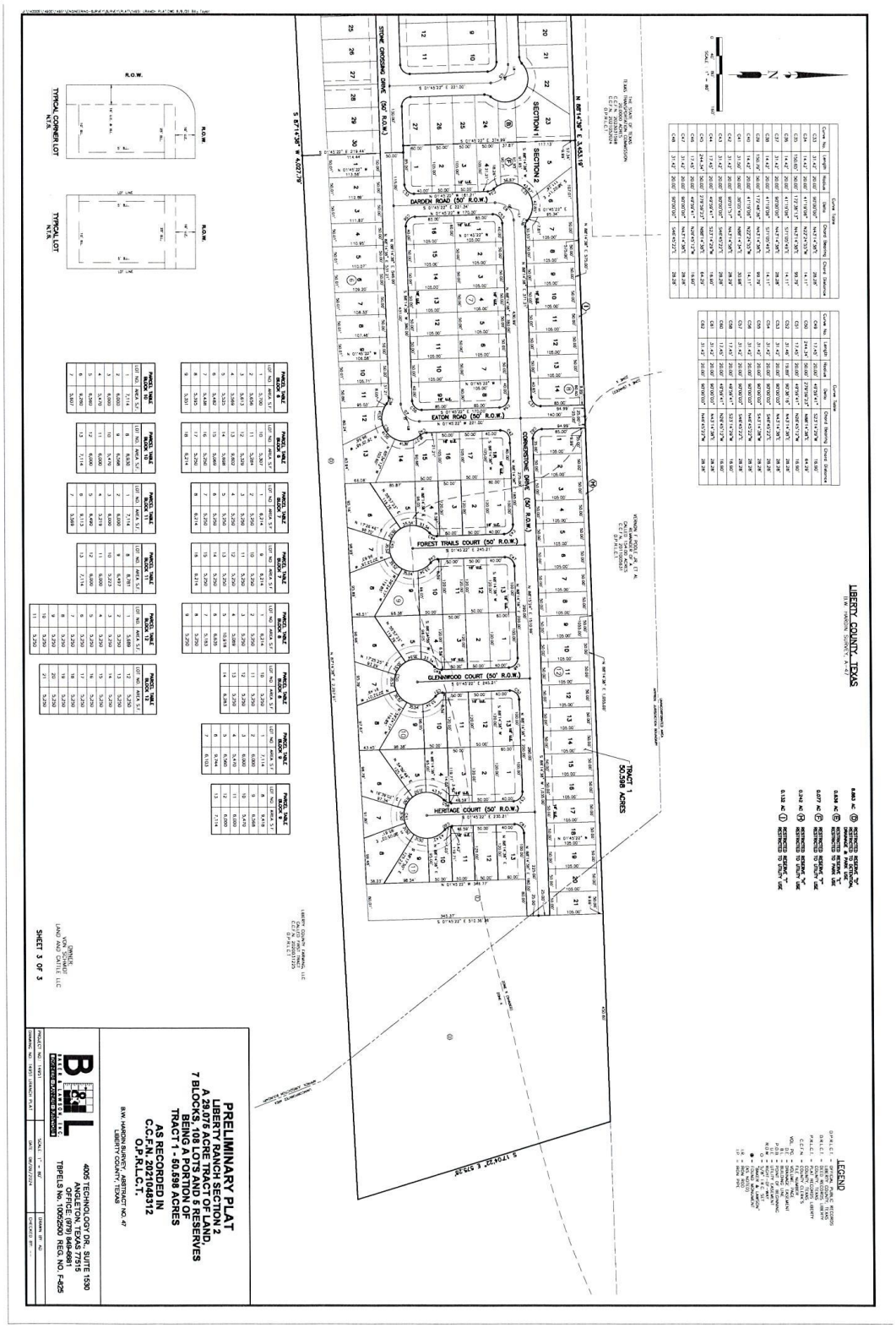
PRELIMINARY PLAT



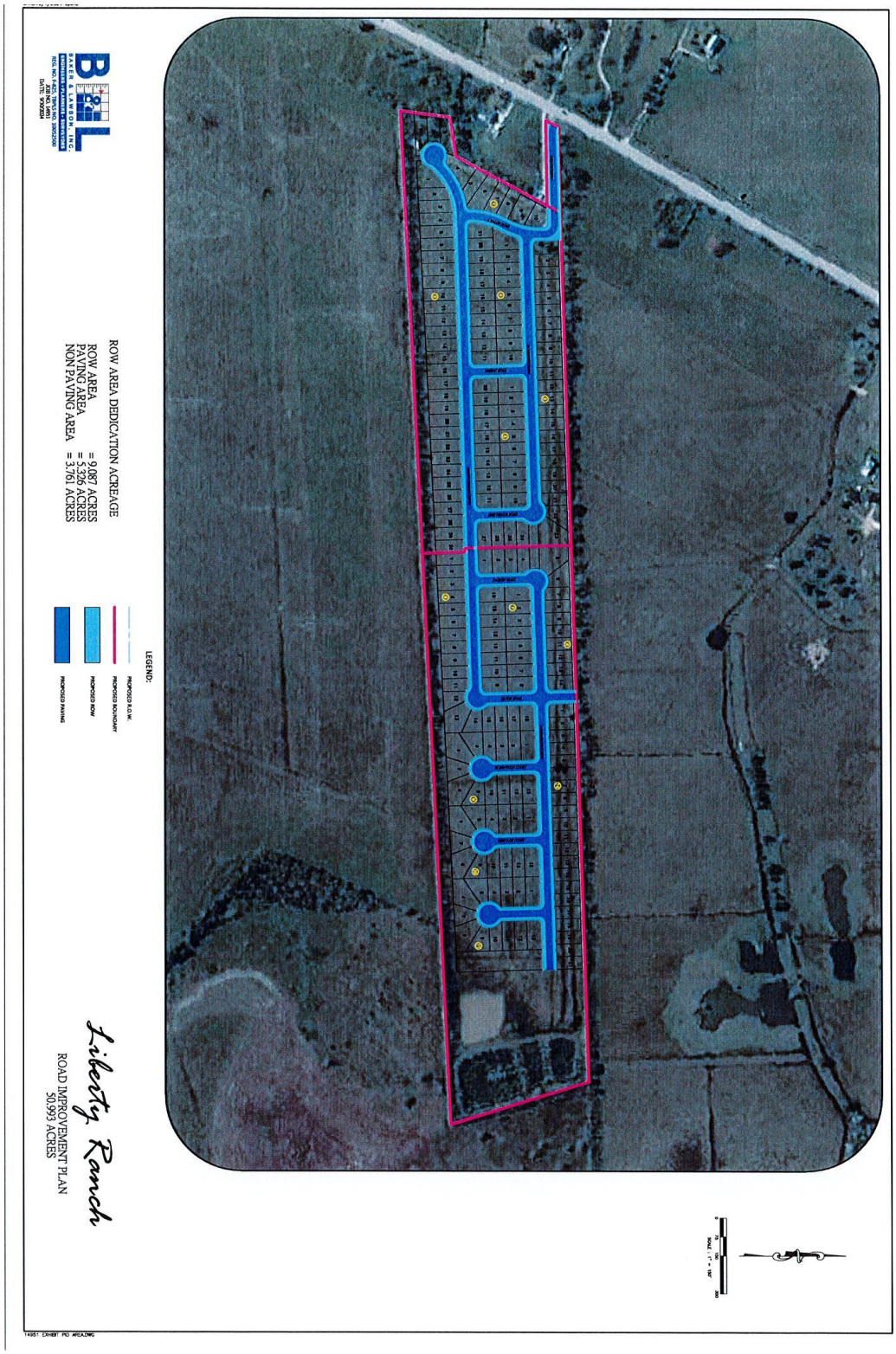

PRELIMINARY PLAT
LIBERTY RANCH SECTION 2
A 29.075 ACRE TRACT OF LAND,
7 BLOCKS, 108 LOTS AND 5 RESERVES
BEING A PORTION OF
TRACT 1 - 50.508 ACRES
AS RECORDED IN
C.C.F.N. 2021049312
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
B&L
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-4681
TBPELS No. 10002500 REG. NO. F-625
OWNER:
VON SCHMIDT
LAND AND CATTLE, LLC
SHEET 3 OF 3
LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47
TRACT 1
50.508 ACRES
SECTION 1
SECTION 2
DARDEN ROAD (50' R.O.W.)
EATON ROAD (50' R.O.W.)
CORNERSTONE DRIVE (50' R.O.W.)
FOREST TRAILS COURT (50' R.O.W.)
GLENNWOOD COURT (50' R.O.W.)
HERITAGE COURT (50' R.O.W.)
STONE CROSSING DRIVE (50' R.O.W.)
S 87°41'38" W 4027.79'
N 89°14'39" E 3453.19'
S 17°04'22" E 575.28'
TYPICAL CORNER LOT
N.T.S.
TYPICAL LOT
N.T.S.
R.O.W.
LEGEND
RESTRICTED RESERVE "A"
RESTRICTED RESERVE "B"
RESTRICTED RESERVE "C"
RESTRICTED RESERVE "D"
RESTRICTED RESERVE "E"

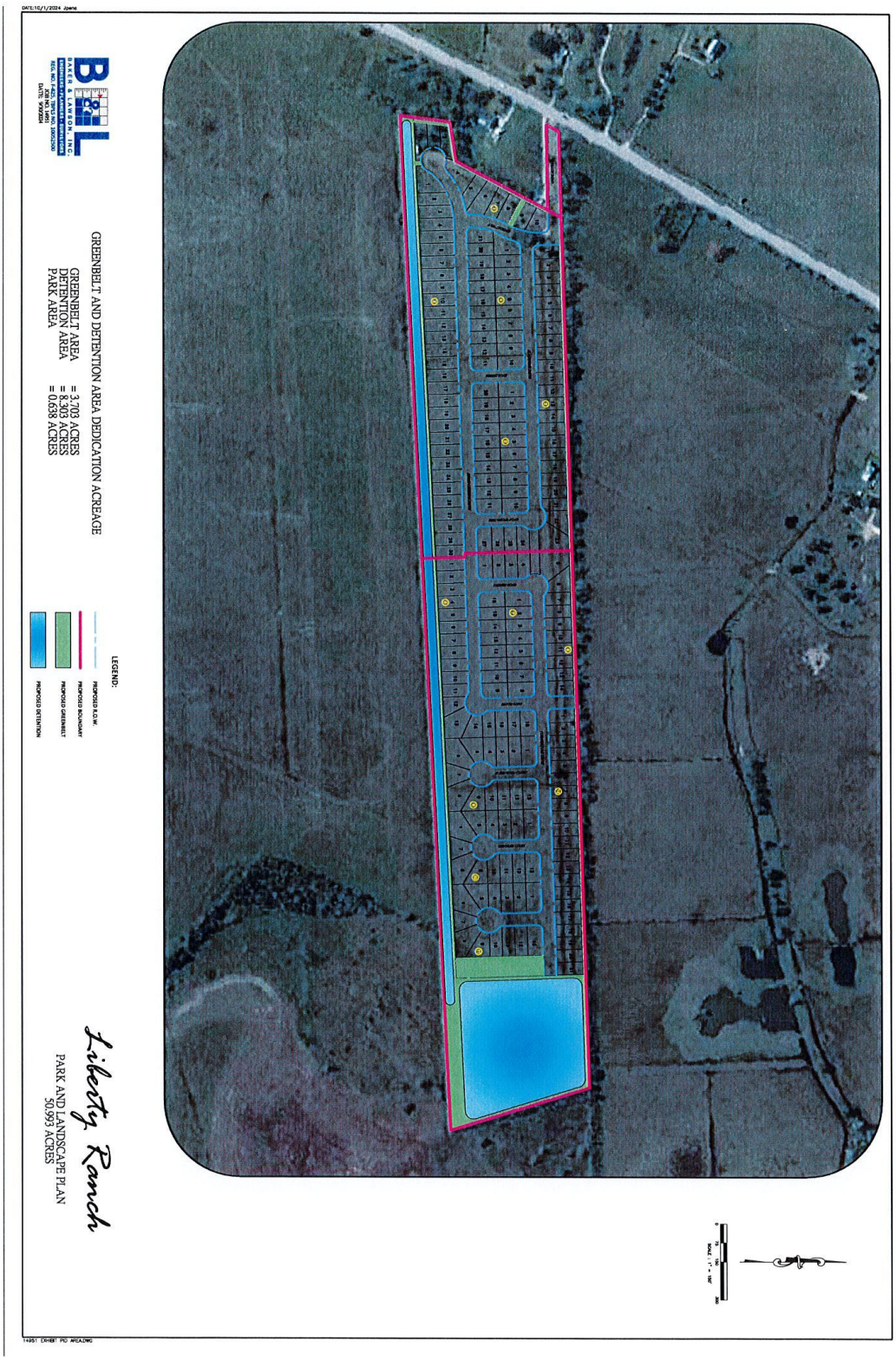

PRELIMINARY PLAT
A 50.993 ACRE TRACT OF LAND,
2 SECTIONS,12 BLOCKS, 216 LOTS
AND 9 RESERVES
BEING
TRACT 1 - 50.598 ACRES
AND
TRACT 2 - 0.396 ACRE
(CALLED EASEMENT TRACT)
AS RECORDED IN
C.C.F.N. 2021048312
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
OWNER
VON SCHMIDT
LAND AND CATTLE, LLC
SHEET 1 OF 3
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
TBPELS No. 10062600 REG. NO. F-425
LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47
STATE HIGHWAY 146
TRACT 2
0.396 ACRE
(EASEMENT TRACT)
TRACT 1
50.598 ACRES
SECTION 1
SECTION 2
BOXING ROAD
BEECHMOOR ROAD
DANDER ROAD
EXTON ROAD
FOREST TRAILS COURT
GLENWOOD COURT
HOMESTEAD COURT
PANTHER DRIVE
CORNERSTONE DRIVE
STONE GARDEN DRIVE
MARLIN ROAD
LEGEND
VICINITY MAP
LIBERTY
PROJECT LOCATION
S.H. 146
I.H. 10
TYPICAL CORNER LOT
TYPICAL LOT
LOT A, BLOCK 1
LOT A, BLOCK 3
R.O.W.
N.T.S.
NOTES
OWNER'S CERTIFICATE
STATE OF TEXAS
COUNTY OF LIBERTY
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS
MY COMMISSION EXPIRES
APPROVED THIS THE _____ DAY OF _____, 20___ BY THE LIBERTY CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS.
MAYOR
CITY SECRETARY
ATTEST: CITY SECRETARY
CHAIRMAN
PLANNING AND ZONING COMMISSION
ATTEST: PLANNING AND ZONING COMMISSION
SECRETARY
COUNTY CLERK, LIBERTY COUNTY, TEXAS
COUNTY JUDGE, LIBERTY COUNTY, TEXAS
COMMISSIONER, PRECINCT 1
COMMISSIONER, PRECINCT 2
COMMISSIONER, PRECINCT 3
COMMISSIONER, PRECINCT 4
PRELIMINARY
FOR REVIEW PURPOSES ONLY
DATE: 08/29/2024
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS
FIELD NOTES FOR 50.993 ACRES
BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, SOUTH CENTRAL ZONE (4204), NAD 83 (NAD83).
ALL BOUNDARY, SUBDIVISION, HORIZONTAL AND VERTICAL CONTROL MONUMENTATION SHALL BE INSTALLED PRIOR TO THE ACCEPTANCE OF THE SUBDIVISION BY THE CITY OF LIBERTY.
ALL LOTS SHALL BE SERVED BY THE CITY OF LIBERTY WATER AND SEWER SYSTEMS.
ALL DRAINAGE, STORM, HEADING AND GRADES


PRELIMINARY PLAT
LEGACY TRAILS SECTION 1
A 21.924 ACRE TRACT OF LAND
6 BLOCKS, 108 LOTS AND 4 RESERVES
BEING A PORTION OF
TRACT 1 - 50.598 ACRES
AND
TRACT 2 - 0.395 ACRE
(CALLED EASEMENT TRACT)
AS RECORDED IN
C.C.F.N. 2021048312
O.P.R.L.C.T.
B.W. HARDEN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
(979) 849-4466
TBPELS FIRM NO. 10002900 REG. NO. F-825
SHEET 2 OF 3
LIBERTY COUNTY, TEXAS
LEGEND
AVALON ROAD (50' R.O.W.)
STONE CROSSING DRIVE (50' R.O.W.)
BERING ROAD (50' R.O.W.)
BEECHWOOD ROAD (50' R.O.W.)
FLAGSTONE DRIVE (50' R.O.W.)
CORNERSTONE DRIVE (50' R.O.W.)
DARDEN ROAD (50' R.O.W.)
TRACT 1 50.598 ACRES
TRACT 2 0.395 ACRE
SECTION 1
SECTION 2
P.O.B.
TYPICAL CORNER LOT
TYPICAL LOT

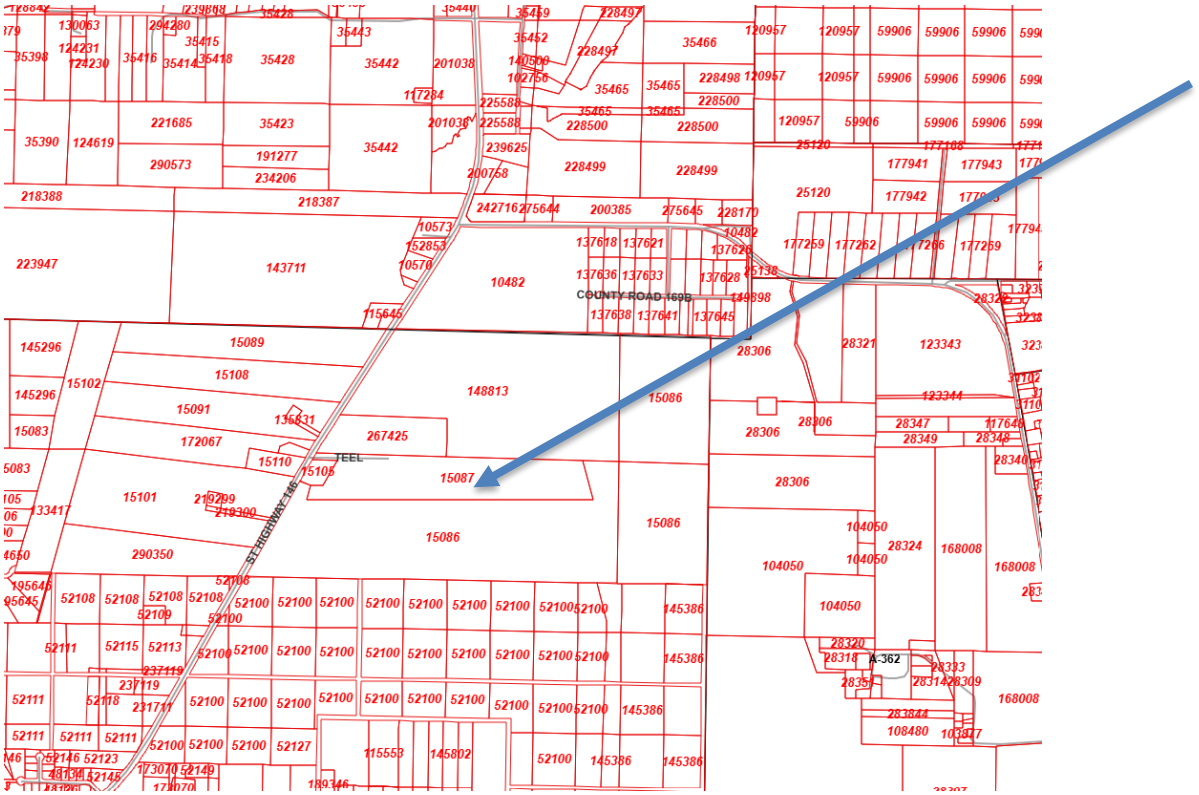

PRELIMINARY PLAT
LIBERTY RANCH SECTION 2
A 29.076 ACRE TRACT OF LAND,
7 BLOCKS, 108 LOTS AND 5 RESERVES
BEING A PORTION OF
TRACT 1 - 80.590 ACRES
AS RECORDED IN
C.C.F.N. 2021048312
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
BARLETTA & ASSOCIATES, INC.
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
(979) 849-4466
TBPELS No. 10062500 REG. NO. F-425
OWNER:
VON SCHMIDT LAND AND CATTLE, LLC
SHEET 3 OF 3
LIBERTY COUNTY, TEXAS
DARDEN ROAD (50' R.O.W.)
EATON ROAD (50' R.O.W.)
FOREST TRAILS COURT (50' R.O.W.)
GLENWOOD COURT (50' R.O.W.)
HERITAGE COURT (50' R.O.W.)
CORNERSTONE DRIVE (50' R.O.W.)
STONE CROSSING DRIVE (50' R.O.W.)
TRACT 1
50.590 ACRES
SECTION 1
SECTION 2
LEGEND
TYPICAL CORNER LOT
TYPICAL LOT

SITE PLAN

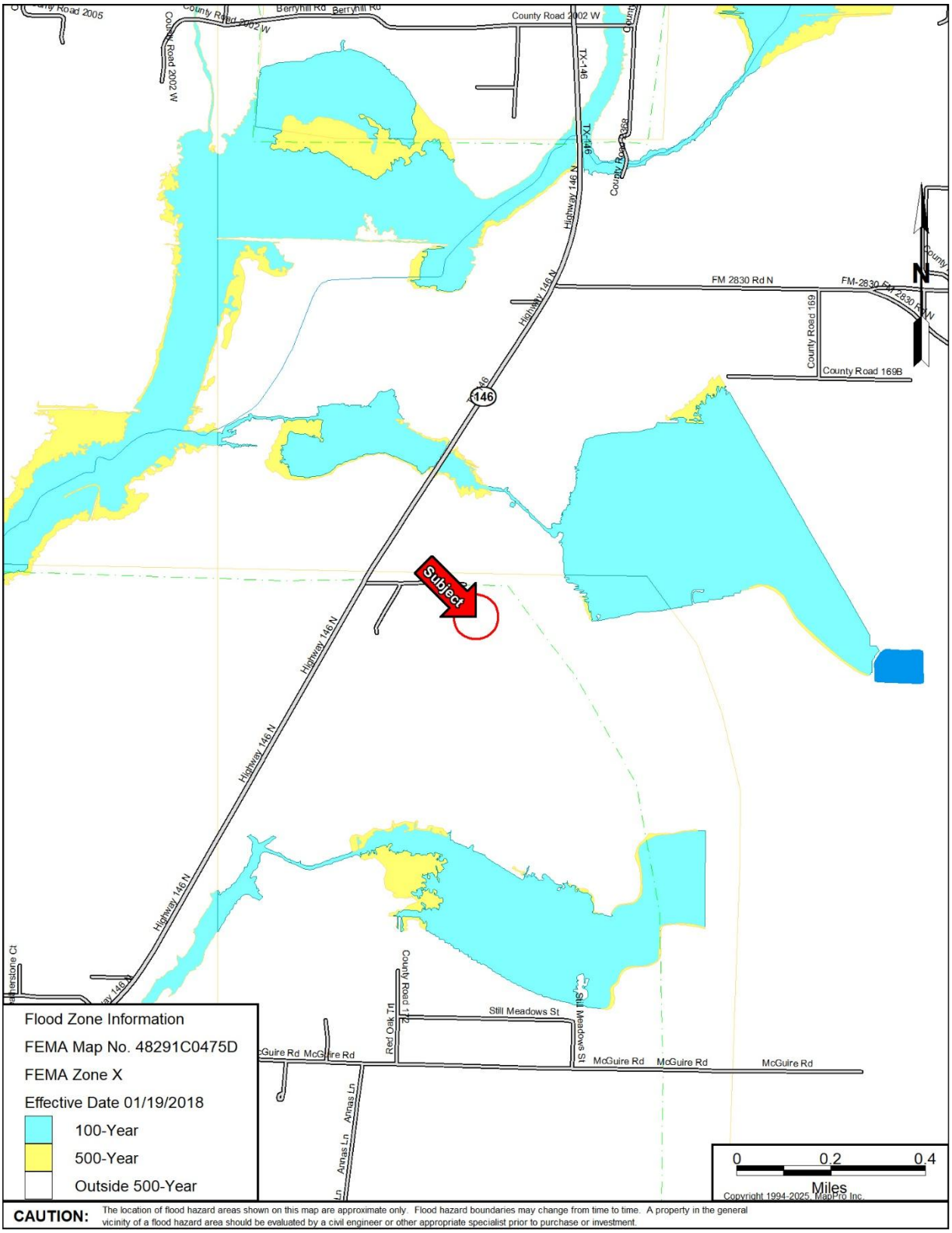

Liberty Ranch
ROAD IMPROVEMENT PLAN
50.993 ACRES
ROW AREA DEDICATION ACREAGE
ROW AREA = 9.087 ACRES
PAVING AREA = 5.326 ACRES
NON PAVING AREA = 3.761 ACRES
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED ROW
PROPOSED PAVING


DATE:10/1/2024 Joana
BARLETTA & ASSOCIATES, INC.
GREENBELT AND DETENTION AREA DEDICATION ACREAGE
GREENBELT AREA = 3.703 ACRES
DETENTION AREA = 8.303 ACRES
PARK AREA = 0.638 ACRES
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED GREENBELT
PROPOSED DETENTION
Liberty Ranch
PARK AND LANDSCAPE PLAN
50.993 ACRES
14951 EXHIBIT PD AREA.DWG

LCAD MAP



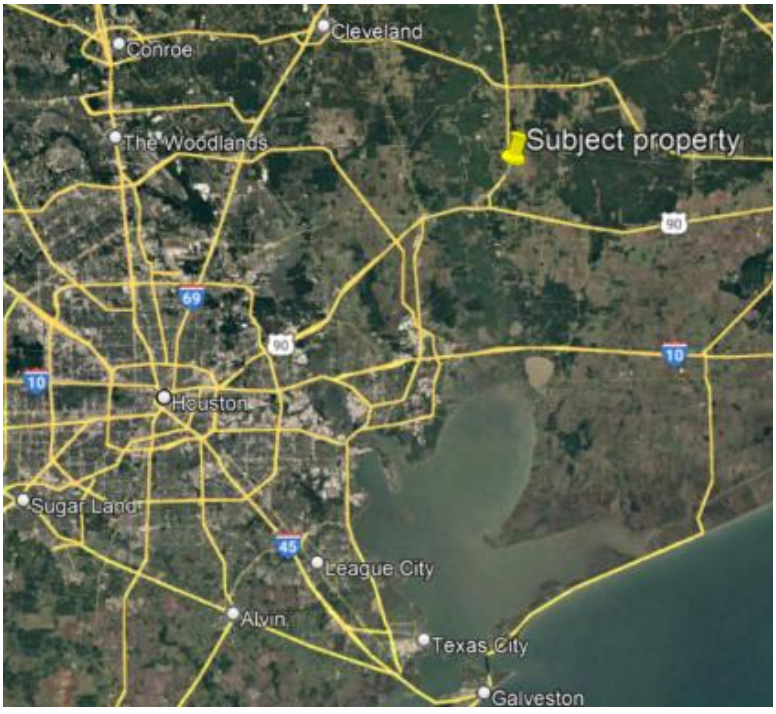
FLOOD PLAIN MAP



AERIAL PHOTOS



Micro Aerial



Macro Aerial

SUBJECT PROPERTY PHOTOGRAPHS

















HIGHEST AND BEST USE

The **"Highest and Best Use"** is defined as:

> The reasonably probable use of property, that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. (The Dictionary of Real Estate Appraisal, Seventh Edition, 2022, pages 88-89, Appraisal Institute).
>
> **Highest and Best Use of Land or a Site As Though Vacant:** Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, page 93, Appraisal Institute).
>
> **Highest and Best Use of Property As Improved**: The use that should be made of a property as it exists. A near-complete property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the near-complete building and constructing a new one. (The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, page 94, Appraisal Institute).

The definition immediately above applies specifically to the highest and best use of land. In cases where a site has near-complete improvements, the highest and best use may be different from the near-complete use. The near-complete use will continue, however, unless or until land value in its highest and best use exceeds the total value of the property in its near-complete use.

Contribution of that specific use to community environment or to community development goals is implied within these definitions, in addition to wealth maximization. Also implied is that determination of the highest and best use is formulation of an opinion, not a fact, resulting from the appraiser's judgment and analysis. In appraisal practice, the concept of highest and best use is the premise on which value is based. In the context of most probable selling price (market value), another appropriate term to reflect highest and best use would be "most probable use." In the current context of investment value, an alternative term would be "most profitable use".

In order to reasonably determine the highest and best use of the subject lots, the legally permissible uses, physically possible uses, financially feasible uses and the maximally productive use are considered.

LEGALLY PERMISSIBLE

Zoning/Restrictions: Zoning regulations, deed restrictions, adverse easements, historical districts, building codes, and environmental regulations often limit the potential uses of a property. The City of Liberty does not have a comprehensive zoning ordinance regulating land use for single-family detached homes; however, the City of Liberty does require that residential lots be at least 5,000 SF. The subject properties are subject to Liberty Ranch, Sections 1 and 2 deed restrictions.

PHYSICALLY POSSIBLE

Site size, shape, topography, location, and the availability of utilities are generally held as the most important factors in determining uses by which land may be developed. Consistent with single-family residential lots located in the subject's market area, the 216 under-development 50' subject lots are well-suited for construction of starter-priced single-family homes, as proposed by Starlight Homes and Hart Homes.

FINANCIALLY FEASIBLE

Any use which produces a positive rate of return, is regarded as feasible from a financial point of view. Other important factors include the possible and legal uses as well as the location, size, shape and street frontage. The general character of the market area and adjacent land uses also provide indications of feasible use. This data along with other market data form the basis for analysis of various alternate investment returns.

The appraisers have referenced the Zonda Houston Metrostudy, 3rd Quarter 2025. The subject of this appraisal is located within the Lake Houston East Submarket and is located within the Northeast Market Area of the overall Houston region. The following chart summarizes the vital statistics for Lake Houston East Submarket, the Northeast Market Area, and the overall Houston region.

Zonda Houston Metrostudy 3Q 2025								% Change
Submarket/ Market Area		3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	Yrly. Rates/ Supply	12 Month
Lake Houston East Submarket	Starts	166	172	181	293	274	920	65.06%
	Closings	128	126	186	147	144	603	12.50%
	Housing Inv.	374	420	415	561	691	13.8 mos.	84.76%
	VDL Inv.	1,649	1,938	2,158	2,159	2,639	34.4 mos.	60.04%
Northeast Market Area	Starts	1,321	1,418	1,391	1,645	1,452	5,906	9.92%
	Closings	1,542	1,424	1,329	1,327	1,558	5,638	1.04%
	Housing Inv.	3,257	3,251	3,313	3,631	3,525	7.5 mos.	8.23%
	VDL Inv.	9,948	11,849	12,274	12,274	12,795	26.0 mos.	28.62%
Houston Total	Starts	9,493	9,045	9,449	10,809	8,618	37,921	-9.22%
	Closings	9,996	9,801	9,404	9,494	9,869	38,568	-1.27%
	Housing Inv.	23,744	22,988	23,033	24,348	23,097	7.2 mos.	-2.72%
	VDL Inv.	52,188	58,383	59,120	58,946	61,337	19.4 mos.	17.53%

For the 3rd Quarter 2025, the Lake Houston East Submarket had 920 housing starts (a 65.06% increase since 3rd Quarter 2024), and 603 closings, (a 12.50% increase since 3rd Quarter 2024). The Lake Houston East Submarket ended the quarter with a new home inventory of 691 units or a 13.8-month supply, which is inferior to the 7.5-month supply for the Northeast Market Area new home market. The Lake Houston East Submarket concluded the 3rd Quarter 2025 with 2,639 vacant developed lots in inventory. This lot inventory equates to a 34.4-month **oversupply**, which is inferior to the 26.0 VDL moderate oversupply for Northeast Market Area. A 20-to-24-month supply of lots is considered to be a market in equilibrium.

For the 3rd Quarter 2025, the overall Northeast Market Area had 1,452 starts (a 9.92% increase since 3rd Quarter 2024) and 1,558 closings (a 1.04% increase since 3rd Quarter 2024). The result is a new home inventory of 3,525 units, or a 7.5-month supply, which is similar to the 7.2-month supply for the overall Houston new home market. At the time of this Zonda Houston Metrostudy report, there was a total inventory of 12,795 vacant developed lots in the Northeast Market Area. This equates to a 26.0-month **moderate oversupply**, which is inferior to the 19.4-month stable supply for the overall Houston region. Again, a 20-to-24-month supply of lots is considered to be a market in equilibrium.

MAXIMALLY PRODUCTIVE HIGHEST & BEST USE CONCLUSIONS

Based on our analyses of the legally permissible, physically possible and financially feasible uses for the subject under-development lots, we conclude that their maximally productive uses, and therefore, their highest and best uses, are as follows:

Highest & Best Use of Lots: Lot development completion and construction of starter detached residential units, as demand and market conditions warrant from $265,000+ by Starlight Homes and Hart Homes or comparable builders.

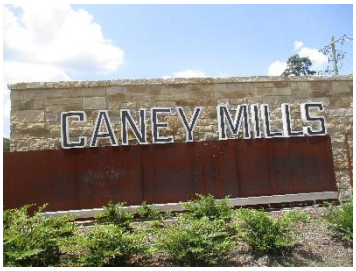
SALES COMPARISON APPROACH – RETAIL LOT VALUATION

The Sales Comparison Approach is “The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.” (The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, 2022, p. 170).

The rationale for this approach, based on the principle of substitution, is that a probable purchaser would not be justified in paying more for an individual retail lot than the cost of acquiring a substitute property of similar utility and characteristics, as that of the typical subject lot.

Again, knowledgeable individuals active in the area, which include real estate brokers, appraisers, developers, and builders, were consulted for information that would aid in the investigation. All of the data presented was confirmed for accuracy. On the following pages are details concerning the comparable takedown lot sales that have been used for the establishment of the subject's typical or base Retail Lot Value conclusion.

LOT SALE NUMBER ONE



Subdivision Name: Caney Mills, Section 7

Key Map: 158-M

Location: Located along the west line of Willis Waukegan Road, north of Highway 105, east of Rolling Hills Road, in Conroe, Montgomery County, Texas 77303.

Grantor: Caney Mills Development Company, LLC (Signorelli)

Grantee: Castlerock Communities

SFR Price Range: $210,990 to $288,990

Sales Data:

No. Lots	Avg FF	Base Lot Price	Esc. Lot Price	Per FF	Sale Date
105	45’	$49,500	$54,225	$1,205	6/3/2024

Financing: Cash to seller

Utilities: All available

School District: Conroe I.S.D.

Zoning/Restrictions: None/Caney Mills Deed Restrictions

Floodplain: None

Confirmation: Lot Contract

Recording Info: 2024-050343

Comments: This is the bulk purchase of 105 lots in Section 7 of Caney Mills. Castlerock Communities will be the exclusive builder in Section 7. Escalation of 6% commenced from initial 60-lot purchase in October 2022. No other fees are due to the developer.

LOT SALE NUMBER TWO



Subdivision: The Trails, Section 7

Key Map: 258-J

Location: Located along the west line of Plum Grove Road, just north of S.H. 99, in New Caney, Harris County, Texas 77357.

Sales Data:

No. Lots	Avg FF	Base Lot Price	Price Per FF	Sale Date
20	50’	$75,000	$1,568	10/28/2025

Grantor: CH-B Kingland

Grantee: DFH (McGuyer Land Holdings)

New Home Price Range: $334,990 - $363,990

Financing: Cash to seller

Utilities: All available

School District: Huffman I.S.D.

Zoning: None

Restrictions: Typical Deed Restrictions

Floodplain: None

Subdivision Amenities: Resort-style pool, splash pad, playground, amenity center, trails.

Confirmation: Confidential source with the builder

Clerk’s File No.: 2025-429552

Comments: This is the takedown of 20 lots McGuyer Land (Coventry Homes) is committed to in Section 7. Additional terms include $4,615 per lot in fees due to the developer.

LOT SALE NUMBER THREE



Subdivision: The Landing, Section 3

Key Map: 256-E

Location: Located along the south line of Gene Campbell Road, west of F.M. 1485, and east of F.M. 1314, in New Caney, Montgomery County, Texas 77357.

Lot Sales Data:

No. Lots	Avg FF	Base Lot Price	Esc. Lot Price	Per FF	Sale Date
20	40’	$43,000	$50,740	$1,269	5/23/2025

Grantor: The Landing I, LLC

Grantee: K. Hovnanian Homes

New Home Price Range: $226,990 to $277,990

Financing: Cash to seller

Utilities: All available

School District: New Caney I.S.D.

Zoning: None

Restrictions: Typical Deed Restrictions

Floodplain: No

Subdivision Amenities: Minimal

Confirmation: Developer/HUD Settlement Statement

Comments: This is the takedown of 30 lots by K. Hovnanian Homes. The base lot price was $43,000, subject to a 6% annual escalator from the initial purchase in 5/2022.

LOT SALE NUMBER FOUR



Subdivision Name: Granger Pines, Section 9

Key Map: 220-H

Location: Southwest side of F.M. 3083 at Granger Pines Way, about 1/2 mile west of F.M. 1485 (Old Houston Road), in the Conroe market area of Montgomery County, Texas 77302.

Sales Data:

No.	Lot Size	Purchase Price/Lot	Purchase Price/FF	Sales Date
20	50’	$61,000	$1,220	Pending

Grantor: Grangerland Development / Granger Pines Development Co. (Signorelli)

Grantee: Century Communities

SFR Price Range: $200,000 to $290,000

Financing: Cash to seller

Utilities: All available

School District: Conroe I.S.D.

Zoning/Restrictions: None/Granger Pines Deed Restrictions

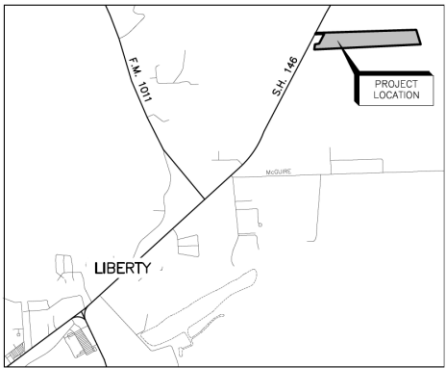
Floodplain: None

Confirmation: Lot Developer/Contracts

Recording Info: N/A

Comments: None

LOT SALE NUMBER FIVE



Subdivision: Liberty Ranch, Section 1

Key Map: Liberty County

Location: Located along the east line of S.H. 146, northeast of F.M. 1011, in Liberty, Liberty County, Texas 77575.

No. Lots	Avg FF	Base Lot Price	Escalated Lot Price	Per FF	Sale Date
74	50’	$55,000	N/A	$1,100	Pending

Grantor: Liberty Ranch, LLC (Waterstone Development Group)

Grantee: Starlight Homes

New Home Price Range: $265,000+

Financing: Cash to seller

Utilities: All available

School District: Hardin I.S.D.

Zoning: None

Restrictions: Typical Deed Restrictions

Floodplain: No

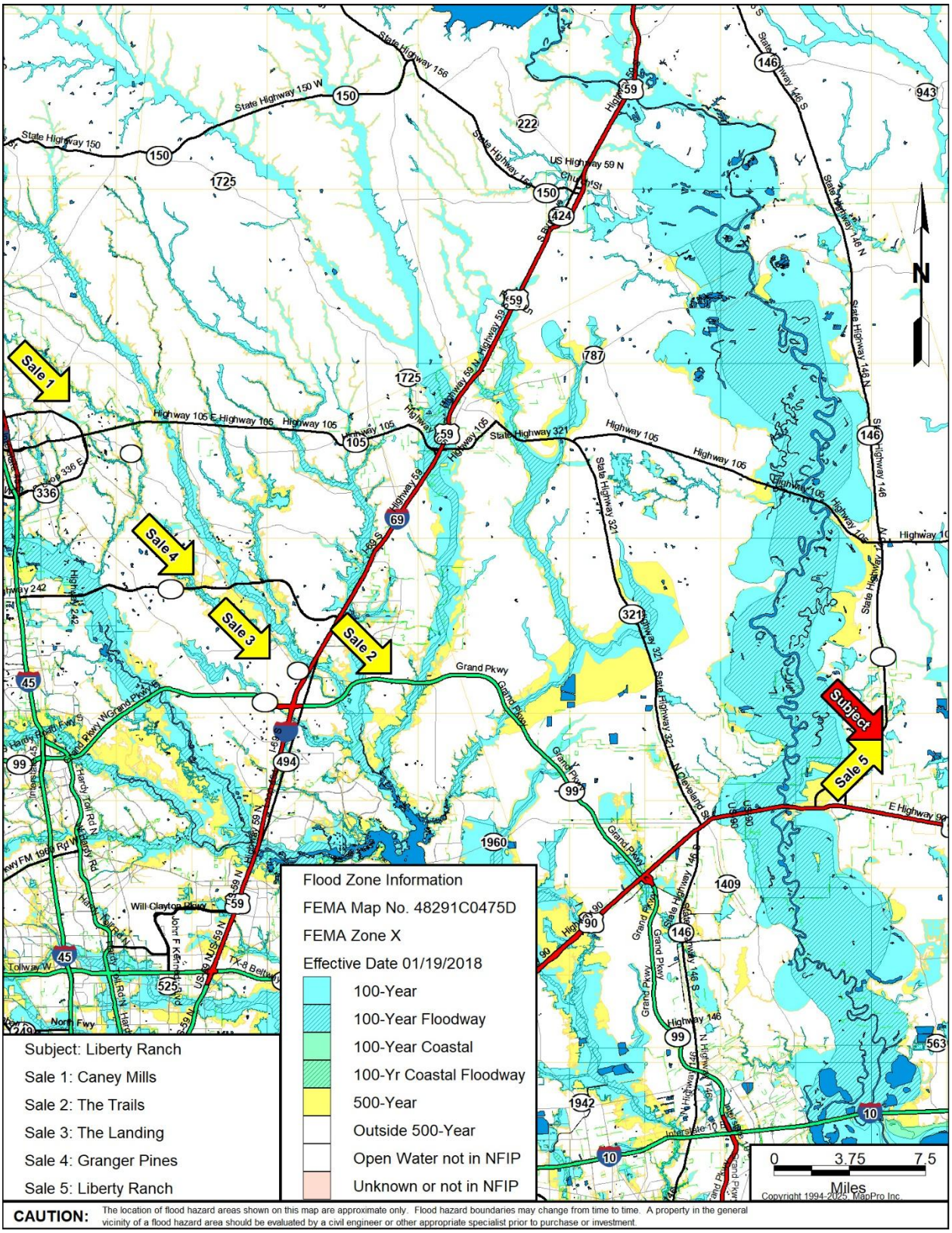
Subdivision Amenities: None

Confirmation: Developer/Contract

Clerk’s #: Pending

Comments: This is the pending initial takedown of 75 lots that Starlight Homes is committed to in Section 1. No lot fees are due to the developer. Hart Homes is a competing builder with similar terms.

LOCATION MAP OF LOT SALES COMPARABLES



CAUTION: The location of flood hazard areas shown on this map are approximate only. Flood hazard boundaries may change from time to time. A property in the general vicinity of a flood hazard area should be evaluated by a civil engineer or other appropriate specialist prior to purchase or investment.

LOT SALES ANALYSES

The Retail Takedown Lot Sales illustrated on the preceding pages are considered to be representative of the best available data for comparison to the subject lots, and are summarized on the following chart:

Lot Sales Summary							
Lot Sale	Sale Date	Subdivision	Sale Type	Description	Lot Size	Price PFF	Lot Price
1	6/3/2024	Caney Mills, Sec. 7	Bulk	105 Lots	45'	$1,205	$54,225
2	10/28/2025	The Trails, Sec. 7	Bulk	20 Lots	50'	$1,568	$78,375
3	5/23/2025	The Landing, Sec. 3	Bulk	20 Lots	40'	$1,269	$50,740
4	Pending	Granger Pines, Sec. 9	Bulk	20 Lots	50'	$1,220	$61,000
5	Pending	Liberty Ranch	Bulk	74 Lots	50'	$1,100	$55,000

CUMULATIVE ADJUSTMENTS

Market Conditions: A time adjustment is required if changes occur in market conditions between the time of sale of a comparable property, and the effective date of the appraisal of the subject property. Under such circumstances, the price of the comparable property would be different at the date of appraisal, and an adjustment is warranted to the cash equivalent sales price for the sale to be used as a comparable. Lot prices have been increasing in the subject market area at 5% to 8% per annum. Accordingly, where applicable, lot sales have been adjusted at a rate of **6%** per annum.

Financing/Cash Equivalent Considerations: Prior to adjusting for various categories applicable in the adjustment grid, each sale was reviewed with respect to financing terms and supplemental acquisition costs. When favorable financing occurred, the sale was adjusted to reflect the cash equivalent price in terms of U.S. dollars that the seller actually received. Generally cash equivalency is arrived at by applying present value factors to the stream of income generated by the seller offering favorable financing. All monies are brought back to the present value if the seller were to sell for cash or cash equivalency. No considerations for financing were required in this analysis.

Conditions of Sale: This category, as well as the previous two categories, is related to motivation of the parties in the transaction to agree on the sales price at the date of sale. The conditions and reasons for a sale are factors, which can have a direct impact on the

sales price. Buyers and sellers motivation for acquisition or disposition of a property can cause large differences in the actual sales price versus market value. Extraction of an appropriate adjustment for special sales conditions is generally difficult to ascertain. Pairing of sales is typically the best method in establishing an adjustment. However, when sales are scarce and/or significant differences in the properties are evident, additional considerations must be reviewed. Such considerations typically relate to additional information provided by the buyer and/or seller, which may be difficult to measure, but must be considered, analyzed, and reasonably adjusted. Due to holding costs, bulk lot takedowns which are significantly larger or smaller in lot totals will typically reflect discounted or higher lot sale prices, respectively. Lot Sales 1 thru 5 have been adjusted upward 20%; 5%; 5%; 5%; and 10% for higher bulk lot quantity compared to a typical takedown.

ADDITIVE ADJUSTMENTS

Location: Lot Sale 5 (Subject) has a generally similar location and has not been adjusted for this factor. Lot Sale 4 is considered generally similar to the subject and has not been adjusted for this element of comparison. Lot Sales 1 thru 3 have a superior location to the subject with a higher price point of housing compared to the subject, and have been adjusted downward -20%; -25%; and -15% each, respectively.

Lot Size: No adjustment was warranted for this factor as all lot sales have similar lot frontages of 40’ to 50’ and were analyzed on a per front foot basis methodology.

Amenities: Lot Sales 1 thru 5 have generally similar amenities compared to the subject single-family lots and have not been adjusted for this element of comparison.

LOT SALES ADJUSTMENT GRID

The following Lot Sales Adjustment Grid illustrates the adjustments that were extracted and applied in the analysis of the comparable lot sales to the typical subject lot.

Lot Sales Adjustment Grid						
Market Data	**Subject**	**Sale 1**	**Sale 2**	**Sale 3**	**Sale 4**	**Sale 5**
Sale Price/FF	-	$1,205	$1,568	$1,269	$1,220	$1,100
Sales Date	12/15/2025	6/3/2024	10/28/2025	5/23/2025	Pending	Pending
Adjustment	-	9.0%	1.0%	3.5%	0.0%	0.0%
Adjusted Sales Price/FF	-	$1,313	$1,583	$1,313	$1,220	$1,100
Financing	-	CTS	CTS	CTS	CTS	CTS
Adjustment	-	0%	0%	0%	0%	0%
Adjusted Sales Price/FF	-	$1,313	$1,583	$1,313	$1,220	$1,100
Conditions of Sale	Typical	105 Lots	20 Lots	20 Lots	20 Lots	74 Lots
Adjustment	-	20%	5%	5%	5%	10%
Adjusted Sale Price/FF	**-**	**$1,576**	**$1,662**	**$1,379**	**$1,281**	**$1,210**
Builder	-	Castlerock	Coventry Homes	K. Hovnanian	Century Communities	Starlight Homes
Location	Liberty Ranch	Caney Mills, Sec. 7	The Trails, Sec. 7	The Landing, Sec. 3	Granger Pines, Sec. 9	Liberty Ranch
Adjustment	-	-20%	-25%	-15%	0%	0%
Lot Size	50'	45'	50'	40'	50'	50'
Adjustment	-	0%	0%	0%	0%	0%
Amenities	Typical	Similar	Similar	Similar	Similar	Similar
Adjustment	-	0%	0%	0%	0%	0%
Net Adjustment	**-**	**-20%**	**-25%**	**-15%**	**0%**	**0%**
Adjusted Sale Price/FF	**-**	**$1,261**	**$1,247**	**$1,172**	**$1,281**	**$1,210**
Indicated Mean:	**$1,234**					
Indicated Median:	**$1,247**					
Concluded Value/FF:	**$1,245**					

Conclusion of Base Retail Lot Value

The lot sales used in this analysis are of typical base lot sales to which lot adjustments, due to premiums (if applicable) and applicable fees, will be applied to conclude an adjusted value PFF. Accordingly, the appraisers derived the following statistical parameters and the Base Retail Lot Value PFF.

Statistical Benchmarks	
Lowest	$1,172
Mean	$1,234
Median	$1,247
Highest	$1,281
Concluded Value/FF:	**$1,245**

The builder lot sales used in this analysis exhibit an adjusted price per front foot of $1,172 to $1,281 PFF, with a mean of $1,234 PFF and a median of $1,247 PFF. Based on the

preceding analysis, with credence given to each of the lot sales, the Highest and Best Use of the comparable sales, and the supply and demand of lots in the subject's market area, the appraisers' have concluded a Base Retail Market Value of **$1,245 PFF, or $62,250 per 50' lot, as of December 31, 2025 (Section 1).**

An upward adjustment was made to the "Upon Completion" Retail Value of the Section 1 lots to arrive at an "Upon Completion" Retail Value for the Section 2 lots: **$1,245 PFF x 1.03 = $1,282 PFF (Rounded), or $64,100 per 50' lot as of the effective date of May 1, 2026 for Section 2.**

LOT PREMIUMS AND FEES:

No lot premiums are noted in the lot purchase agreement and there are no fees due to the developer.

Thus, the Sum of the Retail Lot Values –"Upon Completion" can be summarized as follows:

Sum of the Retail Lot Values - "Upon Completion" Liberty Ranch, Section 1						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues $ Total	$ / Lot
108	50'	$1,245	$62,250	$6,723,000	**$6,723,000**	**$62,250**

Sum of the Retail Lot Values - "Upon Completion" Liberty Ranch, Section 2						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues $ Total	$ / Lot
108	50'	$1,282	$64,100	$6,922,800	**$6,922,800**	**$64,100**

ABSORPTION ANALYSIS

To determine the rates at which the subject single-family lots will be absorbed into the market, we have analyzed the recent absorption of lots in the following competing subdivisions in the vicinity of the subject.

Zonda Houston Metrostudy 3Q 2025									
Subdivision / Product ($1,000)		4Q 2024	1Q 2025	2Q 2025	3Q 2025	Past 4 Qtrs Total Absorb	Avg Absorb Per Qtr	No. of Builders	Avg Absorb Per Bldr/Qtr
Crosby Farms, Sec. 1 - Centex Homes 45' Lots $258 - $315	Starts Closings	15 0	7 15	16 10	11 19	49 44	12.3 11.0	1	12.3 11.0
Granger Pines, Sec. 6 and 8 - Legend Homes 45' Lots $238 - $272	Starts Closings	13 18	10 16	9 12	0 10	32 56	8.0 14.0	1	8.0 14.0
Hill and Dale Ranch, Sec. 1 - Lennar Homes 50' Lots $236 - $270	Starts Closings	7 0	18 1	4 13	1 12	30 26	7.5 6.5	1	7.5 6.5
Ideloch, Sec. 1 - 3 - Starlight Homes 50' Lots $248 - $275	Starts Closings	9 10	11 9	7 17	0 10	27 46	6.8 11.5	1	6.8 11.5
Vill. Of Westpointe, Sec. 1, 2 and 4 - Century Communities 50' Lots $235 - 261	Starts Closings	5 9	8 12	9 10	2 4	24 35	6.0 8.8	1	6.0 8.8
Average Absorption Per Quarter Over Past 4 Quarters	Starts					Minimum:	6.0		6.0
						Average:	8.1		8.1
						Maximum:	12.3		12.3
	Closings					Minimum:	6.5		6.5
						Average:	10.4		10.4
						Maximum:	14.0		14.0

These absorption comparables indicate quarterly absorption of 6.0 to 12.3 lots, with an average of 8.1 starts per quarter per builder and 6.5 to 14.0 lots, with an average of 10.4 closings per quarter per builder. The comparable projects include a variety of builders and offer lot sizes which are generally similar to those of the subject lots, and new home pricing ranging from $235,000 up to $315,000+.

LOT ABSORPTION PROJECTION

All of the absorption comparables noted above are good indicators of absorption given their location and price point compared to the subject property. Based on the absorption comparables noted above, **we conclude that the subject 50' lots are projected to absorb at a rate of 20 lots per quarter, beginning in Period 0, given the two production builders contracted for the subject lots.**

INCOME APPROACH – "UPON COMPLETION" MARKET VALUE

The Bulk Market Value for the subject lots, or sold collectively to a single purchaser, is determined by discounting the net sales proceeds of the aggregate gross builder retail lot revenue arrived at previously. The discounting is necessary to reflect the absorption period, required yield, and related expenses incurred during the sell-out term. The following is a discussion of each of these categories and the assumptions applicable thereto:

YIELD RATE / IRR ANALYSIS

We referenced the developer's survey conducted by RealtyRates.com for the 3rd Quarter 2025 (2nd quarter 2025 data).

RealtyRates.com DEVELOPER SURVEY - 3rd Quarter 2025
Texas - Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.74%	34.19%	23.17%	15.11%	32.82%	22.24%
-100 Units	15.74%	29.47%	22.15%	15.11%	28.29%	21.27%
100-500 Units	16.13%	32.42%	23.30%	15.49%	31.12%	22.37%
500+ Units	16.52%	33.89%	23.70%	15.86%	32.54%	22.75%
Mixed Use	16.92%	34.19%	23.51%	16.24%	32.82%	22.57%
Manufactured Housing	16.24%	37.34%	24.85%	15.59%	35.84%	23.86%
-100 Units	16.24%	32.47%	23.87%	15.59%	31.17%	22.91%
100-500 Units	16.65%	35.71%	25.13%	15.98%	34.28%	24.13%
500+ Units	17.05%	37.34%	25.56%	16.37%	35.84%	24.54%
Business Parks	16.20%	35.71%	24.10%	15.55%	34.28%	23.14%
-100 Acres	16.20%	31.05%	23.15%	15.55%	29.81%	22.23%
100-500 Acres	16.61%	34.16%	24.37%	15.94%	32.79%	23.39%
500+ Acres	17.01%	35.71%	24.78%	16.33%	34.28%	23.79%
Industrial Parks	16.27%	30.17%	21.63%	15.62%	28.96%	20.77%
-100 Acres	16.27%	26.23%	20.83%	15.62%	25.18%	20.00%
100-500 Acres	16.68%	28.86%	21.86%	16.01%	27.70%	20.98%
500+ Acres	17.09%	30.17%	22.21%	16.40%	28.96%	21.32%

*2nd Quarter 2025 Data

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Within the RealtyRates.com survey, developers and builders reported modeling pro-forma internal rates of return ranging from 15.11% to 28.29%, with an average of 21.27% for site-built residential >100 units. The developers and builders reported actual rates ranging from 15.74% to 29.47%, with an average of 22.15%. The above chart reflects surveyed rates for complete subdivision developments – from vacant land to lot development, to home construction, to home sellout. By contrast, the subject of this analysis represents finished lots. Therefore, entitlement and land development risk have occurred. Home construction, marketing, and home sales risk remains to be incurred. Based on the availability of alternative investment yields and considering the relative risk of the subject residential development investment; it is the appraiser's opinion that an overall **IRR of 17%** inclusive of profit, is appropriate for the projected short-term sellout period.

DISCOUNTED CASH FLOW ASSUMPTIONS

Sum of the Retail Values: The Sum of the Retail Values for the cash flows are predicated on a beginning lot value including any applicable lot fees and lot premiums, previously concluded as follows:

Sum of the Retail Lot Values - "Upon Completion" Liberty Ranch, Section 1						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues $ Total	$ / Lot
108	50'	$1,245	$62,250	$6,723,000	**$6,723,000**	**$62,250**

Sum of the Retail Lot Values - "Upon Completion" Liberty Ranch, Section 2						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues $ Total	$ / Lot
108	50'	$1,282	$64,100	$6,922,800	**$6,922,800**	**$64,100**

Absorption Period: The absorption period projected for the subject sell-out is based on the vacant lot inventory and absorption projection, previously concluded at 30 lots per quarter.

Sales Price Escalation: Per current market trends and market participants active in the subject's market area and greater Houston MSA, the subject lot prices are projected to

escalate at an annual rate equal to 6% per year, **or 1.5% per quarter**, beginning in the 1st period.

Beginning Lot Inventory: The Beginning Lot Inventory is the total number of lots in inventory on the first day of each quarterly period.

Lot Sales Per Period: The Lots Sales per Period is the total number of lots sold or absorbed during each quarterly period.

Ending Lot Inventory: The Ending Lot Inventory is the total number of lots in inventory on the last day of each quarterly period.

Average Lots Held Per Period: The Average Lots Held per Period is the average of Beginning Lot Inventory and Ending Lot Inventory.

Starting Inventory (Dollars): The Starting Inventory is expressed in terms of dollars by multiplying the Average Lot Value by the Beginning Lot Inventory and is a carry-over of the Ending Inventory balance.

Average Inventory Held (Dollars): The Average Inventory Held in Dollars is the average of the Starting Inventory (dollars) and the Ending Inventory (dollars).

Ending Inventory (Dollars: The Ending Inventory is expressed in terms of dollars by subtracting the periodic Sales (dollars) from the Starting Lot Inventory (dollars).

Lot Sales Income: The Total Quarterly Sales are the revenue generated during the period, before sales expense deductions.

SALES EXPENSES

Marketing/Closing Costs: The marketing expense is typically carried by the lot developer; however, in submarkets in which the lot supply is at shortage levels and in

quality developments, the marketing expense can and is occasionally passed through to the builders. In the case of the subject, the marketing expense is based on **1.0%** of lot sales, beginning in Period "0". Please note that the marketing expense is combined with commissions and closing costs expenses below.

Typical lot takedown contracts call for the developer to pay commissions and part or all of the closing costs. Thus, real estate commissions and closing costs are typical carrying expenses. The commissions/closing costs expense is based on **4.0% of the periodic sales**. This item is considered to be sufficient to cover broker commissions at 3.0%, plus 1.0% closing costs. Brokerage fees for this type of transaction typically range from 2% to 4%, due to the repetitive nature of lot takedown contracts. Closing costs also vary, but typically total 0.5% to 1.5% of the sales price of the lots. Again, the marketing expense of 1.0% is combined with the commissions and closing costs category. Thus, **total marketing/closing costs equate to 5.0% of periodic sales,** beginning in Period 0.

Taxes: We utilized a property tax rate of **$2.0168** per $100 in the cash flow. Estimated property taxes are based upon the average lot inventory (retail value) held per period, multiplied by **35%**, multiplied by the projected current tax rate noted above, and divided by 4 to reflect quarterly taxes, beginning in the 1st period.

Administrative Expense: This category reflects incidental expenses including bank charges, accounting and legal fees, office expenses, etc., which are typically incurred by the developer throughout the holding period. These expenses are often relatively minor; thus, we have projected this expense at **0.5% of periodic sales**, beginning in Period 0.

Homeowner's Association Fees: The HOA expense is calculated based on the average inventory held (Lots) by the developer multiplied by the quarterly HOA fee to reflect quarterly HOA fees. HOA fees within Liberty Ranch are projected to be $500 annually. While the builder is responsible for subsidizing the development HOA for inventory lots, the builder is typically only responsible for about 50% of the standard homeowner HOA

fee. For the purposes of this analysis, we assume that the builder will be responsible for an HOA fee of $250 per lot per year on inventory lots, or **$62.50 per lot held per quarter**.

"UPON COMPLETION" BULK MARKET VALUE DCF ANALYSIS

The discounted cash flows for each section are as follows:

Discounted Cash Flow Analysis **Bulk Market Value "Upon Completion"**						
Liberty Ranch, Section 1 - 50' Lots						
TOTAL NO. OF LOTS:	108	**December 31, 2025**	Date of Value			
AVERAGE INDIVIDUAL LOT VALUE:	$62,500					
GROSS RETAIL VALUE:	$6,750,000					
ABSORPTION PERIOD:	5 QUARTERS					
ANNUAL YIELD/IRR:	17.0%					
EFFECTIVE TAX RATE/$100:	$2.0168	$2.0168	$2.0168	$2.0168	$2.0168	$2.0168
AVG. HOA DUES per LOT ($220.00/Yr.)	$55.00	$55.00	$55.00	$55.00	$55.00	$55.00
QUARTERLY PERIOD:	**0**	**1**	**2**	**3**	**4**	**5**
STARTING LOT INVENTORY:	108.0	88.0	68.0	48.0	28.0	8.0
LOT SALES/PERIOD:	20.0	20.0	20.0	20.0	20.0	8.0
ENDING LOT INVENTORY:	88.0	68.0	48.0	28.0	8.0	0.0
AVG. LOTS HELD/PERIOD:	98.0	78.0	58.0	38.0	18.0	4.0
SALES APPRECIATION:	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%
STARTING INVENTORY (Dollars):	$6,750,000	$5,582,500	$4,378,456	$3,137,035	$1,857,386	$538,642
AVG. LOT VALUE:	$62,500	$63,438	$64,389	$65,355	$66,335	$67,330
AVG. INVENTORY HELD:	$6,125,000	$4,948,125	$3,734,566	$2,483,486	$1,194,034	$269,321
ENDING INVENTORY:	$5,500,000	$4,313,750	$3,090,675	$1,829,937	$530,682	$0
QUARTERLY SALES:	$1,250,000	$1,268,750	$1,287,781	$1,307,098	$1,326,704	$538,642
LESS EXPENSES:						
a) MARKETING/CLOSING (5.0%)	$62,500	$63,438	$64,389	$65,355	$66,335	$26,932
b) TAXES/AVG. INV. HELD (@ 35%)	$0	$8,732	$6,590	$4,383	$2,107	$475
c) ADMINISTRATIVE @ 0.5%:	$6,250	$6,344	$6,439	$6,535	$6,634	$2,693
d) HOA DUES per QUARTER:	$0	$4,290	$3,190	$2,090	$990	$220
TOTAL EXPENSES:	$68,750	$82,803	$80,608	$78,363	$76,066	$30,321
NET SALES INCOME:	$1,181,250	$1,185,947	$1,207,173	$1,228,735	$1,250,639	$508,321
QUARTERLY YIELD/IRR:						
FACTOR @ 17.0%	1.000000	0.959233	0.920127	0.882616	0.846634	0.812119
DISCOUNTED SALES:	$1,181,250	$1,137,599	$1,110,753	$1,084,501	$1,058,833	$412,817
	$5,985,753					
ROUNDED TO:	**$5,990,000**	-11.3% Discount Margin				
VALUE PER LOT:	**$55,463**					

Discounted Cash Flow Analysis **Bulk Market Value "Upon Completion"**							
Liberty Ranch, Section 2 - 50' Lots							
TOTAL NO. OF LOTS:	108	**May 1, 2026**	Date of Value				
AVERAGE INDIVIDUAL LOT VALUE:	$64,100						
GROSS RETAIL VALUE:	$6,922,800						
ABSORPTION PERIOD:	6 QUARTERS						
ANNUAL YIELD/IRR:	17.0%						
EFFECTIVE TAX RATE/$100:	$2.0168	$2.0168	$2.0168	$2.0168	$2.0168	$2.0168	$2.0168
AVG. HOA DUES per LOT ($220.00/Yr.)	$55.00	$55.00	$55.00	$55.00	$55.00	$55.00	$55.00
QUARTERLY PERIOD:	**0**	**1**	**2**	**3**	**4**	**5**	**6**
STARTING LOT INVENTORY:	108.0	108.0	88.0	68.0	48.0	28.0	8.0
LOT SALES/PERIOD:	0.0	20.0	20.0	20.0	20.0	20.0	8.0
ENDING LOT INVENTORY:	108.0	88.0	68.0	48.0	28.0	8.0	0.0
AVG. LOTS HELD/PERIOD:	108.0	98.0	78.0	58.0	38.0	18.0	4.0
SALES APPRECIATION:	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
STARTING INVENTORY (Dollars):	$6,922,800	$7,026,642	$5,811,293	$4,557,903	$3,265,603	$1,933,509	$560,718
AVG. LOT VALUE:	$64,100	$65,062	$66,037	$67,028	$68,033	$69,054	$70,090
AVG. INVENTORY HELD:	$6,922,800	$6,376,027	$5,150,919	$3,887,623	$2,585,269	$1,242,970	$280,359
ENDING INVENTORY:	$6,922,800	$5,725,412	$4,490,545	$3,217,343	$1,904,935	$552,431	$0
QUARTERLY SALES:	$0	$1,301,230	$1,320,748	$1,340,560	$1,360,668	$1,381,078	$560,718
LESS EXPENSES:							
a) MARKETING/CLOSING (5.0%)	$0	$65,062	$66,037	$67,028	$68,033	$69,054	$28,036
b) TAXES/AVG. INV. HELD (@ 35%)	$0	$11,252	$9,090	$6,861	$4,562	$2,194	$495
c) ADMINISTRATIVE @ 0.5%:	$0	$6,506	$6,604	$6,703	$6,803	$6,905	$2,804
d) HOA DUES per QUARTER:	$0	$5,390	$4,290	$3,190	$2,090	$990	$220
TOTAL EXPENSES:	$0	$88,210	$86,021	$83,781	$81,489	$79,143	$31,554
NET SALES INCOME:	$0	$1,213,020	$1,234,727	$1,256,778	$1,279,179	$1,301,935	$529,163
QUARTERLY YIELD/IRR:							
FACTOR @ 17.0%	1.000000	0.959233	0.920127	0.882616	0.846634	0.812119	0.779011
DISCOUNTED SALES:	$0	$1,163,569	$1,136,106	$1,109,253	$1,082,997	$1,057,326	$412,224
	$5,961,475						
ROUNDED TO:	**$5,960,000**	-13.9% Discount Margin					
VALUE PER LOT:	**$55,185**						

RECONCILIATION AND FINAL MARKET VALUE CONCLUSIONS

The Sales Comparison Approach was used to conclude the "Upon Completion" retail revenues of the subject residential lots. An Income Approach retail sell-out technique was then employed to derive the indicated "Upon Completion" Bulk Market Values of the subject 216 under-development lots in Liberty Ranch, Sections 1 and 2. The cumulative builder retail revenue of the subject lots were discounted for their projected absorption periods. A discounted cash flow analysis was used to present value the projected income streams of the subject finished lots over their projected absorption period per section. The Income Approach procedure is generally considered to be the most valid method of estimating the bulk value of multiple builder retail lots to one individual buyer, especially if the parcels/lots involve a holding period or sell-out term and carrying costs.

At the request of the client, the "As Is" Market Value of the under-development lots in Sections 1 and 2 has not been valued herein.

To conclude, it is our opinion that the **Prospective "Upon Completion" Bulk Market Value** of the fee simple interest in the subject property, as of the indicated dates, are as follows:

Description	No. of Lots	Avg. Lot FF	Value	Effective Date
"Upon Completion" Bulk Market Value, Section 1	108	50'	**$5,990,000**	12/31/2025
"Upon Completion" Bulk Market Value, Section 2	108	50'	**$5,960,000**	5/1/2026

MARKETING & EXPOSURE PERIODS

According to participants in the regional and local residential lot market and others who have experience handling and marketing of such properties in the subject area, marketing times for properties such as the subject have been reasonably in this active submarket. Based upon our market analysis, we have projected a prospective marketing period for the various lot scenarios, " "Upon Completion" to be within 3 to 6 months. The subject property should market well at the reasonable and competitive concluded Bulk Market Values. As a result, we further estimate a historic exposure period of approximately 3 to 6 months for the subject lots, based upon the market data presented herein and the reported exposure times of the comparable sales.

Extraordinary Assumptions:

1.) The 216-lot subdivision appraised herein is under-development, with prospective completion dates. In this Appraisal Report, we have projected market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, we have projected the retail valuation of the individual subject lots, absorption period and holding costs based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from that which are expected on the anticipated dates of completion that are reflected in this report. Because actual future market conditions may deviate from that which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sales data that will be available on the prospective date of completion.

2.) The valuation of the subject improvements "Upon Completion" require valuation of the various subject improvements as of the prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, we have relied upon surveys, plats and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value estimate is subject to revision.

3.) This appraisal is subject to all proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.

4.) This appraisal is subject to final subdivision plat/s.

5.) This appraisal assumes that Starlight Homes and Hart Homes, or comparable production builder/s, will build upon the under-development subject lots, detached single-family units with a projected price from $265,000.

If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions: None

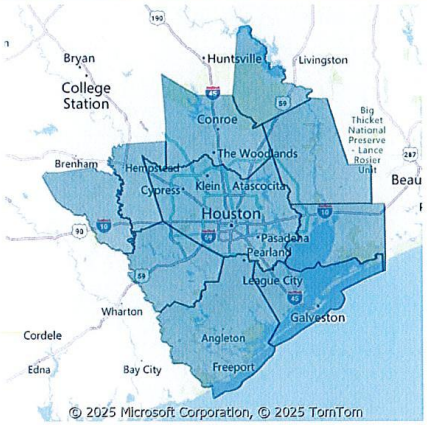
ADDENDA

HOUSTON REGIONAL DATA

Quarterly Housing Report

HOUSTON PASADENA THE WOODLANDS MSA

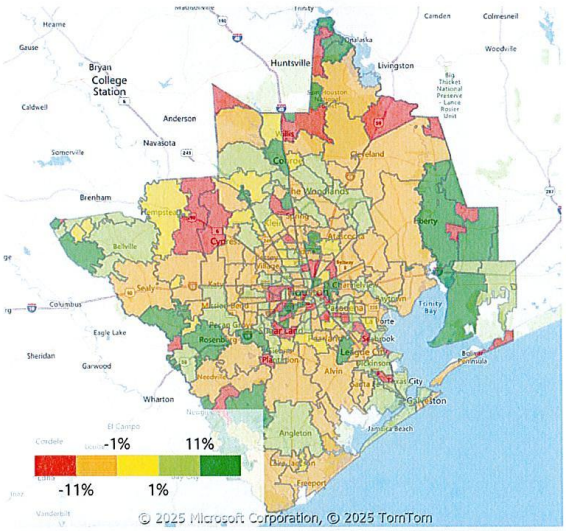
Third Quarter 2025



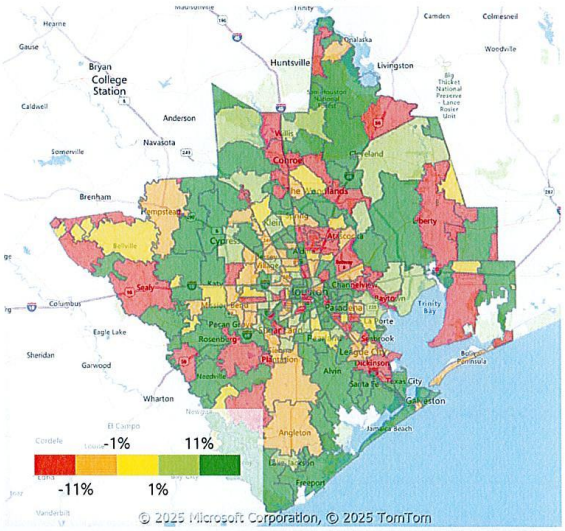
Executive Summary

- Metro area sales volume increased 7.1% to 23,636 transactions. Median price decreased 1.5% year-over-year to $335,000.
- 2025 Q3 months inventory for all residential properties rose 22.7% year-over-year to 5.3 months.
- Metro area residential property listings increased 29.1% year-over-year to 38,965 active listings.
- Single-family new construction median price decreased by 4.1% year-over-year to $330,990.
- Single-family rental average rent stayed at $2,200 per month compared with 2025 Q3.

Median Price Change (YoY)



Sales Volume Change (YoY)



About this report

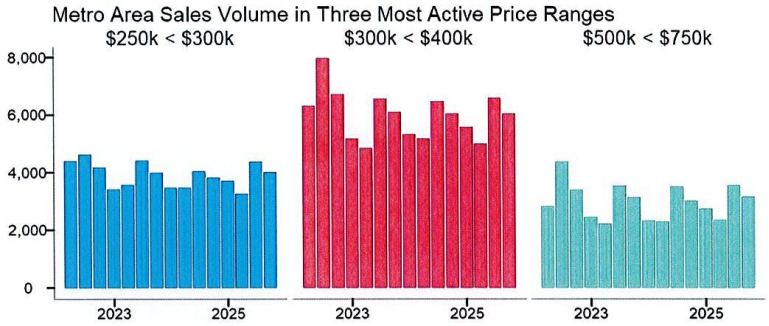
Data used in this report come from the Texas REALTOR® Data Relevance Project, a partnership among the Texas REALTORS® and local REALTOR® associations throughout the state. Analysis is provided through a research agreement with the Texas Real Estate Research Center at Texas A&M University. ©2025 Houston Realtors® Information Service, Inc. - Certain information contained herein is derived from information which is the licensed property of, and copyrighted by, Houston Realtors Information Service, Inc.

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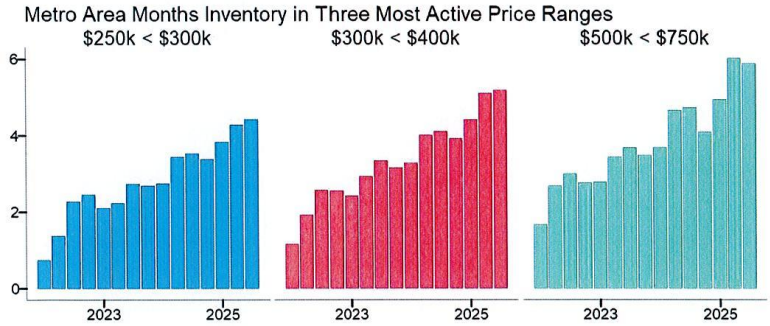
www.recenter.tamu.edu

Key Market Metrics





2025 Q3 total sales volume increased by approximately 7.1% year-over-year, from 22,073 to 23,636. Sales of homes between $300k and $400k dipped from 6,045 to 6,039, while homes between $250k and $300k rose from 3,820 to 3,996, and homes between $500k and $750k rose from 3,007 to 3,156.



Metro area months inventory increased year-over-year from 4.3 to 5.27 months. Homes between $300k and $400k rose year-over-year, from 4.11 to 5.19 months, while homes between $250k and $300k rose year-over-year, from 3.53 to 4.42 months and homes between $500k and $750k rose year-over-year, from 4.73 to 5.89 months.

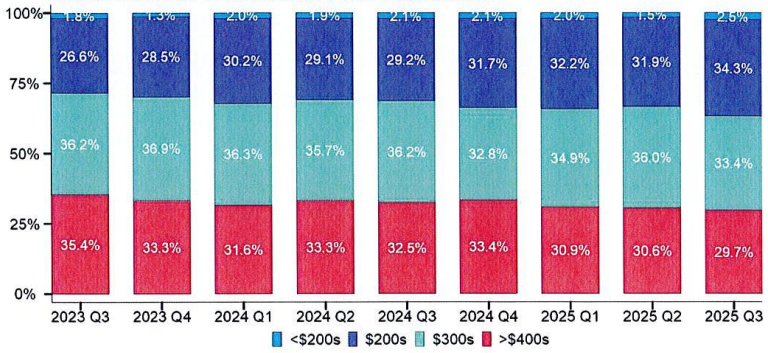


Average days to sell throughout the metro area increased from 82 to 86 days, an increase of 4.9% year-over-year. Average days to sell for homes between $300k and $400k increased from 85 to 87 days, a 2.4% increase year-over-year.

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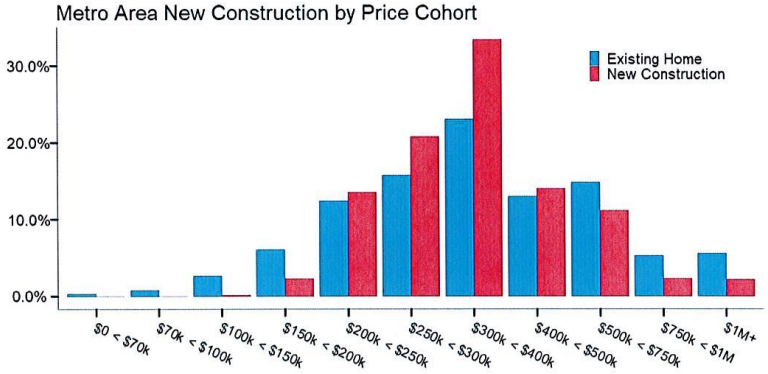
Single-Family New Construction

Metro Area New Construction Price Distribution



Homes in the $200s grew to 34.3% of single-family new construction sales through the MLS. The second most active price range was homes in the $300s, which fell from 36.2% to 33.4% year-over-year.

Metro Area New Construction by Price Cohort

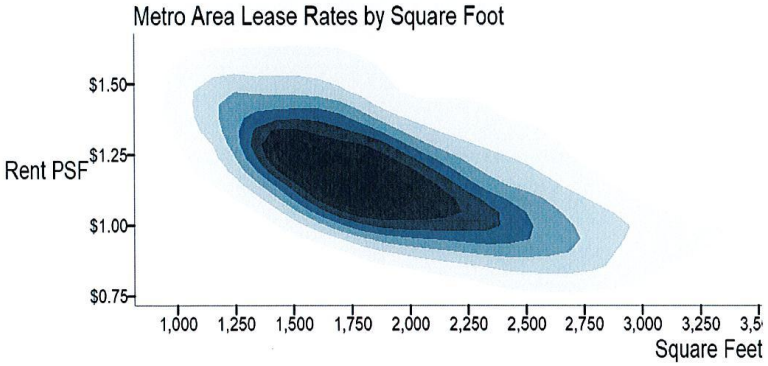


In the latest quarter, the average price was $397,093 for new homes sold through the MLS, a decrease over last year's figure of $399,492. Average price for existing homes was $451,230, an increase over last year's figure of $449,532.

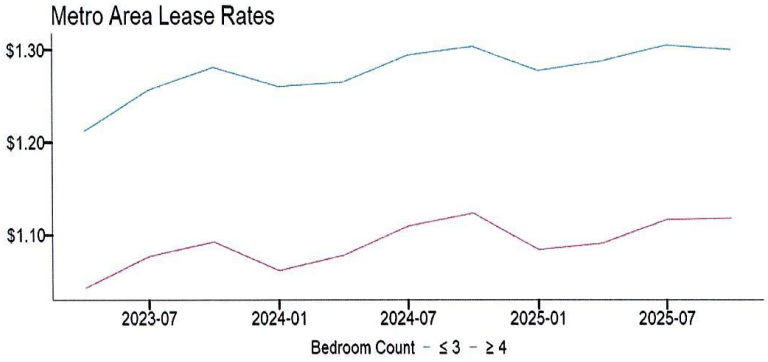
Top Five Most Active Zip Codes

	Median Price	YoY%	Median Price PSF	YoY%	Median Square Feet
	$333,000	-11.0%	$162.56	-7.0%	2,106
	$426,495	-2.6%	$176.52	-2.0%	2,593
	$297,290	-11.7%	$156.98	-5.0%	1,970
	$324,207	0.8%	$161.29	-3.7%	2,133
	$435,000	2.4%	$175.13	0.5%	2,600

Single-Family Rentals



Average rent per square foot for single-family properties was $1.22, a decrease compared with last year's rental rate of $1.23. The average home size was 2,036 square feet.



Average rent per square foot for three-bedroom single-family properties was $1.30, a decrease compared with last year's rental rate of $1.30. For four-bedroom single-family homes, the rental rate per square foot was $1.12, a decrease compared with last year's rental rate of $1.12.

Rental Metrics by Bedroom Count

Bedroom Count	Average Monthly Rent	Average Monthly Rent	Average Square Feet	Distribution
Three or less	$2,126	$1.30	1,681	57.4%
Four or more	$2,812	$1.12	2,513	42.6%
Overall	$2,418	$1.22	2,035	100%

Housing Metrics by County

Austin County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	0	0%	0%	-	-	-	-	1	6.0	-	-
$70k < $100k	1	100%	1%	***	***	***	***	0	0.0	***	***
$100k < $150k	2	0%	3%	***	***	***	***	2	3.4	***	***
$150k < $200k	7	-13%	9%	$158,300	-15%	$129.18	-14%	8	4.2	1,316	1945
$200k < $250k	8	100%	11%	$217,500	1%	$173.41	20%	12	4.5	1,262	1996
$250k < $300k	14	-22%	19%	$277,000	1%	$161.62	2%	19	2.7	1,782	2001
$300k < $400k	21	5%	28%	$344,387	8%	$181.41	6%	48	8.0	1,851	2000
$400k < $500k	5	-38%	7%	$430,000	-5%	$204.73	-5%	35	11.7	2,198	1969
$500k < $750k	13	-13%	17%	$583,500	-6%	$233.66	-1%	39	12.3	2,725	2017
$750k < $1M	2	-33%	3%	***	***	***	***	9	15.4	***	***
$1M+	2	100%	3%	***	***	***	***	8	16.0	***	***

*** Not displayed when fewer than five sales

Brazoria County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	3	-50%	0%	***	***	***	***	9	4.9	***	***
$70k < $100k	16	60%	1%	$77,450	-9%	$73.41	16%	17	4.6	1,038	1956
$100k < $150k	35	25%	3%	$116,000	-14%	$89.63	-5%	75	6.1	1,288	1968
$150k < $200k	79	41%	6%	$176,250	-2%	$149.98	14%	124	4.9	1,140	1961
$200k < $250k	141	16%	10%	$228,870	0%	$149.22	-1%	163	3.9	1,515	1982
$250k < $300k	243	52%	18%	$278,995	1%	$157.75	1%	305	5.0	1,757	2008
$300k < $400k	422	21%	31%	$345,000	-1%	$163.51	2%	678	5.1	2,084	2015
$400k < $500k	228	6%	17%	$440,000	-1%	$169.53	-1%	426	5.9	2,595	2019
$500k < $750k	167	13%	12%	$564,990	1%	$177.85	1%	402	7.6	3,146	2016
$750k < $1M	13	-35%	1%	$829,000	-3%	$201.10	-12%	75	10.7	3,978	2023
$1M+	2	0%	0%	***	***	***	***	56	33.6	***	***

*** Not displayed when fewer than five sales

Chambers County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	2	100%	1%	***	***	***	***	4	8.0	***	***
$70k < $100k	1	0%	0%	***	***	***	***	6	14.4	***	***
$100k < $150k	3	-25%	1%	***	***	***	***	2	1.6	***	***
$150k < $200k	7	-22%	3%	$179,900	-3%	$121.99	-9%	4	1.5	1,496	1969
$200k < $250k	11	-35%	5%	$237,000	3%	$160.64	5%	19	3.1	1,472	2005
$250k < $300k	27	-39%	11%	$274,400	-2%	$156.54	2%	51	4.9	1,763	2011
$300k < $400k	103	58%	42%	$338,395	0%	$154.23	2%	146	4.8	2,175	2024
$400k < $500k	47	-13%	19%	$448,500	-1%	$182.29	2%	77	4.9	2,482	2024
$500k < $750k	40	18%	16%	$580,000	3%	$195.72	1%	75	6.0	3,094	2020
$750k < $1M	2	-71%	1%	***	***	***	***	14	9.3	***	***
$1M+	0	-100%	0%	-	-	-	-	11	26.4	-	-

*** Not displayed when fewer than five sales

Housing Metrics by County

Fort Bend County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	2	-50%	0%	***	***	***	***	6	36.0	***	***
$70k < $100k	2	-50%	0%	***	***	***	***	3	4.0	***	***
$100k < $150k	14	56%	0%	$131,000	-3%	$112.28	7%	12	2.6	1,190	1973
$150k < $200k	66	78%	2%	$180,000	0%	$124.80	4%	47	2.7	1,358	1979
$200k < $250k	168	15%	5%	$230,000	1%	$149.68	-2%	155	2.9	1,474	1986
$250k < $300k	381	-5%	12%	$279,990	0%	$159.52	2%	380	2.9	1,742	2009
$300k < $400k	991	-2%	31%	$345,995	0%	$159.82	-1%	1,308	4.0	2,169	2021
$400k < $500k	577	2%	18%	$445,000	0%	$166.15	-3%	998	5.6	2,665	2018
$500k < $750k	679	2%	21%	$590,000	-1%	$180.03	-1%	1,119	5.2	3,289	2016
$750k < $1M	172	-5%	5%	$832,450	0%	$202.52	1%	296	5.2	4,180	2012
$1M+	108	17%	3%	$1,280,000	1%	$258.92	-1%	223	7.4	5,273	2013

*** Not displayed when fewer than five sales

Galveston County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	15	150%	1%	$60,000	57%	$60.90	49%	30	10.0	983	1960
$70k < $100k	18	64%	1%	$85,500	-5%	$81.77	-26%	16	3.4	1,078	1969
$100k < $150k	63	43%	4%	$125,500	0%	$118.18	-11%	111	6.2	1,096	1979
$150k < $200k	83	4%	5%	$175,000	0%	$144.18	4%	208	7.7	1,196	1972
$200k < $250k	154	12%	10%	$230,000	1%	$158.60	2%	239	5.1	1,441	1981
$250k < $300k	223	1%	14%	$270,895	-1%	$165.43	1%	361	4.8	1,666	2005
$300k < $400k	420	5%	27%	$340,990	-1%	$169.73	1%	890	6.4	2,027	2009
$400k < $500k	225	-3%	14%	$448,995	2%	$177.29	0%	531	7.7	2,548	2011
$500k < $750k	263	31%	17%	$590,000	3%	$201.55	0%	701	9.8	2,916	2009
$750k < $1M	54	-5%	3%	$854,000	0%	$322.18	-2%	284	16.1	2,888	2008
$1M+	66	113%	4%	$1,300,000	2%	$443.59	-6%	302	17.4	3,388	2008

*** Not displayed when fewer than five sales

Harris County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	79	46%	1%	$60,000	-3%	$63.46	-8%	129	5.6	926	1979
$70k < $100k	157	7%	1%	$86,000	1%	$85.19	-3%	315	7.0	1,008	1975
$100k < $150k	449	29%	4%	$125,000	0%	$107.11	-7%	828	6.2	1,156	1970
$150k < $200k	780	18%	6%	$178,000	1%	$131.76	-4%	1,297	5.5	1,362	1977
$200k < $250k	1,756	24%	14%	$227,000	-1%	$146.49	-3%	2,186	4.1	1,550	1984
$250k < $300k	2,156	5%	17%	$273,990	1%	$149.35	-1%	3,089	4.5	1,826	2005
$300k < $400k	2,987	-1%	24%	$340,000	-1%	$155.50	-1%	4,960	5.2	2,182	2008
$400k < $500k	1,427	-2%	12%	$440,000	0%	$172.55	-2%	2,584	5.6	2,573	2008
$500k < $750k	1,364	4%	11%	$590,000	0%	$197.52	-3%	2,147	4.9	3,005	2007
$750k < $1M	516	21%	4%	$850,000	1%	$265.00	2%	757	5.1	3,192	2005
$1M+	664	15%	5%	$1,451,000	0%	$386.15	3%	1,196	5.5	4,184	2008

*** Not displayed when fewer than five sales

Housing Metrics by County

Liberty County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	12	50%	4%	$55,000	0%	$49.63	30%	21	11.5	1,142	1970
$70k < $100k	3	-25%	1%	***	***	***	***	25	11.5	***	***
$100k < $150k	13	-7%	4%	$130,000	-1%	$102.95	-3%	65	13.0	1,330	1985
$150k < $200k	36	0%	11%	$180,000	7%	$125.99	8%	152	12.6	1,399	2004
$200k < $250k	59	-2%	18%	$225,000	0%	$138.52	4%	130	6.4	1,650	2009
$250k < $300k	75	34%	24%	$269,550	0%	$159.96	7%	193	9.8	1,750	2024
$300k < $400k	68	15%	21%	$346,500	3%	$152.46	-10%	224	10.0	2,198	2024
$400k < $500k	38	31%	12%	$430,000	-1%	$172.37	-10%	109	10.3	2,532	2023
$500k < $750k	15	25%	5%	$560,000	-1%	$219.05	11%	68	16.7	2,557	2023
$750k < $1M	0	-100%	0%	-	-	-	-	11	33.0	-	-
$1M+	0	0%	0%	-	-	-	-	9	108.0	-	-

*** Not displayed when fewer than five sales

Montgomery County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	5	25%	0%	$60,000	50%	$59.86	68%	4	2.3	987	1966
$70k < $100k	18	20%	0%	$90,000	13%	$85.13	-5%	15	3.3	1,124	1986
$100k < $150k	59	7%	1%	$135,000	8%	$124.14	-10%	76	4.5	1,064	1985
$150k < $200k	213	12%	5%	$180,670	2%	$142.57	-2%	297	4.8	1,273	2024
$200k < $250k	647	23%	16%	$228,500	-1%	$150.82	-3%	553	2.8	1,512	2025
$250k < $300k	754	-7%	19%	$274,990	0%	$155.35	4%	1,080	4.3	1,787	2025
$300k < $400k	873	-8%	22%	$340,000	0%	$155.68	-2%	1,497	5.4	2,178	2023
$400k < $500k	462	10%	12%	$445,000	1%	$177.87	0%	924	6.5	2,518	2017
$500k < $750k	558	4%	14%	$595,000	-1%	$196.29	-2%	1,060	6.3	3,049	2015
$750k < $1M	226	20%	6%	$825,000	-3%	$233.63	2%	377	6.3	3,550	2006
$1M+	196	13%	5%	$1,275,000	-2%	$292.61	-3%	397	6.8	4,570	2007

*** Not displayed when fewer than five sales

San Jacinto County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	3	200%	3%	***	***	***	***	5	8.6	***	***
$70k < $100k	4	33%	5%	***	***	***	***	18	15.4	***	***
$100k < $150k	7	-36%	8%	$139,900	4%	$102.54	8%	31	9.5	1,400	1978
$150k < $200k	10	-9%	11%	$169,500	3%	$132.96	12%	46	12.3	1,220	1989
$200k < $250k	17	42%	19%	$225,000	1%	$155.30	24%	46	12.3	1,449	2009
$250k < $300k	8	-11%	9%	$270,500	2%	$159.82	-16%	43	15.2	1,712	1989
$300k < $400k	14	8%	16%	$337,500	-4%	$191.71	14%	44	11.0	1,821	1997
$400k < $500k	9	29%	10%	$470,000	4%	$220.01	-8%	23	8.6	1,995	1989
$500k < $750k	8	-20%	9%	$610,000	5%	$262.86	-12%	29	10.2	2,242	2002
$750k < $1M	6	200%	7%	$907,500	10%	$356.75	43%	11	9.4	2,545	2009
$1M+	2	0%	2%	***	***	***	***	6	12.0	***	***

*** Not displayed when fewer than five sales

Housing Metrics by County

Waller County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	1	-50%	0%	***	***	***	***	0	0.0	***	***
$70k < $100k	1	0%	0%	***	***	***	***	2	6.0	***	***
$100k < $150k	1	-67%	0%	***	***	***	***	3	4.5	***	***
$150k < $200k	13	117%	3%	$179,440	7%	$142.41	16%	9	2.3	1,216	2009
$200k < $250k	53	279%	11%	$233,000	2%	$145.18	6%	37	2.9	1,649	2025
$250k < $300k	115	109%	25%	$280,000	0%	$152.62	-11%	127	4.6	1,792	2025
$300k < $400k	140	-19%	30%	$325,340	-5%	$156.18	-11%	242	6.3	2,085	2025
$400k < $500k	59	-19%	13%	$442,500	-1%	$169.01	-1%	111	6.9	2,581	2024
$500k < $750k	49	-32%	11%	$565,110	1%	$187.33	-3%	143	9.6	3,050	2025
$750k < $1M	22	47%	5%	$832,754	-3%	$233.12	-2%	44	10.8	3,642	2022
$1M+	9	-31%	2%	$1,161,869	10%	$280.20	14%	30	14.4	4,153	2023

*** Not displayed when fewer than five sales

QUALIFICATIONS
OF THE
APPRAISERS

QUALIFICATIONS OF PHILLIP F. BARLETTA, MAI, SRA

PROFESSIONAL AFFILIATIONS

Member Appraisal Institute, MAI Number: 7644

Texas State Certified General Real Estate Appraiser
Certificate Number: 1320197-CG
Date of Expiration: 03/31/2027

Texas Real Estate Broker, License Number: 0235500-B

Mr. Barletta is a designated Realtor Member of the Houston Association of Realtors and the Texas Association of Realtors. He has served as a member on the Appraisal Institute's Houston Chapter Number 33 Admissions Committee and Candidate's Guidance Committee. He has also been elected to the Houston Chapter Number 33 Board of Directors for Years 2000, 2001 and 2002, and served on the Officer's Nominating Committee for 2003, 2004, 2011, 2014, 2017 and 2019. In 2020, he was again elected to the Houston Chapter Board of Directors in 2020 for 2021.

EDUCATIONAL BACKGROUND

Mr. Barletta graduated from Sam Houston State University in Huntsville, Texas on May 21, 1977. He received a Bachelor of Business Administration degree with primary emphasis on finance, management, and real estate related courses. In addition he has successfully passed the following Appraisal Institute Courses and attended the following Seminars:

1) Course 1-A: Basic Appraisal Principles, Methods and Techniques (1979)
2) Course 8: Single-Family Residential Appraisal (1979)
3) Course 1B-A: Capitalization Theory and Techniques, Part A (1984)
4) Course 1B-B: Capitalization Theory and Techniques, Part B (1985)
5) Course 2-1: Case Studies and Real Estate Valuation (1985)
6) Course 2-2: Valuation Analysis and Report Writing (1985)
7) Course 2-3: Standards of Professional Practice (1985)
8) Seminar: Subdivision Analysis, by A.I.R.E.A., Houston, TX (1986)
9) Seminar: R41-b and the Appraiser, by S.R.E.A., Dallas, TX (1987)
10) Course 1B-B: Audited Capitalization, Part B (1987)
11) Seminar: FNMA Underwriting Guidelines, by S.R.E.A., Houston, TX (1987)
12) Seminar: FNMA Appraisal Guidelines & Condo/PUD Acceptance (2 days), by S.R.E.A., Houston, TX (1988)
13) Seminar: FNMA Appraisal Guidelines, by S.R.E.A., Houston, TX (1989)
14) Seminar: Standards of Professional Practice Update by A.I.R.E.A., Houston, TX (1989)
15) Seminar: Comprehensive Appraisal Workshop by Ted Whitmer, MAI, Houston, TX (Jan. 15-18, 1990)
16) Seminar: Affordable Housing Disposition Program by RTC, Houston, TX (Sept. 21, 1990)
17) Seminar: Appraising Troubled Income Properties by A.I.R.E.A., Houston, TX (Oct. 25, 1990)
18) Seminar: Discounted Cash Flow Analysis by A.I.R.E.A., Houston, TX (Nov. 16, 1990)
19) Seminar: FNMA Underwriting Guidelines by Appraisal Institute, Houston, TX (July 19, 1991)
20) Seminar: Valuation of Leased Fees by Appraisal Institute, Houston, TX (July 20, 1991)
21) Course: Standards of Professional Practice - Parts A & B by Appraisal Institute, Houston, TX (March 26-29, 1992)
22) Seminar: Americans with Disabilities Act (ADA) Seminar by Appraisal Institute, Houston, TX (Nov. 4, 1992)
23) Seminar: ARGUS Version 3.0 Training Seminar by ARGUS Financial Software, Houston, TX (Nov. 12, 1993)
24) Seminar: The New URAR Report, by Appraisal Institute, Houston, TX (Feb. 17, 1994)
25) Seminar: Fair Lending and the Appraiser, by Appraisal Institute, Houston, TX (April 8, 1994)
26) Seminar: Understanding Limited Appraisals & Reporting Options - General, Houston, TX (July 7, 1994)
27) Seminar: How to Appraise FHA Insured Property, by H.U.D., Houston, TX (Dec. 1, 1994)
28) Seminar: Real Estate Evaluations & The Appraisal Industry, by Appraisal Institute, Houston, TX (April 20, 1995)
29) Seminar: Appraisal Practices for Litigation, by Appraisal Institute, Houston, TX (May 19-20, 1995)
30) Seminar: The High-Tech Appraisal Office, by Appraisal Institute, Kansas City, MO (6/14/96)
31) Seminar: The Internet and Appraising, by Appraisal Institute, Kansas City, MO (6/15//96)
32) Seminar: Litigation Skills for the Appraiser: An Overview, by Appraisal Institute, Houston, TX (10/25/96)
33) Seminar: Understanding Limited Appraisals & Appraisal Reporting Options, by Appraisal Institute, Houston, TX (June 12, 1997)
34) Seminar: Affordable Housing Valuation, by Appraisal Institute, Houston, TX (June 13, 1997)
35) Course 430: Standards of Professional Practice, Part C, by Appraisal Institute, Houston, TX (Dec. 4-5, 1997)
36) Seminar: R4580 Fannie Mae Seminar, by Appraisal Institute, Houston, TX (July 17, 1998)
37) Seminar: The Appraisal of Local Retail Properties, by Appraisal Institute, Houston, TX (September 28, 1998)

38)	Seminar:	Attacking & Defending an Appraisal in Litigation, by Ted Whitmer, MAI, CCIM, Houston, Texas (April 15-16, 1999)
39)	Seminar:	Fannie Mae – Mortgage Lending, by Appraisal Institute, Houston, TX (November 10, 1999)
40)	Seminar:	10th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (March 24, 2000)
41)	Seminar:	Subdivision Analysis, by Appraisal Institute, Houston, TX (June 20, 2000)
42)	Seminar:	HUD Multifamily Accelerated Processing (MAP), by HUD, Fort Worth, TX (September 27, 2000)
43)	Seminar:	U.S.P.A.P. 2001 Update, by Appraisal Institute, Houston, TX (February 17, 2001)
44)	Seminar:	11th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (May 4, 2001)
45)	Seminar:	2002 Commercial Real Estate Forecast, by CCIM, Houston, TX (February 14, 2002)
46)	Seminar:	Texas USPAP Update, by Appraisal Institute, Houston, TX (March 23, 2002)
47)	Seminar:	12th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (May 3, 2002)
48)	Course 430:	Standards of Professional Practice, Part C, by Appraisal Institute, Houston, TX (December 12-13, 2002)
49)	Seminar:	13th Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 10, 2003)
50)	Course 400:	U.S.P.A.P. 2004 Update, by Appraisal Institute, Houston, TX (January 24, 2004)
51)	Course 400:	U.S.P.A.P. 2005 Update, by Appraisal Institute, Houston, TX (April 14, 2005)
52)	Seminar:	15th Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 28, 2005)
53)	Seminar:	Professional Guide to the URAR, by Appraisal Institute, Houston, TX (June 23, 2005)
54)	Seminar:	16th Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 27, 2006)
55)	Seminar:	Subdivision Valuation, by Appraisal Institute, Houston, TX (November 9, 2006)
56)	Seminar:	Scope of Work, by Appraisal Institute, Houston, TX (January 18, 2007)
57)	Course 400:	U.S.P.A.P. 2008-09 Update, by Appraisal Institute, Houston, TX (Jan. 19, 2008)
58)	Seminar:	Analyzing Distressed Real Estate, by Appraisal Institute, Houston, TX (Dec. 11, 2008)
59)	Seminar:	Mortgage Fraud, by Champions School of R.E., Houston, TX (Jan. 16, 2009)
60)	Seminar:	19th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 6-7, 2009)
61)	Seminar:	U.S.P.A.P. 2010 – 2011 Update, by Appraisal Institute, Houston, TX (Feb. 24, 2010)
62)	Seminar:	20th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (May 6-7, 2010)
63)	Seminar:	Business Practices & Ethics, by Appraisal Institute, Houston, TX (Dec. 9, 2010)
64)	Seminar:	Staying out of Trouble in Appraisal Practice & A Lender's Perspective, by Appraisal Institute, Houston, TX (Feb. 26, 2011)
65)	Seminar:	Appraising Distressed Commercial Real Estate, by Appraisal Institute, Houston, TX (April 15, 2011)
66)	Seminar:	Appraisal Curriculum Overview (2-Day General), by Appraisal Institute, Austin, TX (May 10-11, 2011)
67)	Course:	Fundamentals of Separating Real & Personal Property from Intangible Business Assets, by Appraisal Institute, Chicago, IL (Dec. 15-16, 2011)
68)	Seminar:	U.S.P.A.P. 2012-2013 Update, by Appraisal Institute, Houston, TX (Feb 22, 2012)
69)	Seminar:	Complex Litigation Appraisal Case Studies, by Appraisal Institute, Houston, TX (Jan. 14, 2013)
70)	Seminar:	23rd Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 25-26, 2013)
71)	Seminar:	Business Practices & Ethics, by Appraisal Institute, Houston, TX (July 31, 2013)
72)	Seminar:	U.S.P.A.P. 2014-2015 Update, by Appraisal Institute, Houston, TX (December 6, 2013)
73)	Seminar:	24th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 17-18, 2014)
74)	Course:	Texas Appraiser Trainee/Sponsor Course, Houston, TX (April 16, 2015)
75)	Seminar:	25th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 23-24, 2015)
76)	Seminar:	U.S.P.A.P. 2016 – 2017 Update, by Appraisal Institute, Houston, TX (December 11, 2015)
77)	Seminar:	26th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 28 – 29, 2016)
78)	Seminar:	Eminent Domain, by CLE International, Austin, TX (Feb 9-10, 2017)
79)	Seminar	27th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 20-21, 2017)
80)	Symposium:	2017 Real Estate Symposium/TALCB Course #32884, by Appraisal Institute, Houston, TX (August 18, 2017)
81)	Seminar:	Business Practices & Ethics, by Appraisal Institute, Houston, TX (Oct. 13, 2017)
82)	Course:	U.S.P.A.P. 2018-2019, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 7, 2017)
83)	Seminar:	28th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 26-27, 2018)
84)	Symposium:	2018 Real Estate Symposium, by Appraisal Institute, Houston, TX (September 28, 2018)
85)	Seminar:	29th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 25-26, 2019)
86)	Symposium:	2019 Real Estate Symposium, TALCB Course #37477, By Appraisal Institute, Houston, TX (Sept. 26, 2019)
87)	Seminar:	U.S.P.A.P. 2020-2021, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 13, 2019)
88)	Course:	Eminent Domain & Condemnation by Appraisal Institute Online, (Sept. 10, 2020)
89)	Seminar:	Business Practice and Ethics, by Appraisal Institute, Live Online-Synchronous (July 27, 2021)
90)	Course:	U.S.P.A.P. 2022-2023, 7-Hour Update by Appraisal Institute, Austin, TX (Dec. 17, 2021)
91)	Seminar:	31st Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 28-29, 2022)
92)	Symposium:	2022 Real Estate Symposium, by Appraisal Institute, Houston, TX (Oct. 25, 2022)
93)	Course:	Supervisory Appraiser Course, by Appraisal Institute, Synchronous, Houston, TX (Dec. 2, 2022)
94)	Seminar:	32nd Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio (April 13-14, 2023)
95)	Symposium:	2023 Houston Real Estate Symposium – Riding the Waves of Market Volatility, Houston, TX (Sept. 19, 2023)
96)	Course:	U.S.P.A.P. 2024-2025, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 15, 2023)
97)	Seminar:	33rd Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 4-5, 2024)
98)	Symposium:	2024 Real Estate Symposium by Appraisal Institute, Houston, TX (Oct. 23, 2024)
99)	Course:	Appraising for the Supervisor & Trainee, by Champions School of R.E., Houston, TX (Jan. 24, 2025)

100) Seminar: 34th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio (April 10-11, 2025)
101) Course: Appraiser's Guide to the New URAR, Houston, TX (August 28, 2025)
102) Symposium: 2025 Real Estate Symposium by Appraisal Institute, Houston, TX (Sept. 11, 2025)
103) Course: U.S.P.A.P 2026-2027, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 12, 2025)

APPRAISAL BACKGROUND

Mr. Barletta began appraising in January, 1977. He has had extensive experience in appraising all types of commercial and residential properties (listed below) in the Houston, Dallas/Ft. Worth, Austin and San Antonio regions, plus numerous other cities throughout Texas. In August, 1987, Mr. Barletta became a partner in an appraisal company in which he held the title President. In 1991, he formed a new company, BARLETTA & ASSOCIATES, INC., where he also holds the title of President, with offices at 1313 Campbell Road, Suite C, Houston, Texas 77055-6429.

Some of the various types of appraisals performed by Mr. Barletta would include: high-end single-family residences, two-to-four unit residential income properties, raw land, mixed-use developed commercial sites, master-planned residential subdivisions, condominium/PUD projects, conventional and HUD apartment projects, office buildings, shopping centers, office/warehouses, special-purpose properties, motels/hotels, golf courses, marinas, restaurants, various commercial/retail facilities, all types of industrial properties and eminent domain/condemnation properties. Mr. Barletta has also been qualified as an expert witness in various court matters for real property valuation by numerous attorneys, and he has arbitrated and reviewed a number of legal issues.

Texas Address:	1313 Campbell Road, Suite C Houston, Texas 77055-6429
Phone Number:	(713) 464-7700
Fax Number:	(713) 464-3696
E-Mail:	phillip@barlettainc.com



TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: PHILLIP FRANK BARLETTA

License #: 1320197-CG **License Expires: 03/31/2027**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

DAVID BAEHR, MAI, SRA, AI-GRS

(713) 884-7813
david.baehr@barlettainc.com

REAL ESTATE APPRAISER

– 16 years in real estate appraisals, asset management, acquisitions, and portfolio management –

Accomplished real estate appraiser, a high performer excelling in performing and reviewing appraisals for compliance with USPAP, FIRREA and the OCC. Has experience with various proposed/existing property types, including: A & D (subdivision development), 5+ lots/units, single-family, multi-family, office and other property types throughout the U.S. This includes REO/distressed properties. Consults with account officers, fee appraisers and brokers giving guidance regarding any issues that may arise. Research markets and perform due diligence to complete risk analyses and determine credibility of appraisal under review. ***General Certified Real Estate Appraiser and a Designated Member of the Appraisal Institute.***

PROVEN COMPETENCIES

- Appraisal review
- Data/Market Analysis
- Client inquiries/Investigations
- Due Dilligence
- Market trend analysis
- Forward looking projections
- Market forecasting
- Risk management

PROFESSIONAL EXPERIENCE

Barletta & Associates, Houston, TX — 5/2021-Present

COMMERCIAL REAL ESTATE APPRAISER – Appraising a variety of commercial properties specializing in residential subdivision valuation.

U.S. Bancorp, Houston, TX — 7/2013-4/2021

The fifth largest financial institution in the United States, with $429 billion in assets.

VICE PRESIDENT / SENIOR REVIEW APPRAISER

Review appraisals of proposed and existing collateral, ensuring that the appraisal reports are in compliance with USPAP, FIRREA, the OCC and U.S. Banks policy and procedures. Depending on the complexity of the property type, discounted cash flow analysis, expense/revenue projections may be utilized to ensure the reports are in line with market trends. Analyze and review residential appraisal reports, A & D subdivision development appraisals, 5+ lot/units appraisals, commercial land, medical offices, industrial, multifamily and other property types throughout the U.S each month for the purpose of collateral monitoring and loan underwriting. Communicate issues, concerns and results with loan officers.

- Manage the ordering and review of appraisals of portfolios with borrowing bases and revolvers and other credit facilities of borrowers with loan amounts totaling over $500MM.
- Properly order appraisals with appropriate scope of work and value scenarios from qualified and competent appraisers (based on the property type and vendor's experience) on the approved vendor panel.
- Monitor appraisal process from engagement to review completion and facilitate report delivery and response to issues as appropriate.
- In reviewing the appraisal reports, discuss any USPAP, FIRREA or OCC deficiencies with the vendors in order to ensure compliance with federal regulations and RETECHS Internal Procedures.

David Baehr dmbaehr@sbcglobal.net

- Effectively communicate valuation/appraisal issues with the business lines and answer any questions from the loan production staff and risk management group as well as respond to reconsideration requests from business lines in a timely manner.

APPRAISAL MC, Houston, TX 4/2013-7/2013

A rapidly growing appraisal management company that provides the nation's premier lenders with the capability to maintain compliance standards throughout the appraisal ordering process. We pride ourselves on customer service as well as extensive industry knowledge and experience.

VP APPRAISAL REVIEW

- Assess risks associated with the real estate appraisal and evaluation for residential lending channels.
- Protect the financial interests of company by adhering to appraisal standards for accuracy and quality and proactively identify appraisal risk in real estate markets.
- Maintain knowledge of the real estate industry and follow all state and federal laws and regulation pertaining to the Real Estate Industry.

PNC BANK, N.A., Houston, TX 3/2012-4/2013
(PNC BANK, N.A., purchased RBC BANK USA in March 2012)
A $13 billion financial services organization with 57,000 employees.

REVIEW APPRAISER 3/2012-4/2013
Analyze and review residential and commercial appraisals throughout the U.S each month for the purpose of collateral monitoring, loan underwriting and foreclosure proceedings. Communicate issues, concerns and results with relationship managers.

- Join with fee appraisers and attain compliance with USPAP and federal regulations.
- Engage third party appraisers to perform appraisals for the bank.

ROYAL BANK OF CANADA (RBC Builder Finance division), Houston, TX 6/2005-3/2012
A full-scale banking institution with 74,000 global employees and $27 billion in annual revenue.

STAFF APPRAISER 9/2005-3/2012
Produced property and land appraisals, completing due diligence for up to 620 appraisals per month. Evaluated collateral, creating forecasts for short and long-term revenue and expense projections. Executed valuations for vacant lots and single-family residences (1-4 family and 5+ lots and units), aggregating retail proceeds and discounted cash flow analysis. Partnered with national account officers and asset management departments to analyze contracts, budgets, absorption rates, and economic housing data. Coordinated and completed form appraisals and evaluation reports, assessing distressed collateral.

- Became proficient in the sales comparison, cost, and income approaches to market value and liquidation/disposition value on various property types as a certified appraiser.
- Engaged in sophisticated cash flow modeling for complex collateral, creating bulk valuations.
- Conducted in depth market research on new homebuilders and developers.

INSPECTOR ANALYST 6/2005-9/2005
Operated within a broad international customer base in the builder finance division, focusing on construction lending to premier clients throughout the US. Completed cost effective, reliable collateral draw inspections for the Houston-based office. Served customers by coordinating inspections with builders.

David Baehr dmbaehr@sbcglobal.net

- Fulfilled up to 500 inspections per week for four months; saved customers $180,000 by personally completing inspections, alleviating the need for builders to hire outside inspectors.
- Ensured customers received draws according to schedule; observed builder progress and authorized access to additional credit extensions.
- Joined with a colleague to complete 600+ inspections in two days.

EDUCATION & TRAINING

DEGREES

- **Bachelor of Business Administration – Finance**, University of St. Thomas, 2005
- **Associate of Arts in General Studies**, Houston Community College, 2002

CERTIFICATIONS

- General Certified Real Estate Appraiser, TX-1380372-G
- MAI designation through the Appraisal Institute
- SRA designation through the Appraisal Institute
- AI-GRS designation through the Appraisal Institute

- **PROFESSIONAL DEVELOPMENT**
- Real estate appraisal coursework in Advanced Highest and Best Use and Market Analysis, Quantitative Analysis, Sales Comparison and Income Approaches, Advanced Residential Applications, Site Valuations, Cost Approach, Real Estate Finance, Statistics and Valuation Modeling, Residential Report Writing, USPAP, and Appraisal Procedures and Principles, *The Appraisal Institute & McKissock*
- Advanced accounting coursework, *University of Houston – Downtown, Houston Community College, & Lone Star College System*

COMPUTER SKILLS

- Proficient in Microsoft Office Suite, Zonda Metrostudy, Costar, RIMS, LINKS and Argus.

AFFILIATION

Member, Appraisal Institute



TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: DAVID MATTHEW BAEHR

License #: 1380372-CG **License Expires: 10/31/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

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APPENDIX G

REIMBURSEMENT AGREEMENT

Resolution 2025-101

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF LIBERTY AND LIBERTY RANCH, LLC; AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT; PROVIDING FOR IMPLEMENTATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Liberty Ranch, LLC (the "Developer") is developing approximately 51 acres of land located within the corporate limits of the City of Liberty, Texas (the "City"); and

WHEREAS, on June 14, 2022, the City Council adopted Resolution No. 2022-40, creating the Liberty Ranch Public Improvement District ("PID") pursuant to Chapter 372, Texas Local Government Code (the "Act"); and

WHEREAS, the City Council is considering an Assessment Ordinance approving the Service and Assessment Plan ("SAP") for the PID, including Assessment Rolls and Authorized Improvements to be constructed for the benefit of the assessed property; and

WHEREAS, the SAP allocates the Actual Costs of the Authorized Improvements to the property within the PID that receives special benefit, and the City anticipates levying Assessments to fund such costs; and

WHEREAS, the City and the Developer desire to enter into the Liberty Ranch Public Improvement District Reimbursement Agreement (the "Reimbursement Agreement") to establish the terms and conditions for reimbursement of the Developer for Actual Costs of Authorized Improvements from Assessment revenues or, if applicable, proceeds of PID Bonds; and

WHEREAS, the Reimbursement Agreement is authorized by Section 372.023 of the Act and applies to all current and future Improvement Areas within the PID; and

WHEREAS, the City Council finds that approval of the Reimbursement Agreement is in the best interest of the City and the continued orderly development of the Liberty Ranch project; and

WHEREAS, the City Council desires to approve the Reimbursement Agreement and authorize the Mayor to execute it on behalf of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, THAT:

Section 1. Approval of Agreement. The Liberty Ranch Public Improvement District Reimbursement Agreement between the City of Liberty and Liberty Ranch, LLC, attached hereto as Exhibit "A" and incorporated herein for all purposes, is hereby approved.

Section 2. Authorization. The Mayor is hereby authorized to execute the Reimbursement Agreement and any related documents consistent with its terms. The City Manager and City Attorney are authorized to take all actions necessary to implement the Agreement and carry out the purposes of this Resolution.

Section 3. Implementation. City staff is directed to take all necessary steps to administer the Reimbursement Agreement in accordance with the Act, the SAP, applicable Assessment Ordinances, and any applicable Indentures.

Section 4. Effective Date. This Resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED on this 8th day of December 2025.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

EXHIBIT A

LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT
REIMBURSEMENT AGREEMENT

This Liberty Ranch Public Improvement District Reimbursement Agreement (this "Agreement") is entered by LIBERTY RANCH, LLC, a Texas limited liability company (the "Developer") and the CITY OF LIBERTY, TEXAS (the "City"), to be effective December 8, 2025, (the "Effective Date"). The Developer and the City are individually referred to as a "Party" and collectively as the "Parties."

SECTION 1. RECITALS

1.1 WHEREAS, capitalized terms used in this Agreement shall have the meanings given to them in Section 2;

1.2 WHEREAS, unless otherwise defined: (1) all references to "sections" shall mean sections of this Agreement; (2) all references to "exhibits" shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and (3) all references to "ordinances" or "resolutions" shall mean ordinances or resolutions adopted by the City Council of the City of Liberty, Texas;

1.3 WHEREAS, the Developer is a Texas limited liability company;

1.4 WHEREAS, the City is a Texas home-rule municipality of the State of Texas located within Liberty County, Texas;

1.5 WHEREAS, on June 14, 2022, the City Council passed and approved the Resolution 2022-40, authorizing the creation of a public improvement district pursuant to the Act, encompassing approximately 51 contiguous acres within the City's corporate limits, which land is described in the PID Creation Resolution;

1.6 WHEREAS, the City Council expects to consider an Assessment Ordinance related to the phases of development in the PID;

1.7 WHEREAS, the Assessment Ordinance, if approved by City Council, will approve the SAP, including each Assessment Roll attached thereto;

1.8 WHEREAS, the SAP will identify Authorized Improvements to be designed, constructed, and installed by or at the direction of the Parties that confer a special benefit on the Assessed Property;

1.9 WHEREAS, the SAP will set forth the Actual Costs of the Authorized Improvements;

1.10 WHEREAS, the Assessed Property is being developed in phases or collectively as "Improvement Areas";

1.11 WHEREAS, this Agreement shall apply to all Improvement Areas and no additional reimbursement agreement shall be required for Improvement Areas to be developed in the future;

1.12 WHEREAS, the SAP determines and apportions the Actual Costs of the Authorized Improvements to the Assessed Property, which Actual Costs represent the special benefit that the Authorized Improvements confer upon the Assessed Property as required by the Act;

1.13 WHEREAS, the Assessment Ordinance, if approved by City Council, will levy a portion of the Actual Costs of the Authorized Improvements as Assessments against the Assessed Property in the amounts set forth on the Assessment Roll(s);

1.14 WHEREAS, Annual Installments, including the Assessments therein, will be due and payable once levied as described in the SAP;

1.15 WHEREAS, Annual Installments, including the Assessments therein, shall be billed and collected by the City;

1.16 WHEREAS, the Parties agree the City's obligations to reimburse the Developer for Actual Costs of Authorized Improvements constructed for the benefit of any Improvement Area are: (1) contingent upon the City levying Assessments against property within such Improvement Area benefitting from the Authorized Improvements; (2) payable solely from the Assessments, , collected from Assessed Property within such Improvement Area; and (3) not due and owing unless and until the City actually adopts an Assessment Ordinance levying such Assessments;

1.17 WHEREAS, Assessment Revenue from the collection of Assessments shall be deposited (1) as provided in the applicable Indenture if PID Bonds secured by such Assessments are issued, or (2) into the PID Reimbursement Fund if no such PID Bonds are issued or none of such PID Bonds remain outstanding;

1.18 WHEREAS, Bond Proceeds shall be deposited as provided in the applicable Indenture;

1.19 WHEREAS, a PID Project Fund related to each series of PID Bonds shall only be used in the manner set forth in the applicable Indenture;

1.20 WHEREAS, this Agreement is a "reimbursement agreement" authorized by Section 372.023(d)(1) of the Act;

1.21 WHEREAS, the foregoing RECITALS: (1) are part of this Agreement for all purposes; (2) are true and correct; (3) create obligations of the Parties (unless otherwise stated therein or in the body of this Agreement), and (4) each Party has relied upon such Recitals, each of which are incorporated as part of this Agreement for all purposes, in entering into this Agreement; and

1.22 WHEREAS, all resolutions and ordinances referenced in this Agreement (e.g., the PID Creation Resolution, Development Agreement, and each Assessment Ordinance), together with all other documents referenced in this Agreement (e.g., the SAP and each Indenture), are incorporated as part of this Agreement for all purposes as if such resolutions, ordinances, and other documents were set forth in their entirety in or as exhibits to this Agreement.

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth in this Agreement, the Parties agree as follows:

AGREEMENT

SECTION 2. DEFINITIONS

2.1 "Act" is defined as Chapter 372, Texas Local Government Code, as amended.

2.2 "Actual Costs" means the costs paid or incurred by the Developer as defined in Exhibit B of that certain Liberty Ranch Development Agreement, dated April 24, 2025, including the allowable cost categories illustrated in Exhibit B, together with the land acquisition costs for authorized road rights-of-way, parks, greenbelts, drainage and detention facilities.

2.3 "Administrator" as defined in the SAP.

2.4 "Agreement" as defined in the introductory paragraph.

2.5 "Annual Collection Costs" as defined in the SAP.

2.6 "Annual Installment" as defined in the SAP.

2.7 "Applicable Laws" means the Act and all other laws or statutes, rules, or regulations of the State of Texas or the United States, as the same may be amended, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

2.8 "Assessed Property" as defined in the SAP.

2.9 "Assessment" as defined in the SAP.

2.10 "Assessment Ordinance" as defined in the SAP.

2.11 "Assessment Revenue" means the revenues actually received by or on behalf of the City from any one or more of the following: (1) an Assessment levied against Assessed Property including any interest on such Assessment during any period of delinquency, (2) a Prepayment, and (3) foreclosure proceeds.

2.12 "Assessment Roll" as defined in the SAP.

2.13 "Authorized Improvements" means those public improvements as defined in the SAP, and any other improvements authorized to be financed or reimbursed under Section 372.003 of the Texas Local Government Code, as amended.

2.14 "Bond Proceeds" mean the proceeds derived from the issuance and sale of a series ofPID Bonds that are deposited and made available to pay Actual Costs in accordance with the applicable Indenture.

2.15 "Certificate for Payment" means a certificate (substantially in the form of Exhibit A or as otherwise approved by the Developer and the City Representative) executed by a representative of the Developer and approved by a City Representative, delivered to a City Representative (and/or, if applicable, to the trustee named in any applicable Indenture), specifying the work performed and the amount charged (including materials and labor costs) for Actual Costs, and requesting payment of such amount from the appropriate fund or funds. Each certificate shall include supporting documentation in the standard form for City construction projects and evidence that each Authorized Improvement (or its completed segment) covered by the certificate has been inspected by the City.

2.16 "Change Order" as defined in Section 3.12.

2.17 "City" as defined in the introductory paragraph.

2.18 "City Council" means the governing body of the City of Liberty, Texas.

2.19 "City Representative" means any person authorized by the City Council to undertake the actions referenced herein.

2.20 "Closing Disbursement Request" means a request in the form of Exhibit B or as otherwise approved by the Parties.

2.21 "Commitment" as defined in Section 3.10.

2.22 "Cost Underrun" as defined in Section 3.11.

2.23 "County" as defined in the SAP.

2.24 "Default" as defined in Section 4.8.1.

2.25 "Delinquent Collection Costs" as defined in the SAP.

2.26 "Developer" as defined in the introductory paragraph.

2.27 "Developer Advances" mean advances made by the Developer to pay Actual Costs.

2.28 "Developer Improvement Account" means an account of the PID Project Fund which may be created and established under the applicable Indenture (and segregated from all other funds contained in the PID Project Fund) into which the City deposits, or directs the applicable trustee to deposit, any funds received from the Developer as required under such Indenture.

2.29 "Development Agreement" as defined in the SAP.

2.30 "Effective Date" as defined in the introductory paragraph.

2.31 "Failure" as defined in Section 4.8.1.

2.32 "Improvement Area" means a phase of development defined and described by metes and bounds in the SAP.

2.33 "Indenture" means the applicable trust indenture pursuant to which PID Bonds are issued.

2.34 "Maturity Date" means the date one year after the last Annual Installment is collected.

2.35 "Party" and "Parties" as defined in the introductory paragraph.

2.36 "PID" as defined as the Liberty Ranch Public Improvement District, created by the PID Creation Resolution.

2.37 "PID Bonds" as defined in the SAP.

2.38 "PID Creation Resolution" means Resolution No. 2022-40 passed and approved by the City Council on June 14, 2022, and recorded in the official public records of Liberty County, Texas, as Instrument No. 2022022160 on May 11, 2022.

2.39 "PID Pledged Revenue Fund" means, collectively, the fund established by the City under each applicable Indenture (and segregated from all other funds of the City) into which the City deposits Assessment Revenue securing PID Bonds issued and still outstanding.

2.40 "PID Project Fund" means, collectively, the fund, including all accounts created within such fund, established by the City under each applicable Indenture (and segregated from all other funds of the City) into which the City deposits Bond Proceeds in the amounts and as described in the applicable Indenture.

2.41 "PID Reimbursement Fund" means the fund, including all accounts created within such fund to designate Assessment Revenues collected from each Improvement Area, to be established by the City under this Agreement (and segregated from all other funds of the City) held by the City or the City's designee into which the City deposits Assessment Revenue if not deposited into the PID Pledged Revenue Fund.

2.42 "Prepayment" as defined in the SAP.

2.43 "Reimbursement Agreement Balance" as defined in Section 3.3.

2.44 "SAP" means the *Liberty Ranch Public Improvement District Service and Assessment Plan* to be approved at a later date, as part of the Assessment Ordinance that will be considered by the City Council and recorded in the Official Public Records of Liberty County, Texas as an Instrument as the same may be updated or amended by City Council action in accordance with the Act.

2.45 "Transfer" and "Transferee" are defined in Section 4.11.

SECTION 3. FUNDING AUTHORIZED IMPROVEMENTS

3.1 Fund Deposits. Until PID Bonds payable from Assessment Revenue collected from a specific Improvement Area are issued, the City shall bill, collect, and immediately deposit into the PID Reimbursement Fund all Assessment Revenue consisting of: (1) revenue collected from the payment of Assessments (including pre-payments and amounts received from the foreclosure of liens but

excluding costs and expenses related to collection); and (2) revenue collected from the payment of Annual Installments (excluding Annual Collection Costs and Delinquent Collection Costs). Unless and until PID Bonds payable from Assessment Revenue collected from a specific Improvement Area of the development are issued, funds in the PID Reimbursement Fund shall be deposited into a segregated account relating to the Improvement Area from which such Assessment Revenue was collected and such funds shall only be used to pay Actual Costs of the Authorized Improvements benefitting that Improvement Area or all or any portion of the Reimbursement Agreement Balance related to that Improvement Area in accordance with this Agreement.

Once PID Bonds payable from Assessment Revenue collected from a specific Improvement Area of the development are issued, the City shall bill, collect, and immediately deposit all Assessment Revenue collected from that Improvement Area that secure such series of PID Bonds in the manner set forth in the applicable Indenture. The City shall also deposit Bond Proceeds and any other funds authorized or required by the applicable Indenture in the manner set forth in the applicable Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable Indenture; provided that funds disbursed from the applicable PID Project Fund pursuant to Section 3.5 below shall be made first from Bond Proceeds held in the applicable accounts within such PID Project Fund until such accounts are fully depleted and then from the Developer Improvement Account of the applicable PID Project Fund, if applicable. Subject to Section 3.6 below, the Actual Costs of Authorized Improvements within each Improvement Area shall be paid from: (1) the Assessment Revenue collected solely from Assessments levied on the property within such Improvement Area benefitting from such Authorized Improvements and on deposit in the PID Reimbursement Fund; or (2) net Bond Proceeds or other amounts deposited in an account of the PID Project Fund created under an Indenture related to PID Bonds secured by Assessment Revenue collected solely from Assessments levied on benefitted property within such Improvement Area. The City will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens related to such Assessments to be enforced continuously, in the manner and to the maximum extent permitted by the Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments for so long as any PID Bonds are outstanding or a Reimbursement Agreement Balance remains outstanding. The City shall determine or cause to be

determined, no later than March 1 of each year whether any Annual Installment is delinquent. If such delinquencies exist, then the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action to foreclose the currently delinquent Annual Installment; provided, however, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property or to use any City funds, revenues, taxes, income, or property other than moneys collected from the Assessments for the payment of Actual Costs of Authorized Improvements under this Agreement. Once PID Bonds are issued, the applicable Indenture shall control in the event of any conflict with this Agreement.

3.2 Payment of Actual Costs. Subject to Section 3.6 below, if PID Bonds are not issued (or prior to such issuance) to pay Actual Costs of Authorized Improvements, the Developer may elect to make Developer Advances to pay Actual Costs. If PID Bonds are issued, the Bond Proceeds shall be used in the manner provided in the applicable Indenture; and, except as may be required under the Development Agreement and/or an applicable Indenture, the Developer shall have no obligation to make Developer Advances for the related Authorized Improvements, unless the Bond Proceeds, together with any other funds in the PID Project Fund or PID Reimbursement Fund, are insufficient to pay the Actual Costs of such Authorized Improvements, in which case the Developer shall make Developer Advances to pay the deficit. If Developer Advances are required in connection with the issuance of a series of PID Bonds, then such Developer Advances may be reduced by the amount of payments of Actual Costs of the Authorized Improvements (or portions thereof) to be financed by such PID Bonds that the Developer has previously paid if (1) the Developer submits to the City all information related to such costs that would be required by a Closing Disbursement Request at least five (5) days prior to the pricing date of such PID Bonds, and (2) the City approves such Actual Costs in writing. The Developer shall also make Developer Advances to pay for cost overruns (after applying cost savings). The lack of Bond Proceeds or other funds in the PID Project Fund shall not diminish the obligation of the Developer to pay Actual Costs of the Authorized Improvements. Actual Costs of the Authorized Improvements shall include all costs authorized to be funded under Section 372.003 of the Texas Local Government Code, as amended.

3.3 Offsite Improvements. Notwithstanding anything contrary to this Agreement, the City shall reimburse the Developer up to ONE MILLION DOLLARS ($1,000,000) for offsite water and sewer

utility extensions and Highway 146 improvements described in Section 12.11 of the Development Agreement. Upon Developer's submission of invoices and receipts, reimbursement shall be made by the City from funds other than PID Assessments or PID Bond Proceeds. Costs incurred by Developer in excess of to ONE MILLION DOLLARS ($1,000,000) for offsite water and sewer utility extensions and Highway 147 improvement shall be considered an Authorized Improvement and funded by proceeds of Assessments or proceeds of PID Bonds.

3.4 Payment of Reimbursement Agreement Balance. Subject to the terms, conditions, and requirements of this Agreement, including Section 3.6 hereof, The City agrees to pay to the Developer, and the Developer shall be entitled to receive payments from the City, until the Maturity Date, for the lesser of: (a) amounts shown on each approved Certificate for Payment for Actual Costs of Authorized Improvements paid by or at the direction of the Developer, and (b) the amount shown on the Assessment Roll as defined in the SAP, plus: (1) simple interest on the unpaid principal balance at a rate equal to two percent (2%) above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index shown on Schedule I of the SAP that was approved by the City Council of the City and reported in the month before the date the obligation is incurred (which date is the date of approval by the City of the Assessment Ordinance levying the Assessments from which the Reimbursement Agreement Balance, or a portion thereof, shall be paid) for years one through five beginning on the date each Certificate for Payment is delivered to the City Representative; and (2) simple interest on the unpaid principal balance at a rate equal to two percent (2%) above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index reported in the month before the date the obligation was incurred (which date is the same as the approval by the City of the Assessment Ordinance levying the Assessments from which the Reimbursement Agreement Balance, or a portion thereof, shall be paid) for years six and later (the unpaid principal balance, together with accrued but unpaid interest, owed the Developer for all Certificates for Payment is referred to as the "Reimbursement Agreement Balance"); provided, however, upon the issuance of PID Bonds, the interest rate due and unpaid on amounts shown on each Certificate for Payment to be paid to the Developer shall be the lower of: (1) the interest rate on such series of PID Bonds issued to finance the costs of the Authorized Improvements for which the Certificate for Payment was filed, or (2) the interest rate approved by the City Council of the City in the Assessment Ordinance levying the Assessments from which the Bonds shall be paid. The interest rates set forth in Schedule I of the SAP shall be approved considered by the City Council in each Assessment Ordinance as authorized by the

Act. The principal amount of each portion of the Reimbursement Agreement Balance to be paid under each Assessment Ordinance, and the interest rate for such portion of the Reimbursement Agreement Balance, shall be shown on Schedule I attached to the SAP and Schedule I is incorporated as a part of this Agreement for all purposes. Interest shall accrue on each Reimbursement Agreement Balance from the levy of Assessments securing such Reimbursement Agreement Balance. As the City considers additional Assessment Ordinances and/or issues PID Bonds, the City shall approve an updated Schedule I as part of the updated or amended SAP for the sole purpose of showing the principal amount of the portion of the Reimbursement Agreement to be paid under such newly-adopted Assessment Ordinance and any adjustments to the interest rate for such portion of the Reimbursement Agreement Balance if applicable. Such updated Schedule I attached to the SAP shall automatically be incorporated as part of this Agreement for all purposes as if attached hereto without any further action from the Parties.

The Reimbursement Agreement Balance is payable solely from: (1) the PID Reimbursement Fund if no PID Bonds are issued for the purposes of paying the Authorized Improvements related to such Reimbursement Agreement Balance, or (2) from PID Bond Proceeds. No other City funds, revenues, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. All payments made from Bond Proceeds shall be made in the manner set forth in the applicable Indenture. So long as no PID Bonds are issued and the City has received and approved a Certificate for Payment, the City shall make payments to the Developer toward the Reimbursement Agreement Balance related to each Improvement Area from Assessment Revenue collected from such Improvement Area and deposited in the PID Reimbursement Fund. Such payments shall be in an amount not to exceed the Assessment Revenue related to such Improvement Area on deposit in the PID Reimbursement Fund; and, such payments shall be made at least annually and no later than 60 days after the date payment of the Annual Installments are due and payable to the City. In the event that a Prepayment of an Assessment is made prior to the issuance of PID Bonds, the City shall remit payment to the Developer of an amount of the Reimbursement Agreement Balance then due and payable not to exceed the Assessment Revenue related to such Prepayment from the Assessment Revenue deposited into the PID Reimbursement Fund within 60 days after the Prepayment is received and accepted by the City. Each payment from the PID Reimbursement Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the fund since the last payment.

Approval of a Certificate for Payment and all payments under this Agreement are predicated on: (1) the Developer constructing and installing, or the City acquiring (if applicable), the Authorized Improvements (or portion thereof) shown on each Certificate for Payment as required under the Development Agreement; (2) the Developer providing the necessary supporting documentation in the standard form for City construction projects; and (3) the City's inspection of each Authorized Improvement (or portion thereof) covered by each Certificate for Payment; provided, however, in no event shall the City Representative be authorized to approve a Certificate for Payment if the City has not previously levied an Assessment against Assessed Property within an Improvement Area related to and benefitting from the Authorized Improvements for which such Certificate for Payment has been submitted. If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made; however, if the Parties are unable to resolve the disputed amount, then the City's determination of the disputed amount (as approved by the City Council) shall control. Notwithstanding anything to the contrary in this Agreement, the City shall be under no obligation to reimburse the Developer for Actual Costs of any Authorized Improvement that is not accepted by the City.

The City's obligation to reimburse the Reimbursement Agreement Balance related to the Authorized Improvements for a particular Improvement Area constructed for the benefit of the Assessed Property within such Improvement Area is: (1) contingent upon the City levying Assessments against property within such Improvement Area benefitting from the Authorized Improvements, (2) payable solely from the Assessments collected from Assessed Property within such Improvement Area, and (3) not due and owing unless and until the City actually adopts an Assessment Ordinance levying such Assessments.

3.5 PID Bonds. The City, in its sole, legislative discretion, may issue PID Bonds, in one or more series, when and if the City Council determines it is financially feasible for the purposes of: (1) paying all or a portion of the Reimbursement Agreement Balance; or (2) paying directly Actual Costs of Authorized Improvements. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the applicable Indenture. Upon the issuance of PID Bonds for such purpose and for so long as PID Bonds remain outstanding, the Developer's right to receive payments each year in accordance with Section 3.3 shall be subordinate to the deposits required under the applicable Indenture related to any outstanding PID Bonds and the Developer shall be entitled to receive funds

pursuant to the flow of funds provisions of such Indenture. The failure of the City to issue PID Bonds shall not constitute a "Failure" by the City or otherwise result in a "Default" by the City. Upon the issuance of a series of PID Bonds, the Developer has a duty to construct those Authorized Improvements as described in the SAP and the Development Agreement. The Developer shall not be relieved of its duty to construct or cause to be constructed such improvements even if there are insufficient funds in the PID Project Fund to pay the Actual Costs. This Agreement shall apply to all PID Bonds issued by the City whether in one or more series, and no additional reimbursement agreement shall be required for future series of PID Bonds.

3.6 Disbursements and Transfers at and after Bond Closing. The City and the Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the trustee under the applicable Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the persons entitled to payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other costs incurred by the Developer and the City as of the time of the delivery of the PID Bonds as described in the SAP. In order to receive disbursement, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than five (5) days prior to the pricing date for the applicable series of PID Bonds for payment in accordance with the provisions of the Indenture. In order to receive additional disbursements from any applicable fund under an Indenture, the Developer shall execute a Certificate for Payment, no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the applicable Indenture and this Agreement. Upon receipt of a Certificate for Payment (along with all accompanying documentation required by the City) from the Developer, the City or its Administrator, shall conduct a review within fifteen (15) business days in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all Applicable Laws and applicable plans therefore and with the terms of this Agreement and any other agreement between the parties related to property in the PID, and to verify and approve the Actual Costs of such work specified in such Certificate for Payment. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. The Developer further agrees that if the City provides to the Developer a sales tax exemption certificate

then sales tax will not be approved for payment under a Certification for Payment. Within fifteen (15) business days following receipt of any Certificate for Payment, the City shall either: (1) approve the Certificate for Payment and forward it to the trustee for payment, or (2) provide the Developer with written notification of disapproval of all or part of a Certificate for Payment, specifying the basis for any such disapproval. Any disputes shall be resolved as required by Section 3.3 herein. The City shall deliver the approved or partially approved Certificate for Payment to the trustee for payment, and the trustee shall make the disbursements as quickly as practicable thereafter.

3.7 Obligations Limited. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than the PID Reimbursement Fund or the PID Project Fund. The Parties further agree that the City's obligation under this Agreement to reimburse the Developer for Actual Costs of Authorized Improvements within any Improvement Area shall only be paid from: (1) net proceeds of PID Bonds, if issued, on deposit in the PID Project Fund related to such PID Bonds, and/or (2) Assessments collected from such Improvement Area. The Parties further agree that the City's obligation under this Agreement to reimburse the Developer for Actual Costs of Authorized Improvements constructed for the benefit of any Improvement Area is: (1) contingent upon the City levying Assessments against property within such Improvement Area benefitting from the Authorized Improvements, (2) payable solely from the Assessments collected from Assessed Property within such Improvement Area, and (3) not due and owing unless and until the City actually adopts an Assessment Ordinance levying such Assessments. Concurrent with the levy of Assessments against any Improvement Area, the City will: (1) establish a separate account within the PID Reimbursement Fund relating solely to such Improvement Area, if no PID Bonds are issued, or (2) establish a separate PID Project Fund under an Indenture if PID Bonds are issued, out of which the City will pay its obligations related to such Improvement Area; and, until such time, this Agreement does not create any obligations of the City with respect to any Improvement Area for which Assessments have not been levied. No other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the Actual Costs of the Authorized Improvements; (2) the Reimbursement Agreement Balance even if the Reimbursement Agreement Balance is not paid in full on or before the Maturity Date; or (3) debt service on any PID Bonds. None of the City nor any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any

liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.8 Obligation to Pay. Subject to the provisions of Section 3.3 and 3.6, if the Developer is in substantial compliance with its obligations under the Development Agreement, then following the inspection and approval of any portion of Authorized Improvements for which Developer seeks reimbursement of the Actual Costs by submission of a Certificate for Payment or City approval of a Closing Disbursement Request, the obligations of the City under this Agreement to pay from Assessment Revenue or the net proceeds of PID Bonds, as applicable, disbursements (whether to the Developer or to any person designated by the Developer) identified in any Closing Disbursement Request or in any Certificate for Payment and to pay debt service on PID Bonds are unconditional AND NOT subject to any defenses or rights of offset except as may be provided in any Indenture.

3.9 City Delegation of Authority. All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the plans, the Development Agreement, applicable City ordinances and regulations, and with this Agreement and any other agreement between the parties related to property in the PID. 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 Authorized 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 has sole responsibility of ensuring that all Authorized Improvements are constructed in accordance with the Development Agreement and 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 Authorized Improvements to be acquired and accepted by the City from the Developer. If any Authorized Improvements are or will be on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance

pending acquisition and acceptance) of the Authorized Improvements. Inspection and acceptance of Authorized Improvements will be in accordance with applicable City ordinances and regulations.

3.10 Security for Authorized Improvements. Prior to completion and conveyance to the City of any Authorized Improvements, the Developer shall cause to be provided to the City a maintenance bond in the amount required by the City's subdivision regulations for applicable Authorized Improvements, which maintenance bond shall be for a term of two years from the date of final acceptance of the applicable Authorized Improvements. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that legal counsel for the City has the right to reject any surety company regardless of such company's authorization to do business in Texas. Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the Authorized Improvements is contested, the Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed 120 percent of the disputed amount.

3.11 Ownership and Transfer of Authorized Improvements. If requested in writing by the City, Developer shall furnish to the City a commitment for title insurance (a "Commitment") for land related to the Authorized Improvements to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City. The Commitment shall be made available for City review and must be approved at least fifteen (15) business days prior to the scheduled transfer of title. The City agrees to approve the Commitment unless it reveals a matter which, in the reasonable judgment of the City, would materially affect the City's use and enjoyment of the Authorized Improvements. If the City objects to any Commitment, the City shall not be obligated to accept title to the applicable Authorized Improvements until the Developer has cured the objections to the reasonable satisfaction of the City.

3.12 Acceptance of Authorized Improvements. Following the levy of Assessments, upon (i) final inspection and acceptance by the City of the Authorized Improvements within an Improvement Area; and (ii) the filing of a final plat for such Improvement Area, all public improvements, including land

dedications shown on such plat as dedicated to the public use or dedicated to City, shall be deemed as dedicated and accepted by the City without further action required and shall be immediately eligible for PID Reimbursement.

3.13 Remaining Funds After Completion of an Authorized Improvement. Within any applicable Improvement Area, upon the final completion of an Authorized Improvement within such Improvement Area and payment of all outstanding invoices for such Authorized Improvement, if the Actual Cost of such Authorized Improvement is less than the budgeted cost as shown in Exhibit B to the SAP (a "Cost Underrun"), any remaining budgeted cost will be available to pay Cost Overruns on any other Authorized Improvement within such Improvement Area. A City Representative shall promptly confirm to the Administrator (as defined in the SAP) that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Authorized Improvements. Any Cost Underrun for any Authorized Improvement within an Improvement Area is available to pay Cost Overruns on any other Authorized Improvement within such Improvement Area and may be added to the amount approved for payment in any Certificate for Payment, as agreed to by the Developer, the Administrator and the City Representative.

3.14 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 an Authorized Improvement. The Developer or its contractors may approve and implement any Change Orders even if such Change Order would increase the Actual Cost of an Authorized Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such Change Orders except to the extent amounts are available pursuant to Section 3.12 hereof. 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 the Development Agreement, then such revisions made by an engineer must be submitted to the City for approval by the City's engineer prior to execution of the Change Order.

SECTION 4. ADDITIONAL PROVISIONS

4.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of the Maturity Date or the date on which the Reimbursement Agreement Balance is paid in full.

4.2 No Competitive Bidding. Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended. All plans and specifications, but not construction contracts, shall be reviewed and approved, in writing, by the City prior to Developer selecting the contractor. The City, at its election made prior to the Developer entering into a construction contract, shall have the right to examine and approve the contractor selected by the Developer prior to executing a construction contract with the contractor, which approval shall not be unreasonably delayed or withheld.

4.3 Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City.

4.4 Audit. The City Representative shall have the right, during normal business hours and upon two (2) business days' prior written notice to the 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 Authorized Improvements. For a period of two years after completion of the Authorized Improvements, the Developer shall maintain proper books of record and account for the construction of the Authorized Improvements and all costs related thereto. Such accounting books shall be maintained in accordance with customary real estate accounting principles. The Developer shall have the right, during normal business hours and upon two (2) business days' prior written notice to the City, to review all records and accounts pertaining to the Assessments upon written request to the City. The City shall provide the Developer an opportunity to inspect such books and records relating to the Assessments during the City's regular business hours and on a mutually agreeable date no later than ten (10) business days after the City receives such written request. The City shall keep and maintain a proper and complete system of records and accounts pertaining to the Assessments for so long as PID Bonds remain outstanding or Reimbursement Agreement Balance remains unpaid.

4.5 Developer's Right to Protest Ad Valorem Taxes. Nothing in this Agreement shall be construed to limit or restrict Developer's right to protest ad valorem taxes. The Developer's decision to protest ad valorem taxes on Assessed Property does not constitute a Default under this Agreement.

4.6 PID Administration and Collection of Assessments. The Administrator shall have the responsibilities provided in the SAP related to the duties and responsibilities of the administration of the PID, and the City shall provide the Developer with a copy of the agreement between the

City and the Administrator. If the City contracts with a third-party for the collection of Annual Installments of the Assessments, the City shall provide the Developer with a copy of such agreement. For so long as PID Bonds remain outstanding or the Reimbursement Agreement Balance remains unpaid, the City shall notify the Developer of any change of administrator or third-party collection of the Assessments.

4.7 Representations and Warranties.

4.7.1 The Developer represents and warrants to the City that: (1) the Developer has the authority to enter into and perform its obligations under this Agreement; (2) the Developer has the financial resources, or the ability to collect sufficient financial resources, to meet its obligations under this Agreement; (3) the person executing this Agreement on behalf of the Developer has been duly authorized to do so; (4) this Agreement is binding upon the Developer in accordance with its terms; and (5) the execution of this Agreement and the performance by the Developer of its obligations under this Agreement do not constitute a breach or event of default by the Developer under any other agreement, instrument, or order to which the Developer is a party or by which the Developer is bound.

4.7.2 The City represents and warrants to the Developer that: (1) the City has the authority to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement on behalf of the City has been duly authorized to do so; (3) this Agreement is binding upon the City in accordance with its terms; and (4) the execution of this Agreement and the performance by the City of its obligations under this Agreement do not constitute a breach or event of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

4.8 Default/Remedies.

4.8.1 If either Party fails to perform an obligation imposed on such Party by this Agreement (a "Failure") and such Failure is not cured after notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." If a Failure is monetary, the non-performing Party shall have ten (10) days within which to cure. If the Failure is non-monetary, the non-performing Party shall have thirty (30) days within which to cure.

4.8.2 If the Developer is in Default, the City shall have available all remedies at law or in equity; provided no default by the Developer shall entitle the City to terminate any portion of this Agreement that has been performed as of the date of any such Default or to withhold payments to the Developer from the PID Reimbursement Fund or the PID Project Fund in accordance with this Agreement and the Indenture.

4.8.3 If the City is in Default, the Developer shall have available all remedies at law or in equity; provided, however, no Default by the City shall entitle the Developer to terminate this Agreement.

4.8.4 The City shall give notice of any alleged Failure by the Developer to each Transferee identified in any notice from the Developer, and such Transferees shall have the right, but not the obligation, to cure the alleged Failure within the same cure periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Agreement unless the Transferee agrees in writing to be bound.

4.9 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the City of any remedy the City may have outside this Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction, or installation of the Authorized Improvements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the PID. Nothing herein shall be construed as affecting the City's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, or subdivision requirements relating to the development property in the PID.

4.10 Estoppel Certificate. From time to time upon written request of the Developer, the City Manager will execute a written estoppel certificate, in form and substance satisfactory to both Parties that: (1) identifies any obligations of the Developer under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; or (2) states, to the extent true, that to the best knowledge and belief of the City, the Developer is in compliance with its duties and obligations under this Agreement.

4.11 Transfers. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part with the written consent of the City Council, the Developer's right, title, or interest to payments under this Agreement (but not performance obligations) including,

but not limited to, any right, title, or interest of the Developer in and to payments of the Reimbursement Agreement Balance, whether such payments are from the PID Reimbursement Fund in accordance with Section 3.3 or from Bond Proceeds (any of the foregoing, a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"); provided, however, that no such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance would result in: (1) the issuance of municipal securities, and/or (2) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, and/or (3) the City being subject to additional reporting or recordkeeping duties. The City's consent to any Transfer shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, no Transfer shall be effective until consent of the Transfer is given by the City. The Developer waives all rights or claims against the City for any funds paid to a third party as a result of a Transfer for which the City received notice.

4.12 Applicable Law; Venue. This Agreement is being executed and delivered and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply, the substantive laws of the State of Texas shall govern the interpretation and enforcement of this Agreement. In the event of a dispute involving this Agreement, venue shall lie in any court of competent jurisdiction in Liberty County, Texas.

4.13 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (1) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (2) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City:	City of Liberty Attn: April Gilliland 1829 Sam Houston Liberty, TX 77575
With a copy to:	Brandon Davis, City Attorney 1517 Trinity Liberty, TX 77575
To the Developer:	Liberty Ranch, LLC

Attn: Charles Von Schmidt
185 Cedar Point Drive
Livingston Texas, 77351

With a copy to: Coats Rose, P.C.
Attn: Timothy G. Green
9 Greenway Plaza, Suite 1000
Houston, Texas 77046

Any Party may change its address by delivering notice of the change in accordance with this section.

4.14 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound, the provisions and intent of the applicable Indenture controls. This Agreement may only be amended by written agreement of the Parties.

4.15 Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions.

4.16 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

4.17 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City, the Developer, and Transferees any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City, the Developer, and Transferees.

4.18 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

4.19 Employment of Undocumented Workers. During the term of this Agreement, the Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a(f), the Developer shall repay the incentives granted herein within 120 days after the date the Developer is notified by the City of such violation, plus interest at the rate of six percent (6%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101(c),

Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

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

(a) Iran, Sudan, and Foreign Terrorist Organizations. 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 County to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable federal law or Texas law and excludes Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

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

(c) No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code. "Firearm entity" and "firearm trade association" have the meanings provided in Section 2274.001(6) and (7), Government Code.

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

4.21 Survival of Certain Representations and Covenants. Notwithstanding anything contained herein to the contrary,, the representations and covenants contained in Section 5.13 of this Agreement shall survive termination of the Agreement until the statute of limitations has run, and liability for breach of any such representation or covenant shall not be liquidated or otherwise limited by any provision of this Agreement.

4.22 Texas Attorney General Standing Letter. The Developer represents that it has, as of the Effective Date, on file with the Texas Attorney General a standing letter addressing the representations and verifications hereinbefore described in the form attached as Exhibit B to the Updated Recommendations for Compliance with the Texas BPA Verification and Representation Requirements (December 3, 2023) of the Municipal Advisory Council of Texas or any other form accepted by the Texas Attorney General (a "Standing Letter"). In addition, if the Developer or the parent company, a wholly- or majority-owned subsidiary or another affiliate of the Developer receives or has received a letter from the Texas Comptroller of Public Accounts or the Texas Attorney General seeking written verification that the Developer is a member of the Net Zero Banking Alliance, Net Zero Insurance Alliance, Net Zero Asset Owner Alliance, or Net Zero Asset Managers or of the representations and certifications contained in the Developer's Standing Letter (a "Request Letter"), the Developer shall promptly notify the City (if it has not already done so) and provide to the City, two business days prior

to the Effective Date and additionally upon request by the City, written verification to the effect that its Standing Letter described in the preceding sentence remains in effect and may be relied upon by the City and the Texas Attorney General (the "Bringdown Verification"). The Bringdown Verification shall also confirm that the Developer (or the parent company, a wholly- or majority-owned subsidiary or other affiliate of the Developer that received the Request Letter) intends to timely respond or has timely responded to the Request Letter. The Bringdown Verification may be in the form of an e-mail.

4.23 Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application system not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified.

4.24 Changes in Law. The Parties acknowledge and expressly agree that, during the Term, either Party may take advantage of changes in the law notwithstanding anything to the contrary in this Agreement.

4.25 Public Information. Notwithstanding any other provision to the contrary in this Agreement, all information, documents, and communications relating to this Agreement may be subject to the Texas Public Information Act and any opinion of the Texas Attorney General or a court of competent jurisdiction relating to the Texas Public Information Act. The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Developer agrees that this Agreement may be terminated if the Developer knowingly or intentionally fails to comply with a requirement of that subchapter, if applicable, and the Developer fails to cure the violation on or before the tenth business day after the date the City provides notice to Developer of noncompliance with Subchapter J, Chapter 552. Pursuant to Section 552.372, Texas Government Code, Developer is required to preserve all contracting information related to this Agreement as provided by the records retention requirements applicable to the City for the duration of this Agreement; promptly provide to

the City any contracting information related to this Agreement that is in the custody or possession of the Developer on request of the City; and on completion of the Agreement, either provide at no cost to the City all contracting information related to the contract that is in the custody or possession of the entity or preserve the contracting information related to the contract as provided by the records retention requirements applicable to the City.

[*Execution pages follow.*]

CITY:

CITY OF LIBERTY, TEXAS

By:_____
John Hebert, Jr., Mayor

ATTEST:

By:_____
April Gilliland, City Secretary

APPROVED AS TO FORM AND LEGALITY:

By:_____
Brandon Davis, City Attorney

DEVELOPER:

LIBERTY RANCH, LLC

By:_____
Name: Charles Von Schmidt
Title: President

EXHIBIT A

CERTIFICATE FOR PAYMENT FORM

The undersigned is an agent for _____ (the "Developer") and requests payment from the applicable account of the [PID Reimbursement Fund] [PID Project Fund] from the City of Liberty, Texas (the "City") in the amount of _____ for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Authorized Improvements providing a special benefit to property within the Liberty Ranch Public Improvement District. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the PID Reimbursement Agreement between the City and the Developer, effective as of _____, 20__ (the "Reimbursement Agreement").

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

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment Form on behalf of the Developer and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced Authorized Improvements has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The amount listed for the Authorized Improvements below is a true and accurate representation of the Actual Costs associated with the creation, acquisition, or construction of said Authorized Improvements, and such costs (i) are in compliance with the Reimbursement Agreement, and (ii) are consistent with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the Indenture, the Service and Assessment Plan and the Development Agreement.

5. The Developer has timely paid all ad valorem taxes and annual installments of special assessments it owes or an entity the Developer controls owes, located in the Liberty Ranch Public Improvement District and has no outstanding delinquencies for such assessments.

6. All conditions set forth in the Indenture (as defined in the Reimbursement Agreement) for the payment hereby requested have been satisfied.

7. The work with respect to the Authorized Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Authorized Improvements (or its completed segment).

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

9. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for major improvements or any phase of Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or segment) has been completed and the City has accepted such Authorized Improvements (or segment). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or segment).

Payments requested are as follows:

a. X amount to Person or Account Y for Z goods or services.

b. Etc.

[If the Authorized Improvements are to be paid in part from one series of PID Bonds and in part from another, insert the following:
As required by Section _____ of the Indenture, the costs for the Authorized Improvements that constitutes the pro-rata share of such Authorized Improvements allocable to the designated Bonds shall be paid as follows:

Authorized Improvements:	Amount to be paid from _____ Fund	Amount to be paid from _____ Fund	Total Cost of Authorized Improvements

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are "bills paid" affidavits and supporting documentation in the standard form for City construction projects.
Pursuant to the Reimbursement Agreement, after receiving this payment request, the City has inspected the Authorized Improvements (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

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

_____
a Texas limited liability company

By: _____
Title: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, acknowledges that the Authorized Improvements (or its completed segment) covered by the certificate have been inspected by the City, and otherwise finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and shall [include said payments in the City Certificate submitted to the Trustee directing payments to be made from the appropriate account of the PID Project Fund] [direct payment from the PID Reimbursement Fund] to the Developer or to any person designated by the Developer.

CITY OF LIBERTY, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for _____ (the "Developer") and requests payment to the Developer (or to the person designated by the Developer) from the Cost of Issuance Account of the Project Fund from _____ (the "Trustee") in the amount of _____ ($_____) to be transferred from the Cost of Issuance Account of the PID Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of the Liberty Ranch Public Improvement District (the "District"), as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City and the Trustee dated as of _____, 20__ (the "Indenture") relating to the [INSERT NAME OF BONDS] (the "PID Bonds").

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

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior payment request submitted to the City.

3. The amount listed for the below costs is a true and accurate representation of the Actual Costs associated with the establishment, administration and operation of the District at the time of the delivery of the PID 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 Reimbursement Agreement, the Indenture, the Service and Assessment Plan, and the Development Agreement.

5. All conditions set forth in the Indenture and the Reimbursement Agreement for the payment hereby requested have been satisfied.

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

Payments requested hereunder shall be made as directed below:

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

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

_____
a Texas limited liability company

By: _____
Title: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from Costs of Issuance Account upon delivery of the PID Bonds.

CITY OF LIBERTY, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Resolution

A RESOLUTION OF THE CITY OF LIBERTY, TEXAS, DETERMINING COSTS OF THE PROPOSED PUBLIC IMPROVEMENTS IN THE LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT, APPROVING A PROPOSED ASSESSMENT ROLL FOR THE DISTRICT, AND MAKING RELATED FINDINGS AND DETERMINATIONS, IN ACCORDANCE WITH CHAPTER 372 OF THE TEXAS LOCAL GOVERNMENT CODE

WHEREAS, the City Council of the City of Liberty, Texas (the "City Council"), is authorized under Chapter 372 of the Texas Local Government Code, as amended (the "Act"), to create a public improvement district;

WHEREAS, Liberty Ranch, LLC a Texas limited liability company previously submitted and filed with the City Secretary of the City (the "City Secretary") a petition requesting the establishment of a public improvement district;

WHEREAS, after providing all notices required by the Act and the Texas Government Code Chapter 551, the City Council of the City (the "City Council") on May 10, 2022 conducted a public hearing to consider comments for and against the creation of the Liberty Ranch Public Improvement District (the "District") and the advisability of the proposed public improvements and, after closing the public hearing, passed and approved Resolution No. 2022-40 (the "PID Creation Resolution") authorizing creation of the District;

WHEREAS, in accordance with Section 372.010 of the Act, the resolution creating the District was recorded in the real property records of Liberty County;

WHEREAS, the City has reviewed the Preliminary Service and Assessment Plan (the "PSAP") attached to this Resolution as **"Exhibit A"** and the proposed Assessment Roll (as defined in the PSAP) attached thereto;

WHEREAS, in accordance with Section 372.016 of the Act, the City Council desires to make certain determinations and findings with regard to the total cost of the "Authorized Improvements" set forth in the PSAP attached to this Resolution as "**Exhibit A**";

WHEREAS, in accordance with Section 372.016 of the Act, the City Council also desires to approve the proposed Assessment Roll, which is included in the PSAP attached to this Resolution as "**Exhibit A,**" cause the proposed Assessment Roll to be filed with the City Secretary, and to direct the City Secretary to make such proposed Assessment Roll available for public inspection and publish and mail notice (in substantially the form attached hereto as **"Exhibit B"**) of the City Council's intention to consider the proposed assessments for the District at a public hearing, all in accordance with the requirements of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, THAT:

Section 1. The findings set forth in the recitals of this Resolution are found to be true and correct and are incorporated into this Resolution for all purposes by this reference.

Section 2. The City Council hereby finds, declares, and directs:

1. Determination of Cost. The cost determinations for the proposed Authorized Improvements in the District set forth in the Preliminary Service and Assessment Plan attached to this Resolution as "**Exhibit A**" are hereby approved.

2. Proposed Assessment Roll. The proposed Assessment Roll for the District included in the PSAP attached to this Resolution as "**Exhibit A,**" stating the assessment against each parcel of assessable land in the District as determined by the method of assessment set forth in said PSAP is hereby approved, and the City Council declares that such proposed Assessment Roll is hereby filed with the City Secretary. The City Council hereby directs the City Secretary to make such proposed Assessment Roll available for public inspection and publish and mail notice (in substantially the form attached hereto as **"Exhibit B"**) of the City Council's intention to consider the proposed assessments in the District at a public hearing, all in accordance with the requirements of the Act.

Section 3. City Council hereby authorizes and directs City Secretary to take the actions described in Section 2 of this Resolution and authorizes and directs staff to prepare the required resolutions, ordinances, agreements, service and assessment plan, assessment roll and other documents necessary for the City Council to effectuate this Resolution.

Section 4. The City Council hereby declares that written notice of the date, hour and place of the meeting at which this Resolution was adopted, was posted and that such meeting was open to the public as required by law at all times when this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

Section 5. This Resolution shall take effect immediately from and after its passage.

EXHIBIT LIST:

Exhibit A – Preliminary Service and Assessment Plan (including the proposed Assessment Roll)
Exhibit B – Notice of Public Hearing

PASSED AND APPROVED on this 13th day of January, 2026.

_____
Mayor
City of Liberty, Texas

ATTEST:

_____

City Secretary
City of Liberty, Texas

Liberty Ranch Public Improvement District

PRELIMINARY SERVICE AND ASSESSMENT PLAN

JANUARY 13, 2026

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

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INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section", "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 May 10, 2022, the City Council passed and approved a Resolution authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon adoption as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 50.993 acres located within the corporate limits of the City, as described by the legal description on **Exhibit J** and depicted on **Exhibit A**.

The PID Act requires a Service Plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements and including 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**.

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

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

SECTION I: DEFINITIONS

"Actual Costs" mean, with respect to Public Improvements, the actual costs paid or incurred by or on behalf of the Developer[s], (either directly or through affiliates), including : (1) the costs for the design, planning, administration/management, acquisition, installation, construction and/or implementation and dedication of such Authorized Improvements; (2) the fees paid for obtaining permits, zoning, licenses, plan approvals, inspections 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 Public Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, legal, consulting, and other governmental fees, construction security, insurance premiums, directly related to the construction of the Public Improvements, and (6) charges and costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee not exceeding four percent (4%) of construction costs if managed by or on behalf of the Developer.

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

"Additional Interest Rate" means the additional interest rate, not to exceed 0.50%, that may be charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act.

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

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan, the PID Act, and any Indenture, with respect to the PID Bonds, including the City's continuing disclosure requirements; and (8) 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 on an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest related to the Bonds, if applicable.

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

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

"Assessment" means an assessment levied against Assessed Property, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Assessed Property or reduction according to the provisions herein and in the PID Act.

"Assessment Ordinance" means Ordinance No._____ adopted by the City Council on February 10, 2026, in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

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

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

"Authorized Improvements" means the improvements authorized by Section 372.003 of the PID Act, including the Public Improvements, Bond Issuance Costs, and First Year Annual Collection Costs, as described in **Section III**.

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

"County" means Liberty 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 Liberty Ranch, LLC, a Texas limited liability company, and any successors or assigns thereof that intends to develop the property in the District.

"Development Agreement" means that certain Liberty Ranch Development Agreement entered into on April 24, 2025, by and between the Developer and the City.

"District" means the Liberty Ranch Public Improvement District containing approximately 50.993 acres located within the corporate limits of the City, as generally depicted on **Exhibit A**, and described on **Exhibit J**.

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

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

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

"First Year Annual Collection Costs" means the Annual Collection Costs associated with the first year of the District.

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

"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**.**

"Lot" means (1) for any portion of the District for which a final subdivision plat has been recorded in the 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 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 City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as provided by the Developer, and confirmed by the City Council, as shown on **Exhibit E.**

"Lot Type 1" means a Lot within the District marketed to homebuilders as a 50' Lot. The buyer disclosure for Lot Type 1 is attached as **Appendix B.**

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

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

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

"Offsite Improvements" means offsite water and sewer utility extensions located outside the Property and improvements to Highway 146 as described in Section 12.11 of the Development Agreement.

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

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

"PID Bonds" means those certain "City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District)", to finance the Authorized Improvements, and secured in whole or in part by the Assessments.

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

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

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

"**Public Improvements**" means the Authorized Improvements to be constructed by the Developer and that are specifically described in **Section III.A** and depicted on **Exhibit G.**

"Reimbursement Agreement" means that certain "Liberty Ranch Public Improvement District Reimbursement Agreement" effective _____, 2025 entered into by and between the City and the Developer, whereby all or a portion of the Actual Costs as set forth herein will be paid to the Developer from the Assessments to reimburse the Developer for Actual Costs paid by the Developer, that are eligible to be paid with the Assessments plus interest

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

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

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

SECTION II: THE DISTRICT

The District includes approximately 50.993 contiguous acres located within the corporate limits of the City. The boundaries of the District are more particularly described by the legal description on **Exhibit J** and depicted on the boundary map attached as **Exhibit A**. Development of the District is anticipated to include approximately 216 Lots developed with single-family homes.

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be operated and maintained by the City or the homeowner 's association unless otherwise noted. The project costs for the Authorized Improvements are shown on **Exhibit B**. Maps depicting the Public Improvements are included on **Exhibit G**.

A. Public Improvements

- *Roadways*

  Improvements include land acquisition for right-of-way, subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, and curbs. Intersections, streetlights and signage are included. Roadway improvements include streets that will provide street access to each Lot.

- *Drainage*

  Improvements include land acquisition for detention, and drainage, trench excavation and embedment, trench safety, reinforced concrete and PP piping, manholes, inlets, channels/swales, clearing, pond excavation and embankment, soil testing, channels, rock riprap, loose riprap walls, construction of outfall structures, silt fence, rock berms, construction entrances, inlet protection, topsoil, hydromulch, seeding, and irrigation sleeves, revegetation, and utility improvements. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area and temporarily detain water as required by the City.

- *Water*

  Improvements include trench excavation and embedment, trench safety, PVC piping, fire hydrant assemblies, air release valves, gate valves, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines

extending water service to the District. The water improvements will be owned by the City.

- *Sewer*

  Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. Sewer system will be owned by City of Liberty.

- *Parks and Landscaping*

  Improvements include community entry monument signs, landscape entry, land acquisition, street trees, play structures, basketball court, horseshoe pitches, fencing, perimeter walls, and planting and irrigation providing improvements to the public. Parks and Landscaping improvements will be owned by the City and maintained by the HOA.

- *Offsite Improvement Highway 146*

  Improvements include any improvement required by TXDOT to be made to Highway 146 as described in the Development Agreement.

- *Soft Costs*

  Costs related to District Formation Expense, mobilization, setup, and project overhead for all equipment, designing, constructing, and installing the Public Improvements including land planning and design, City fees, inspection fees, engineering, Geotechnical, Storm Water Pollution Prevention Plan, material testing and survey.

B. Offsite Improvements

- *Sewer*

  Improvements include utility extensions located outside the Property to extend sewer utility services to the Property as described in the Development Agreement.

- *Water*

  Improvements include utility extensions located outside the Property to extend water utility services to the Property as described in the Development Agreement

C. Bond Issuance Costs

- *Debt Service Reserve Fund*

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

- *Underwriter's Discount*

  Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds, which includes Underwriter's counsel fee.

- *Cost of Issuance*

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

D. Other Costs

- *Initial Administrative Fund Deposit*

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

SECTION IV: SERVICE PLAN

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

Exhibit D summarizes the sources and uses of funds required to construct the Public Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update to show any budget revisions and the amount required to fund the required reserves and issue the PID Bonds at the time the PID Bonds are issued.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard

to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

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

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

A. Assessment Methodology

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

- The costs of the Authorized Improvements shall be allocated to each Parcel within the District based on the ratio of the Estimated Buildout Value of each Parcel designated as an Assessed Property to the Estimated Buildout Value of all Assessed Property. Currently the Initial Parcel is allocated 100% of the Assessment levied for the Authorized Improvements.

B. Assessments

The Assessment will be levied on the Assessed Property in the amount shown on the Assessment Roll, attached hereto as **Exhibit F-1**. The projected Annual Installments are shown on **Exhibit F-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 Lot Type 1 is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1 exceed the corresponding Maximum Assessment for Lot Type 1.

C. Findings of Special Benefit

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

- The costs of the Authorized Improvements equal $7,471,583 as shown on **Exhibit B**;
- The Assessed Property receives special benefit from the Authorized Improvements equal to or greater than the Actual Cost of the Authorized Improvements;
- The Assessed Property will be allocated 100% of the Assessment levied for the Authorized Improvements, which equals $6,572,000 as shown on the Assessment Roll attached hereto as **Exhibit F-1**;
- The special benefit ($\geq$ $7,471,583) received by the Assessed Property from the Authorized Improvements is equal to or greater than the amount of the Assessment ($6,572,000) levied on the Assessed Property for the Authorized Improvements; and
- At the time the City Council initially approved this Service and Assessment Plan, the Developer owned 100% of the Assessed Property. In a landowner consent certificate executed by the Developer, the Developer acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and consented to the imposition of the Assessment to pay for the Actual Costs associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the Assessment Ordinance; (2) the Service and Assessment Plan and the Assessment Ordinance; and (3) the levying of the Assessment on the Assessed Property.

D. Annual Collection Costs

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

E. Additional Interest

The interest rate on Assessments securing each respective series of PID Bonds may exceed the interest rate on each respective series of PID Bonds by the Additional Interest Rate. To the extent

required by any Indenture, Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

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

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

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

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

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

Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the Annual Service Plan Update immediately following such reallocation.

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

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

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

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

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single Lot or Parcel, the

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

B. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefited Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefited Property shall pay to the City or the Administrator on behalf of the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, a homeowner association, any other governmental entity or utility provider for use as internal roads, utilities, parks, drainage and detention facilities, and other similar Authorized Improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

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

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

D. Reduction of Assessments

If the Actual Costs of completed Authorized Improvements are less than the Assessments, then (1) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (2) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds as directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

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

E. Prepayment of Assessments

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

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

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

the City shall provide the owner with a recordable "Notice of PID Assessment Termination", a form of which is included as **Exhibit I**.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the estimated Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION VII: ASSESSMENT ROLL

The Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the 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 City Council's approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to

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

B. Amendments

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

C. Administration and Interpretation

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

D. Form of Buyer Disclosure; Filing in Real Property Records

Within seven days of approval by the City Council, the City Secretary shall file and record in the real property records of the County the executed Assessment Ordinance approving this Service and Assessment Plan. In addition, the City Secretary shall similarly file each Annual Service Plan Update approved by the City Council, with each such filing to occur within seven days of the date each respective Annual Service Plan Update is approved.

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	District Boundary Map
Exhibit B	Authorized Improvements
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E	Maximum Assessment and Tax Rate Equivalent
Exhibit F-1	Assessment Roll
Exhibit F-2	Annual Installments
Exhibit G	Maps of Public Improvements
Exhibit H	Liberty Ranch Section 1 Plat
Exhibit I	Form of Notice of PID Assessment Termination
Exhibit J	District Boundary Legal Description

APPENDICES

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

Appendix A Engineer's Report

Appendix B Buyer Disclosures

EXHIBIT A – DISTRICT BOUNDARY MAP

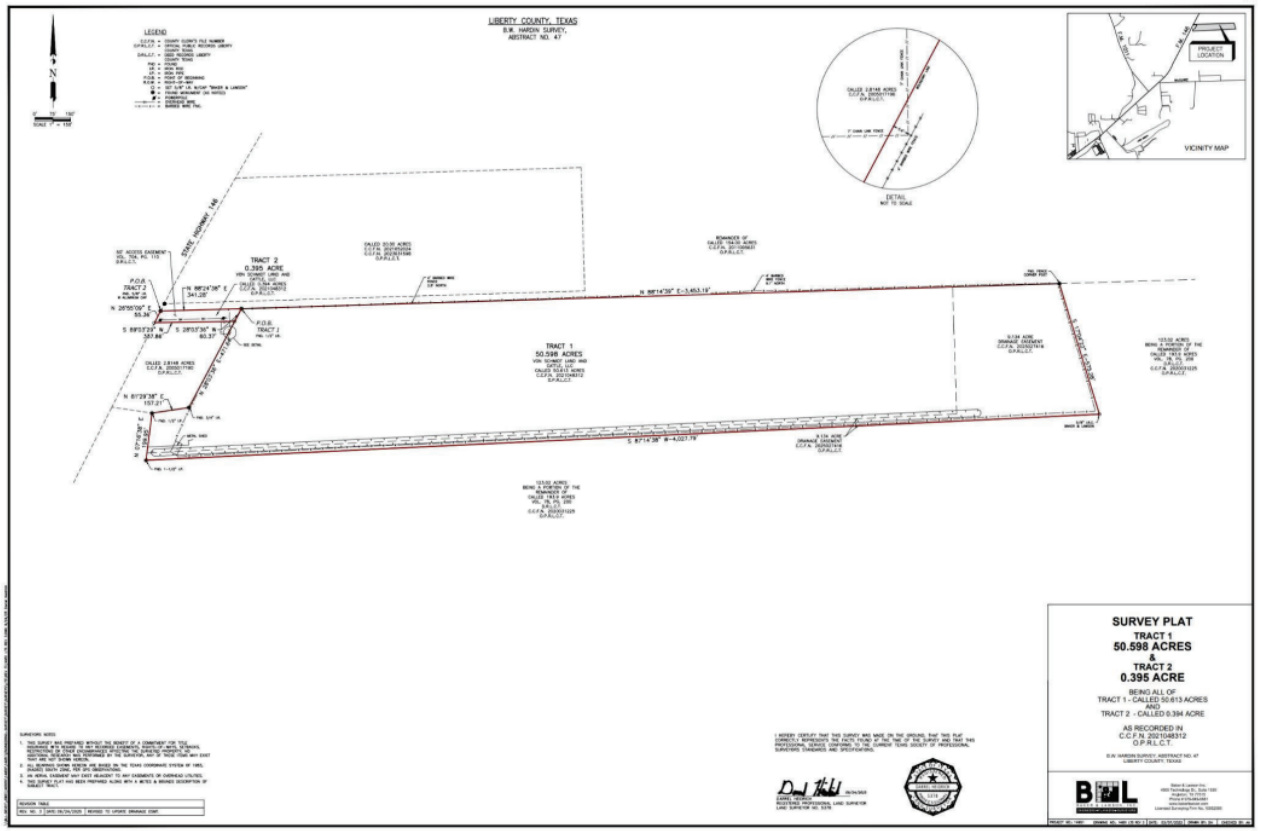


EXHIBIT B – AUTHORIZED IMPROVEMENTS

	Total Costs[a]	District		Non-District	
		%	Cost	%	Cost
Public Improvements					
Roadways	$ 1,596,015	100.00%	$ 1,596,015	0.00%	$ -
Water	671,233	100.00%	671,233	0.00%	-
Sewer	883,973	100.00%	883,973	0.00%	-
Drainage	1,122,911	100.00%	1,122,911	0.00%	-
Parks and Landscaping	56,140	100.00%	56,140	0.00%	-
Offsite Improvement - Highway 146[c]	675,000	64.74%	437,000	35.26%	238,000
Soft Costs[b]	1,338,195	100.00%	1,338,195	0.00%	-
	$ 6,343,467		$ 6,105,467		$ 238,000
Offsite Improvements [c]					
Water	$ 400,000	0.00%	$ -	100.00%	$ 400,000
Sewer	362,000	0.00%	$ -	100.00%	$ 362,000
	$ 762,000		$ -		$ 762,000
Bond Issuance Costs [d]					
Debt Service Reserve Fund	$ 492,750	100.00%	$ 492,750	0.00%	$ -
Capitalized Interest	241,886	100.00%	241,886	0.00%	-
Underwriter Discount[e]	197,160	100.00%	197,160	0.00%	-
Cost of Issuance	394,320	100.00%	394,320	0.00%	-
	$ 1,326,116		$ 1,326,116		$ -
Other Costs					
Deposit to Administrative Fund	40,000	100.00%	40,000	0.00%	-
	$ 8,471,583		**$ 7,471,583**		**$ 1,000,000**

Footnotes:

[a] Per Engineer's Report dated 10/12/2025.

[b] Soft costs include engineering, staking, surveying, and contingency.

[c] Per the Development Agreement, the City will reimburse the Developer up to $1,000,000 for Offsite Improvements from funds other than Assessments or PID Bond proceeds. Costs incurred by Developer in excess of $1,000,000 for Offsite Improvements shall be considered an Authorized Improvement and funded by proceeds of Assessments or PID Bonds.

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

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

EXHIBIT C – SERVICE PLAN

District						
Annual Installment Due		**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**	**1/31/2031**
Principal		$ 82,000.00	$ 87,000.00	$ 92,000.00	$ 97,000.00	$ 103,000.00
Interest		$ 410,750.00	$ 405,625.00	$ 400,187.50	$ 394,437.50	$ 388,375.00
Capitalized Interest		$ -	$ -	$ -	$ -	$ -
	(1)	$ 492,750.00	$ 492,625.00	$ 492,187.50	$ 491,437.50	$ 491,375.00
Additional Interest	(2)	$ 32,860.00	$ 32,450.00	$ 32,015.00	$ 31,555.00	$ 31,070.00
Annual Collection Costs	(3)	$ 40,800.00	$ 41,616.00	$ 42,448.32	$ 43,297.29	$ 44,163.23
Total Annual Installment Due	(4) = (1) + (2) + (3)	$ 566,410.00	$ 566,691.00	$ 566,650.82	$ 566,289.79	$ 566,608.23

EXHIBIT D – SOURCES AND USES OF FUNDS

	District	Non-District	Total
Sources of Funds			
Bond Par Amount	$ 6,572,000	$ -	$ 6,572,000
Developer Contribution[a]	899,583	$ -	899,583
Non-District Sources - Offsite Improvements[b]	-	1,000,000	1,000,000
Total Sources of Funds	**$ 7,471,583**	**$ 1,000,000**	**$ 8,471,583**
Uses of Funds			
Public Improvements	$ 6,105,467	$ 238,000	$ 6,343,467
Offsite Improvements	-	762,000	$ 762,000
	$ 6,105,467	$ 1,000,000	$ 7,105,467
Bond Issuance Costs[c]			
Debt Service Reserve Fund	$ 492,750	$ -	$ 492,750
Capitalized Interest	241,886	-	241,886
Underwriter Discount[d]	197,160	-	197,160
Cost of Issuance	394,320	-	394,320
	$ 1,326,116	$ -	$ 1,326,116
Other Costs			
Deposit to Administrative Fund	$ 40,000	$ -	$ 40,000
	$ 40,000	$ -	$ 40,000
Total Uses of Funds	**$ 7,471,583**	**$ 1,000,000**	**$ 8,471,583**

Footnotes:

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

[b]Non-District sources are lawfully available revenue of the City, other than the Assessments or proceeds of the Bonds, to be contributed by the City to pay or reimburse the Developer for the costs of certain Offsite Improvements. The sources are to be paid as a direct reimbursement to the Developer for costs

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

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

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units[a]	Finished Lot Value[a]		Estimated Buildout Value[a]		Assessment		Average Annual Installment		PID TRE
		Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	
District										
Lot Type #1	216	$ 55,463	$ 11,980,000	$ 265,000	$ 57,240,000	$ 30,426	$ 6,572,000	$ 2,623	$ 566,661	$ 0.989973
Total	**216**		**$ 11,980,000**		**$ 57,240,000**		$ 6,572,000		**$ 566,661**	**$ 0.989973**

Footnotes:

[a] As provided by the appraisal dated December 16, 2025.

EXHIBIT F-1 – ASSESSMENT ROLL

		District[d]	
Property ID[a]	Lot Type	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b],[c]
15087	Initial Parcel	$ 6,572,000.00	$ 566,410.00
Total		**$ 6,572,000.00**	**$ 566,410.00**

Footnotes:

[a] Property IDs are preliminary and subject to change prior to billing.

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

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

[d] For a version of the Assessment Roll broken out on a per lot basis by legal description per the Final Plat Liberty Ranch Section 1 Plat submitted by the Developer, see below. Note, Property ID numbers will be added when assigned by Liberty County.

Property ID[a]	Lot	Block	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
TBD	1	1	1	$ 30,425.93	$ 2,622.27
TBD	2	1	1	$ 30,425.93	$ 2,622.27
TBD	3	1	1	$ 30,425.93	$ 2,622.27
TBD	4	1	1	$ 30,425.93	$ 2,622.27
TBD	5	1	1	$ 30,425.93	$ 2,622.27
TBD	6	1	1	$ 30,425.93	$ 2,622.27
TBD	7	1	1	$ 30,425.93	$ 2,622.27
TBD	8	1	1	$ 30,425.93	$ 2,622.27
TBD	9	1	1	$ 30,425.93	$ 2,622.27
TBD	10	1	1	$ 30,425.93	$ 2,622.27
TBD	1	2	1	$ 30,425.93	$ 2,622.27
TBD	2	2	1	$ 30,425.93	$ 2,622.27
TBD	3	2	1	$ 30,425.93	$ 2,622.27
TBD	4	2	1	$ 30,425.93	$ 2,622.27
TBD	5	2	1	$ 30,425.93	$ 2,622.27
TBD	6	2	1	$ 30,425.93	$ 2,622.27
TBD	7	2	1	$ 30,425.93	$ 2,622.27
TBD	8	2	1	$ 30,425.93	$ 2,622.27
TBD	9	2	1	$ 30,425.93	$ 2,622.27
TBD	10	2	1	$ 30,425.93	$ 2,622.27
TBD	11	2	1	$ 30,425.93	$ 2,622.27
TBD	12	2	1	$ 30,425.93	$ 2,622.27
TBD	13	2	1	$ 30,425.93	$ 2,622.27
TBD	14	2	1	$ 30,425.93	$ 2,622.27
TBD	15	2	1	$ 30,425.93	$ 2,622.27
TBD	16	2	1	$ 30,425.93	$ 2,622.27
TBD	17	2	1	$ 30,425.93	$ 2,622.27
TBD	18	2	1	$ 30,425.93	$ 2,622.27
TBD	19	2	1	$ 30,425.93	$ 2,622.27
TBD	20	2	1	$ 30,425.93	$ 2,622.27
TBD	21	2	1	$ 30,425.93	$ 2,622.27
TBD	22	2	1	$ 30,425.93	$ 2,622.27
TBD	23	2	1	$ 30,425.93	$ 2,622.27
TBD	24	2	1	$ 30,425.93	$ 2,622.27
TBD	25	2	1	$ 30,425.93	$ 2,622.27
TBD	26	2	1	$ 30,425.93	$ 2,622.27
TBD	27	2	1	$ 30,425.93	$ 2,622.27
TBD	1	3	1	$ 30,425.93	$ 2,622.27
TBD	2	3	1	$ 30,425.93	$ 2,622.27
TBD	3	3	1	$ 30,425.93	$ 2,622.27
TBD	4	3	1	$ 30,425.93	$ 2,622.27
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TBD	6	3	1	$ 30,425.93	$ 2,622.27
TBD	7	3	1	$ 30,425.93	$ 2,622.27
TBD	8	3	1	$ 30,425.93	$ 2,622.27
TBD	9	3	1	$ 30,425.93	$ 2,622.27
TBD	10	3	1	$ 30,425.93	$ 2,622.27
TBD	11	3	1	$ 30,425.93	$ 2,622.27
TBD	12	3	1	$ 30,425.93	$ 2,622.27
TBD	13	3	1	$ 30,425.93	$ 2,622.27

Property ID[a]	Lot	Block	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
TBD	14	3	1	$ 30,425.93	$ 2,622.27
TBD	15	3	1	$ 30,425.93	$ 2,622.27
TBD	16	3	1	$ 30,425.93	$ 2,622.27
TBD	17	3	1	$ 30,425.93	$ 2,622.27
TBD	18	3	1	$ 30,425.93	$ 2,622.27
TBD	19	3	1	$ 30,425.93	$ 2,622.27
TBD	20	3	1	$ 30,425.93	$ 2,622.27
TBD	21	3	1	$ 30,425.93	$ 2,622.27
TBD	22	3	1	$ 30,425.93	$ 2,622.27
TBD	23	3	1	$ 30,425.93	$ 2,622.27
TBD	24	3	1	$ 30,425.93	$ 2,622.27
TBD	25	3	1	$ 30,425.93	$ 2,622.27
TBD	26	3	1	$ 30,425.93	$ 2,622.27
TBD	27	3	1	$ 30,425.93	$ 2,622.27
TBD	28	3	1	$ 30,425.93	$ 2,622.27
TBD	29	3	1	$ 30,425.93	$ 2,622.27
TBD	30	3	1	$ 30,425.93	$ 2,622.27
TBD	1	4	1	$ 30,425.93	$ 2,622.27
TBD	2	4	1	$ 30,425.93	$ 2,622.27
TBD	3	4	1	$ 30,425.93	$ 2,622.27
TBD	4	4	1	$ 30,425.93	$ 2,622.27
TBD	5	4	1	$ 30,425.93	$ 2,622.27
TBD	6	4	1	$ 30,425.93	$ 2,622.27
TBD	7	4	1	$ 30,425.93	$ 2,622.27
TBD	8	4	1	$ 30,425.93	$ 2,622.27
TBD	9	4	1	$ 30,425.93	$ 2,622.27
TBD	10	4	1	$ 30,425.93	$ 2,622.27
TBD	11	4	1	$ 30,425.93	$ 2,622.27
TBD	12	4	1	$ 30,425.93	$ 2,622.27
TBD	13	4	1	$ 30,425.93	$ 2,622.27
TBD	14	4	1	$ 30,425.93	$ 2,622.27
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TBD	16	4	1	$ 30,425.93	$ 2,622.27
TBD	17	4	1	$ 30,425.93	$ 2,622.27
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TBD	2	5	1	$ 30,425.93	$ 2,622.27
TBD	3	5	1	$ 30,425.93	$ 2,622.27
TBD	4	5	1	$ 30,425.93	$ 2,622.27
TBD	5	5	1	$ 30,425.93	$ 2,622.27
TBD	6	5	1	$ 30,425.93	$ 2,622.27
TBD	7	5	1	$ 30,425.93	$ 2,622.27
TBD	8	5	1	$ 30,425.93	$ 2,622.27
TBD	9	5	1	$ 30,425.93	$ 2,622.27
TBD	10	5	1	$ 30,425.93	$ 2,622.27
TBD	11	5	1	$ 30,425.93	$ 2,622.27
TBD	12	5	1	$ 30,425.93	$ 2,622.27

Property ID[a]	Lot	Block	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
TBD	13	5	1	$ 30,425.93	$ 2,622.27
TBD	14	5	1	$ 30,425.93	$ 2,622.27
TBD	15	5	1	$ 30,425.93	$ 2,622.27
TBD	16	5	1	$ 30,425.93	$ 2,622.27
TBD	17	5	1	$ 30,425.93	$ 2,622.27
TBD	18	5	1	$ 30,425.93	$ 2,622.27
TBD	19	5	1	$ 30,425.93	$ 2,622.27
TBD	20	5	1	$ 30,425.93	$ 2,622.27
TBD	Reserve A		Non-Benefited	$ -	$ -
TBD	Reserve B		Non-Benefited	$ -	$ -
TBD	Reserve C		Non-Benefited	$ -	$ -
TBD	Reserve D		Non-Benefited	$ -	$ -
TBD	Remainder Parcel		Remainder Parcel	$ 3,286,000.00	$ 283,205.00
Total				**$ 6,572,000.00**	**$ 566,410.00**

Footnotes:

[a] Property IDs are preliminary and subject to change prior to billing.

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

EXHIBIT F-2 – ANNUAL INSTALLMENTS

	District Bonds					
Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2026	$ -	$ 241,886	$ (241,886)	$ -	$ -	$ -
2027	$ 82,000	$ 410,750	$ -	$ 32,860	$ 40,800	$ 566,410
2028	$ 87,000	$ 405,625	$ -	$ 32,450	$ 41,616	$ 566,691
2029	$ 92,000	$ 400,188	$ -	$ 32,015	$ 42,448	$ 566,651
2030	$ 97,000	$ 394,438	$ -	$ 31,555	$ 43,297	$ 566,290
2031	$ 103,000	$ 388,375	$ -	$ 31,070	$ 44,163	$ 566,608
2032	$ 109,000	$ 381,938	$ -	$ 30,555	$ 45,046	$ 566,539
2033	$ 116,000	$ 375,125	$ -	$ 30,010	$ 45,947	$ 567,082
2034	$ 122,000	$ 367,875	$ -	$ 29,430	$ 46,866	$ 566,171
2035	$ 130,000	$ 360,250	$ -	$ 28,820	$ 47,804	$ 566,874
2036	$ 138,000	$ 352,125	$ -	$ 28,170	$ 48,760	$ 567,055
2037	$ 146,000	$ 343,500	$ -	$ 27,480	$ 49,735	$ 566,715
2038	$ 155,000	$ 334,375	$ -	$ 26,750	$ 50,730	$ 566,855
2039	$ 164,000	$ 324,688	$ -	$ 25,975	$ 51,744	$ 566,407
2040	$ 174,000	$ 314,438	$ -	$ 25,155	$ 52,779	$ 566,372
2041	$ 185,000	$ 303,563	$ -	$ 24,285	$ 53,835	$ 566,682
2042	$ 196,000	$ 292,000	$ -	$ 23,360	$ 54,911	$ 566,271
2043	$ 209,000	$ 279,750	$ -	$ 22,380	$ 56,010	$ 567,140
2044	$ 222,000	$ 266,688	$ -	$ 21,335	$ 57,130	$ 567,152
2045	$ 235,000	$ 252,813	$ -	$ 20,225	$ 58,272	$ 566,310
2046	$ 250,000	$ 238,125	$ -	$ 19,050	$ 59,438	$ 566,613
2047	$ 266,000	$ 222,500	$ -	$ 17,800	$ 60,627	$ 566,927
2048	$ 283,000	$ 205,875	$ -	$ 16,470	$ 61,839	$ 567,184
2049	$ 300,000	$ 188,188	$ -	$ 15,055	$ 63,076	$ 566,318
2050	$ 319,000	$ 169,438	$ -	$ 13,555	$ 64,337	$ 566,330
2051	$ 340,000	$ 149,500	$ -	$ 11,960	$ 65,624	$ 567,084
2052	$ 361,000	$ 128,250	$ -	$ 10,260	$ 66,937	$ 566,447
2053	$ 384,000	$ 105,688	$ -	$ 8,455	$ 68,275	$ 566,418
2054	$ 409,000	$ 81,688	$ -	$ 6,535	$ 69,641	$ 566,863
2055	$ 435,000	$ 56,125	$ -	$ 4,490	$ 71,034	$ 566,649
2056	$ 463,000	$ 28,938	$ -	$ 2,315	$ 72,454	$ 566,707
Total	**$ 6,572,000**	**$ 8,364,699**	**$ (241,886)**	**$ 649,825**	**$ 1,655,178**	**$ 16,999,815**

Footnotes:

[a] Interest is calculated at 6.25 % for illustrative purposes.

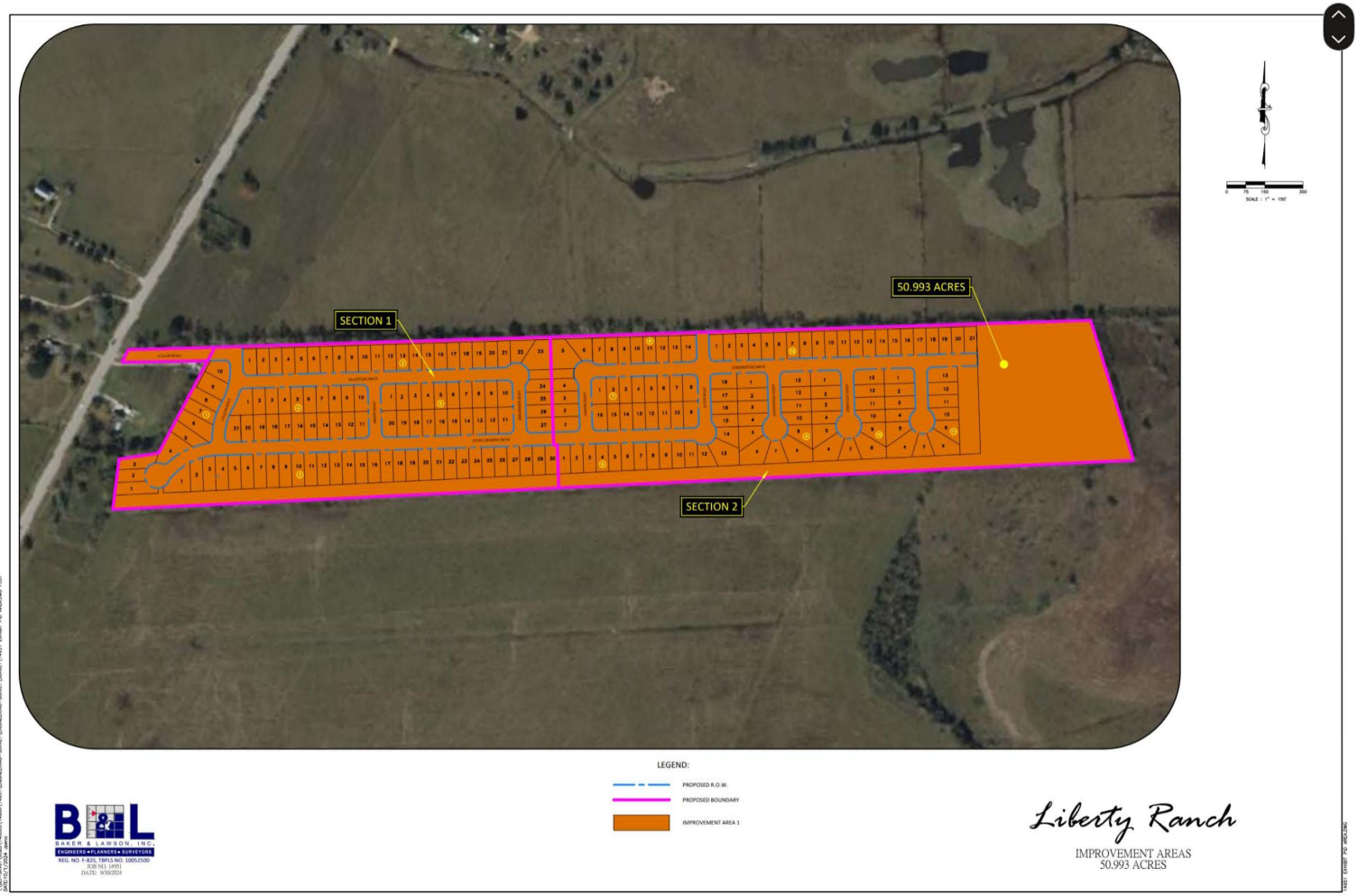
[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G – MAPS OF PUBLIC IMPROVEMENTS

LIBERTY RANCH

OVERALL AREA IMPROVEMENTS – IA#1 & IA#2

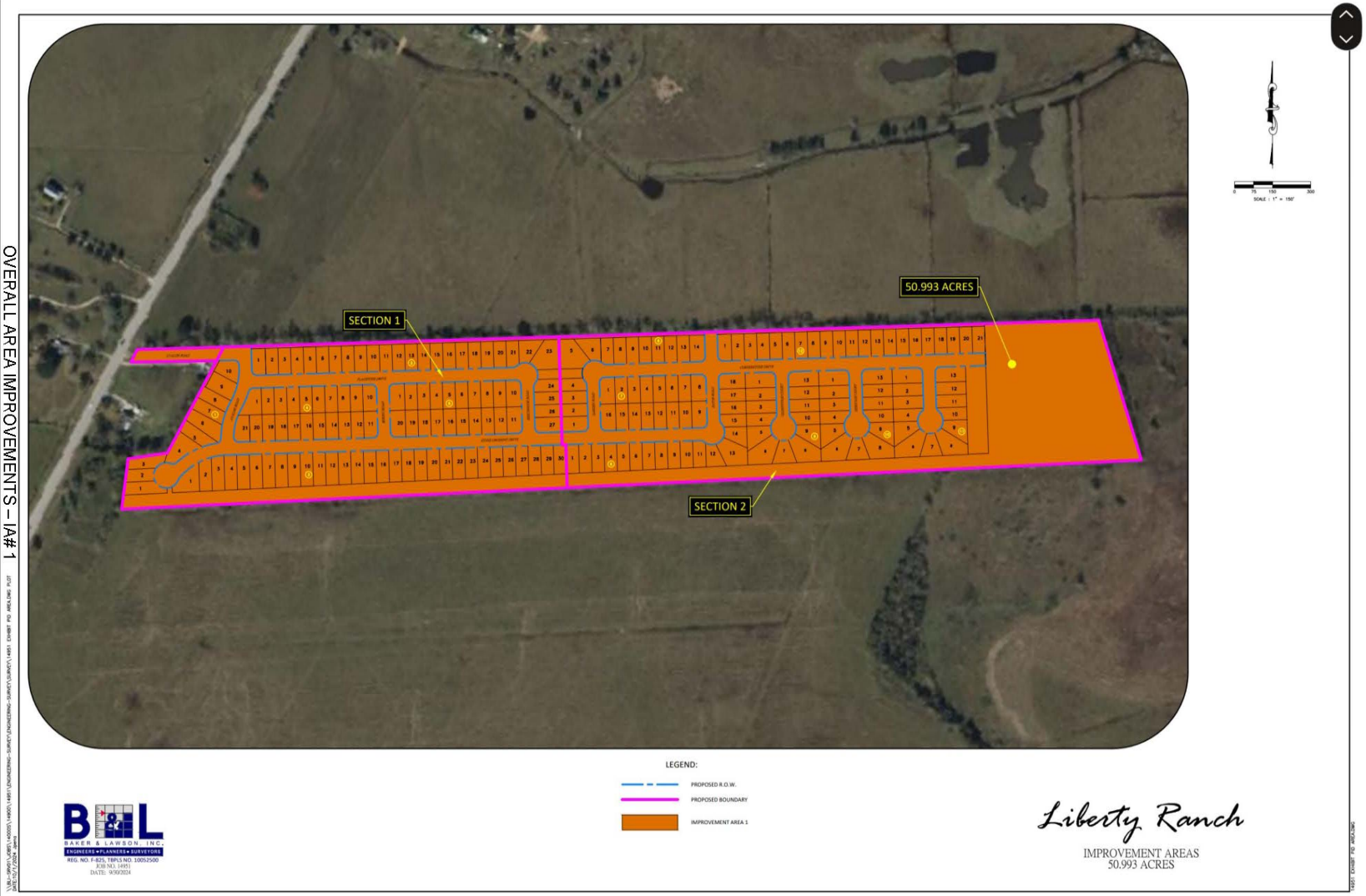
LIBERTY, TEXAS

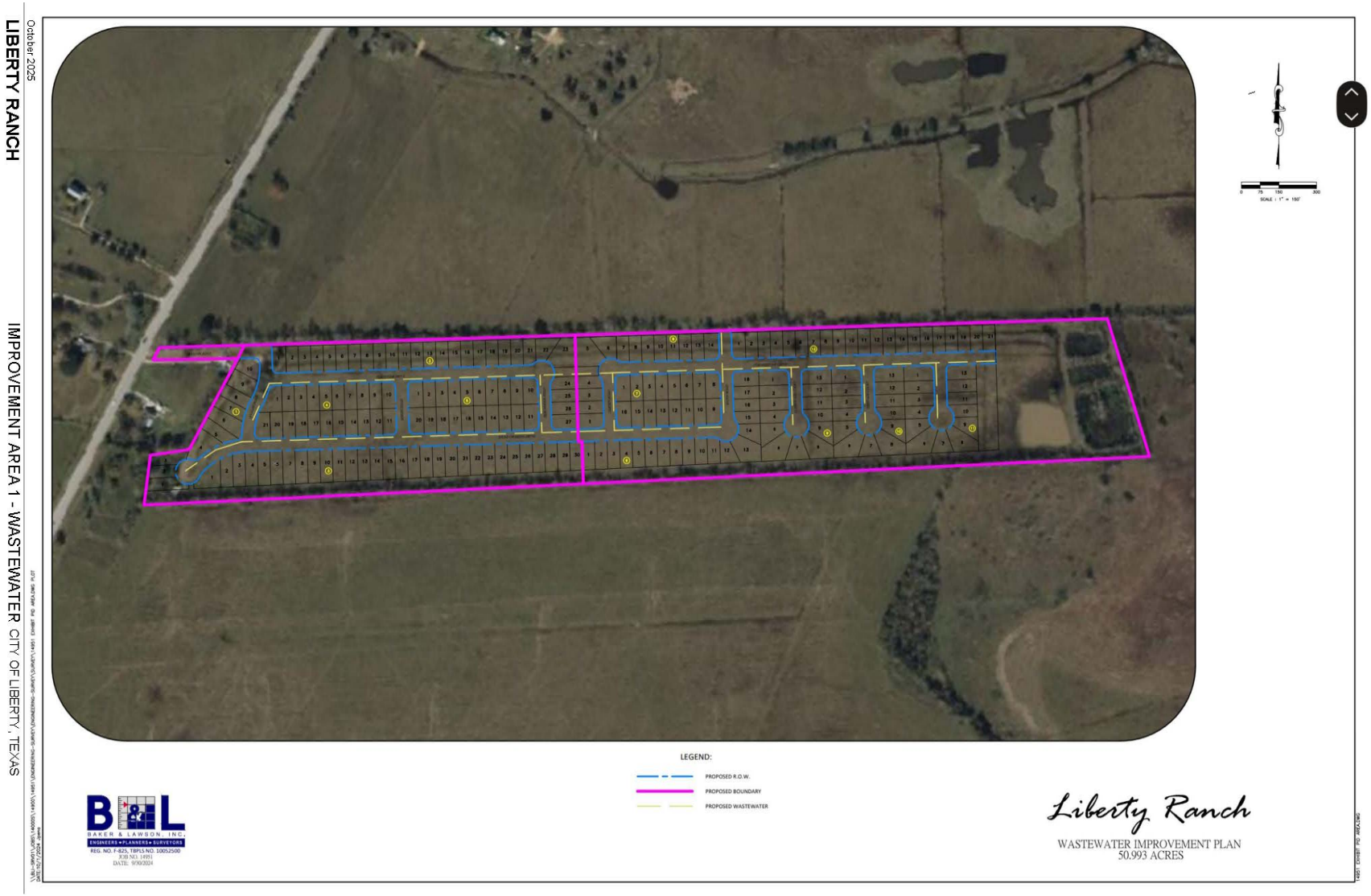


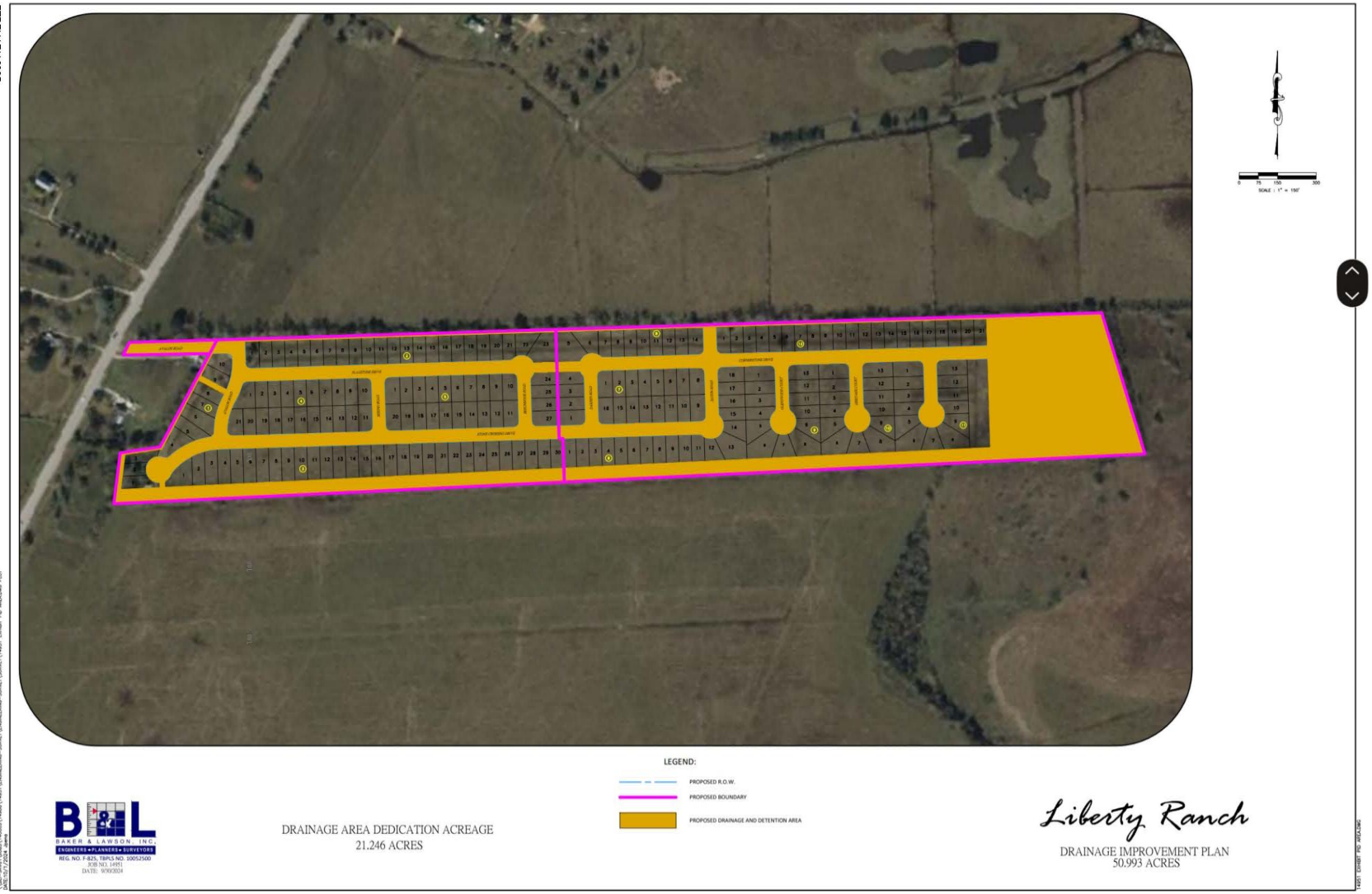
LIBERTY RANCH

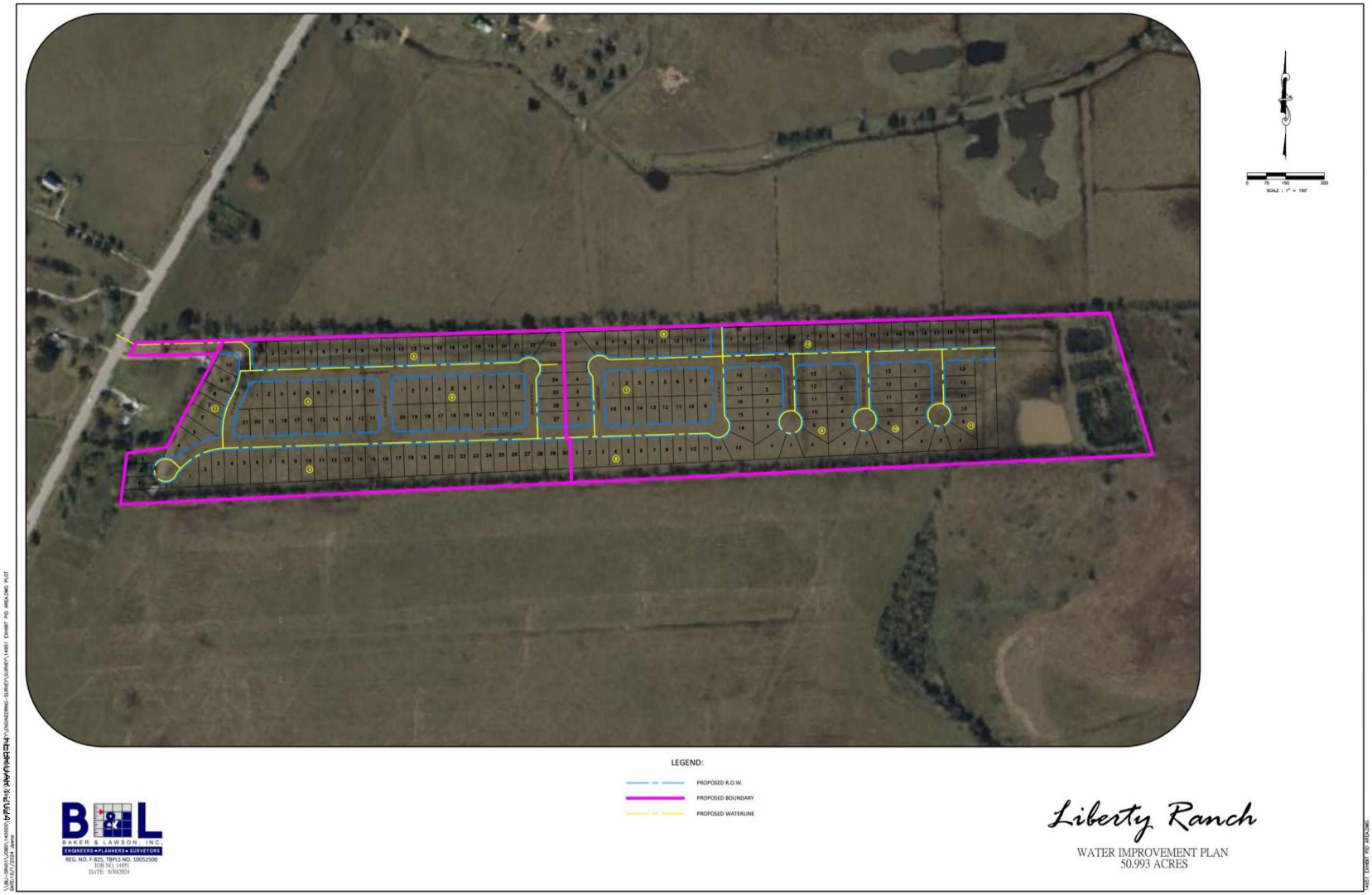
OVERALL AREA IMPROVEMENTS – IA# 1

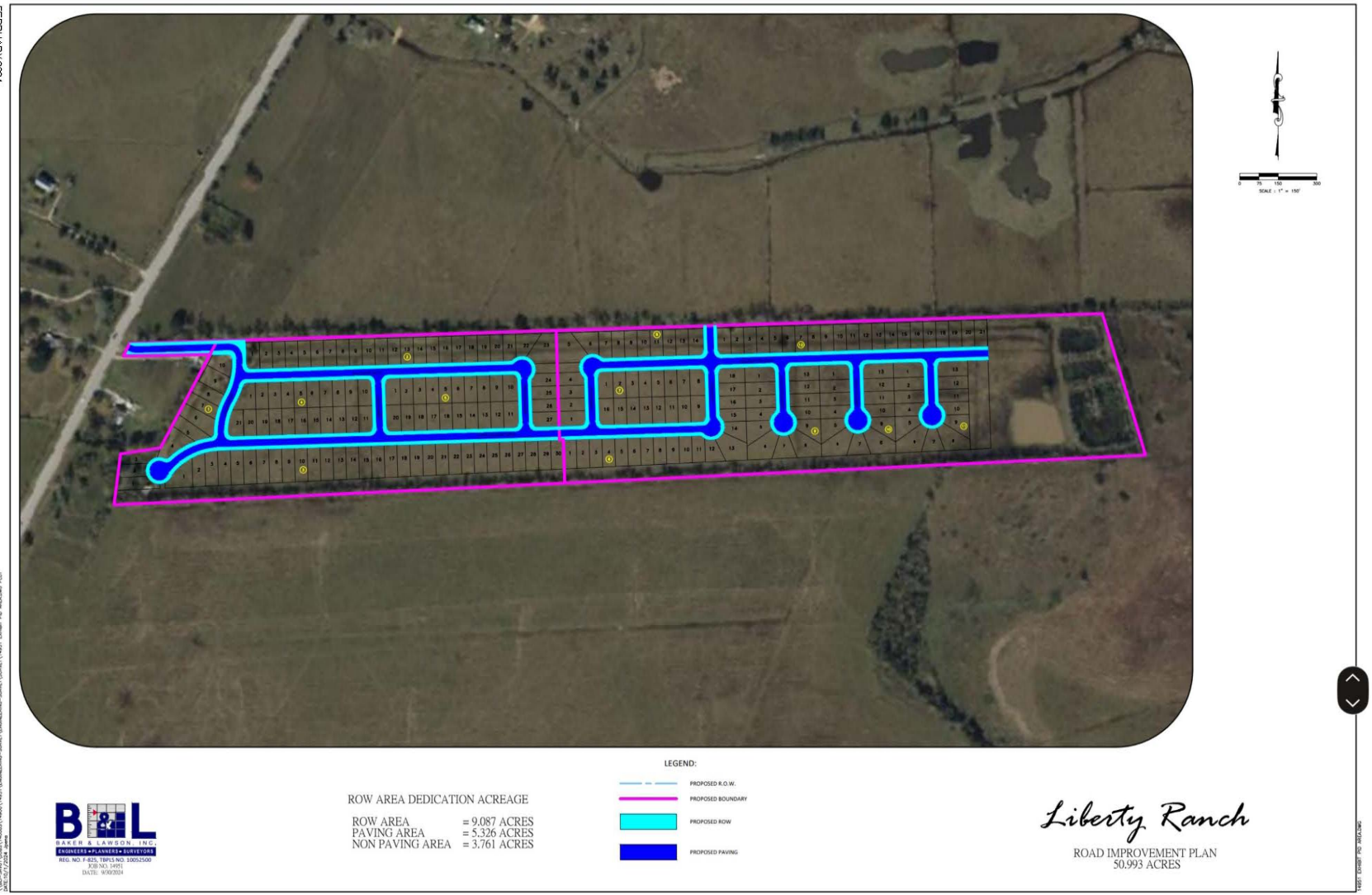
CITY OF LIBERTY, TEXAS




LIBERTY RANCH
October 2025
IMPROVEMENT AREA 1 - WASTEWATER CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED WASTEWATER
BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS
REG. NO. F-825, TBPLS NO. 10052500
DATE: 9/30/2024
Liberty Ranch
WASTEWATER IMPROVEMENT PLAN
50.993 ACRES


LIBERTY RANCH
FEBRUARY 2025
IMPROVEMENT AREA 1 - DRAINAGE
CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED DRAINAGE AND DETENTION AREA
DRAINAGE AREA DEDICATION ACREAGE
21.246 ACRES
BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS
Liberty Ranch
DRAINAGE IMPROVEMENT PLAN
50.993 ACRES


LIBERTY RANCH
IMPROVEMENT AREA 1 - WATER
CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED WATERLINE
BAKER & LAWSON, INC.
ENGINEERS ▪ PLANNERS ▪ SURVEYORS
REG. NO. F-825, TBPLS NO. 10052500
JOB NO. 14951
DATE: 9/30/2024
Liberty Ranch
WATER IMPROVEMENT PLAN
50.993 ACRES


LIBERTY RANCH
IMPROVEMENT AREA 1 - STREETS
CITY OF LIBERTY, TEXAS
FEBRUARY 2024
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED ROW
PROPOSED PAVING
ROW AREA DEDICATION ACREAGE
ROW AREA = 9.087 ACRES
PAVING AREA = 5.326 ACRES
NON PAVING AREA = 3.761 ACRES
BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS
Liberty Ranch
ROAD IMPROVEMENT PLAN
50.993 ACRES

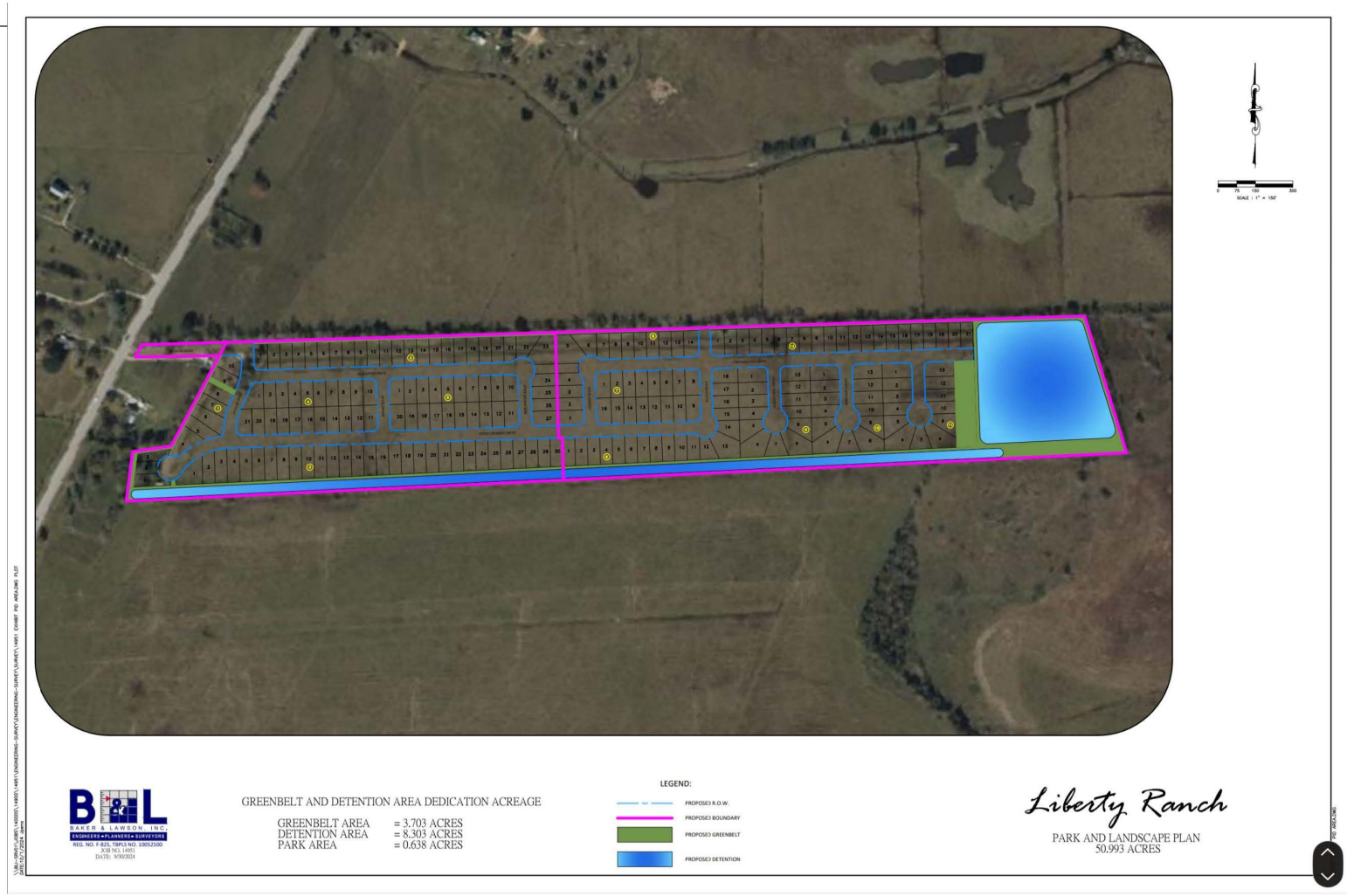
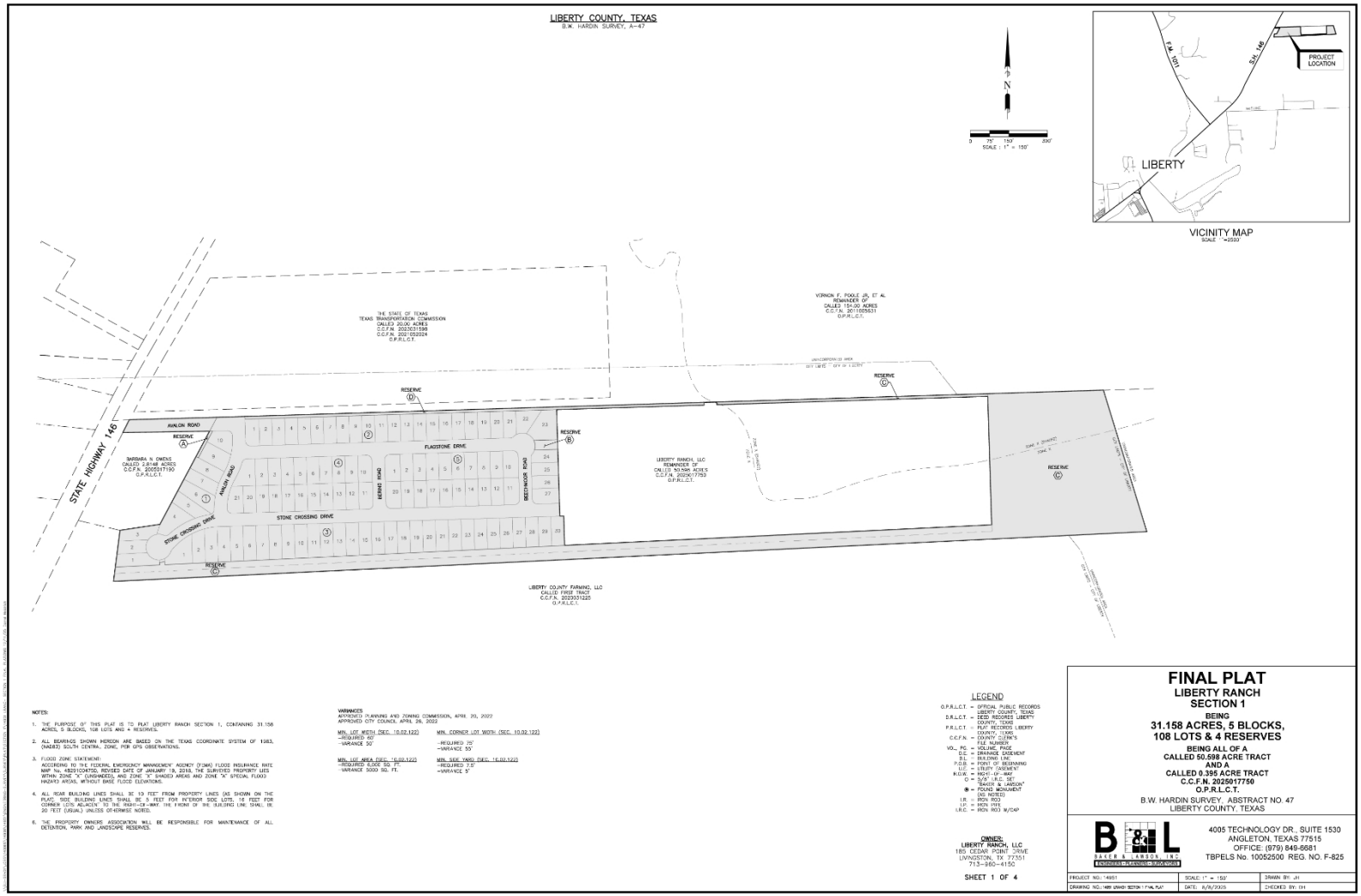
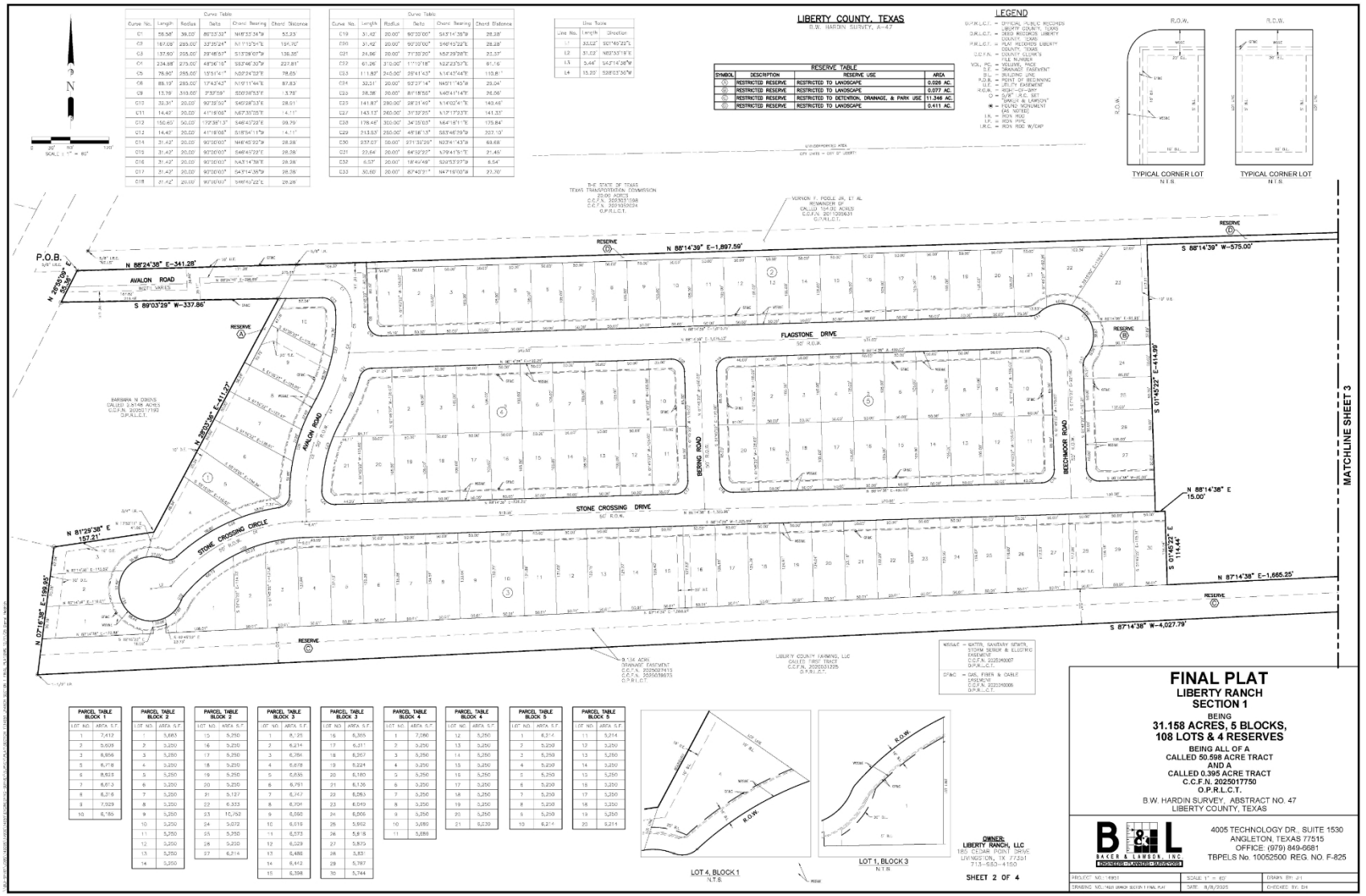
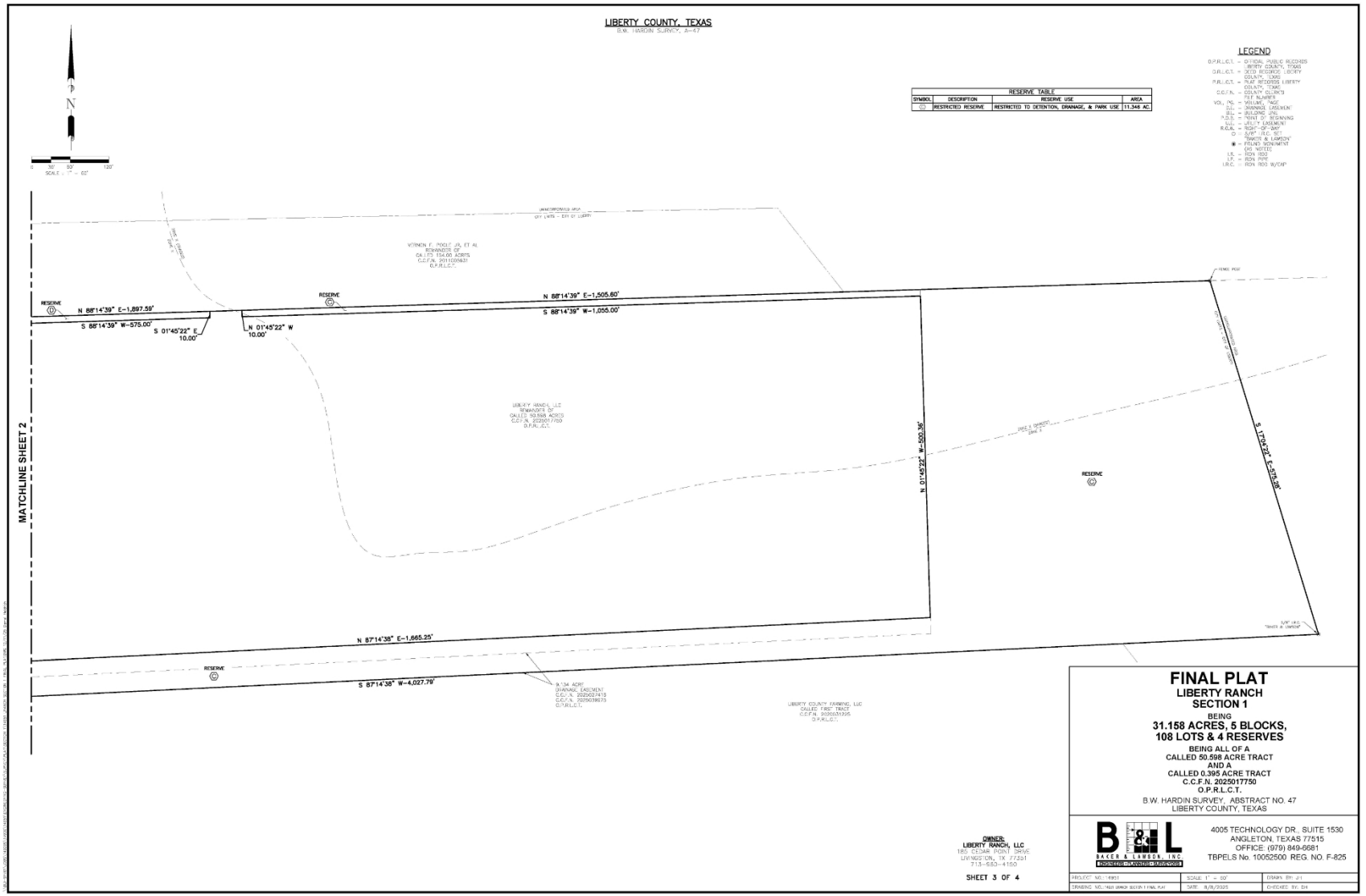
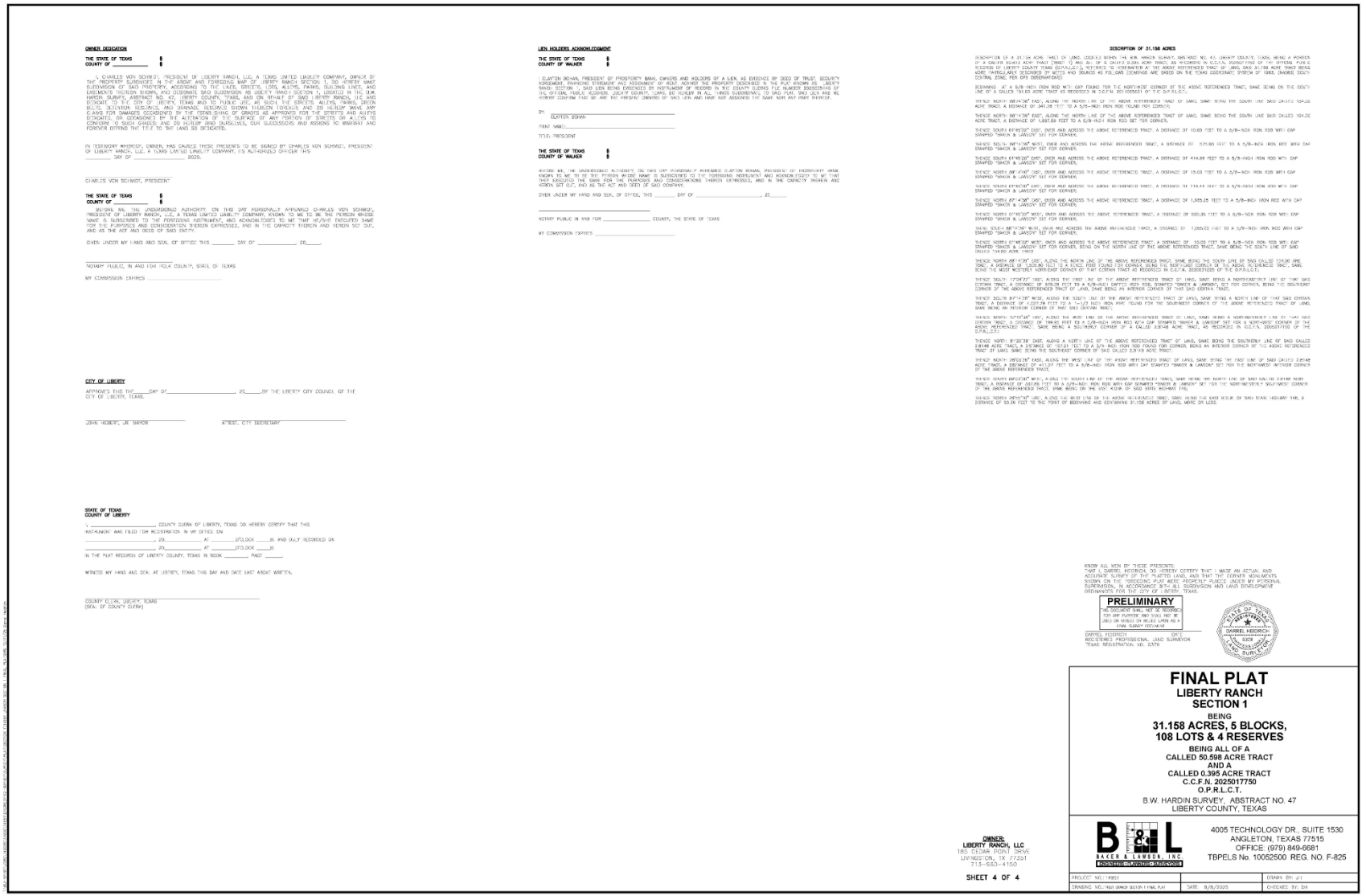

GREENBELT AND DETENTION AREA DEDICATION ACREAGE
GREENBELT AREA = 3.703 ACRES
DETENTION AREA = 8.303 ACRES
PARK AREA = 0.638 ACRES
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED GREENBELT
PROPOSED DETENTION
Liberty Ranch
PARK AND LANDSCAPE PLAN
50.993 ACRES

EXHIBIT H – LIBERTY RANCH SECTION 1 PLAT




LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47
LEGEND
RESERVE TABLE
SYMBOL | DESCRIPTION | RESERVE USE | AREA
(A) RESTRICTED RESERVE RESTRICTED TO LANDSCAPE 0.028 AC.
(B) RESTRICTED RESERVE RESTRICTED TO LANDSCAPE 0.077 AC.
(C) RESTRICTED RESERVE RESTRICTED TO DETENTION, DRAINAGE, & PARK USE 11.349 AC.
(D) RESTRICTED RESERVE RESTRICTED TO LANDSCAPE 0.411 AC.
TYPICAL CORNER LOT N.T.S.
TYPICAL CORNER LOT N.T.S.
P.O.B.
N 88°24'38" E-341.28'
AVALON ROAD
S 89°03'29" W-337.86'
N 88°14'39" E-1,897.59'
S 88°14'39" W-575.00'
FLAGSTONE DRIVE
50' R.O.W.
AVALON ROAD
BERING ROAD
BEECHMOOR ROAD
STONE CROSSING DRIVE
60' R.O.W.
STONE CROSSING CIRCLE
N 81°29'38" E
157.21'
N 07°16'38" E-199.85'
S 01°45'22" E-414.99'
N 88°14'38" E
15.00'
S 01°45'22" E
114.44'
N 87°14'38" E-1,685.25'
S 87°14'38" W-4,027.79'
MATCHLINE SHEET 3
LOT 4, BLOCK 1
N.T.S.
LOT 1, BLOCK 3
N.T.S.
OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713-560-4150
SHEET 2 OF 4
FINAL PLAT
LIBERTY RANCH
SECTION 1
BEING
31.158 ACRES, 5 BLOCKS,
108 LOTS & 4 RESERVES
BEING ALL OF A
CALLED 50.598 ACRE TRACT
AND A
CALLED 0.395 ACRE TRACT
C.C.F.N. 2025017750
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
BAKER & LAWSON, INC
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10052500 REG. NO. F-825


LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47
LEGEND
RESERVE TABLE
SYMBOL | DESCRIPTION | RESERVE USE | AREA
RESTRICTED RESERVE | RESTRICTED TO DETENTION, DRAINAGE, & PARK USE | 11.346 AC.
MATCHLINE SHEET 2
N 88°14'39" E-1,897.59'
S 88°14'39" W-575.00'
S 01°45'22" E 10.00'
N 01°45'22" W 10.00'
N 88°14'39" E-1,505.60'
S 88°14'39" W-1,055.00'
N 01°45'22" W-500.35'
S 17°43'22" E-519.38'
N 87°14'38" E-1,665.25'
S 87°14'38" W-4,027.79'
RESERVE
VERNON E. POOLE JR, ET AL
REMAINDER OF
CALLED 154.00 ACRES
C.C.F.N. 2011035631
O.P.R.L.C.T.
LIBERTY RANCH, LLC
REMAINDER OF
CALLED 50.598 ACRES
C.C.F.N. 2025017750
O.P.R.L.C.T.
9.134 ACRE
DRAINAGE EASEMENT
C.C.F.N. 2025027418
C.C.F.N. 2025039173
O.P.R.L.C.T.
LIBERTY COUNTY FARMING, LLC
CALLED 1787 TRACT
C.C.F.N. 2025031205
O.P.R.L.C.T.
OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713-662-4150
SHEET 3 OF 4
FINAL PLAT
LIBERTY RANCH
SECTION 1
BEING
31.158 ACRES, 5 BLOCKS,
108 LOTS & 4 RESERVES
BEING ALL OF A
CALLED 50.598 ACRE TRACT
AND A
CALLED 0.395 ACRE TRACT
C.C.F.N. 2025017750
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
BAKER & LAWSON, INC
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10052500 REG. NO. F-825



OWNER DEDICATION

THE STATE OF TEXAS §
COUNTY OF _____ §

I, CHARLES VON SCHMIDT, PRESIDENT OF LIBERTY RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, OWNER OF THE PROPERTY SURVEYED IN THE ABOVE AND FOREGOING MAP OF LIBERTY RANCH SECTION 1, DO HEREBY MAKE SUBDIVISION OF SAID PROPERTY, ACCORDING TO THE LINES, STREETS, LOTS, ALLEYS, PARKS, BUILDING LINES, AND EASEMENTS THEREON SHOWN, AND DESIGNATE SAID SUBDIVISION AS LIBERTY RANCH SECTION 1, LOCATED IN THE B.W. HARDIN SURVEY, ABSTRACT NO. 47, LIBERTY COUNTY, TEXAS, AND ON BEHALF OF SAID LIBERTY RANCH, LLC AND DEDICATE TO THE CITY OF LIBERTY, TEXAS AND TO PUBLIC USE, AS SUCH, THE STREETS, ALLEYS, PARKS, GREEN BELTS, DETENTION RESERVES, AND DRAINAGE RESERVES SHOWN THEREON FOREVER, AND DO HEREBY WAIVE ANY CLAIMS FOR DAMAGES OCCASIONED BY THE ESTABLISHING OF GRADES AS APPROVED FOR THE STREETS AND ALLEYS DEDICATED, OR OCCASIONED BY THE ALTERING OF THE SURFACE OF ANY PORTION OF STREETS OR ALLEYS TO CONFORM TO SUCH GRADES, AND DO HEREBY BIND MYSELF, OUR SUCCESSORS AND ASSIGNS TO WARRANT AND FOREVER DEFEND THE TITLE TO THE LAND SO DEDICATED.

IN TESTIMONY WHEREOF, OWNER, HAS CAUSED THESE PRESENTS TO BE SIGNED BY CHARLES VON SCHMIDT, PRESIDENT OF LIBERTY RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, ITS AUTHORIZED OFFICER THIS _____ DAY OF _____, 2025.

_____
CHARLES VON SCHMIDT, PRESIDENT

THE STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED CHARLES VON SCHMIDT, PRESIDENT OF LIBERTY RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE/SHE EXECUTED SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED, AND IN THE CAPACITY THEREIN AND HEREIN SET OUT, AND AS THE ACT AND DEED OF SAID ENTITY.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____, 20____.

_____
NOTARY PUBLIC, IN AND FOR POLK COUNTY, STATE OF TEXAS

MY COMMISSION EXPIRES _____

CITY OF LIBERTY

APPROVED THIS THE _____DAY OF_____, 20_____BY THE LIBERTY CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS.

_____ _____
JOHN HILBERT, JR MAYOR ATTEST, CITY SECRETARY

STATE OF TEXAS
COUNTY OF LIBERTY

I, _____, COUNTY CLERK OF LIBERTY, TEXAS DO HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED FOR REGISTRATION IN MY OFFICE ON _____, 20____, AT _____O'CLOCK ____M. AND DULY RECORDED ON _____, 20____, AT _____O'CLOCK ____M. IN THE PLAT RECORDS OF LIBERTY COUNTY, TEXAS IN BOOK _____ PAGE _____

WITNESS MY HAND AND SEAL AT LIBERTY, TEXAS THIS DAY AND DATE LAST ABOVE WRITTEN.

_____
COUNTY CLERK, LIBERTY, TEXAS
(SEAL OF COUNTY CLERK)

LIEN HOLDERS ACKNOWLEDGMENT

THE STATE OF TEXAS §
COUNTY OF WALKER §

I, CLAYTON BOHAN, PRESIDENT OF PROSPERITY BANK, OWNERS AND HOLDERS OF A LIEN, AS EVIDENCE BY DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF RENT AGAINST THE PROPERTY DESCRIBED IN THE PLAT KNOWN AS LIBERTY RANCH SECTION 1, SAID LIEN BEING EVIDENCED BY INSTRUMENT OF RECORD IN THE COUNTY CLERKS FILE NUMBER 2025035165 OF THE OFFICIAL PUBLIC RECORDS, LIBERTY COUNTY, TEXAS, DO HEREBY IN ALL THINGS SUBORDINATE TO SAID PLAT, SAID LIEN AND RE HEREBY CONFIRM THAT WE ARE THE PRESENT OWNERS OF SAID LIEN AND HAVE NOT ASSIGNED THE SAME NOR ANY PART THEREOF.

BY: _____
CLAYTON BOHAN

PRINT NAME: _____

TITLE: PRESIDENT

THE STATE OF TEXAS §
COUNTY OF WALKER §

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED CLAYTON BOHAN, PRESIDENT OF PROSPERITY BANK KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT THEY EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED, AND IN THE CAPACITY THEREIN AND HEREIN SET OUT, AND AS THE ACT AND DEED OF SAID COMPANY.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS _____ DAY OF _____, 20____.

_____
NOTARY PUBLIC IN AND FOR _____ COUNTY, THE STATE OF TEXAS

MY COMMISSION EXPIRES _____

DESCRIPTION OF 31.158 ACRES

DESCRIPTION OF A 31.158 ACRE TRACT OF LAND, LOCATED WITHIN THE B.W. HARDIN SURVEY, ABSTRACT NO. 47, LIBERTY COUNTY, TEXAS, BEING A PORTION OF A CALLED 50.598 ACRE TRACT (TRACT 1) AND ALL OF A CALLED 0.395 ACRE TRACT, AS RECORDED IN C.C.F.N. 2025017750 OF THE OFFICIAL PUBLIC RECORDS, LIBERTY COUNTY, TEXAS (O.P.R.L.C.T.), REFERENCE IS HEREINAFTER AT THE ABOVE REFERENCED TRACT OF LAND, SAID 31.158 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS (BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, UNIFIED SOUTH CENTRAL ZONE, FOR GPS OBSERVATIONS):

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP FOUND FOR THE NORTHWEST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING ON THE SOUTH LINE OF A CALLED 154.00 ACRE TRACT AS RECORDED IN S.C.F.N. 2014005631 OF THE O.P.R.L.C.T.;

THENCE NORTH 88°14'39" EAST, ALONG THE NORTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTH LINE SAID CALLED 154.00 ACRE TRACT, A DISTANCE OF 941.08 FEET TO A 5/8-INCH IRON ROD FOUND FOR CORNER;

THENCE NORTH 88°14'39" EAST, ALONG THE NORTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTH LINE SAID CALLED 154.00 ACRE TRACT, A DISTANCE OF 1,007.69 FEET TO A 5/8-INCH IRON ROD SET FOR CORNER;

THENCE SOUTH 67°45'20" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 15.60 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE SOUTH 67°45'20" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 315.80 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE SOUTH 67°45'20" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 414.99 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE NORTH 88°14'40" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 15.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE SOUTH 67°45'20" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 1144.44 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE NORTH 87°41'04" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 1,585.28 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE NORTH 67°45'20" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 830.35 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE SOUTH 88°14'40" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 1,085.01 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;

THENCE NORTH 67°45'20" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 10.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER, BEING ON THE NORTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE SOUTH LINE OF SAID CALLED 154.00 ACRE TRACT;

THENCE NORTH 88°14'39" EAST, ALONG THE NORTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE SOUTH LINE OF SAID CALLED 154.00 ACRE TRACT, A DISTANCE OF 1,023.80 FEET TO A 5/8-INCH IRON ROD FOUND (DAMAGED) FOR CORNER, BEING THE NORTHEAST CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE MOST NORTHERLY NORTH-EAST CORNER OF THAT CERTAIN TRACT AS RECORDED IN C.C.F.N. 2020031225 OF THE O.P.R.L.C.T.;

THENCE SOUTH 17°04'20" WEST, ALONG THE EAST LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING A NORTHERLY LINE OF THAT SAID CERTAIN TRACT, A DISTANCE OF 1,021.79 FEET TO A 1-1/2 INCH IRON PIPE FOUND FOR THE SOUTHEAST CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING AN INTERIOR CORNER OF THAT SAID CERTAIN TRACT;

THENCE SOUTH 89°14'28" WEST, ALONG THE SOUTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING A NORTH LINE OF THAT SAID CERTAIN TRACT, A DISTANCE OF 1,021.79 FEET TO A 1-1/2 INCH IRON PIPE FOUND FOR THE SOUTHWEST CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING AN INTERIOR CORNER OF THAT SAID CERTAIN TRACT;

THENCE NORTH 32°18'48" WEST, ALONG THE WEST LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING A NORTH-EASTERLY LINE OF THAT SAID CERTAIN TRACT, A DISTANCE OF 1,194.93 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR A NORTHERLY CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING A SOUTHERLY CORNER OF A CALLED 2.8148 ACRE TRACT AS RECORDED IN C.C.F.N. 2005017150 OF THE O.P.R.L.C.T.;

THENCE NORTH 81°20'28" EAST, ALONG A NORTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTHERLY LINE OF SAID CALLED 2.8148 ACRE TRACT, A DISTANCE OF 157.21 FEET TO A 3/4-INCH IRON ROD FOUND FOR CORNER, BEING AN INTERIOR CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTHEAST CORNER OF SAID CALLED 2.8148 ACRE TRACT;

THENCE NORTH 08°08'14" EAST, ALONG THE WEST LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE EAST LINE OF SAID CALLED 2.8148 ACRE TRACT, A DISTANCE OF 521.65 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR THE NORTHWEST INTERIOR CORNER OF THE ABOVE REFERENCED TRACT;

THENCE SOUTH 89°03'08" WEST, ALONG THE SOUTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE NORTH LINE OF SAID CALLED 2.8148 ACRE TRACT, A DISTANCE OF 223.85 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR THE NORTH-WESTERLY SOUTH-WEST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING ON THE EAST R.O.W. OF SAID STATE HIGHWAY 146;

THENCE NORTH 28°03'16" EAST, ALONG THE WEST LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE EAST R.O.W. OF SAID STATE HIGHWAY 146, A DISTANCE OF 59.06 FEET TO THE POINT OF BEGINNING AND CONTAINING 31.158 ACRES OF LAND, MORE OR LESS.

KNOW ALL MEN BY THESE PRESENTS:
THAT I, DARREL HEDRICH, DO HEREBY CERTIFY THAT I MADE AN ACTUAL AND ACCURATE SURVEY OF THE PLATTED LAND, AND THAT THE CORNER MONUMENTS SHOWN ON THE SUBDIVISION PLAT WERE PROPERLY PLACED UNDER MY PERSONAL SUPERVISION, IN ACCORDANCE WITH ALL SUBDIVISION AND LAND DEVELOPMENT ORDINANCES FOR THE CITY OF LIBERTY, TEXAS.

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

DARREL HEDRICH DATE
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 5378

STATE OF TEXAS
DARREL HEDRICH
5378
REGISTERED PROFESSIONAL LAND SURVEYOR
SURVEYOR

OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713-553-4150

SHEET 4 OF 4

FINAL PLAT
LIBERTY RANCH
SECTION 1

BEING
31.158 ACRES, 5 BLOCKS, 108 LOTS & 4 RESERVES

BEING ALL OF A
CALLED 50.598 ACRE TRACT
AND A
CALLED 0.395 ACRE TRACT
C.C.F.N. 2025017750
O.P.R.L.C.T.

B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS

BAKER & LAWSON, INC
ENGINEERS SURVEYORS PLANNERS
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10052500 REG. NO. F-825

PROJECT NO. 1951		DRAWN BY: JT
DRAWING NO. 1951 LIBERTY RANCH SECTION 1 FINAL PLAT	DATE: 8/8/2025	CHECKED BY: DH

EXHIBIT I – FORM OF NOTICE OF PID ASSESSMENT TERMINATION



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

[Date]
Liberty County Clerk's Office
Honorable _____
1923 Sam Houston
Liberty, TX 77575

Re: City of Liberty Lien Release documents for filing

Dear Ms./Mr. _____,

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

City of Liberty
Attn: [City Secretary]
1829 Sam Houston St.
Liberty, TX 77575

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

Sincerely,
[Signature]

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

AFTER RECORDING RETURN TO:

[City Secretary Name]
[City Secretary Address]

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

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS	§	
	§	**NOW ALL MEN BY THESE PRESENTS:**
COUNTY OF LIBERTY	§	

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

RECITALS

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

WHEREAS, on or about May 10, 2022, the City Council for the City, approved a Resolution, creating the Liberty Ranch Public Improvement District; and

WHEREAS, the Liberty Ranch Public Improvement District consists of approximately 50.993 contiguous acres within the corporate limits of the City; and

WHEREAS, on or about, February 10, 2026, the City Council, approved Ordinance No. [xxx-2026], (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property (defined herein) within the Liberty Ranch Public Improvement District; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") for the following property: [legal description], a subdivision in Liberty County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Liberty County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property Developers of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Liberty County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said Lien held by the undersigned securing said indebtedness.

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

CITY OF LIBERTY, TEXAS,

By: _____
[City Manager Name], City Manager

ATTEST:

_____
[City Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF LIBERTY §

This instrument was acknowledged before me on the ____ day of _____, 20__, by [City Manager], for the City of Liberty, Texas, on behalf of said City.

_____
Notary Public, State of Texas

EXHIBIT J – DISTRICT BOUNDARY DESCRIPTION

BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS

County: Liberty County
Project: 50.598 Acres
Job No.: 14951

TRACT 1
DESCRIPTION OF 50.598 ACRES

Description of a 50.598 acre tract of land, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas, being all of a called 50.613 acre tract (Tract 1) as recorded in County Clerk's File No. (C.C.F.N.) 2021048312 of the Official Public Records of Liberty County Texas (O.P.R.L.C.T.), referred to hereinafter at the above referenced tract of land, said 50.598 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 1/2-inch iron rod found for corner, being the Northwest corner of the above referenced tract, same being on the South line of a called 154.00 acre tract as recorded in C.C.F.N. 2011005631 of the O.P.R.L.C.T., same being the Northeast corner of a called 0.394 acre tract, as recorded in C.C.F.N. 2021048312 of the O.P.R.L.C.T.

THENCE North 88°14'39" East, along the North line of the above referenced tract of land, same being the south line said called 154.00 acre tract, a distance of 3,453.19 feet to a fence post found for corner, being the Northeast corner of the above referenced tract, same being the most Westerly Northeast corner of a that certain tract as recorded in C.C.F.N. 2020031225 of the O.P.R.L.C.T.;

THENCE South 17°04'22" East, along the East line of the above referenced tract of land, same being a Northeasterly line of that said certain tract, a distance of 575.28 feet to a 5/8-inch iron rod with cap, stamped "Baker & Lawson", found for corner, being the Southeast corner of the above referenced tract of land, same being an interior corner of that said certain tract;

THENCE South 87°14'38" West, along the South line of the above referenced tract of land, same being a North line of that said certain tract, a distance of 4,027.79 feet to a 1-1/2 inch iron pipe found for the Southwest corner of the above referenced tract of land, same being an interior corner of that said certain tract;

THENCE North 07°16'38" East, along the West line of the above referenced tract of land, same being a Northwesterly line of that said certain tract, a distance of 199.95 feet to a 1/2-inch pipe found for a Northwest corner of the above referenced tract, same being a Southerly corner of a called 2.8148 acre tract, as recorded in C.C.F.N. 2005017190 of the O.P.R.L.C.T.;

THENCE North 81°29'38" East, along a North line of the above referenced tract of land, same being the Southerly line of said called 2.8148 acre tract, a distance of 157.21 feet to a 3/4-inch iron rod found for corner, being an interior corner of the above referenced tract of land, same being the Southeast corner of said called 2.8148 acre tract;

THENCE North 28°03'36" East, along the West line of the above referenced tract of land, same being the East line of said called 2.8148 acre tract, a distance of 471.64 feet to the **POINT OF BEGINNING** of the above referenced tract of land, containing 50.598 acres of land, more or less.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

Darrel Heidrich 09/24/2025
Darrel Heidrich
Registered Professional Land Surveyor
Texas Registration No. 5378



County: Liberty County
Project: 0.395 Acre
Job No.: 14951

TRACT 2
DESCRIPTION OF 0.395 ACRE

Description of a called 0.395 acre tract of land, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas, being all of a called 0.394 acre tract as recorded in County Clerk's File No. (C.C.F.N.) 2021048312 of the Official Public Records of Liberty County Texas (O.P.R.L.C.T.), referred to hereinafter as the above referenced tract, said 0.395 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 5/8-inch iron rod with aluminum cap, found for corner, being the Northwest corner of the above referenced tract, same being on the East Right-of-Way (R.O.W.) of State Highway 146;

THENCE North 88°24'38" East, along the North line of the above referenced tract of land, same being the South line of a called 154.000 acre tract, as recorded in 2011005631 of the O.P.R.L.C.T., a distance of 341.28 feet to a 1/2-inch iron rod found for corner, being the Northeast corner of the above referenced tract, same being the Northwest corner of a called 50.613 acre tract, as recorded in C.C.F.N. 2021048312 of the O.P.R.L.C.T.;

THENCE South 28°03'36" West, along the East line of the above referenced tract of land, same being the West line of said called 50.613 acre tract, a distance of 60.37 feet to a 5/8-inch capped iron rod, stamped "Baker & Lawson", set for corner, being the Southeast corner of the above referenced tract of land, same being the Northeast corner of a called 2.8148 acre tract, as recorded in C.C.F.N. 2005017190 of the O.P.R.B.C.T.;

THENCE South 89°03'29" West, along the South line of the above referenced tract of land, same being the North line of said called 2.8148 acre tract, a distance of 337.86 feet to a 5/8-inch capped iron rod, stamped "Baker & Lawson", set for corner, being the Southwest corner of the above referenced tract of land, same being in the East R.O.W. line of said State Highway 146;

THENCE North 26°55'09" East, along the West line of the above referenced tract of land, same being the East R.O.W. line of said State Highway 146, a distance of 55.36 feet to the **POINT OF BEGINNING** of the above referenced tract of land, containing 0.395 of an acre of land, more or less.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

STATE OF TEXAS
REGISTERED
DARREL HEIDRICH
5378
PROFESSIONAL
LAND SURVEYOR

09/24/2025

Darrel Heidrich
Registered Professional Land Surveyor
Texas Registration No. 5378

APPENDIX A – ENGINEER'S REPORT

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ENGINEERING REPORT
Liberty Ranch
Public Improvement District

Improvement Area #1

City of Liberty, Texas

Prepared For:

Liberty Ranch, LLC

And **City of Liberty, Texas**

4005 Technology Drive Suite 1530

Angleton, TX 77515

Firm #: F-825 **October 12, 2025**

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Introduction

The Liberty Ranch development is a single-family residential development tract currently under development located in the City of Liberty, Texas. A site location map has been included in ***Appendix 1***. As part of this development, the Liberty Ranch Public Improvement District ("PID") was created May 10th of 2022 to fund future expenditures associated with the Development. The Liberty Ranch PID is comprised of 51 acres and will consist of ONE improvement area which will include Liberty Ranch, Sections 1, and 2. These two sections will include 216 50 ft lots.

This report includes supporting documentation for costs of construction of reimbursable items within PID Improvement Area #1.

Development Costs

An engineer's opinion of probable cost (Engineer's OPC) has been prepared for all on and off-site infrastructure. The Engineer's OPC has been provided as ***Appendix 2***. Dry utilities including Fiber, Electrical, Phone have been excluded from the OPC and total construction costs.

Development Improvements

Development improvements have been defined as Improvement Area #1 for this report.

Improvement Area #1 consists of Liberty Ranch, Sections 1, and 2 containing 216 50ft lots and is depicted in ***Appendix 5 – 10***.

Development improvements will be designed and constructed in accordance with City of Liberty standards and specifications and will be owned and operated by the City, Home Owners Association, or public utility company unless otherwise indicated.

Development improvements include:

Streets

Improvements include land acquisition for right-of-way, subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, and curbs. Intersections, Streetlights (HOA Responsibility) and signage are included. These roadway improvements include streets that will provide street access to each Lot. These projects provide access to community roadways and State Highway 146.

Drainage

Improvements include land acquisition for Detention, and Drainage, trench excavation and embedment, trench safety, reinforced concrete and PP piping, manholes, inlets, channels/swales. These will include

the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area and temporarily detain water as required by the City of Liberty.

Water

Improvements include trench excavation and embedment, trench safety, PVC piping, fire hydrant assemblies, air release valves, gate valves, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. Water system will be owned by City of Liberty.

Wastewater

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. Sewer system will be owned by City of Liberty.

Erosion Control & Miscellaneous

Includes silt fence, rock berms, construction entrances, inlet protection, topsoil, hydromulch and seeding, and irrigation sleeves for the limits of the improvement area.

Clearing

Includes clear and grub, excavation, and embankment for the limits of the improvement area.

Project Detention

Includes land acquisition, clearing, pond excavation and embankment, soil testing, channels, rock riprap, loose riprap walls, construction of outfall structures. Erosion controls, revegetation, and utility improvements are also included.

Landscape and Amenities Improvements for IA#1

Neighborhood will contain unique street designs, pedestrian/bike circulation routes, landscaping, and recreational activities. A focus on public spaces combines with these to form a cohesive community. Neighborhood park areas, public places and multi-use paths promote meaningful connections to the public and residents. Land for greenbelts and parks are included in costs.

Entry Monument and Neighborhood Entries

Community entry monument signs, perimeter walls, and landscape entry are intended to identify the character of the community by expressing distinctive qualities and/or features of the neighborhoods.

Common Area and Pocket Parks

Common Areas include land acquisition, landscaped areas along the collector streets, including street trees, trails, and planting and irrigation. Pocket Parks are open space areas within neighborhood which are landscaped, providing outdoor landscape improvements open to the public and residents of the community.

Main Amenities Area

Located in IA#1, this area will include high quality Play Structures, Basketball court, Horseshoe pitches.

Trails

Trails consist of multi-use paths, greenbelt pedestrian paths, and walkways located in public corridors that serve origin and destination points.

Fencing for Common Areas

Fencing for Common Areas includes perimeter walls and adjacent to pocket parks.

Development Schedule

Design Stage

Sections 1 and 2 are approved, Section 1 is in final stages of construction with final inspection by City of Liberty projected for January 2026. Section 1 Final Plat planned approval date is January 2026 and section 2 submission Q1 2027. There is sufficient water and sewer capacity for the entire project. Contracts have been entered into for 162 of the 216 lots within IA# 1.

Offsite wastewater interceptor ties in at Texas State Highway 146 and is being extended as part of this project to the Liberty Ranch property. Offsite utility extension to the existing Liberty Infrastructure under construction with completion anticipated Q4 2025 prior to final plat.

The 10" offsite water transmission line ties in at Texas State Highway 146 and has been extended to the Liberty Ranch property. Offsite utility extension to the existing Liberty Infrastructure under construction with completion anticipated Q4 2025 prior to final plat.

The Liberty Ranch Project Detention pond and drainage areas are located throughout the community as part of the subdivision improvements and are located east of Hwy 146. These will serve Improvement Area #1.

Construction Stage

Section 1, consisting of 108 50 x 105' lots which is a portion of Improvement Area #1, and Section 2 consisting of 108 lots representing the final portion of IA#1 and the PID are currently under construction. The entirety of IA#1 is scheduled for Completion 2026, with inspections for Section 1 at the end of December 2025 by City of Liberty and anticipated acceptance into the 1 year maintenance program in January of 2026.

Liberty Ranch Sections 1&2																	
TASK	PID AREA	SECTION	2024				2025				2026				2027			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Plan Design and Approval	1	1																
Construction of Improvements																		
Lot Delivery																		
Plan Design and Approval	1	2																
Construction of Improvements																		
Lot Delivery																		
Plan Design and Approval																		
Construction of Improvements																		
Lot Delivery																		
Plan Design and Approval																		
Construction of Improvements																		
Lot Delivery																		
Plan Design and Approval																		
Construction of Improvements																		
Lot Delivery																		

APPENDIX

APPENDIX 1
SITE LOCATION MAP



VICINITY MAP
SCALE 1"=1200'

N.T.S.

LOCATION MAP

LIBERTY RANCH
PUBLIC IMPROVEMENT DISTRICT
LOCATION MAP

APPENDIX 2
ENGINEER'S OPINION OF PROBABLE COST

Liberty Ranch Sections 1&2			
OVERALL SUMMARY			
	Improvement Area #1	Improvement Area #2	Totals
Section1: Hard Construction Costs			
Hard Costs:			
WATER	$671,233	$0	$671,233
SANITARY SEWER	$883,973	$0	$883,973
STORM DRAINAGE	$609,111	$0	$609,111
STREET	$1,384,840	$0	$1,384,840
MISC STREET	$29,125	$0	$29,125
EROSION CONTROL	$50,800	$0	$50,800
GRADING	$182,050	$0	$182,050
FINE GRADING/DITCH STREET RESTORATION	$109,500	$0	$109,500
PERMANENT PONDS	$353,500	$0	$353,500
PARK LAND / EQUIPMENT	$35,440	$0	$35,440
SUBDIVISION GATE SIGNS AND ENTRANCE	$20,700	$0	$20,700
STREAM CROSSINGS	$0	$0	$0
OFFSITE ROAD IMPROVEMENTS	$675,000	$0	$675,000
OFFSITE WATER	$0	$0	$0
OFFSITE SEWER	$0	$0	$0
Total Construction Costs +/- 1.00 Rounding	$5,005,271	$0	$5,005,271
Section 2: Soft Costs			
Soft Costs			
EXTERNAL OVERHEAD/PERMITS/CAPACITY FEES	$128,200	$0	$128,200
SURVEY/STUDIES	$152,750	$0	$152,750
Engineering, Inspections and Testing	$422,898	$0	$422,898
Bond Fees			$0
Total Soft Costs +/- 1.00 Rounding	$703,848	$0	$703,848
Subtotal	$5,709,119	$0	$5,709,119
Contingency Civil 12.00%	$634,347	$0	$634,347
Contingency Landscape			$0
Total Contingency	$634,347	$0	$634,347
Total Qualified PID Costs	$6,343,466	$0	$6,343,466
		0	

Liberty Ranch Sections 1&2			ENGINEERING SUMMARY	
IMPROVEMENT AREA	CONSTRUCTION COST (W/CONTINGENCY)	FEES	TOTAL	
IMPROVEMENT AREA # 1	$5,639,618	$703,848	$6,343,466	
IMPROVEMENT AREA # 2	$0	$0	$0	
TOTAL	$5,639,618	$703,848	$6,343,466	

Liberty Ranch IA#1 Sec 1-2

Subdivision	Liberty Ranch Sections 1&2
Total Units	216
Length of Street	6780
Number of Intersections	5
Width of streets	28
Number of Cul-de-Sacs	2

Legend		
Empty	User Input Lines	With Values
	Calculated Cells (DO NOT EDIT)	
	Optional Items (remove 0 in front of formula to include)	

10.12.25

Infrastructure Budget

Description					
EXTERNAL OVERHEAD/PERMITS/CAPACITY FEES	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Mobilization/ General Conditions	0	LS	25,830.00	$0	Comments
Bonds Letter of Credit to County	4.50	%	20,000.00	$90,000	
Insurance	0.00	per 1 M	9,000.00	$0	
City County Fees	1	Per	35,000.00	$35,000	
Permitting /Review	0	Ea.	8,000.00	$0	
Capacity Fee	0	Lot	5,000.00	$0	
Impact Fee		Lot	0.00	$0	
Development Permit Fee	0	Lot	250.00	$0	
Site Work Permit Fee	1.00	Ea.	3,200.00	$3,200	
Development Cost Alocation	0	Lot	2,250.00	$0	
Subtotal					$128,200
SURVEY/STUDIES	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Construction Staking	216	Lot	350.00	$75,600	Comments
Elevation Surveys	1.00		9,250.00	$9,250	
Subdivision Platting	1.00		14,500.00	$14,500	
Market Study	1.00		3,000.00	$3,000	
Environmental Phase 1	1.00		4,500.00	$4,500	
Soils Testing	2.00		11,000.00	$22,000	
Traffic Study	1		13,000.00	$13,000	
Wetlands Study	0.00		18,590.00	$0	
Boundary Survey	2.00	Open	5,450.00	$10,900	
Subtotal					$152,750
EROSION CONTROL	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Construction Entrance	1	EA	4,800.00	$4,800	Comments
Clear & Grub	7	AC	5,500.00	$38,500	
Erosion Control Measures (Silt Fence etc....)	5	AC	650.00	$3,250	
Erosion Control Basins	0	EA	10,000.00	$0	
Temporary Erosion Control Seeding	5	AC	850.00	$4,250	
Open	1	Open	0.00	$0	
Subtotal					$50,800

GRADING	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Strip Topsoil - Waste Onsite	0	CY	1.25	$0	Comments
Swap/ Borrow Topsoil Onsite	0	CY	2.75	$0	
Cut/ Fill Excavation	34,000	CY	5.20	$176,800	
Retaining Wall	0	SF	37.00	$0	
Pad Set	0	EA	350.00	$0	
Install Culvert 12-18" Driveway w fill	1	EA	5,250.00	$5,250	
Remove Temporary Sediment Basins	0	EA	4,800.00	$0	
Open	0	Open	0.00	$0	
Subtotal					$182,050
FINE GRADING/DITCH STREET RESTORATION	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Fine Grading (pads, COS)	216	LOT	350.00	$75,600	Comments
Fine Grade ROW after dry utilities	6,780	LF	2.50	$16,950	
Fine Grade/ Backfill Curb & Gutter	13,560	LF	1.25	$16,950	
Swale Grade	0	LF	3.00	$0	
Re Grade Exterior Streets	0	LF	3.00	$0	
Ditch Restoration	0	LF	6.50	$0	
Open		Open	0.00	$0	
Subtotal					$109,500
SANITARY SEWER	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Tie to Existing Manhole	1	EA	4,200.00	$4,200	Comments
8" PVC Sanitary Sewer (Depth 6'-18')	3,249	LF	49.00	$159,201	
8" DIP Sanitary Sewer	0	LF	48.00	$0	
8" C900 Sanitary Sewer (Depth 6'-18')	0	LF	49.00	$0	
10" PVC Sanitary Sewer (Depth 6'-18')	0	Lf	67.00	$0	
12" SDR-26, PVC Sanitary Sewer All Depths	0	LF	84.00	$0	
15" SDR-26, PVC Sanitary Sewer All Depths	0	LF	0.00	$0	
18" SDR-26, PVC Sanitary Sewer All Depths	0	LF	0.00	$0	
Long Single 4" PVC Sanitary Sewer Lateral w/ CO	10	LOT	2,200.00	$22,000	

Description					
Long Double 4" PVC Sanitary Sewer Lateral w/ CO	46	EA	2,800.00	$128,800	
Short Single 4" PVC Sanitary Sewer Lateral w/ CO	10	LOT	1,200.00	$12,000	
Short Double 4" PVC Sanitary Sewer Lateral w/ CO	46	EA	1,800.00	$82,800	
Jack & Bore	0	LF	285.00	$0	
Sanitary Sewer Manhole	37	EA	4,406.00	$163,022	
Large Sanitary Sewer Manhole (5 Foot)	0	EA	0.00	$0	
4" PVC Force Main line w/fittings	1,770	LF	35.00	$61,950	
6" PVC Force Main line w/fittings	0	LF	40.00	$0	
8" PVC Force Main line w/fittings	0	LF	45.00	$0	
Pump Station	0.00	LS	115,000.00	$0	
Trenchless Construction SAN (additional cost)	0	LF	135.00	$0	
Trenchless Construction SA (Steel Casing)	0	LF	240.00	$0	
Trench Safety	0	LF	1.00	$0	
Lift Station Public	1	EA	250,000.00	$250,000	
Lift Station Private	0	EA	90,000.00	$0	
Stabilized sand	0	Ea.	250.00	$0	
Open		Open			
Move in, Startup, and Bonds (5%)	0	LS	44,198.65	$0	
As Built Topo (1%)	0	LS	8,839.73	$0	
Construction Materials Testing (3%)	0	LS	26,519.19	$0	
SWPPP (3%)	0	LS	26,519.19	$0	
Domestic Sewer Service	0	EA	1,100.00	$0	
Pressure Test	0	LF	1.75	$0	
Open	0	Open	0.00	$0	
Subtotal					$883,973
STORM DRAINAGE	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
15" RCP Class III	58	LF	66.00	$3,828	Comments
18" RCP Class III	728	LF	74.00	$53,872	
24" RCP Class III	1,919	LF	75.00	$143,925	
30" RCP Class III	589	LF	87.50	$51,538	
36" RCP Class III	540	LF	120.00	$64,800	
42" RCP Class III	540	LF	144.00	$77,760	
48" RCP Class III	0	LF	165.00	$0	
54" RCP Class III	0	LF	250.00	$0	
60" RCP Class III	0	LF	288.00	$0	
66" RCP Class III	0	LF	324.00	$0	
72" RCP Class III	0	LF	372.00	$0	
30" RCP Class III Inlet	0	LF	100.00	$0	
24 " RCP Class III Inlet	0	LF	75.00	$0	
HDPE Storm Sewer 12	0	LF	34.00	$0	
HDPE Storm Sewer 15	0	LF	42.00	$0	
HDPE Storm Sewer 18	0	LF	48.00	$0	
HDPE Storm Sewer 24	0	LF	61.00	$0	
HDPE Storm Sewer 30	0	LF	0.00	$0	
HDPE Storm Sewer 36	0	LF	0.00	$0	
HDPE Storm Sewer 48	0	LF	0.00	$0	
HDPE Storm Sewer 60	0	LF	0.00	$0	
RCP Storm Sewer 24" Culvert	0	LF	160.00	$0	
8" Brick Blug	0	EA	300.00	$0	
4'x7' PC RCB Culvert	0	LF	0.00	$0	
5'x5' PC RCB Culvert	0	LF	0.00	$0	
5'x10' RCB Culvert	0	LF	1,140.00	$0	0.00
5'x12' RCB Culvert	0	LF	1,550.00	$0	
6'x7' RCB Culvert	0	LF	0.00	$0	
6'x8' RCB Culvert	0	LF	0.00	$0	
9'x9' PC RCB Culvert	0	LF	1,500.00	$0	
Headwalls	0	SF	62.00	$0	0.00
Headwalls	0	EA	62,500.00	$0	
Decorative Facing	0	SF	0.00	$0	
Standard Type "C" Manhole 24-42"	0	EA	3,200.00	$0	
Type "C" Manhole (48" Larger)	0	EA	0.00	$0	
Storm Water Pump Station	0	EA	112,000.00	$0	
4- Inch Concrete Slope Paving	0	SY	110.00	$0	
5- Inch Concrete Slope Paving	0	SY	116.00	$0	
6- Inch Concrete Slope Paving	0	SY	139.00	$0	0.00
6- Inch Concrete for Wier	0	CY	139.00	$0	
Rip Rap		SY	101.00	$0	
Control Structure	0	EA	0.00	$0	
Flared End Sections w/ rip rap	0	EA	0.00	$0	
Type "A" Curb Inlet	23	EA	3,700.00	$83,620	
Double Curb Inlet	5	EA	4,200.00	$18,984	
Drop Inlet	27	EA	2,700.00	$72,900	
5' x 5' Junction Box	5	EA	7,000.00	$37,884	
5'x8' Junction Box	0	EA	0.00	$0	
Storm Plug	0	EA	0.00	$0	
Hydro Seeding	0	AC	2,400.00	$0	
Turf Establishment Via Dry Application (Ponds)	0	AC	2,700.00	$0	
Trench Safety	0	EA	1.00	$0	
Open	0	Open	0.00	$0	

Description					
Move in, Startup, and Bonds (5%)	0	LS	30,455.53	$0.00	
As Built Topo (1%)	0	LS	6,091.11	$0.00	
Construction Materials Testing (3%)	0	LS	18,273.32	$0.00	
SWPPP (3%)	0	LS	18,273.32	$0.00	
Subtotal	4,374				$609,111
PERMANENT PONDS	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Dry Pond BMP	0.00	EA	30,000.00	$0	Comments
Sand Filter BMP	0.00	EA	40,000.00	$0	
Wet Pond BMP	0.00	EA	115,000.00	$0	
Outflow Systems	1.00	Ea.	78,500.00	$78,500	
Excavation	50000.00	Open	5.50	$275,000	
Drainage Land	0.000	Ac	52,000.00	$0	
Subtotal					$353,500
Park Lands, Improvements, and Equipment	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Land	0.000	Ac.	52,000.00	$0	Comments
Equipment	1.00	Ea.	30,000.00	30,000.00	
Improvements	0.00	Ea.	20,000.00	0.00	
Central Mail Facilities	216	Ea.	0.00	0.00	
3' 6' WIDE Granite Walkway	0	LF	30.00	0.00	
BUTTERFLY GARDEN	0	Ea.	4,250.00	0.00	
WOOD DOCK POND AMENITY	0	Ea.	8,450.00	0.00	
FOUNTAIN POND AMENITY	0.00	Ea.	12,500.00	0.00	
3" DIAMETER FLOWING TREE	0	Ea.	325.00	0.00	
SHRUB	20	Ea.	52.00	1,040.00	
AQUATIC HABITAT POND AMENITY	0	Ea.	8,750.00	0.00	
COASTAL HABITAT POND AMENITY	0	Ea.	4,500.00	0.00	
Walking Trails	0	LF	9.00	0.00	
Horseshoe Ct	2	Ea.	2,200.00	4,400.00	
Disk Golf Holes	0	Ea.	545.00	0.00	
Soccer Fields Youth	0	Ea.	14,500.00	0.00	
Softball Field Youth	0	Ea.	18,000.00	0.00	
Pool	0.00	Ea.	105,000.00	0.00	
Clubhouse/ Joint Work Center	0.00	SF	150.00	0.00	
Birdhouse Village	0	Ea.	105.00	0.00	
Relaxation Garden	0	Ea.	5,650.00	0.00	
Fire Pits	0	Ea.	2,585.00	0.00	
Park In Lieu Fees	0	Lot	540.00	0.00	
Open	0.00	Open	0.00	0.00	
Open	0.00	Open	0.00	0.00	
					$35,440
WATER	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Tie to Existing Water Main	1	EA	1,950.00	$1,950	Comments
Number of Cul-de-Sacs	0	NA	0.00	NA	
Jack & Bore	0	LF	285.00	$0	
2" PVC Water Main	0	LF	18.00	$0	
4" C900 Water Main	315	LF	21.00	$6,615	
6" C900 Water Main	2,712	LF	22.00	$59,664	
8" C900 Water Main	2000	LF	38.00	$76,000	
8" C900 Water Main W/ 16 inch Casing	350	LF	166.00	$58,100	
8" DIP Water Main	1,356	LF	48.00	$65,088	
12" C900 Water Main	0	LF	52.00	$0	
16" C900 Waterline	0	LF	52.00	$0	
6" Gate Valve w/Box	65	Ea.	1,300.00	$84,500	
8" Gate Valve/ w Box	15	EA	2,000.00	$30,000	
12" Gate Valve / w Box	0	Ea	2,500.00	$0	
Blow off and Box 2'	24	EA	731.00	$17,544	
Water Line Service Short Single	10	Ea.	660.00	$6,600	
Water Line Service Short Double	46	Ea.	932.00	$42,872	
Water Line Service Long Single	10	Ea.	1,820.00	$18,200	
Water Line Service Long Double	46	Ea.	1,960.00	$90,160	
6X6 Wet Connection	0	EA	600.00	$0	
8x6 Wet Connection	0	EA	700.00	$0	
12" wet Connection	1	EA	1,000.00	$1,000	
Plug and Clamp 4"	0	EA	160.00	$0	
Plug and Clamp 6"	22	EA	50.00	$1,100	
Plug and Clamp 8"	7	EA	400.00	$2,800	
Plug and Clamp 10"	0	EA	410.00	$0	
Plug and Clamp 12"	2	EA	420.00	$840	

Description					
Trenchless Construction WTR additional cost	0	LF	165.00	$0	
Trenchless Construction WTR Steel Casing	0	LF	265.00	$0	
Flushing Valve	16	EA	3,600.00	$57,600	
Flushing / air relief Valve w Manhole		EA	4,000.00	$0	
Ductile Iron Fittings	0	Ton	6,500.00	$0	
PVC Fittings	3	Ton	5,000.00	$15,000	
Trench Safety	0	LF	1.00	$0	
Fire Hydrant Assembly	8	EA	4,450.00	$35,600	
3/4 " Meters	0	EA	250.00	$0	
Move in, Startup, and Bonds (5%)	0	LS	33,464.15	$0.00	
As Built Topo (1%)	0	LS	6,692.83	$0.00	
Construction Materials Testing (3%)	0	LS	20,078.49	$0.00	
SWPPP (3%)	0	LS	20,078.49	$0.00	
Domestic Water Service	0	EA	1,000.00	$0	
Pressure Test & Chlorinate	0	LF	1.00	$0	
Open	0	Open	0.00	$0	
Open	0	Open	0.00	$0	
Subtotal					$671,233
STREET	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Roadway Excavation& Spread and Compact Onsite	9,741	CY	5.60	$54,549	Comments
Curb & Gutter Streets	1	1 or 0	1.00	$1	
Subgrade Preparation	16,450	SY	7.25	$119,263	
Lime for Subgrade 20#/SY	139	TON	220.00	$30,565	
Fly Ash for Sub grade 40 #/SY	278	TON	0.00	$0	
6" Reinforced Concrete Pavement	16,450	SY	62.50	$1,028,125	
7" Reinforced Concrete Pavement	0	SY	48.00	$0	
8" Reinforced Concrete Pavement	0	SY	56.00	$0	
6x12 Rollover Curb & Gutter	13,560	LF	5.85	$79,326	
Tie to Existing Reinforced Concrete Paving	0	EA	1.00	$0	
Asphalt Paving (8" ABC+1.5"S9.5)	21,093	SY	0.00	$0	
Asphalt Paving (1.5" Final Surface)	21,093	SY	0.00	$0	
8" Compacted Base	21,093	SY	0.00	$0	
Asphalt Transitions	0	EA	110.00	$0	
Asphalt Trail	0	SY	11.00	$0	
Handicap Ramps Type 7 ADA	20	EA	1,408.30	$28,166	
Handicap Ramps Type 12 ADA	0	EA	1,100.00	$0	
Sign Street with Stop	6	EA	410.00	$2,460	
Street Signs	0	EA	400.00	$0	
Type III Barricade	2	EA	997.00	$1,994	
Traffic Control Plan	1	EA	3,200.00	$3,200	
Striping and Pavement Markings	1	EA	3,500.00	$3,500	
Open		Open	0.00	$0	
Move in, Startup, and Bonds (5%)	0.5	LS	67,382.43	$33,691	
As Built Topo (1%)	0	LS	13,476.49	$0	
Construction Materials Testing (3%)	0	LS	40,429.46	$0	
SWPPP (3%)	0	LS	40,429.46	$0	
ROW	0.000	Open	52,000.00	$0	
Subtotal					$1,384,840
MISC STREET	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
5' Sidewalk	250	LF	31.00	$7,750	Comments
Street Trees	45	EA	325.00	$14,625	
Conc. D/W	0	SY	3.00	$0	
Mailbox Pads	3	Open	2,250.00	$6,750	
Subtotal					$29,125
ELECTRICAL/PHONE/FIBER GRID	Quantity	Unit	Unit Price	2	Pricing Type 0 for None 1,2,3
Mobilization	0	EA	0.00	$0	Comments
Main/Lift Transformer	0	EA	0.00	$0	
Individual Lots/Transformers	216	EA	0.00	$0	
Fiber	216	EA			
Telephone	216	EA			
Surcharge	0	EA	0.00	$0	
Rebate at 24	216	EA	0.00	$0	
	6780	LF	0.00	$0	
Sub Total					$0
STREAM CROSSINGS	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Wetland/Stream Impact Mitigation Fee	0.00	LF	0	$0	Comments
Onsite Mitigation in lieu of fee	0.00	LS	0	$0	

Description					
Pipe Stream Crossing (Turnkey inc walls)	0.00	EA	75,000	$0	
Bottomless Culvert (Turnkey inc walls)	0.00	EA	0	$0	
Bridge Construction	0.00	SECTION	500,000	$0	
Open	0.00	Open	0	$0	
Subtotal					$0
OFFSITE ROAD IMPROVEMENTS	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Build new Left Turn lane DOT Road	1.00	LF	350,000.00	$350,000	Comments
Stop Light	0.00	EA	587,000.00	$0	
Cross Walk	0.00	EA	2,500.00	$0	
Public Road Signage	0.00	EA	875.00	$0	
Turn lanes Right (Turnkey)	1.00	EA	325,000.00	$325,000	
Open	0.00	Open	250,000.00	$0	
Subtotal					$675,000
SUBDIVISION ENTRY	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Entry Gate House	0.00	EA	0.00	$0	Comments
Entry Gate System	0.00	EA	0.00	$0	
Entry signage	0.60	EA	19,500.00	$11,700	
Entry Landscaping and Lighting	0.50	Open	18,000.00	$9,000	
Entry Irrigation System	0.00	Open	9,500.00	$0	
Subtotal					$20,700
OFFSITE WATER	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
8" Water Main with Fittings	0.00	LF	42.00	$0	Comments
12" Water Main with Fittings	0.00	LF	135.00	$0	0.00
Blow Off Valves	0.00	Ea.	450.00	$0	
Main shutoff Valves	0.00	Ea.	2,250.00	$0	
Trenchless Construction WTR additional cost	0.00	LF	165.00	$0	0.00
Trenchless Construction WTR Steel Casing	0.00	LF	122.00	$0	0.00
Open	0.00	Ea.	283,484.44	$0	
Subtotal					$0
OFFSITE SEWER	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
4" Force Main Sewer	0.00	LF	22.00	$0	Comments
6" Force Main Sewer			0.00	$0	
			0.00	$0	
8" Gravity Sewer with Manholes/clearing/grading	0.00	LF	85.00	$0	
12" Gravity Sewer with Manholes/clearing/grading	0.00	LF	135.00	$0	0.00
Trenchless Construction SWR additional cost	0.00	LF	165.00	$0	
Trenchless Construction SWR Steel Casing	0.00	LF	122.00	$0	
Open cut roadway for tie-in	0.00	SY	118.00	$0	
Traffic Control for roadway open cut	0.00	LS	2,500.00	$0	
Open	0.00	Open	283,484.44	$0	
Subtotal					$0
LAND DEDICATIONS	1.00	$ 25,000		Total without contingency	$5,286,221
Greenbelt, Drainage, Detention	11.11			Contingency Percentage	12%
Parks	1.47			Contingency	$634,347
Non ROW Dedications	12.58	$314,500		Engineering, Inspections and Testing %	8%
ROW	9.09	$227,175		Engineering, Inspections and Testing	$422,898
		$541,675		Total	$6,343,466
				Construction ONLY Cost per Lot	$29,367.90
				Cost per LF of Street	$935.61
				Cost per LF of Lot	$592.85
				Land Dedication	$541,675
				Total Project Cost	$6,885,141

BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS

NOTES:

1. This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction bids may vary significantly due to timing of construction, changing conditions, the competitive nature of the market, labor rate changes, or other factors.
2. Engineer's OPC is based on incomplete and unapproved construction plans.
3. Dry utility cost associated with electric, gas, and telecom is not included.
4. Hardscape and landscaping is limited to items listed.
5. Developer soft costs are not included
6. Unit prices were taken from Liberty Civil, 2024.
7. Geotech report available to verify pavement sections in sections 1&2. High P.I. areas requiring moisture barrier are excluded and are part of the contingency.
8. Homebuilder sidewalk not included.
9. Assumes spoils are stockpiled onsite for future phase use.

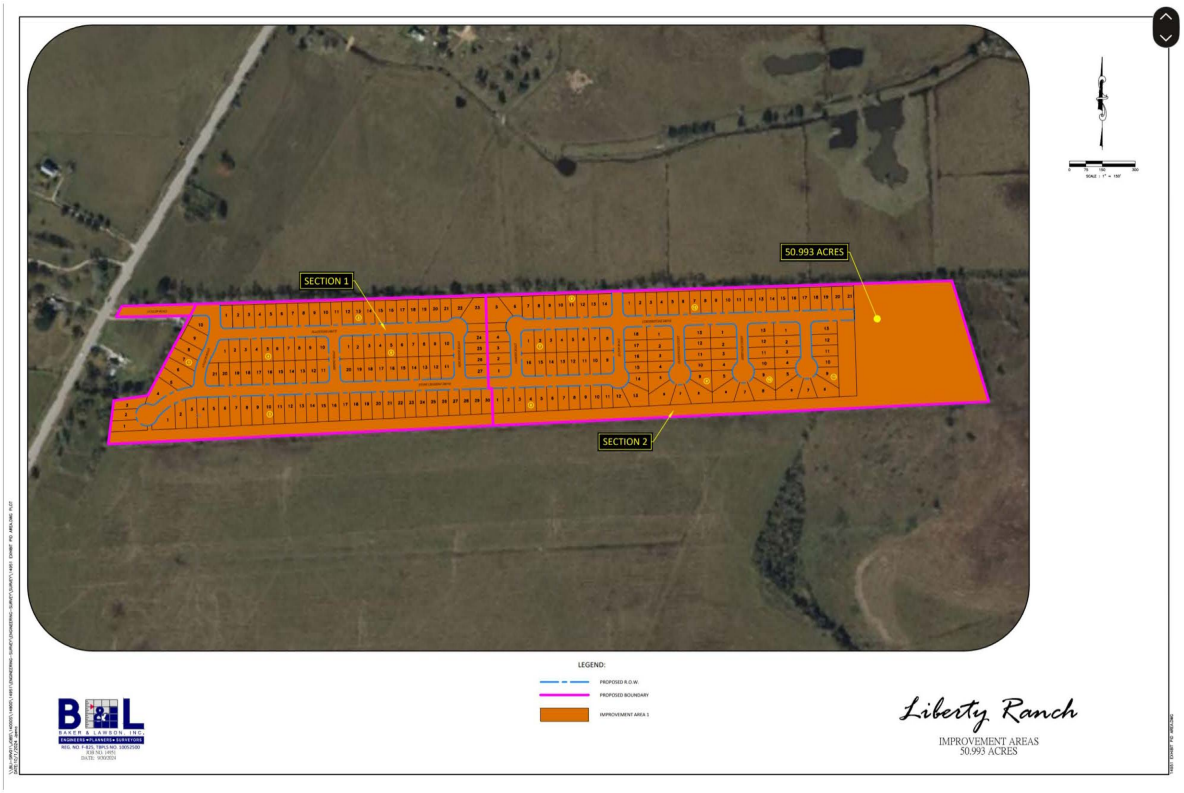
APPENDIX 3

OVERALL IMPROVEMENTS MAP: IA#1

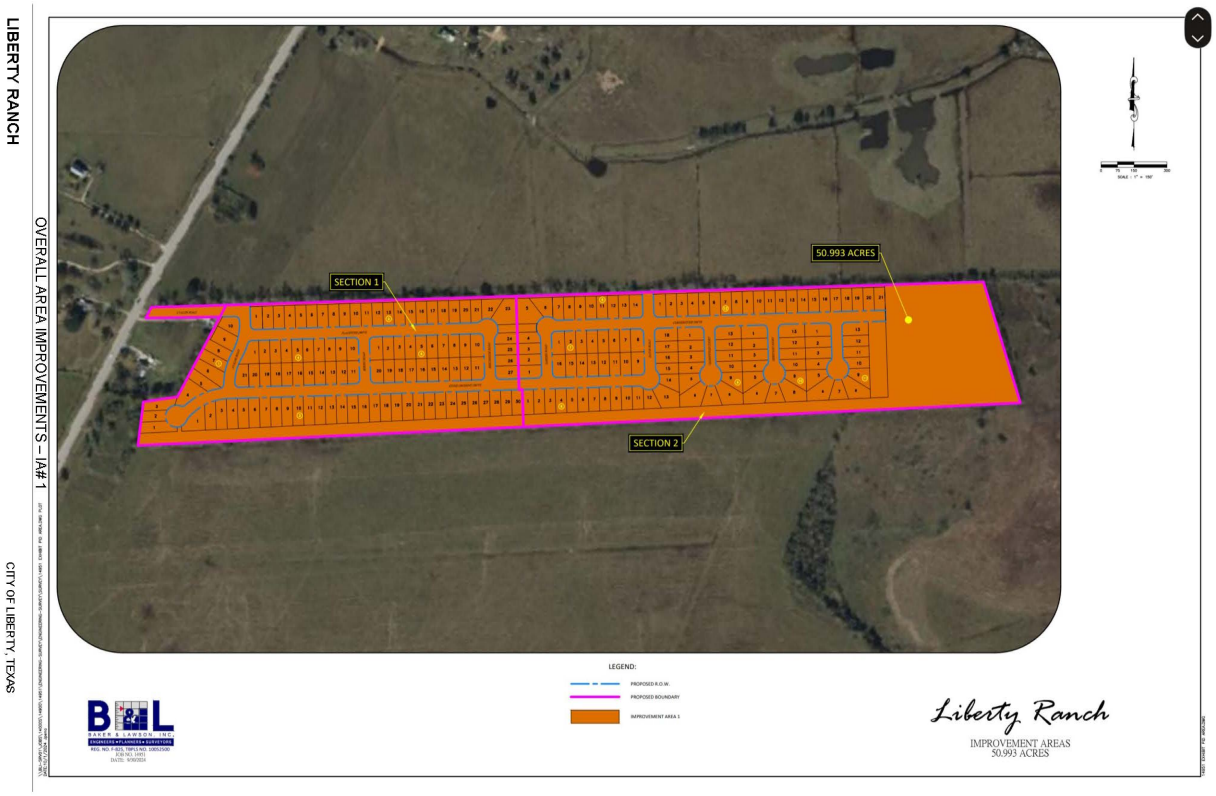
LIBERTY RANCH

OVERALL AREA IMPROVEMENTS – IA#1 & IA#2

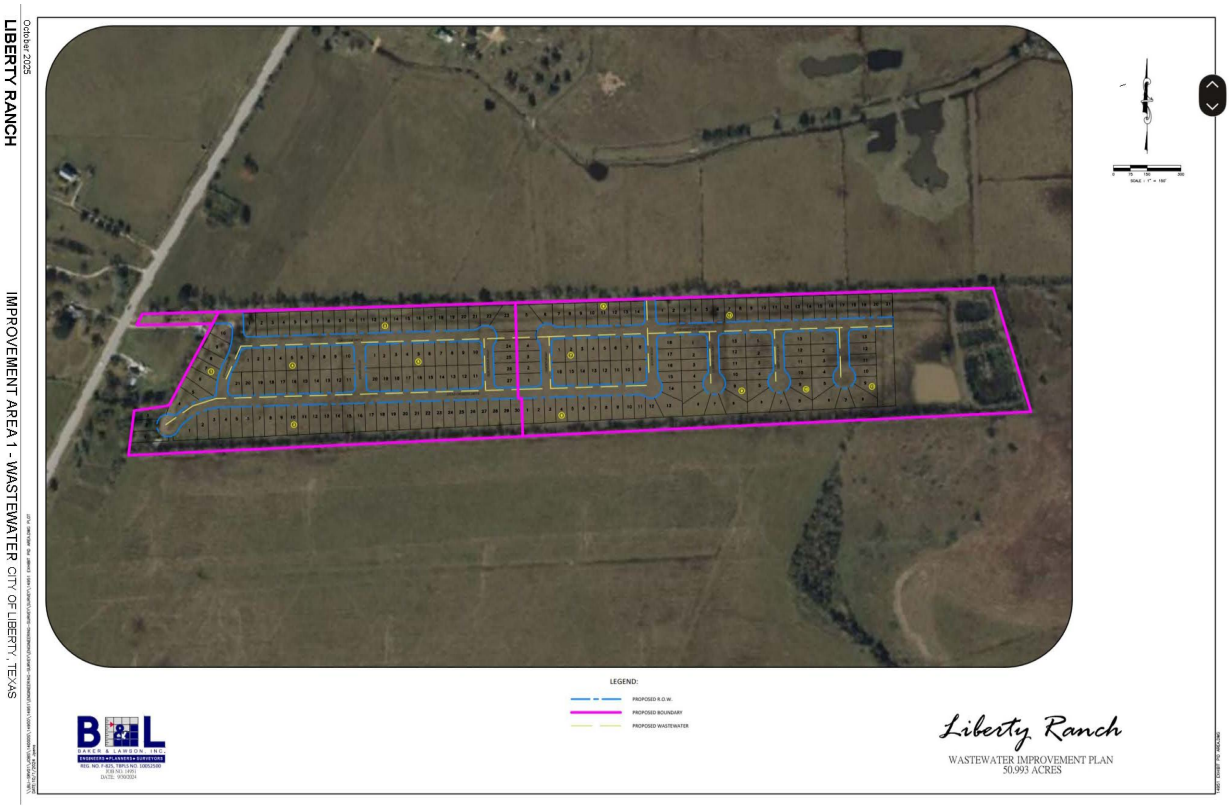
LIBERTY, TEXAS



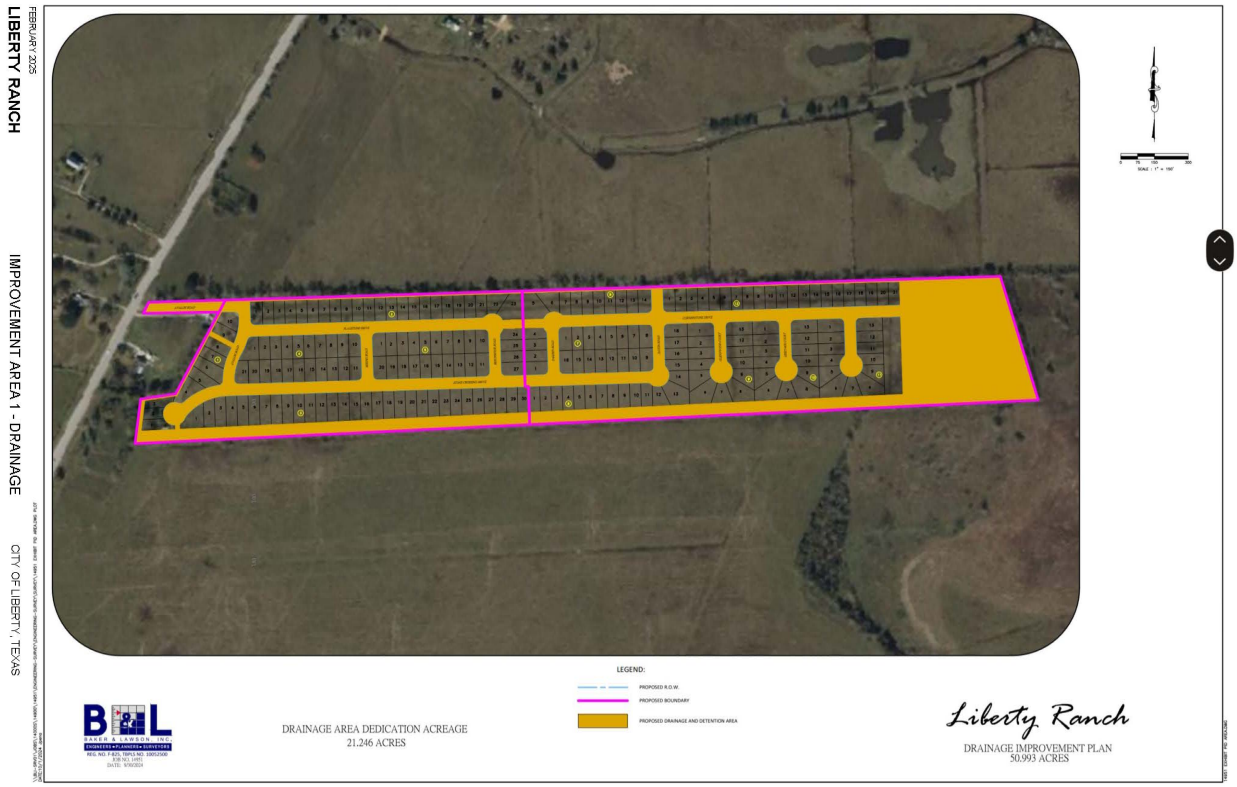
APPENDIX 4
OVERALL IMPROVEMENTS MAP:
IA# 1


LIBERTY RANCH
OVERALL AREA IMPROVEMENTS – IA# 1
CITY OF LIBERTY, TEXAS
SECTION 1
50.993 ACRES
SECTION 2
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
IMPROVEMENT AREA 1
Liberty Ranch
IMPROVEMENT AREAS
50.993 ACRES

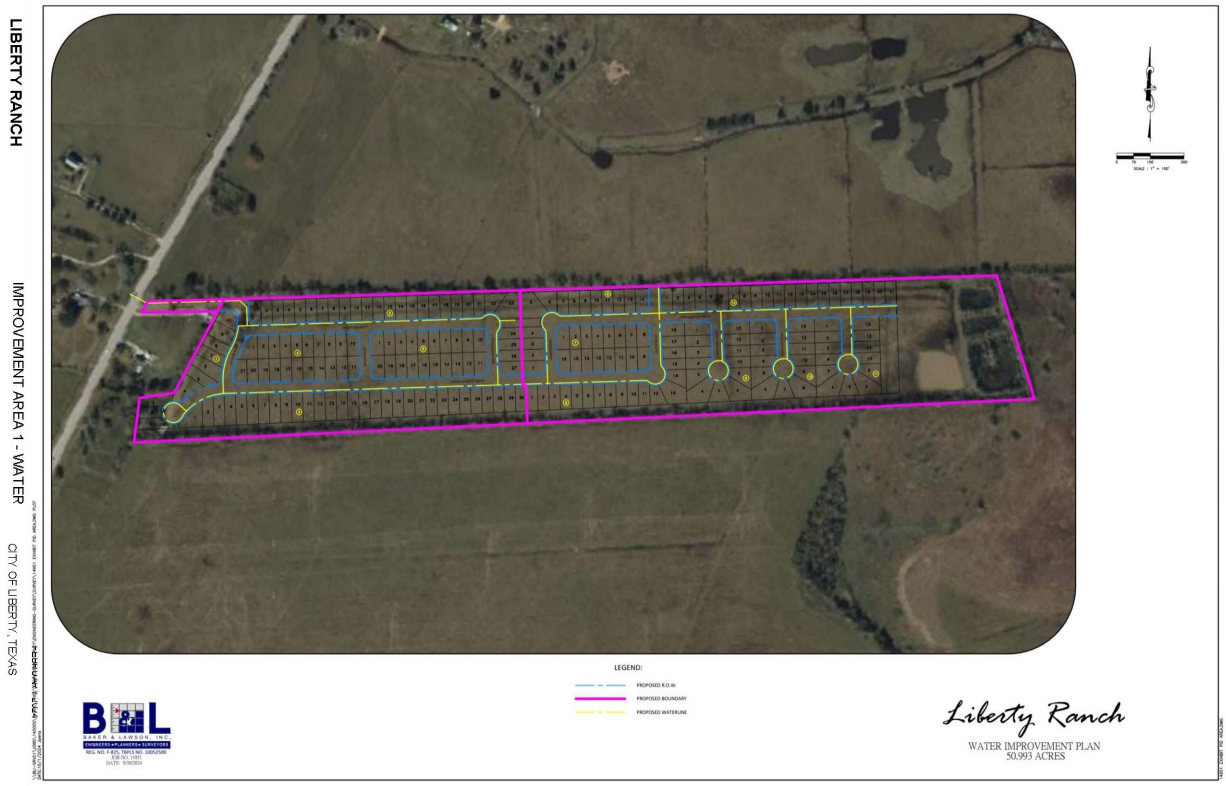
APPENDIX 5
IMPROVEMENT AREA #1 MAP: WASTEWATER


October 2025
LIBERTY RANCH
IMPROVEMENT AREA 1 - WASTEWATER CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED WASTEWATER
Liberty Ranch
WASTEWATER IMPROVEMENT PLAN
50.993 ACRES

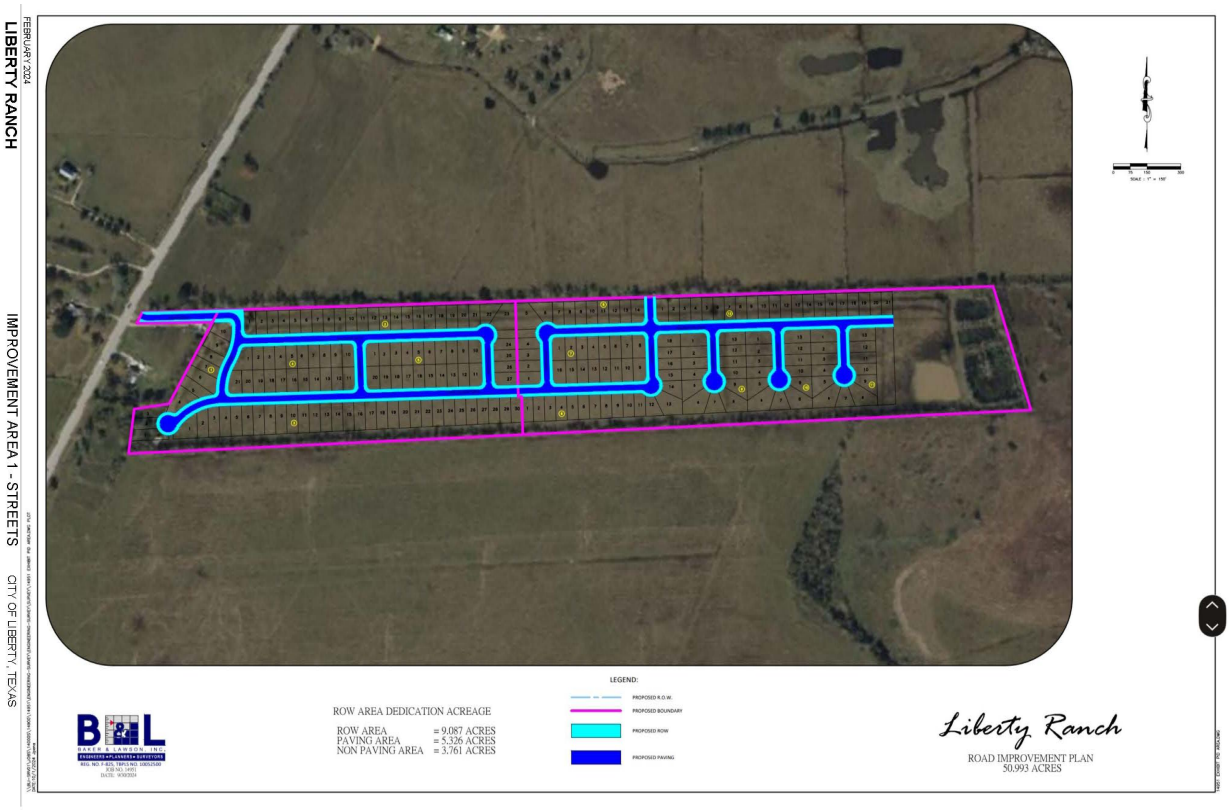
APPENDIX 6
IMPROVEMENT AREA #1 MAP: DRAINAGE


LIBERTY RANCH
FEBRUARY 2025
IMPROVEMENT AREA 1 - DRAINAGE
CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED DRAINAGE AND DETENTION AREA
DRAINAGE AREA DEDICATION ACREAGE
21.246 ACRES
Liberty Ranch
DRAINAGE IMPROVEMENT PLAN
50.993 ACRES

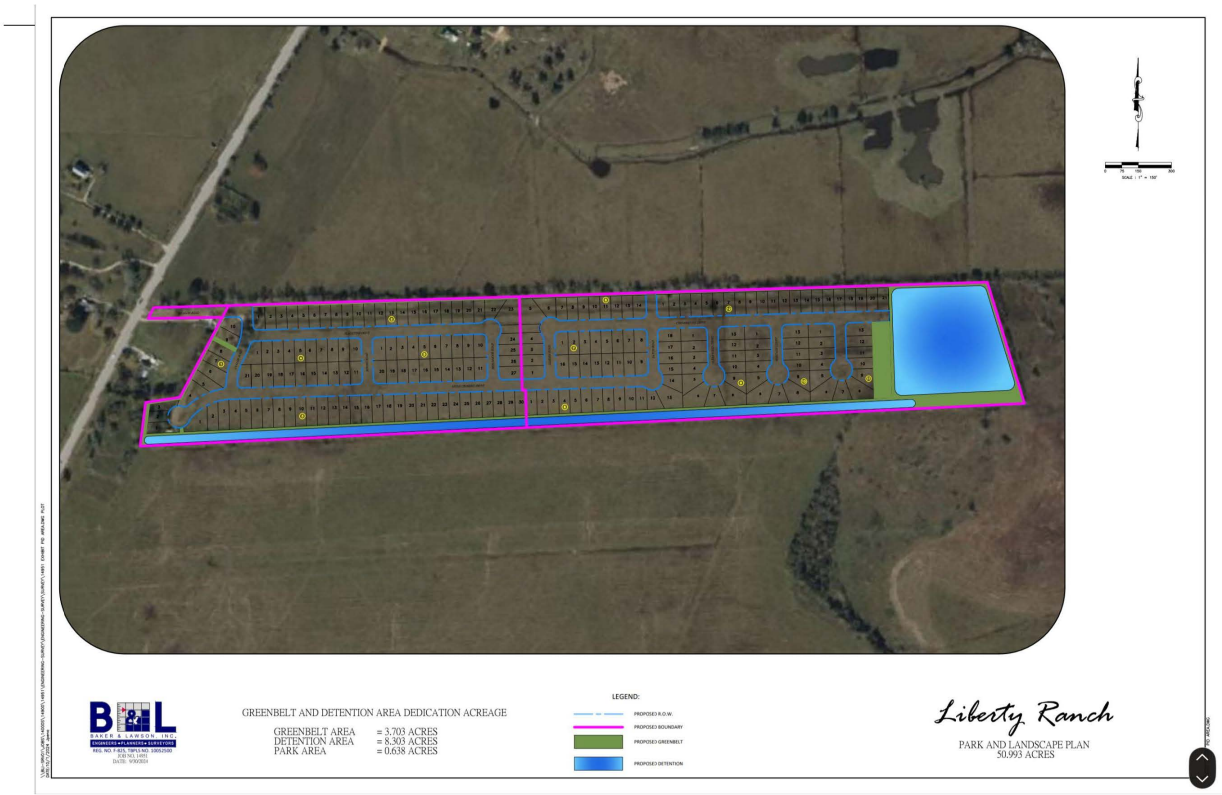
APPENDIX 7
IMPROVEMENT AREA #1 MAP:
POTABLE WATER


LIBERTY RANCH
IMPROVEMENT AREA 1 - WATER
CITY OF LIBERTY, TEXAS
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED WATERLINE
Liberty Ranch
WATER IMPROVEMENT PLAN
50.993 ACRES

APPENDIX 8
IMPROVEMENT AREA #1 MAP:
STREETS


LIBERTY RANCH
FEBRUARY 2024
IMPROVEMENT AREA 1 - STREETS
CITY OF LIBERTY, TEXAS
ROW AREA DEDICATION ACREAGE
ROW AREA = 9.087 ACRES
PAVING AREA = 5.326 ACRES
NON PAVING AREA = 3.761 ACRES
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED ROW
PROPOSED PAVING
Liberty Ranch
ROAD IMPROVEMENT PLAN
50.993 ACRES

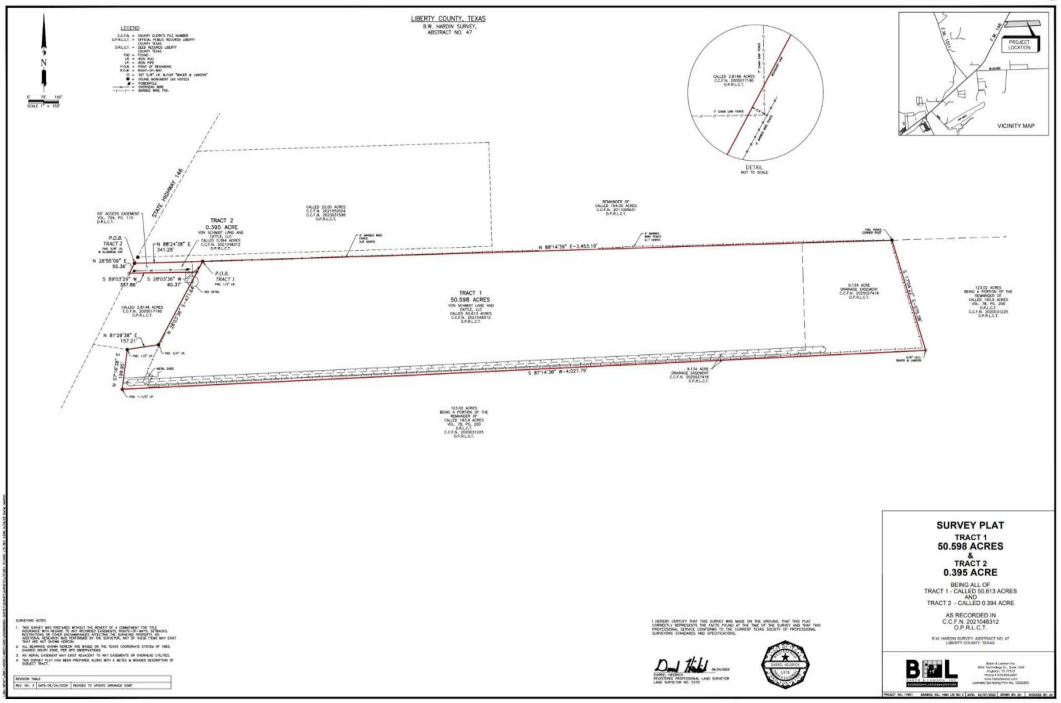
APPENDIX 9
IMPROVEMENT AREA #1 MAP:
PARKS, OPEN SPACE, & LANDSCAPING


GREENBELT AND DETENTION AREA DEDICATION ACREAGE
GREENBELT AREA = 3.703 ACRES
DETENTION AREA = 8.303 ACRES
PARK AREA = 0.638 ACRES
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED GREENBELT
PROPOSED DETENTION
Liberty Ranch
PARK AND LANDSCAPE PLAN
50.993 ACRES

APPENDIX 10

LEGAL DESCRIPTION:

IMPROVEMENT AREA #1
Tracts 1 & 2


LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY,
ABSTRACT NO. 47
LEGEND
DETAIL
NOT TO SCALE
VICINITY MAP
PROJECT LOCATION
TRACT 2
0.395 ACRE
TRACT 1
50.598 ACRES
SURVEY PLAT
TRACT 1
50.598 ACRES
&
TRACT 2
0.395 ACRE
BEING ALL OF
TRACT 1 - CALLED 50.613 ACRES
AND
TRACT 2 - CALLED 0.394 ACRE
AS RECORDED IN
C.C.F.N. 2021045312
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS

County: Liberty County
Project: 50.598 Acres
Job No.: 14951

TRACT 1
DESCRIPTION OF 50.598 ACRES

Description of a 50.598 acre tract of land, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas, being all of a called 50.613 acre tract (Tract 1) as recorded in County Clerk's File No. (C.C.F.N.) 2021048312 of the Official Public Records of Liberty County Texas (O.P.R.L.C.T.), referred to hereinafter at the above referenced tract of land, said 50.598 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 1/2-inch iron rod found for corner, being the Northwest corner of the above referenced tract, same being on the South line of a called 154.00 acre tract as recorded in C.C.F.N. 2011005631 of the O.P.R.L.C.T., same being the Northeast corner of a called 0.394 acre tract, as recorded in C.C.F.N. 2021048312 of the O.P.R.L.C.T.

THENCE North 88°14'39" East, along the North line of the above referenced tract of land, same being the south line said called 154.00 acre tract, a distance of 3,453.19 feet to a fence post found for corner, being the Northeast corner of the above referenced tract, same being the most Westerly Northeast corner of a that certain tract as recorded in C.C.F.N. 2020031225 of the O.P.R.L.C.T.;

THENCE South 17°04'22" East, along the East line of the above referenced tract of land, same being a Northeasterly line of that said certain tract, a distance of 575.28 feet to a 5/8-inch iron rod with cap, stamped "Baker & Lawson", found for corner, being the Southeast corner of the above referenced tract of land, same being an interior corner of that said certain tract;

THENCE South 87°14'38" West, along the South line of the above referenced tract of land, same being a North line of that said certain tract, a distance of 4,027.79 feet to a 1-1/2 inch iron pipe found for the Southwest corner of the above referenced tract of land, same being an interior corner of that said certain tract;

THENCE North 07°16'38" East, along the West line of the above referenced tract of land, same being a Northwesterly line of that said certain tract, a distance of 199.95 feet to a 1/2-inch pipe found for a Northwest corner of the above referenced tract, same being a Southerly corner of a called 2.8148 acre tract, as recorded in C.C.F.N. 2005017190 of the O.P.R.L.C.T.;

THENCE North 81°29'38" East, along a North line of the above referenced tract of land, same being the Southerly line of said called 2.8148 acre tract, a distance of 157.21 feet to a 3/4-inch iron rod found for corner, being an interior corner of the above referenced tract of land, same being the Southeast corner of said called 2.8148 acre tract;

THENCE North 28°03'36" East, along the West line of the above referenced tract of land, same being the East line of said called 2.8148 acre tract, a distance of 471.64 feet to the **POINT OF BEGINNING** of the above referenced tract of land, containing 50.598 acres of land, more or less.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

09/24/2025

Darrel Heidrich
Registered Professional Land Surveyor
Texas Registration No. 5378

STATE OF TEXAS
REGISTERED
DARREL HEIDRICH
5378
PROFESSIONAL
LAND SURVEYOR

BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS

County: Liberty County
Project: 0.395 Acre
Job No.: 14951

TRACT 2
DESCRIPTION OF 0.395 ACRE

Description of a called 0.395 acre tract of land, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas, being all of a called 0.394 acre tract as recorded in County Clerk's File No. (C.C.F.N.) 2021048312 of the Official Public Records of Liberty County Texas (O.P.R.L.C.T.), referred to hereinafter as the above referenced tract, said 0.395 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 5/8-inch iron rod with aluminum cap, found for corner, being the Northwest corner of the above referenced tract, same being on the East Right-of-Way (R.O.W.) of State Highway 146;

THENCE North 88°24'38" East, along the North line of the above referenced tract of land, same being the South line of a called 154.000 acre tract, as recorded in 2011005631 of the O.P.R.L.C.T., a distance of 341.28 feet to a 1/2-inch iron rod found for corner, being the Northeast corner of the above referenced tract, same being the Northwest corner of a called 50.613 acre tract, as recorded in C.C.F.N. 2021048312 of the O.P.R.L.C.T.;

THENCE South 28°03'36" West, along the East line of the above referenced tract of land, same being the West line of said called 50.613 acre tract, a distance of 60.37 feet to a 5/8-inch capped iron rod, stamped "Baker & Lawson", set for corner, being the Southeast corner of the above referenced tract of land, same being the Northeast corner of a called 2.8148 acre tract, as recorded in C.C.F.N. 2005017190 of the O.P.R.B.C.T.;

THENCE South 89°03'29" West, along the South line of the above referenced tract of land, same being the North line of said called 2.8148 acre tract, a distance of 337.86 feet to a 5/8-inch capped iron rod, stamped "Baker & Lawson", set for corner, being the Southwest corner of the above referenced tract of land, same being in the East R.O.W. line of said State Highway 146;

THENCE North 26°55'09" East, along the West line of the above referenced tract of land, same being the East R.O.W. line of said State Highway 146, a distance of 55.36 feet to the **POINT OF BEGINNING** of the above referenced tract of land, containing 0.395 of an acre of land, more or less.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

STATE OF TEXAS
REGISTERED
DARREL HEIDRICH
5378
PROFESSIONAL
LAND SURVEYOR

09/24/2025

Darrel Heidrich
Registered Professional Land Surveyor
Texas Registration No. 5378

APPENDIX B – BUYER DISCLOSURES

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

- District
  - Initial Parcel
  - Lot Type 1

[Remainder of page intentionally left blank.]

LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE – INITIAL PARCEL

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF LIBERTY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

INITIAL PARCEL PRINCIPAL ASSESSMENT: $6,572,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to City of Liberty, 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 ***Liberty Ranch Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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 Liberty 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 Liberty 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 Liberty County.

ANNUAL INSTALLMENTS – INITIAL PARCEL

Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 82,000.00	$ 410,750.00	$ 32,860.00	$ 40,800.00	$ 566,410.00
2028	$ 87,000.00	$ 405,625.00	$ 32,450.00	$ 41,616.00	$ 566,691.00
2029	$ 92,000.00	$ 400,187.50	$ 32,015.00	$ 42,448.32	$ 566,650.82
2030	$ 97,000.00	$ 394,437.50	$ 31,555.00	$ 43,297.29	$ 566,289.79
2031	$ 103,000.00	$ 388,375.00	$ 31,070.00	$ 44,163.23	$ 566,608.23
2032	$ 109,000.00	$ 381,937.50	$ 30,555.00	$ 45,046.50	$ 566,539.00
2033	$ 116,000.00	$ 375,125.00	$ 30,010.00	$ 45,947.43	$ 567,082.43
2034	$ 122,000.00	$ 367,875.00	$ 29,430.00	$ 46,866.38	$ 566,171.38
2035	$ 130,000.00	$ 360,250.00	$ 28,820.00	$ 47,803.70	$ 566,873.70
2036	$ 138,000.00	$ 352,125.00	$ 28,170.00	$ 48,759.78	$ 567,054.78
2037	$ 146,000.00	$ 343,500.00	$ 27,480.00	$ 49,734.97	$ 566,714.97
2038	$ 155,000.00	$ 334,375.00	$ 26,750.00	$ 50,729.67	$ 566,854.67
2039	$ 164,000.00	$ 324,687.50	$ 25,975.00	$ 51,744.27	$ 566,406.77
2040	$ 174,000.00	$ 314,437.50	$ 25,155.00	$ 52,779.15	$ 566,371.65
2041	$ 185,000.00	$ 303,562.50	$ 24,285.00	$ 53,834.73	$ 566,682.23
2042	$ 196,000.00	$ 292,000.00	$ 23,360.00	$ 54,911.43	$ 566,271.43
2043	$ 209,000.00	$ 279,750.00	$ 22,380.00	$ 56,009.66	$ 567,139.66
2044	$ 222,000.00	$ 266,687.50	$ 21,335.00	$ 57,129.85	$ 567,152.35
2045	$ 235,000.00	$ 252,812.50	$ 20,225.00	$ 58,272.45	$ 566,309.95
2046	$ 250,000.00	$ 238,125.00	$ 19,050.00	$ 59,437.90	$ 566,612.90
2047	$ 266,000.00	$ 222,500.00	$ 17,800.00	$ 60,626.65	$ 566,926.65
2048	$ 283,000.00	$ 205,875.00	$ 16,470.00	$ 61,839.19	$ 567,184.19
2049	$ 300,000.00	$ 188,187.50	$ 15,055.00	$ 63,075.97	$ 566,318.47
2050	$ 319,000.00	$ 169,437.50	$ 13,555.00	$ 64,337.49	$ 566,329.99
2051	$ 340,000.00	$ 149,500.00	$ 11,960.00	$ 65,624.24	$ 567,084.24
2052	$ 361,000.00	$ 128,250.00	$ 10,260.00	$ 66,936.72	$ 566,446.72
2053	$ 384,000.00	$ 105,687.50	$ 8,455.00	$ 68,275.46	$ 566,417.96
2054	$ 409,000.00	$ 81,687.50	$ 6,535.00	$ 69,640.97	$ 566,863.47
2055	$ 435,000.00	$ 56,125.00	$ 4,490.00	$ 71,033.79	$ 566,648.79
2056	$ 463,000.00	$ 28,937.50	$ 2,315.00	$ 72,454.46	$ 566,706.96
Total	**$ 6,572,000.00**	**$ 8,364,698.50**	**$ 649,825.00**	**$ 1,655,177.63**	**$ 16,999,815.13**

Footnotes:

[a] Interest is calculated at a 6.125% for illustrative purposes.

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

LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE – LOT TYPE 1

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF LIBERTY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: $30,425.93

As the purchaser of the real property described above, you are obligated to pay assessments to City of Liberty, 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 ***Liberty Ranch Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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 Liberty 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 Liberty 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 Liberty County.

ANNUAL INSTALLMENTS – LOT TYPE 1

Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 379.63	$ 1,901.62	$ 152.13	$ 188.89	$ 2,622.27
2028	$ 402.78	$ 1,877.89	$ 150.23	$ 192.67	$ 2,623.57
2029	$ 425.93	$ 1,852.72	$ 148.22	$ 196.52	$ 2,623.38
2030	$ 449.07	$ 1,826.10	$ 146.09	$ 200.45	$ 2,621.71
2031	$ 476.85	$ 1,798.03	$ 143.84	$ 204.46	$ 2,623.19
2032	$ 504.63	$ 1,768.23	$ 141.46	$ 208.55	$ 2,622.87
2033	$ 537.04	$ 1,736.69	$ 138.94	$ 212.72	$ 2,625.38
2034	$ 564.81	$ 1,703.13	$ 136.25	$ 216.97	$ 2,621.16
2035	$ 601.85	$ 1,667.82	$ 133.43	$ 221.31	$ 2,624.42
2036	$ 638.89	$ 1,630.21	$ 130.42	$ 225.74	$ 2,625.25
2037	$ 675.93	$ 1,590.28	$ 127.22	$ 230.25	$ 2,623.68
2038	$ 717.59	$ 1,548.03	$ 123.84	$ 234.86	$ 2,624.33
2039	$ 759.26	$ 1,503.18	$ 120.25	$ 239.56	$ 2,622.25
2040	$ 805.56	$ 1,455.73	$ 116.46	$ 244.35	$ 2,622.09
2041	$ 856.48	$ 1,405.38	$ 112.43	$ 249.23	$ 2,623.53
2042	$ 907.41	$ 1,351.85	$ 108.15	$ 254.22	$ 2,621.63
2043	$ 967.59	$ 1,295.14	$ 103.61	$ 259.30	$ 2,625.65
2044	$ 1,027.78	$ 1,234.66	$ 98.77	$ 264.49	$ 2,625.71
2045	$ 1,087.96	$ 1,170.43	$ 93.63	$ 269.78	$ 2,621.81
2046	$ 1,157.41	$ 1,102.43	$ 88.19	$ 275.18	$ 2,623.21
2047	$ 1,231.48	$ 1,030.09	$ 82.41	$ 280.68	$ 2,624.66
2048	$ 1,310.19	$ 953.13	$ 76.25	$ 286.29	$ 2,625.85
2049	$ 1,388.89	$ 871.24	$ 69.70	$ 292.02	$ 2,621.84
2050	$ 1,476.85	$ 784.43	$ 62.75	$ 297.86	$ 2,621.90
2051	$ 1,574.07	$ 692.13	$ 55.37	$ 303.82	$ 2,625.39
2052	$ 1,671.30	$ 593.75	$ 47.50	$ 309.89	$ 2,622.44
2053	$ 1,777.78	$ 489.29	$ 39.14	$ 316.09	$ 2,622.31
2054	$ 1,893.52	$ 378.18	$ 30.25	$ 322.41	$ 2,624.37
2055	$ 2,013.89	$ 259.84	$ 20.79	$ 328.86	$ 2,623.37
2056	$ 2,143.52	$ 133.97	$ 10.72	$ 335.44	$ 2,623.64
Total	**$ 30,425.93**	**$ 38,725.46**	**$ 3,008.45**	**$ 7,662.86**	**$ 78,702.85**

Footnotes:

[a] Interest is calculated at 6.25 % for illustrative purposes.

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

Resolution

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, ADOPTING PROCUREMENT PROCEDURES FOR THE CITY'S MUNICIPALLY OWNED ELECTRIC UTILITY PURSUANT TO TEXAS LOCAL GOVERNMENT CODE § 252.022(c); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Liberty owns and operates a municipally owned electric utility that provides essential electric service to residents and businesses within the City; and

WHEREAS, the City Council of the City of Liberty is the body vested with authority for the management and operation of the City's municipally owned electric utility; and

WHEREAS, Texas Local Government Code § 252.022(c) authorizes expenditures by a municipally owned electric utility to be made in accordance with procurement procedures adopted by resolution of the governing body that set forth the public purpose to be achieved by those procedures; and

WHEREAS, the City Council finds that the public purposes served by adopting procurement procedures for the City's electric utility include ensuring reliable and continuous electric service, allowing timely response to operational, maintenance, and repair needs, maintaining system safety and integrity, preserving continuity with qualified service providers possessing specialized system knowledge, and promoting efficient and cost-effective utility operations; and

WHEREAS, the City Council desires to adopt procurement procedures consistent with Texas Local Government Code § 252.022(c) to govern expenditures related to the management, maintenance, repair, and operation of the City's municipally owned electric utility;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS:

SECTION 1. Adoption of Electric Utility Procurement Procedures. The City Council hereby adopts the Electric Utility Procurement Procedures, attached hereto as Exhibit A and incorporated herein by reference, pursuant to Local Government Code § 252.022(c).

SECTION 2. Administrative Authority. The City Manager or the City Manager's designee is authorized to procure, negotiate, execute, and extend contracts related to the management, maintenance, and repair of the City's municipally owned electric utility in accordance with the Electric Utility Procurement Procedures adopted by this resolution and applicable law.

SECTION 3. Compliance with Other Legal Requirements. Nothing in this resolution or the Electric Utility Procurement Procedures adopted herein shall be construed to exempt the City or its municipally owned electric utility from compliance with any other applicable statute, charter provision, ordinance, budgetary requirement, or fiscal control.

SECTION 4. Effective Date. This resolution shall take effect immediately upon adoption.

PASSED AND APPROVED this ____ day of _____, 2026.

_____
Mayor
City of Liberty, Texas

ATTEST:

_____
City Secretary
City of Liberty, Texas

Resolution

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE EXTENSION OF A CONTRACT WITH TEXAS ELITE ELECTRICAL SERVICES, LLC FOR ELECTRIC UTILITY SERVICES IN ACCORDANCE WITH THE CITY'S ELECTRIC UTILITY PROCUREMENT PROCEDURES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Liberty owns and operates a municipally owned electric utility that provides essential electric service to residents and businesses within the City; and

WHEREAS, the City Council has adopted Electric Utility Procurement Procedures pursuant to Texas Local Government Code § 252.022(c) to govern expenditures related to the management, maintenance, repair, and operation of the City's municipally owned electric utility; and

WHEREAS, Texas Elite Electrical Services, LLC has provided electric utility management, maintenance, and repair services to the City and has demonstrated familiarity with the City's electric system, responsiveness to service needs, and satisfactory performance; and

WHEREAS, the City Council finds that extending the existing contract with Texas Elite Electrical Services, LLC will promote continuity of service, operational efficiency, system reliability, and the public purposes identified in the City's Electric Utility Procurement Procedures;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS:

SECTION 1. Approval of Contract Extension. The City Council hereby approves the extension of the City's contract with Texas Elite Electrical Services, LLC for electric utility management, maintenance, and repair services, in accordance with the City's Electric Utility Procurement Procedures, and as set out in the contract attached hereto as Exhibit "A."

SECTION 2. Administrative Authority. The City Manager or the City Manager's designee is authorized to negotiate, execute, and finalize the contract extension with Texas Elite Electrical Services, LLC, subject to applicable budgetary limitations and the terms of the City's Electric Utility Procurement Procedures.

SECTION 3. Effective Date. This resolution shall take effect immediately upon adoption.

PASSED AND APPROVED this ____ day of _____, 2026.

_____
Mayor
City of Liberty, Texas

ATTEST:

_____
City Secretary
City of Liberty, Texas

CONTRACT FOR SERVICES

This Electrical Services Agreement (the "Agreement"), dated as of April 23, 2019 is made by and between the City of Liberty, Texas ("City"), a Texas home-rule municipality, and Texas Elite Electrical Services, LLC, a Texas Limited Liability Company (hereinafter referred to sometimes as TEES). The parties, intending to be legally bound, hereby agree as follows:

1. PURPOSE

1.1 The City of Liberty, Texas is contracting with TEES for the services necessary for: 1.) the daily operation, maintenance and troubleshooting of its electric distribution system and 2.) specific construction project services.

2. SCOPE OF SERVICES

2.1.1 Daily Maintenance & Operation Services.

2.1.1.1 TEES shall provide the necessary resources to assist the City's electric department with the routine maintenance and operation of the City's electric system. These resources shall work independently with the City's electric department personnel and shall be directed by the City Manager or his designee.

2.1.1.2 TEES shall provide a minimum of one (1) journeyman lineman and two (2) apprentice linemen for routine daily maintenance & operations, unless otherwise approved by the City Manager or his designee.

2.1.1.3 TEES shall perform maintenance & operations services during regular City working hours, Monday thru Friday. They must be available during this shift to assist other City Departments in case of emergencies. City holidays shall be observed by TEES. No routine work shall be performed during holidays unless authorized by the City.

2.1.1.3.1 TEES shall provide "on-call" services at a minimum of one week per month. When "on-call" TEES employees shall respond to a call within a reasonable time, but in no case shall they take longer than one (1) hour to respond to a call for service.

2.1.2 **Specific Construction Project Services**

2.1.2.1 TEES shall provide resources necessary to perform specific construction project services for the City of Liberty as directed by the City Manager or his designee.

2.1.2.2 At a minimum TEES shall provide a Supervisor, one (1) Journeyman Lineman, and two (2) Apprentice Linemen for each specific construction project, unless directed otherwise by the City Manager or his designee.

2.1.2.3 Construction projects shall be approved by the City Council and will differ in scope and resource requirements. The City shall determine the project schedule and reserves the right to add, delete or modify projects according to the best interest of the City.

2.1.2.4 The City shall develop and update a Work Schedule describing the intended planned work.

2.1.2.5 The City does not guarantee a specified amount of construction projects.

3. PAYMENT AND FEES

3.1 City shall pay TEES for personnel on an hourly basis as set forth in TEES' response to the City of Liberty RFP No. 2019-001

3.2 City shall pay TEES for equipment on an hourly basis for usage according to TEES' response to the City of Liberty RFP No. 2019-001.

3.3 *Invoices and Payments.* TEES will invoice City for all fees, charges and reimbursable items payable to TEES on a periodic basis not to exceed monthly as such payments are due. City will pay the invoiced amount in full within thirty (30) days of the date of each invoice, without deduction, setoff, defense or counterclaim for any reason. City will pay interest, at a rate equal to the lesser of 6% per month (or part thereof) or the maximum legal rate permitted, on the amount shown on any invoice that is paid later than thirty (30) days after the date of the invoice.

4. CITY'S OBLIGATION

4.1 City will ensure that personnel who may be necessary or appropriate for the successful implementation of the Services will, on reasonable notice, (i) be available to assist TEES' personnel by answering business, technical and operational questions and provided requested documents, guidelines and procedures in a timely manner; (ii) participate in the Services as outlined in the Work Schedule; (iii) participate in progress and other Service related meetings; (iv) be available to assist TEES with any other activities or tasks required to complete the Services in accordance with the Work Schedule.

5. INDEMNIFICATION

5.1 TEES shall indemnify and hold harmless the City and its officers, employees and agents from and against all liabilities, claims, demands, causes of action of every kind and description, damages, losses, and expenses, including but not limited to attorneys' fees through appeals for property damages, personal injuries, including injuries to TEES' employees, and all other losses and damages which may arise or result from the

negligence or carelessness of TEES or TEES' employees or subcontractors incident to the performance of this Agreement, regardless of whether the City may be chargeable with some negligence in connection therewith, provided however, this indemnity agreement shall not apply to damages caused solely by the negligence of the City.

6. LAWS AND REGULATIONS

6.1 TEES and TEES' employees at all times shall be familiar with, observe and comply with all Federal, State, Local and Municipal laws, ordinances, codes, rules, and regulations in any manner and those which may be enacted later, or bodies or tribunals having jurisdiction or authority over the work and shall indemnify and save harmless the City against any claims or liability arising from, or based on, the violation of any such law, ordinance, rule, code, regulation, or order. No pleas of misunderstanding the laws or rules by TEES shall be considered an excuse for the ignorance thereof.

6.2 In the event that any situation is brought to a court of law, the venue shall be the County of Liberty, in the State of Texas, where all laws, regulations, ordinances, codes, and rules shall be used in the adjudication.

7. INSURANCE.

7.1 TEES' insurance Requirements shall be as follows:

7.1.1 Worker's Compensation and Employer's Liability for every worker employed in connection with the Work under this Agreement and as provided for in each and every statute applicable to Worker's Compensation. The Employer's liability limit shall be as required by the excess liability insurer for the maintenance of coverage.

7.1.2 Comprehensive or Commercial General Liability and Excess or Umbrella Liability including insurance covering Work under this Agreement with total coverage limits as follows:

7.1.2.1 The limits provided for Bodily Injury, Property Damage, Personal Injury, and Employer's Liability shall be $1,000,000 and shall be unimpaired as respect to any general aggregates that may apply to the insurance policy. The following coverage is to be provided:

7.1.2.1.1 Contractual Liability to cover the liability assumed by TEES under this Agreement.

7.1.2.1.2 Broad Form Property Damage including completed operations.

7.1.2.1.3 Personal Injury Liability.

7.1.3 Business Automobile Liability and Excess or Umbrella Liability with total coverage limits for Bodily Injury or Property Damage of $1,000,000 and with Umbrella or Excess Liability coverage of $5,000,000. The Business Automobile Liability and Excess or Umbrella Liability insurance is to apply to all owned, non-owned, rented, borrowed or hired automobiles or other motor driven vehicles to be used by TEES in the furtherance of the Work.

7.1.4 All policies shall provide the City with no less than thirty (30) days' notice of cancellation, modification, or expiration.

7.1.5 All policies of insurance referred to herein shall be written on an occurrence basis, unless otherwise agreed by the City in writing.

7.1.6 All policies of insurance referred to herein shall name the City of Liberty as an additional insured.

8. EMPLOYEES

8.1 *No Employee Relationship.* TEES' employees are not and shall not be deemed to be employees of City. TEES shall be solely responsible for the payment of all compensation to its employees, including provision for employment taxes, workmen's compensation and any similar taxes associated with employment of TEES' personnel. TEES' employees shall not be entitled to any benefits paid or made available by City to its employees.

8.2 *Subcontractors.* TEES may engage third parties to furnish services with the City's prior consent. In addition, services may be performed by affiliates of TEES. No such engagement will relieve TEES from any of its obligations under this Agreement. The City reserves the right to reject any subcontractors and the right to require the removal of a subcontractor for any reason.

8.3 All TEES personnel shall be familiar with the occupational safety and Health Administration (OSHA) requirements including Arc flash compliance and the provisions of the National Electric Safety Code (NESC).

8.4 TEES shall provide industry standard clothing to field personnel identifying them as employees working on behalf of the City of Liberty. Said identifying markings shall be located on both the employees' hard hats and shirts.

8.5 The City reserves the right to require disciplinary action or reassignment of any TEES' personnel whose behavior is inconsistent with providing pleasant and responsive services to City's customers/residents. The City also reserves the right to require reassignment of

any TEES' personnel who lacks the qualifications and skills required to perform their job duties and responsibilities.

8.6 TEES shall maintain time sheets for all employees that perform work for the City of Liberty. The records shall denote at a minimum the time the employee worked, and identification of the nature and location of work performed.

9. FLEET

9.1 TEES shall provide the equipment stated in TEES' proposal unless otherwise agreed to by the City Manager or his designee. TEES shall provide all equipment necessary to satisfactorily perform the Daily Operation & Maintenance Services, along with the equipment necessary to perform work related to the Specific Construction Projects.

9.2 TEES shall provide all equipment at the rates set forth in TEES' proposal except for specialty equipment. TEES and the City Manager, or his designee, shall agree on the price of specialty equipment when needed.

9.3 All motor trucks and other vehicles provided by TEES to perform the work under this Agreement shall bear TEES' number and shall be well marked and identified with company insignia or name designating the vehicles as property of TEES. TEES shall be required to place stickers on all vehicles designating "THE CITY OF LIBERTY CONTRACTOR". All equipment must be maintained in such a manner as to minimize downtime. The City shall not render payment for any charges due to equipment failure or dysfunction.

9.4 TEES shall have permission to park vehicles and equipment on City property in specially designated locations. Under no circumstances will the City be responsible for any theft, damage to or loss of TEES' property or equipment. TEES will ensure the orderly parking of equipment and will keep the site free of trash and brush. No oil or other chemicals will be dumped on the site.

10. CONTRACT TERM AND AGREEMENT

The base period for this Agreement shall be for three (3) years starting with the effective date of this agreement. At the sole discretion of the City, an extension may be granted in year three (3) to renew the contract for a two (2) year term provided both parties agree to all terms, conditions and specifications. The City may exercise another extension in year five (5) for the next two-year extension.

Any change in pricing for a renewal term may be adjusted by an amount not to exceed the percentage increase in the Consumer Price Index for Urban Consumers (CPIU) for the Liberty, Texas area for the latest twelve (12) month period for which the information has been compiled.

The contract between the City and TEES shall consist of (1) this Agreement (2) the Request for Proposal (RFP) and any amendments thereto, (3) the proposal submitted by TEES in response to the RFP, (3) any future purchase orders for specific projects, and (4) any outstanding terms and conditions that clarify the contractual relationship. In the event of a conflict in language between the documents referenced above, the provisions and requirements set forth and/or referenced in the RFP shall govern.

The City's governing authority is subject to actions of the City Council, State and Federal Agencies. If the City becomes subject to an administrative or legislative change, revocation of authority, or experiences a lack of appropriated funds, the City may terminate this Agreement without penalty or liability. The City shall covenant that it will take all steps necessary to seek appropriations, to the extent permitted by law, to obtain and maintain funds from which payments shall be made.

11. TERMINATION

11.1 TEES shall assist the City in providing reliable power and excellent service to customers of the City of Liberty. As such, following implementation, should the City find that TEES has failed in any material respect to perform its obligations under this Agreement, the City may cancel the Agreement. TEES shall be liable for damages from such breach including reasonably foreseeable incidental and consequential damages. The City may terminate any Agreement with TEES at any time and without cause by giving TEES no less than three (3) months written notice of termination.

12. RIGHT TO MONITOR AND AUDIT.

12.1 During all phases of the work and services to be provided, TEES agrees to permit duly authorized agents and employees of the City to enter TEES' offices for the purpose of inspections, reviews, and audits during normal working hours. Reviews may also be accomplished at meetings that are arranged at mutually agreeable times and places. TEES will maintain all books, documents, papers, accounting records and other evidence pertaining to the fee paid under this Agreement and make such materials available at reasonable times for the duration of the Contract and for four (4) years after the Contract is closed.

13. MISCELLANEOUS

13.1 The City recognizes that in order to fulfill the services set forth in this Agreement, the City must assign electric system operational control to TEES in the event a City representative is unavailable during any unscheduled electrical outage or system disturbance.

13.2 City and TEES covenant that neither they nor any of their respective officers, members, agents, employees, program participants, or subcontractors, while engaged in

performing this Agreement shall, in connection with the employment, advancement, or discharge of employees, or in connection with the terms, conditions or privileges of their employment, discriminate against persons because of their age, except on the basis of a bona fide occupational qualification, retirement plan, or statutory requirement.

13.3 City and TEES, in the execution, performance or attempted performance of this Agreement, will not discriminate against any person or persons because of sex, race, religion, age, disability, color, national origin, or familial status, nor will Contractor permit its agents, employees, subcontractors or program participants to engage in such discrimination.

13.4 The provisions of this Agreement are severable and if for any reason a clause, sentence, paragraph or other part of this Agreement shall be determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter thereof, such invalidity shall not affect other provisions which can be given effect without the invalid provision.

13.5 The failure of City or TEES to insist upon the performance of any term or provision of this Agreement or to exercise any right herein conferred shall not be construed as a waiver or relinquishment to any extent of City's or TEES' right to assert or rely upon any such term or right on any future occasion.

13.6 The governing bodies of City and TEES have approved the execution of this Agreement, and the persons signing the Agreement have been duly authorized by the governing bodies to sign this Agreement on behalf of the governing bodies.

13.7 Notices to City shall be deemed given when delivered in person to the City Manager, or the next business day after the mailing of said notice addressed to said City by United States mail, certified or registered mail, return receipt requested, and postage paid at 1829 Sam Houston St., Liberty, TX 77575.

Notices to TEES shall be deemed given on the next business day after the mailing of said notice addressed to said TEES by United States mail, certified or registered mail, return receipt requested, and the postage paid at 1707 Chrysler Street, Liberty, TX 77575.

14. ASSIGNMENT

14.1 TEES shall have a right to assign this contract upon receiving the prior written consent of the City of Liberty's City Manager. However, no such assignment will relieve TEES from any of its obligations under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement to multiples in Liberty, Liberty County, Texas, this 23rd day of April, A.D. 2019.

ATTEST:

City Secretary

CITY OF LIBERTY

Carl Pickett

Mayor, City of Liberty

ATTEST:

TEXAS ELITE ELECTRICAL SERVICES, LLC

President

Assignment of Contract

As stipulated in the Electrical Services Agreement between the City of Liberty, Texas (City) and Texas Elite Electrical Services, LLC (TEES), the right to assign this Contract must have the written consent of the City of Liberty's City Manager. The consent must be granted prior to the assignment and under no circumstances shall relieve TEES from any of its obligations under the Agreement.

Effective May 1, 2019, the City grants to Texas Elite Electrical Services, LLC the right to assign the Electrical Services Agreement to Texas Elite Utility Services, LLC.

IN WITNESS WHEREOF, the parties hereto have executed this agreement to multiples in Liberty, Liberty County, Texas this 23rd day of April, A.D. 2019.

Tom Warner
City Manager

James Crouthers
TEES President

CITY OF LIBERTY PUBLIC WORKS

ELECTRICAL DEPARTMENT

DATE OF EXTENSION: 4/20/2022

SUBJECT: EXTENSION TO RENEW A CONTRACT FOR ELECTRIC SERVICES AGREEMENT

The City of Liberty, in agreement with TEXAS ELITE ELECTRICAL SERVICES, LLC, will extend the existing electrical service agreement contract for an additional two (2) years from April 23rd, 2022 at a 7% increase on labor and equipment set in the contract terms in the agreement signed on April 23rd, 2019. All the existing terms of the April 23rd, 2019 contract will apply to this extension.

CONTRACTOR SIGNATURE — Date: 4/20/22

City of Liberty Public Works Director — Date: 4/20/2022

DAMON JONES

CITY OF LIBERTY PUBLIC WORKS

ELECTRICAL DEPARTMENT

DATE OF EXTENSION: 4/23/2024

SUBJECT: EXTENSION TO RENEW A CONTRACT FOR ELECTRIC SERVICES AGREEMENT

The City of Liberty, in agreement with TEXAS ELITE ELECTRICAL SERVICES, LLC, will extend the existing electrical service agreement contract for an additional two (2) years from April 23rd, 2024. A 3% increase on labor and equipment will begin on May 15th, 2024, set in the contract terms in the agreement signed on April 23rd, 2019. All the existing terms of the April 23rd, 2019 contract will apply to this extension.

CONTRACTOR SIGNATURE — Date: 6/13/24

City of Liberty Public Works Director — Date: 6/11/24

Resolution

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, FORMALLY ACCEPTING THE DEDICATION OF STREETS WITHIN THE RAVEN HILL RANCH SUBDIVISION AS PUBLIC STREETS; ASSUMING MAINTENANCE RESPONSIBILITY; AUTHORIZING RECORDATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Raven Hill Ranch Subdivision was developed prior to annexation into the City of Liberty, and the streets within the subdivision were originally constructed and maintained as private roads; and

WHEREAS, the City Council previously authorized the City Manager to proceed with the process of making the streets within the Raven Hill Ranch Subdivision public streets, subject to certain conditions; and

WHEREAS, all property owners within the Raven Hill Ranch Subdivision petitioned the City to accept the streets as public streets and agreed to obtain surveys and title reports for the streets prior to dedication; and

WHEREAS, the property owners further agreed to remove the gated entry to the subdivision as a condition of City acceptance and maintenance of the streets; and

WHEREAS, the City has reviewed the survey and title information provided by the property owners and finds the street dedications to be acceptable; and

WHEREAS, the City Council, acting pursuant to its home-rule authority and Article III, Section 3.06 of the City Charter, finds that acceptance of the streets within the Raven Hill Ranch Subdivision as public streets is in the best interest of the City and its residents;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS:

SECTION 1. Acceptance of Street Dedications. The City Council hereby accepts the dedication of all streets within the Raven Hill Ranch Subdivision as public streets of the City of Liberty.

SECTION 2. Maintenance Responsibility. Upon acceptance, the City of Liberty shall assume responsibility for the maintenance of the accepted streets in accordance with applicable City standards, policies, and budgetary appropriations.

SECTION 3. Authorization to Record. The City Manager or the City Manager's designee is authorized and directed to cause this resolution, or a memorandum thereof, to be recorded in the Liberty County real property records, together with any associated surveys or dedication instruments deemed necessary or appropriate.

SECTION 4. Effective Date. This resolution shall take effect immediately upon adoption.

PASSED AND APPROVED this ____ day of _____, 2026.

_____
Mayor
City of Liberty, Texas

ATTEST:

_____
City Secretary
City of Liberty, Texas