"VG-22-2026-2026000110103"

Collin County
Honorable Stacey Kemp
Collin County Clerk

Instrument Number: 2026000110103

Real Property

CERTIFICATE

Recorded On: August 14, 2026 09:47 AM

Number of Pages: 100

" Examined and Charged as Follows: "

Total Recording: $417.00

************ THIS PAGE IS PART OF THE INSTRUMENT ************

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

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IRVING TX 75062

STATE OF TEXAS
Collin County
I hereby certify that this Instrument was filed in the File Number sequence on the date/time printed hereon, and was duly recorded in the Official Public Records of Collin County, Texas

Honorable Stacey Kemp
Collin County Clerk
Collin County, TX

Stacey Kemp

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS
COLLIN COUNTY
CITY OF PRINCETON, TEXAS

We, the undersigned officers of the City Council of the City of Princeton, Texas (the "*City Council*" or "*Council*"), hereby certify as follows:

1. The City Council convened in a regular meeting on the 10th day of August 2026, at the designated meeting place (the "*Meeting*"), and the roll was called of the duly constituted officers and members of said City Council, to wit:

Eugene Escobar, Jr., Mayor	Terrance Johnson, Place 1
Cristina Todd, Place 2	Bryan Washington, Place 3 Mayor Pro-Tempore
Jaisen Rutledge, Place 4	Steve Deffibaugh, Place 5
Ben Long, Place 6	Carolyn David-Graves, Place 7

and all of said persons were present except NA, thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting (the "*Ordinance*"):

AN ORDINANCE OF THE CITY OF PRINCETON APPROVING THE 2026-2027 ANNUAL UPDATE TO THE SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NUMBER TWO (IMPROVEMENT AREAS #3A-3C PROJECT) INCLUDING THE COLLECTION OF THE 2026-2027 ANNUAL INSTALLMENTS

The Ordinance was duly introduced for the consideration of said City Council. It was then duly moved and seconded that the Ordinance be passed; and, after due discussion, said motion, carrying with it the passage of the Ordinance, prevailed and carried, with all members of said City Council shown present above voting "Aye," except as noted below:

NAYS: ϕ ABSTENTIONS: ϕ

2. That a true, full and correct copy of the aforesaid Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Ordinance has been duly recorded in said City Council's minutes of said Meeting; that the above

and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said Meeting pertaining to the adoption of said Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Ordinance would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government

3. The Mayor of said City has approved and hereby approves the aforesaid Ordinance; that the Mayor and the City Secretary of said City have duly signed said Ordinance; and that the Mayor and the City Secretary of said City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

ADOPTED AND APPROVED on this the 10th day of August 2026.

CITY OF PRINCETON, TEXAS

Eugene Escobar Jr.

Eugene Escobar, Jr., Mayor
City of Princeton, Texas

ATTEST

, DEPUTY

Amber Anderson, City Secretary
City of Princeton, Texas

CITY OF PRINCETON
CITY SEAL
THE STATE OF TEXAS

ORDINANCE NO. 2026-08-10-13

AN ORDINANCE OF THE CITY OF PRINCETON APPROVING THE 2026-2027 ANNUAL UPDATE TO THE SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NUMBER TWO (IMPROVEMENT AREAS #3A-3C PROJECT) INCLUDING THE COLLECTION OF THE 2026-2027 ANNUAL INSTALLMENTS

WHEREAS, the City of Princeton (the "City") has created the Whitewing Trails Number Two Public Improvement District (the "PID") in accordance with the requirements of Section 372.005 of the Public Improvement District Assessment Act (the "Act"); and

WHEREAS, the City Council has approved and accepted the Service and Assessment Plan for Whitewing Trails Public Improvement District Number Two (Improvement Areas #3A-3C Project) in conformity with the requirements of the Act and adopted the assessment ordinance, which assessment ordinance approved the assessment roll and levied the assessments on property within the PID; and

WHEREAS, pursuant to Section 372.013 of the Act, the Service and Assessment Plan must cover a period of at least five years and must also define the annual indebtedness and projected costs for improvements and such Service and Assessment Plan must be reviewed and updated annually for the purpose of determining the annual budget for improvements; and

WHEREAS, the City requires that an update to the Service and Assessment Plan and the Assessment Roll for Whitewing Trails Public Improvement District Number Two (Improvement Areas #3A-3C Project) for 2026-2027 (the "Annual Service Plan Update") be prepared, setting forth the annual budget for improvements and the annual installment for assessed properties in Improvement Areas #3A-3C Project of the PID, and the City now desires to approve such Annual Service and Assessment Plan Update.

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

Section 1. Findings. The findings and determinations set forth in the preambles hereto are hereby incorporated by reference for all purposes.

Section 2. Terms. Terms not otherwise defined herein are defined in the City of Princeton, Whitewing Trails Public Improvement District Number Two (Improvement Areas #3A-3C Project) Annual Service and Assessment Plan Update attached hereto as ***Exhibit A***.

Section 3. Approval of Update. The 2026-2027 Annual Service and Assessment Plan Update for the Whitewing Trails Public Improvement District Number Two (Improvement Areas #3A-3C Project) is hereby approved and accepted by the City Council.

Section 4. Severability. If any provision, section, subsection, sentence, clause or phrase of this ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this ordinance or the application to other persons or sets of circumstances shall not be affect thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion here, and all provisions of this ordinance are declared to be severable for that purpose.

Section 5. Effective Date. This ordinance shall take effect from and after its final date of passage, and it is accordingly so ordered.

PASSED, APPROVED AND EFFECTIVE this August 10, 2026.

Eugene Escobar Jr.

Mayor

ATTEST:

[illegible], DEPUTY

City Secretary

CITY OF PRINCETON

THE STATE OF TEXAS

EXHIBIT A

2026-2027 Annual Service and Assessment Plan
Update

Whitewing Trails
Public Improvement District No. 2

City of Princeton, Texas

PRINCETON
TEXAS

Annual Service Plan Update
Improvement Areas #3A-3C
2026-27

As Approved by City Council on:
August 10, 2026

Prepared By:
MuniCap, Inc.
Public Finance
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Irving, TX 75062
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WHITEWING TRAILS
PUBLIC IMPROVEMENT DISTRICT NO.2

ANNUAL SERVICE PLAN UPDATE – 2026-27

TABLE OF CONTENTS

I. INTRODUCTION

The Whitewing Trails Public Improvement District No.2 (the "PID") was created by Resolution No. 2019-06-10-R-04 adopted by the City Council of the City of Princeton (the "City Council" and the "City", respectively) on June 10, 2019 in accordance with Chapter 372 of the Texas Local Government Code (the "PID Act") to finance and/or reimburse the Authorized Improvements Cost for the benefit of the property in the PID.

On April 13, 2026, the City approved issuance of the City of Princeton, Texas Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C Project) (the "Improvement Areas #3A-3C PID Bonds") in the aggregate principal amount of $18,368,000, to finance, refinance, provide or otherwise assist in the acquisition, construction and maintenance of the public improvements provided for the benefit of the property in Improvement Areas #3A-3C of the PID. The Improvement Areas #3A-3C PID Bonds are secured by the Improvement Areas #3A-3C Assessments.

A service and assessment plan originally dated as of December 8, 2025, and most recently updated on April 13, 2026 (the "Current Service and Assessment Plan" or "Current SAP") was prepared at the direction of the City identifying the public improvements (the "Authorized Improvements") to be provided by the PID, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the PID for the costs of the Authorized Improvements. Pursuant to the PID Act, the service and assessment plan must be reviewed and updated annually. This document is the annual update of the Current Service and Assessment Plan for 2026-27 (the "Annual Service Plan Update") pursuant to Sections 372.013, 372.014, and 372.016 of the PID Act.

The City also adopted Assessment Rolls identifying the assessments on each Parcel within the PID, based on the method of assessment identified in the Current Service and Assessment Plan. This Annual Service Plan Update updates the Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C Assessment Rolls for 2026-27.

The PID Act, as amended, requires, among other things, (i) all service and assessment plans and Annual Service Plan Updates be approved through ordinance or order to be filed with the county clerk of each county in which all or part of the PID is located within seven days and (ii) include a copy of the notice form required by Section 5.014 of the Texas Property Code (the "PID Assessment Notice") as disclosure of the obligation to pay PID Assessments. This Annual Service Plan Update includes a copy of the PID Assessment Notice as Appendix F and copy of this Annual Service Plan Update will be filed with the county clerk in each county in which all or a part of the PID us located not later than seven (7) days after the date the governing body of the City approves this Annual Service Plan Update.

Capitalized terms shall have the meanings set forth in the Current Service and Assessment Plan unless otherwise defined herein.

II. Update of the Service Plan

Pursuant to Section 372.013 of the PID Act, the Service Plan must:

(i) define the annual indebtedness and the projected costs for the improvements,
(ii) cover a period of at least five (5) years, and
(iii) include a copy of the notice form required by Section 5.014 of the Texas Property Code.

The governing body of the municipality or county shall review and update the service plan annually for the purpose of determining the annual budget for improvements.

A. Projected Sources and Uses of Funds

According to the Limited Offering Memorandum, the Improvement Area #3A Improvements have been completed and were accepted by the City in the third quarter of 2025.

The sources and uses of funds for the Improvement Area #3A PID Bonds are presented below in Table II-A-1 as shown in the Current SAP.

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Table II-A-1
Improvement Areas #3A Sources and Uses

Sources of Funds	Initial Estimated Budget[1]	Budget Revisions	Updated Budget	Spent to Date[2]	Remaining to Draw
Bond Par	$6,065,000	$0	$6,065,000	$6,065,000	$0
Other funding sources	$2,929,840	$2,077,262	$5,007,102	$3,352,593	$1,654,509
Original Issue Discount	($31,351)	$0	($31,351)	$0	($31,351)
City PID Fees	$0	$0	$0	$0	$0
Total Sources	**$8,963,489**	**$2,077,262**	**$11,040,751**	**$9,417,593**	**$1,623,158**
Uses of Funds					
Zone Improvements:					
Roadway Improvements	$440,190	$663,268	$1,103,458	$1,103,458	$0
Water Improvements	$176,198	$482,910	$659,108	$659,108	$0
Sanitary Sewer Improvements	$239,357	$499,565	$738,922	$738,922	$0
Storm Drainage Improvements	$84,226	$431,519	$515,745	$515,745	$0
Subtotal Zone Improvements	*$939,971*	*$2,077,262*	*$3,017,233*	*$3,017,234*	*$0*
Improvement Area #3A Improvements:					
Roadway Improvements	$2,407,446	($869,366)	$1,538,080	$1,495,361	$42,719
Water Improvements	$1,170,109	($702,045)	$468,064	$72,774	$395,289
Sanitary Sewer Improvements	$1,383,822	$869,366	$2,253,188	$2,253,188	$0
Storm Drainage Improvements	$1,626,126	$0	$1,626,126	$440,975	$1,185,151
Soft and miscellaneous costs	$424,850	$702,045	$1,126,895	$1,126,895	$0
Subtotal Improvement Area #3A Costs	*$7,012,353*	*$0*	*$7,012,351*	*$5,389,194*	*$1,623,159*
Bond Issuance Costs					
Issuance costs	$338,449	$0	$338,449	$338,449	$0
Administrative Expenses	$60,000	$0	$60,000	$60,000	$0
Underwriter's discount	$181,950	$0	$181,950	$181,950	$0
Reserve fund	$430,766	$0	$430,766	$430,766	$0
City PID Fee Account	$0	$0	$0	$0	$0
Subtotal Bond Issuance Related Costs	*$1,011,165*	*$0*	*$1,011,165*	*$1,011,165*	*$0*
Total Uses	**$8,963,489**	**$2,077,262**	**$11,040,751**	**$9,417,593**	**$1,623,158**

1 – According to the Current Service and Assessment Plan approved by the City on April 13, 2026.
2 – According to requisition #1 approved by the City on June 5, 2026

According to the Limited Offering Memorandum, the Improvement Area #3B Improvements were completed and accepted by the City in the first quarter of 2026.

The sources and uses of funds for the Improvement Area #3A PID Bonds are presented below in Table II-A-2 as shown in the Current SAP.

Table II-A-2
Improvement Areas #3B Sources and Uses

Sources of Funds	Initial Estimated Budget[1]	Budget Revisions	Updated Budget	Spent to Date[2]	Remaining to Draw
Bond Par	$8,450,000	$0	$8,450,000	$8,450,000	$0
Other funding sources	$4,803,307	$1,368,247	$6,171,554	$6,127,559	$43,995
Original Issue Discount	($43,995)	$0	($43,995)	$0	($43,995)
City PID Fees	$0	$0	$0	$0	$0
Total Sources	**$13,209,312**	**$1,368,247**	**$14,577,559**	**$14,577,559**	**$0**
Uses of Funds					
Improvement Area #3B Improvements:					
Roadway Improvements	$3,536,705	($93,003)	$3,443,702	$3,443,702	$0
Water Improvements	$2,125,913	($72,809)	$2,053,104	$2,053,104	$0
Sanitary Sewer Improvements	$2,000,649	($117,906)	$1,882,743	$1,882,743	$0
Storm Drainage Improvements	$3,775,070	$195,653	$3,970,723	$3,970,723	$0
Soft and miscellaneous costs	$385,775	$1,456,311	$1,842,086	$1,842,086	$0
Subtotal Improvement Area #3A Costs	*$11,824,112*	*$1,368,247*	*$13,192,359*	*$13,192,359*	*$0*
Bond Issuance Costs					
Issuance costs	$471,540	$0	$471,540	$471,540	$0
Administrative Expenses	$60,000	$0	$60,000	$60,000	$0
Underwriter's discount	$253,500	$0	$253,500	$253,500	$0
Reserve fund	$600,160	$0	$600,160	$600,160	$0
City PID Fee Account	$0	$0	$0	$0	$0
Subtotal Bond Issuance Related Costs	*$1,385,200*	*$0*	*$1,385,200*	*$1,385,200*	*$0*
Total Uses	**$13,209,312**	**$1,368,247**	**$14,577,559**	**$14,577,559**	**$0**

1 – According to the Current Service and Assessment Plan approved by the City on April 13, 2026.
2 – According to requisition #1 approved by the City on June 5, 2026

According to the Limited Offering Memorandum, it is anticipated that the Improvement Area #3C Improvements were be completed and accepted by the City in the second quarter of 2026.

The sources and uses of funds for the Improvement Area #3A PID Bonds are presented below in Table II-A-3 as shown in the Current SAP.

Table II-A-3
Improvement Areas #3C Sources and Uses

Sources of Funds	**Initial Estimated Budget**[1]	**Budget Revisions**	**Updated Budget**	**Spent to Date**[2]	**Remaining to Draw**
Bond Par	$3,853,000	$0	$3,853,000	$3,853,000	$0
Other funding sources	$1,800,158	$1,376,974	$3,177,132	$2,720,030	$457,102
Original Issue Discount	($19,924)	$0	($19,924)	$0	($19,924)
City PID Fees	$0	$0	$0	$0	$0
Total Sources	**$5,633,235**	**$1,376,974**	**$7,010,208**	**$6,573,830**	**$437,178**
Uses of Funds					
Zone Improvements:					
Roadway Improvements	$291,793	$439,667	$731,460	$731,458.92	$1
Water Improvements	$116,798	$320,111	$436,909	$436,909	$0
Sanitary Sewer Improvements	$158,665	$331,151	$489,816	$489,816	$0
Storm Drainage Improvements	$55,832	$286,045	$341,876	$341,877	$0
Subtotal Zone Improvements	*$623,087*	*$1,376,974*	*$2,000,061*	*$2,000,061*	*$0*
Improvement Area #3C Improvements:					
Roadway Improvements	$1,605,738	($42,550)	$1,563,187	$1,487,163	$76,025
Water Improvements	$741,792	$11,500	$753,293	$753,292	$0
Sanitary Sewer Improvements	$664,281	$7,250	$671,531	$671,531	$0
Storm Drainage Improvements	$1,020,982	$0	$1,020,982	$976,710	$44,271
Soft and miscellaneous costs	$313,095	$23,799	$336,894	$336,894	$0
Less 10% Withholding of Acct Funds				($316,882)	$316,882
Subtotal Improvement Area #3A Costs	*$4,345,888*	*$0*	*$4,345,888*	*$3,908,709*	*$437,178*
Bond Issuance Costs					
Issuance costs	$215,011	$0	$215,011	$215,011	$0
Administrative Expenses	$60,000	$0	$60,000	$60,000	$0
Underwriter's discount	$115,590	$0	$115,590	$115,590	$0
Reserve fund	$273,659	$0	$273,659	$273,659	$0
City PID Fee Account	$0	$0	$0	$0	$0
Subtotal Bond Issuance Related Costs	*$664,260*	*$0*	*$664,260*	*$664,260*	*$0*
Total Uses	**$5,633,235**	**$1,376,974**	**$7,010,208**	**$6,573,030**	**$437,178**

1 – According to the Current Service and Assessment Plan approved by the City on April 13, 2026
2 – According to requisition #1 approved by the City on June 5, 2026

Description of the Improvement Area 3A Authorized Improvement Costs

Pursuant to the Current SAP, the Improvement Area #3A Authorized Improvement Costs consist of the on-site Public Infrastructure necessary for the development of Improvement Area #3A. The Improvement Area #3A Authorized Improvement Costs include, but are not limited to, the following:

Roadway Improvements:

The roadway improvement portion within Improvement Area #3A includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements:

The water improvement portion within Improvement Area #3A consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Improvement Area #3A Assessed Property. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements:

The sanitary sewer improvement portion within Improvement Area #3A consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area #3A Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements:

The storm drainage improvement portion within Improvement Area #3A consists of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Costs:

The other soft and miscellaneous costs include costs related to general conditions, contractor overhead, performance bond and insurance, project management fee, contingency, and other soft costs.

The breakdown of Improvement Area #3A Authorized Improvements is shown on Table II-A-4 on the following page.

Table II-A-4
Improvement Area #3A Authorized Improvement Costs - Authorized Improvement Costs[1]

Authorized Improvements	Improvement Area #3A Improvements	Improvement Area #3A's Allocated Amount of Zone Improvements	Spent to Date[2]	Total Improvement Area #3A Projects	Remaining to Spend[2]
Roadway Improvements	$1,538,080	$1,103,458	$2,598,819	$2,641,537	$42,718
Water Improvements	$468,064	$659,108	$731,883	$1,127,172	$395,289
Sanitary Sewer Improvements	$2,253,188	$738,922	$2,992,110	$2,992,110	$0
Storm Drainage Improvements	$1,626,126	$515,745	$956,720	$2,141,871	$1,185,151
Soft and miscellaneous costs	$1,126,895	$0	$1,126,895	$1,126,895	$0
Total Authorized Improvements	**$7,012,353**	**$3,017,233**	**$8,406,428**	**$10,029,586**	**$1,623,158**

1 – See the Current Service and Assessment Plan for details.
2 – According to requisition #1 approved by the City on June 5, 2026

Description of the Improvement Area #3B Authorized Improvement Costs

Pursuant to the Current SAP, the Improvement Area #3B Authorized Improvement Costs consist of the on-site Public Infrastructure necessary for the development of Improvement Area #3B. The Improvement Area #3B Authorized Improvement Costs include, but are not limited to, the following:

Roadway Improvements:

The roadway improvement portion within Improvement Area #3B includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements:

The water improvement portion within Improvement Area #3B consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Improvement Area #3B Assessed Property. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements:

The sanitary sewer improvement portion within Improvement Area #3B consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area #3B Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements:

The storm drainage improvement portion within Improvement Area #3B consists of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Costs:

The other soft and miscellaneous costs include costs related to general conditions, contractor overhead, performance bond and insurance, project management fee, contingency, and other soft costs.

The breakdown of Improvement Area #3B Authorized Improvements is shown on Table II-A-5 below.

Table II-A-5
Improvement Area #3B Authorized Improvement Costs - Authorized Improvement Costs[1]

Authorized Improvements	Improvement Area #3B Improvements	Spent to Date[2]	Remaining to Spend[2]
Roadway Improvements	$3,443,702	$3,443,702	$0
Water Improvements	$2,053,104	$2,053,104	$0
Sanitary Sewer Improvements	$1,882,743	$1,882,743	$0
Storm Drainage Improvements	$3,970,723	$3,970,723	$0
Soft and miscellaneous costs	$1,842,086	$1,842,086	$0
Total Authorized Improvements	**$13,192,359**	**$13,192,359**	**$0**

1 – See the Current Service and Assessment Plan for details.
2 – According to requisition #1 approved by the City on June 5, 2026

Description of the Improvement Area #3C Authorized Improvement Costs

Pursuant to the Current SAP, the Improvement Area #3C Authorized Improvement Costs consist of the on-site Public Infrastructure necessary for the development of Improvement Area #3C. The Improvement Area #3C Authorized Improvement Costs include, but are not limited to, the following:

Roadway Improvements:

The roadway improvement portion within Improvement Area #3C includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements:

The water improvement portion within Improvement Area #3C consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Improvement Area #3C Assessed Property. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements:

The sanitary sewer improvement portion within Improvement Area #3C consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area #3C Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements:

The storm drainage improvement portion within Improvement Area #3C consists of reinforced concrete pipes, curb inlets, and storm sewer structures. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Costs:

The other soft and miscellaneous costs include costs related to general conditions, contractor overhead, performance bond and insurance, project management fee, contingency, and other soft costs.

The breakdown of Improvement Area No. 3 Authorized Improvements is shown on Table II-A-6 on the following page.

(the remainder of this page is intentionally left blank)

Table II-A-6
Improvement Area #3C Authorized Improvement Costs - Authorized Improvement Costs[1]

Authorized Improvements	Improvement Area #3C Improvements	Improvement Area #3C's Allocated Amount of Zone Improvements	Spent to Date[2]	Total Improvement Area #3C Projects	Remaining to Spend[2]
Roadway Improvements	$1,563,187	$731,459	$2,218,621	$2,294,646	$76,025
Water Improvements	$753,293	$436,909	$1,190,202	$1,190,202	$0
Sanitary Sewer Improvements	$671,531	$489,816	$1,161,347	$1,161,347	$0
Storm Drainage Improvements	$1,020,982	$341,877	$1,318,587	$1,362,858	$44,271
Soft and miscellaneous costs	$336,894	$0	$336,894	$336,894	$0
Less 10% Withholding of Acct Funds			($316,882)	$0	$316,882
Total Authorized Improvements	**$4,345,888**	**$2,000,061**	**$6,225,651**	**$6,345,948**	**$437,178**

1 - See the Current Service and Assessment Plan for details.
2 - According to requisition #1 approved by the City on June 5, 2026.

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B. Annual Budget

Pursuant to Sections 372.017 and 372.018 of the PID Act, the City may provide that the Assessments be paid in periodic installments and may bear interest at the rate specified by and beginning at the time or times or on the occurrence of one or more events specified by the City Council in an Assessment Ordinance. Such installments must (i) be in amounts necessary to retire the indebtedness on the improvements and (ii) continue for the period approved by the City Council for the payment of the installments. The City Council has determined that the Assessments shall be collected in installments corresponding in number to the annual installments of principal, including mandatory sinking fund payments, on the PID Bonds and bear interest at the actual interest rate on the PID Bonds plus the Additional Interest Rate.

Each Parcel's Annual Installment, as defined in the Current SAP, shall include an annual installment of interest and principal in proportionate amount to the corresponding annual installment of interest and principal on the applicable PID Bonds, the Additional Interest, and a proportionate share, based on such Parcel's outstanding Assessment, of the Administrative Expenses. Such Annual Installments may be reduced by available funds held in trust under and in accordance with the Indenture.

The City or County Tax Assessor/Collector will invoice each owner of a benefited Parcel within the Property at the same time as the City's annual property tax bill, and the Annual Installment shall be due and payable, and incur penalty and interest for unpaid Annual Installments in the same manner as provided for the City's property taxes. Thereafter, subsequent Annual Installments shall be due in the same manner in each succeeding calendar year until the Assessment together with interest, including the Additional Interest, and Administrative Expenses as provided herein has been paid in full.

Failure of an owner to receive an Annual Installment on the property tax bill shall not relieve the owner of the responsibility for payment of the Assessment or the Annual Installment. Assessments and/or Annual Installments that are delinquent shall incur Delinquent Collection Costs. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. In the event of default or foreclosure of any element of the Development, the City has no financial obligations under the Development Agreement and is only obligated to enforce the collection of the Assessments.

Improvement Area #3A Annual Budget

Collection of the Annual Installments for the Improvement Area #3A Assessed Property commenced with the 2026 tax year. The calculation of the Annual Installments for the Improvement Area #3A Assessed Property is shown in Table II-B-1 on the following page.

Table II-B-1
Annual Installment Calculations – Improvement Area #3A

Descriptions	Improvement Area #3A PID Bonds
Interest payment on March 1, 2027	$206,945
Interest payment on September 1, 2027	$206,945
Principal payment on September 1, 2027	$18,000
Subtotal debt service on bonds	*$431,889*
Administrative expenses	$61,200
Additional Interest for Reserves	$30,325
Subtotal Expenses	**$523,414**
Available reserve fund income	$0
Available Administrative Expense account	$0
Subtotal funds available	$0
Annual Installments	**$523,414**

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2027, in the amount of $206,945 and on September 1, 2027, in the amount of $206,945, which equal interest on Improvement Area #3A's portion of the outstanding Improvement Areas #3A-3C PID Bonds portion of Assessments balance of $6,065,000 for six months each and an effective interest rate of 6.82 percent. Annual Installments to be collected include a principal payment of $18,000 due on September 1, 2027, for Improvement Area #3A's portion of the Improvement Area #3A-3C PID Bonds. As a result, total principal and interest due in 2026-27 for Improvement Area #3A's portion of the Improvement Area #3A-3C PID Bonds is estimated to be $431,889.

Administrative Expenses

Administrative expenses include the City, PID Administrator, Trustee, Dissemination Agent, auditor, and contingency fees. As shown in Table II-B-2 on the following page, Improvement Area #3A administrative expenses to be collected for 2026-27 are estimated to be $61,200.

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Table II-B-2
Administrative Budget Breakdown – Improvement Area #3A

Description	2026-27 Estimated Budget[1]	2025-26 Budget[2]	% Change[3]
City	$9,240	$0	N/A
Administrator	$34,500	$0	N/A
Trustee	$1,833	$0	N/A
Dissemination Agent	$0	$0	N/A
Contingency	$15,626	$0	N/A
Total	**$61,200**	**$0**	**N/A**

1 – Represents the total estimated Administrative Expenses ($61,200).
2 – The Improvement Area #3A Assessment levy occurred in 2026. As such, no Administrative Expenses were approved for 2025-26.
3 – Represents the percentage change between 2025-26 and 2026-27.

Additional Interest

Annual Installments to be collected as additional interest for prepayment and delinquency reserves in the amount of $ $30,325, which equals 0.5 percent interest on the outstanding Assessments of $6,065,000.

Available Reserve Fund Income

As of June 30, 2026, there is $0 in excess reserve fund income earned above the reserve fund requirement and excess principal and interest account balance. As a result, no credits are applied to reduce the 2026-27 Annual Installments.

Improvement Area #3B Annual Budget

Collection of the Annual Installments for the Improvement Area #3B Assessed Property commenced with the 2026 tax year. The calculation of the Annual Installments for the Improvement Area #3B Assessed Property is shown in Table II-B-3 on the following page.

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Table II-B-3
Annual Installment Calculations – Improvement Area #3B

Descriptions	IA Improvement Area #3B PID Bonds
Interest payment on March 1, 2027	$288,739
Interest payment on September 1, 2027	$288,739
Principal payment on September 1, 2027	$19,000
Subtotal debt service on bonds	*$596,478*
Administrative expenses	$61,200
Additional Interest for Reserves	$42,250
Subtotal Expenses	**$699,928**
Available reserve fund income	$0
Available Administrative Expense account	$0
Subtotal funds available	$0
Annual Installments	**$699,928**

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2027, in the amount of $288,739 and on September 1, 2027, in the amount of $288,739, which equal interest on Improvement Area #3B's portion of the Improvement Area #3A-3C outstanding Assessments balance of $8,450,000 for six months each and an effective interest rate of 6.83 percent. Annual Installments to be collected include a principal payment of $19,000 due on September 1, 2027, for Improvement Area #3B's portion of the Improvement Area #3A-3C PID Bonds. As a result, total principal and interest due in 2026-27 for the Improvement Area #3B's portion of the Improvement Area #3A-3C PID Bonds is estimated to be $596,478.

Administrative Expenses

Administrative expenses include the City, PID Administrator, Trustee, Dissemination Agent, auditor, and contingency fees. As shown in Table II-B-4 on the following page, the Improvement Area #3B administrative expenses to be collected for 2026-27 are estimated to be $61,200.

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Table II-B-4
Administrative Budget Breakdown - Improvement Area #3B

Description	2026-27 Estimated Budget[1]	2025-26 Budget[2]	% Change[3]
City	$11,585	$0	N/A
Administrator	$34,500	$0	N/A
Trustee	$1,833	$0	N/A
Dissemination Agent	$0	$0	N/A
Contingency	$13,281	$0	N/A
Total	**$61,200**	**$0**	**N/A**

1 – Represents the total estimated Administrative Expenses ($61,200).
2 – The Improvement Area #3B Assessment levy occurred in 2026. As such, no Administrative Expenses were approved for 2025-26.
3 – Represents the percentage change between 2025-26 and 2026-27.

Additional Interest

Annual Installments to be collected as additional interest for prepayment and delinquency reserves in the amount of $42,250, which equals 0.5 percent interest on the outstanding Assessments of $8,450,000.

Available Reserve Fund Income

As of June 30, 2026, there is $0 in excess reserve fund income earned above the reserve fund requirement and excess principal and interest account balance. As a result, no credits are applied to reduce the 2026-27 Annual Installments.

Improvement Area #3C Annual Budget

Collection of the Annual Installments for the Improvement Area #3C Assessed Property commenced with the 2026 tax year. The calculation of the Annual Installments for the Improvement Area #3C Assessed Property is shown in Table II-B-5 on the following page.

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Table II-B-5
Annual Installment Calculations – Improvement Area #3C

Descriptions	Improvement Area #3C PID Bonds
Interest payment on March 1, 2027	$131,608
Interest payment on September 1, 2027	$131,608
Principal payment on September 1, 2027	$13,000
Subtotal debt service on bonds	*$276,217*
Administrative expenses	$61,200
Additional Interest for Reserves	$19,265
Subtotal Expenses	**$356,682**
Available reserve fund income	$0
Available Administrative Expense account	$0
Subtotal funds available	$0
Annual Installments	**$356,682**

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2027, in the amount of $131,608 and on September 1, 2027, in the amount of $131,608, which equal interest on Improvement Area #3C's portion of the Improvement Area #3A-3C outstanding Assessments balance of $3,853,000 for six months each and an effective interest rate of 6.83 percent. Annual Installments to be collected include a principal payment of $13,000 due on September 1, 2027, for Improvement Area #3C's portion of the Improvement Area #3A-3C PID Bonds. As a result, total principal and interest due in 2026-27 for the Improvement Area #3C's portion of the Improvement Area #3A-3C PID Bonds is estimated to be $276,217.

Administrative Expenses

Administrative expenses include the City, PID Administrator, Trustee, Dissemination Agent, auditor, and contingency fees. As shown in Table II-B-4 on the following page, the Improvement Area #3B administrative expenses to be collected for 2026-27 are estimated to be $61,200.

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Table II-B-6
Administrative Budget Breakdown - Improvement Area #3C

Description	2026-27 Estimated Budget[1]	2025-26 Budget[2]	% Change[3]
City	$6,125	$0	N/A
Administrator	$34,500	$0	N/A
Trustee	$1,833	$0	N/A
Dissemination Agent	$0	$0	N/A
Contingency	$18,741	$0	N/A
Total	**$61,200**	**$0**	**N/A**

1 - Represents the total estimated Administrative Expenses ($61,200).
2 - The Improvement Area #3C Assessment levy occurred in 2026. As such, no Administrative Expenses were approved for 2025-26.
3 - Represents the percentage change between 2025-26 and 2026-27.

Additional Interest

Annual Installments to be collected as additional interest for prepayment and delinquency reserves in the amount of $19,265, which equals 0.5 percent interest on the outstanding Assessments of $3,853,000.

Available Reserve Fund Income

As of June 30, 2026, there is $0 in excess reserve fund income earned above the reserve fund requirement and excess principal and interest account balance. As a result, no credits are applied to reduce the 2026-27 Annual Installments.

Annual Installments Per Unit

Improvement Area #3A Annual Installments Per Unit

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on Improvement Area #3A's portion of the Improvement Area #3A-3C PID Bonds, (ii) to fund the Additional Interest, and (iii) to cover Administrative Expenses of the PID.

According to the Service and Assessment Plan and subsequent plats, 264 units were built within Improvement Area #3A of the PID. The Annual Installments due to be collected per Unit within the PID for 2026-27 are shown in Table II-B-7 on the following page.

Table II-B-7
Improvement Area #3A Annual Installment Per 50 FT Lot

Budget Item	Net Budget Amount[1]	% of Outstanding Assessment per Unit[2]	Annual Installment per Unit[3]
Principal	$18,000	0.38%	$68
Interest	$413,889	0.38%	$1,568
Administrative Expenses	$61,200	0.38%	$232
Additional Interest	$30,325	0.38%	$115
Total	**$523,414**		**$1,983**

1 – Refer to Table II-B-1 of this report for additional budget details.
2 – See Table III-B-1 for percentage of Total outstanding Assessment per unit calculations.
3 – Annual Installment per unit is calculated by multiplying the net budget amount and the % of outstanding Assessment per Lot.

The list of Parcels within Improvement Area #3A of the PID, the number of units developed of the current residential Parcels, the corresponding percent of buildout value, the total outstanding Initial Authorized Improvements Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2026-27 are shown in the Assessment Roll Summary attached hereto as Appendix B-1.

Improvement Area #3B Annual Installments Per Unit

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on Improvement Area #3B's portion of the Improvement Area #3A-3C PID Bonds, (ii) to fund the Additional Interest, and (iii) to cover Administrative Expenses of the PID.

According to the Service and Assessment Plan and subsequent plats, 331 units were built within Improvement Area #3B of the PID. The Annual Installments due to be collected per Unit within the PID for 2026-27 are shown in Tables II-B-8 and II-B-9 on the following page.

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Table II-B-8
Improvement Area #3B Annual Installment Per 60 FT Lot

Budget Item	Net Budget Amount[1]	% of Outstanding Assessment per Unit[2]	Annual Installment per Unit[3]
Principal	$19,000	0.33%	$63
Interest	$577,478	0.33%	$1,923
Administrative Expenses	$61,200	0.33%	$204
Additional Interest	$42,250	0.33%	$141
Total	**$699,928**		**$2,331**

1 – Refer to Table II-B-3 of this report for additional budget details.
2 – See Table III-B-2 for percentage of Total outstanding Assessment per unit calculations.
3 – Annual Installment per unit is calculated by multiplying the net budget amount and the % of outstanding Assessment per Lot.

Table II-B-9
Improvement Area #3B Annual Installment Per 50 FT Lot

Budget Item	Net Budget Amount[1]	% of Outstanding Assessment per Unit[2]	Annual Installment per Unit[3]
Principal	$19,000	0.28%	$54
Interest	$577,478	0.28%	$1,635
Administrative Expenses	$61,200	0.28%	$173
Additional Interest	$42,250	0.28%	$120
Total	**$699,928**		**$1,981**

1 – Refer to Table II-B-3 of this report for additional budget details.
2 – See Table III-B-2 for percentage of Total outstanding Assessment per unit calculations.
3 – Annual Installment per unit is calculated by multiplying the net budget amount and the % of outstanding Assessment per Lot.

The list of Parcels within Improvement Area #3B of the PID, the number of units developed of the current residential Parcels, the corresponding percent of buildout value, the total outstanding Initial Authorized Improvements Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2026-27 are shown in the Assessment Roll Summary attached hereto as Appendix C-1.

Improvement Area No. 3C Annual Installments Per Unit

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on Improvement Area #3C's portion of the Improvement Area #3A-3C PID Bonds, (ii) to fund the Additional Interest, and (iii) to cover Administrative Expenses of the PID.

According to the Service and Assessment Plan and subsequent plats, 175 units were built within Improvement Area No. 3 of the PID. The Annual Installments due to be collected per Unit within the PID for 2026-27 are shown in Table II-B-10 below.

Table II-B-10
Improvement Area #3C Annual Installment Per 50 FT Lot

Budget Item	Net Budget Amount[1]	% of Outstanding Assessment per Unit[2]	Annual Installment per Unit[3]
Principal	$13,000	0.57%	$74
Interest	$263,217	0.57%	$1,504
Administrative Expenses	$61,200	0.57%	$350
Additional Interest	$19,265	0.57%	$110
Total	**$356,682**		**$2,038**

1 – Refer to Table II-B-5 of this report for additional budget details.
2 – See Table II-B-3 for percentage of Total outstanding Assessment per unit calculations.
3 – Annual installment per unit is calculated by multiplying the net budget amount and the % of outstanding Assessment per Lot.

The list of Parcels within Improvement Area #3C of the PID, the number of units developed of the current residential Parcels, the corresponding percent of buildout value, the total outstanding Initial Authorized Improvements Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2026-27 are shown in the Assessment Roll Summary attached hereto as Appendix D-1.

D. Projected Five-Year Service Plan

A service plan must cover a period of five years. All the Authorized Improvements are expected to be built within a period of five years. The anticipated budget for the Improvement Area #3A Projects over a period of five years and the indebtedness expected to be incurred for these costs is shown by Table II-D-1 on the following page.

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Table II-D-1
Improvement Area #3A Authorized Improvement Costs - Annual Projected Indebtedness

Bond Year	Principal and Interest	Additional Interest	Administrative Expenses	Total
2027	$431,889	$30,325	$61,200	$523,414
2028	$430,594	$30,235	$62,424	$523,253
2029	$429,678	$29,670	$63,672	$523,020
2030	$429,589	$29,085	$64,946	$523,619
2031	$428,282	$28,475	$66,245	$523,001
2032	$427,801	$27,845	$67,570	$523,215
Total	**$2,577,831**	**$175,635**	**$386,057**	**$3,139,523**

The anticipated budget for the Improvement Area #3B Authorized Improvements over a period of five years and the indebtedness expected to be incurred for these costs is shown by Table II-D-2 below.

Table II-D-2
Improvement Area #3B Authorized Improvement Costs - Annual Projected Indebtedness

Bond Year	Principal and Interest	Additional Interest	Administrative Expenses	Total
2027	$596,478	$42,250	$61,200	$699,928
2028	$595,387	$42,155	$62,424	$699,966
2029	$594,775	$41,395	$63,672	$699,843
2030	$593,902	$40,605	$64,946	$699,453
2031	$593,768	$39,785	$66,245	$699,798
2032	$593,330	$38,930	$67,570	$699,830
Total	**$3,567,641**	**$245,120**	**$386,057**	**$4,198,818**

The anticipated budget for the Improvement Area #3C Authorized Improvements over a period of five years and the indebtedness expected to be incurred for these costs is shown by Table II-D-3 on the following page.

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Table II-D-3
Improvement Area #3C Authorized Improvement Costs - Annual Projected Indebtedness

Bond Year	Principal and Interest	Additional Interest	Administrative Expenses	Total
2027	$276,217	$19,265	$61,200	$356,681
2028	$275,909	$19,200	$62,424	$357,533
2029	$274,690	$18,830	$63,672	$357,192
2030	$273,384	$18,450	$64,946	$356,780
2031	$272,991	$18,060	$66,245	$357,296
2032	$271,468	$17,655	$67,570	$356,692
Total	**$1,644,658**	**$111,460**	**$386,057**	**$2,142,175**

E. PID Assessment Notice

The PID Act requires that the Current Service and Assessment Plan and each Annual Service Plan Update include a copy of the notice form required by Section 5.014 of the Texas Property Code. The PID Assessment Notice is attached hereto as Appendix G.

Section 372.013 of the PID Act, as amended, stipulates that a person who proposes to sell or otherwise convey real property that is located in the PID, except in certain situation described in the PID Act, shall first give to the purchaser of the property a copy of the completed PID Assessment Notice. The PID Assessment 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 provided the required notice, the purchaser, subject to certain exceptions described in the PID act, is entitled to terminate the contract.

The PID Assessment Notice shall be executed by the seller 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.

Please refer to appendices B-2, C-2, and D-2, for the projected Assessment by Lot Type for each Improvement Area of the PID.

F. Bond Redemption Related Updates

Improvement Area #3A-3C PID Bonds

The Improvement Areas #3A-3C PID Bonds were issued in 2026. Pursuant to Section 4.3 of the Improvement Areas #3A-3C PID Bonds Indenture, the City reserves the right and option to redeem the Improvement Areas #3A-3C PID Bonds before their scheduled maturity dates, in whole or in part, on any date on or after **September 1, 2034**, such redemption date or dates to be fixed by the

City, at the redemption prices and dates shown in the Indenture related to Improvement Areas #3a-3C PID Bonds.

The Administrator has conducted a preliminary evaluation of the current refunding market conditions, recent PID bond refunding transactions, and other relevant factors. Based on this preliminary evaluation, the Administrator believes a refunding of the Improvement Area #3A-3C PID Bonds does not appear viable at this time. The Administrator will continue to monitor the refunding market conditions, applicable PID bond refunding transactions, and other relevant factors to determine if refunding becomes viable in the future and will inform the City accordingly.

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III. Update of the Assessment Plan

Pursuant to Section 372.015 of the PID Act, the cost of an improvement to be assessed against property in an improvement district shall be apportioned based on the special benefits accruing to the property because of the improvement. The costs of an improvement may be assessed (i) equally per front foot or square foot, (ii) according to the value of the property as determined by the City Council, with or without regard to improvements on the property, or (iii) in any other manner that results in imposing equal shares of the cost on properties similarly benefited. Furthermore, Section 372.015 of the PID Act provides that the City Council may establish by ordinance or order (i) reasonable classifications and formulas for the apportionment of the cost between the municipality or county and the area to be assessed and (ii) the methods of assessing the special benefits for various classes of improvements. The Assessment Plan describes the special benefit received by each classification of property from the Authorized Improvements, provides the basis and justification for the determination that the special benefit is equal to or greater than the amount of the Assessments, and establishes the methodology by which the City Council apportions costs in a manner that results in equal shares allocated to Parcels similarly benefited.

The determination by the City Council of the assessment methodology set forth herein is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future Parcel owners. Notwithstanding any applicable impact fee, the City shall not be liable for payment of any costs of the Authorized Improvements or the Private Improvements from general funds or other revenues or resources of the City. The City assumes no financial obligation whatsoever in the event of default or foreclosure of any Parcel, portion or phase of the Property.

Assessment Methodology

This method of assessing property has not been changed and the assessed property will continue to be assessed as provided for in the Current Service and Assessment Plan.

A. Allocation of Budgeted Costs

1. Improvement Area #3A Projects, Improvement Area #3B Improvements, and Improvement Area #3C Projects

The City Council previously determined to allocate the Budgeted Costs of the Improvement Area #3A Projects, Improvement Area #3B Improvements, and Improvement Area #3C Projects, respectively, shall be allocated as described below:

1. The costs of the Improvement Area #3A Projects shall be allocated on the basis of estimated buildout value once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Improvement Area #3A Improvements to Parcels similarly benefited.
2. The costs of the Improvement Area #3B Improvements shall be allocated on the basis of estimated buildout value once such property is developed, and that such method of allocation

will result in the imposition of equal shares of the costs of the Improvement Area #3B Improvements to Parcels similarly benefited.

3\.

The costs of the Improvement Area #3C Projects shall be allocated on the basis of estimated buildout value once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Improvement Area #3A Improvements to Parcels similarly benefited.

B. Calculation of Assessments

1\. Improvement Area #3A Assessments

Average buildout values and the anticipated number of Lots for each Lot Type are restated for Improvement Area #3A and the resulting assessments and estimated Annual Installments for each Lot Type are shown in Table III-B-1 on the following page.

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Table III-B-1

Assessment Allocation – Improvement Area #3A[1]

Lot Type	Estimated Count	Estimated Home Value	Total Buildout Value	Percentage Subject to Assessments	Total Buildout Value Subject to Assessments	% of Buildout Value	% per Lot	Total Assessment	Original Assessment Per Unit	Outstanding Assessment Per Unit
50	264	$425,000	$112,200,000	100.00%	$112,200,000	100.00%	0.38%	$6,065,000	$22,973	$22,973
Total	**264**		**$112,200,000**		**$112,200,000**	**100.00%**		**$6,065,000**		

1 – None of the assessments related to these parcels were partially or fully prepaid.

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2. Improvement Area #3B Assessments

Average buildout values and the anticipated number of Lots for each Lot Type are restated for Improvement Area #3B and the resulting assessments and estimated Annual Installments for each Lot Type are shown in Table III-B-2 on the following page.

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Table III-B-2

Assessment Allocation – Improvement Area #3B[1]

Lot Type	Estimated Count	Estimated Home Value	Total Buildout Value	Percentage Subject to Assessments	Total Buildout Value Subject to Assessments	% of Buildout Value	% per Lot	Total Assessment	Original Assessment Per Unit	Outstanding Assessment Per Unit
60	126	$500,000	$63,000,000	100.00%	$63,000,000	41.97%	0.33%	$3,546,045	$28,143	$28,143
50	205	$425,000	$87,125,000	100.00%	$87,125,000	58.03%	0.28%	$4,903,955	$23,922	$23,922
Total	**331**		**$150,125,000**		**$150,125,000**	**100.00%**		**$8,450,000**		

1 – None of the assessments related to these parcels were partially or fully prepaid.

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3. Improvement Area #3C Assessments

Average buildout values and the anticipated number of Lots for each Lot Type are restated for Improvement Area #3C and the resulting assessments and estimated Annual Installments for each Lot Type are shown in Table III-B-3 on the following page.

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Table III-B-3
Assessment Allocation – Improvement Area #3C[1]

Lot Type	Estimated Count	Estimated Home Value	Total Buildout Value	Percentage Subject to Assessments	Total Buildout Value Subject to Assessments	% of Buildout Value	% per Lot	Total Assessment	Original Assessment Per Unit	Outstanding Assessment Per Unit
50	175	$425,000	$74,375,000	100.00%	$74,375,000	100.00%	0.57%	$3,853,000	$22,017	$22,017
Total	**175**		**$74,375,000**		**$74,375,000**	**100.00%**		**$3,853,000**		

1 – None of the assessments related to these parcels were partially or fully prepaid.

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IV. UPDATE OF THE ASSESSMENT ROLL

A. PARCEL UPDATES

According to the Current Service and Assessment Plan, Upon the duly approved subdivision of Assessed Property, including a replat of a previously recorded subdivision plat, the Assessment for the subdivided Parcel shall be reallocated to the new Parcels created by the subdivision as described below.

$$A = S \times (L \div T)$$

Where the terms have the following meanings:

"A" means the allocated Assessment for a new Parcel.

"S" means the Assessment for the subdivided Parcel.

"L" means the Assessment for the Lot Type or sum of the Assessments for the Lot Types, as applicable, for the new Parcel created by the subdivision.

"T" means the total or sum of the Assessments for all new Parcels created by the subdivision based on the Lot Type or number of prospective Lots and Lot Types applicable to such new Parcels.

The determination of the (i) Lot Type or Lot Types applicable to each new Parcel created by the subdivision and (ii) the number of single-family lots applicable to each new Parcel created by the subdivision shall be determined by reference to the recorded final plat(s) for the applicable Phase, the replat of such recorded final plats, if applicable, and prior to the recordation of each such final plat the Final Plats included in Appendix E attached hereto. The Assessment applicable to each Lot Type shall be determined by reference to Table III-B-1, III-B-2, or III-B-3.

Any reallocation of Assessments pursuant to this section shall be calculated by the Administrator and reflected in an Annual Service Plan Update approved by the City Council. The reallocation of any Assessments as described herein shall be considered an administrative action and will not require any notice or public hearing, as defined in the PID Act, by the City Council. The City shall not approve a final subdivision plat or other document subdividing a Parcel without a letter from the Administrator either (i) confirming that the Assessment for any new Parcel created by the subdivision plat will not exceed the Assessment for the Lot Type or Lot Types applicable to such Parcels or (ii) confirming the payment of the applicable Mandatory Assessment Prepayment as provided for herein.

B. PREPAYMENT OF ASSESSMENTS

Improvement Area #3A

Per the Current SAP, there have not been any Assessment prepayments as of July 31, 2026, Improvement Area #3A.

Improvement Area #3B

Per the Current SAP, there have not been any Assessment prepayments as of July 31, 2026, Improvement Area #3B.

Improvement Area #3C

Per the Current SAP, there have not been any Assessment prepayments as of July 31, 2026, Improvement Area #3C.

The complete Assessment Rolls are available for review at the City Hall, located at 2000 E Princeton Drive, Princeton, Texas 75407.

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APPENDIX A

PID MAP, LEGAL DESCRIPTIONS AND CONCEPT PLANS

APPENDIX B-1

IMPROVEMENT AREA #3A ASSESSMENT ROLL SUMMARY – 2026-27

Appendix [illegible]

Improvement Area [illegible] Assessment Roll

Parcel	Plat	Block #	Lot	Lot Type	Estimated Build Out Value (Original)	Estimated Build Out Value (Outstanding)	Allocation Percentage of Assessment	Original Assessment	Outstanding Assessment	Principal	Interest	Administrative Expenses	Additional Interest	Total Annual Installment
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Parcel	Plat	Block #	Lot	Lot Type	Estimated Build Out Value (Original)	Estimated Build Out Value (Outstanding)	Allocation Percentage of Assessment	Original Assessment	Outstanding Assessment	Principal	Interest	Administrative Expenses	Additional Interest	Total Annual Installment
[illegible]	Whispering Trails Phase [illegible]	8	24	Lot Type 50 Feet	$421,000	$421,000	[illegible]	$22,973.48	$22,973.48	$65.16	$1,387.76	$218.82	$114.87	$1,983.63
[illegible]	Whispering Trails Phase [illegible]	8	25	Lot Type 50 Feet	$421,000	$421,000	[illegible]	$22,973.48	$22,973.48	$65.16	$1,387.76	$218.82	$114.87	$1,983.63
[illegible]	Whispering Trails Phase [illegible]	8	26	Lot Type 50 Feet	$421,000	$421,000	[illegible]	$22,973.48	$22,973.48	$65.16	$1,387.76	$218.82	$114.87	$1,983.63
[illegible]	Whispering Trails Phase [illegible]	8	27	Lot Type 50 Feet	$421,000	$421,000	[illegible]	$22,973.48	$22,973.48	$65.16	$1,387.76	$218.82	$114.87	$1,983.63
[illegible]	Whispering Trails Phase [illegible]	8	28	Lot Type 50 Feet	$421,000	$421,000	[illegible]	$22,973.48	$22,973.48	$65.16	$1,387.76	$218.82	$114.87	$1,983.63
[illegible]	Whispering Trails Phase [illegible]	8	29	Lot Type 50 Feet	$421,000	$421,000	[illegible]	$22,973.48	$22,973.48	$65.16	$1,387.76	$218.82	$114.87	$1,983.63
[illegible]	Whispering Trails Phase [illegible]	8	31	Lot Type 50 Feet	$421,000	$421,000	[illegible]	$22,973.48	$22,973.48	$65.16	$1,387.76	$218.82	$114.87	$1,983.63
[illegible]	Whispering Trails Phase [illegible]	8	32	[illegible]	$0	$0	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total					[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

APPENDIX B-2

IMPROVEMENT AREA #3A PROJECTED ASSESSMENT SCHEDULES

Whitewing Trails Public Improvement District No. 2
Summary of Projected Annual Installments
Improvement Area #3A

Lot Size	30' Lots
Assessment	$22,973
% Per Lot	0.38%

Year	Cumulative Outstanding Principal	Bond Principal	Bond Interest	Administrative Expense	Total Annual Installments
2026	$22,973	$68	$1,683	$232	$1,983
2027	$22,905	$428	$1,318	$236	$1,982
2028	$22,477	$443	$1,297	$241	$1,981
2029	$22,034	$462	$1,275	$246	$1,983
2030	$21,572	$477	$1,253	$251	$1,981
2031	$21,095	$496	$1,230	$256	$1,982
2032	$20,598	$515	$1,206	$261	$1,982
2033	$20,083	$534	$1,181	$266	$1,981
2034	$19,549	$557	$1,155	$272	$1,983
2035	$18,992	$580	$1,128	$277	$1,984
2036	$18,413	$598	$1,100	$283	$1,981
2037	$17,814	$629	$1,065	$288	$1,982
2038	$17,186	$659	$1,029	$294	$1,982
2039	$16,527	$693	$991	$300	$1,984
2040	$15,833	$723	$951	$306	$1,981
2041	$15,110	$761	$910	$312	$1,983
2042	$14,348	$799	$866	$318	$1,983
2043	$13,549	$837	$820	$325	$1,982
2044	$12,712	$878	$772	$331	$1,982
2045	$11,833	$924	$721	$338	$1,983
2046	$10,909	$970	$668	$344	$1,982
2047	$9,939	$1,022	$609	$351	$1,983
2048	$8,917	$1,080	$546	$358	$1,984
2049	$7,837	$1,136	$480	$366	$1,982
2050	$6,701	$1,201	$410	$373	$1,984
2051	$5,500	$1,265	$337	$380	$1,982
2052	$4,235	$1,337	$259	$388	$1,984
2053	$2,898	$1,409	$177	$396	$1,982
2054	$1,489	$1,489	$91	$404	$1,983
Total		$22,973	$25,527	$8,993	$57,494

APPENDIX C-1

IMPROVEMENT AREA #3B ASSESSMENT ROLL SUMMARY – 2026-27

Appendix [illegible]

Improvement Area [illegible] Assessment Roll

Parcel	Plat	Block #	Lot	Lot Type	Estimated Build Out Value (Original)	Estimated Build Out Value (Outstanding)	Allocation Percentage of Assessment	Original Assessment	Outstanding Assessment	Principal	Interest	Administrative Expenses	Additional Interest	Total Annual Installment
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total					[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

APPENDIX C-2

IMPROVEMENT AREA #3B PROJECTED ASSESSMENT SCHEDULES

Whitewing Trails Public Improvement District No. 2
Summary of Projected Annual Installments
Improvement Area #3B

Lot Size	60 Ft Lots
Assessment	$28,143
% Per Lot	0.33%

Year	Cumulative Outstanding Principal	Bond Principal	Bond Interest	Administrative Expense	Total Annual Installments
2026	$28,143	$63	$2,064	$204	$2,331
2027	$28,080	$506	$1,617	$208	$2,331
2028	$27,574	$526	$1,593	$212	$2,331
2029	$27,047	$548	$1,567	$216	$2,330
2030	$26,501	$570	$1,541	$221	$2,331
2031	$25,932	$593	$1,513	$225	$2,331
2032	$25,339	$616	$1,484	$230	$2,330
2033	$24,723	$643	$1,454	$234	$2,331
2034	$24,080	$669	$1,423	$239	$2,331
2035	$23,410	$696	$1,391	$244	$2,330
2036	$22,714	$726	$1,357	$248	$2,331
2037	$21,988	$763	$1,315	$253	$2,331
2038	$21,226	$798	$1,271	$259	$2,329
2039	$20,428	$838	$1,228	$264	$2,328
2040	$19,587	$883	$1,177	$269	$2,329
2041	$18,704	$928	$1,126	$274	$2,330
2042	$17,775	$976	$1,073	$280	$2,329
2043	$16,799	$1,029	$1,017	$285	$2,331
2044	$15,770	$1,082	$958	$291	$2,331
2045	$14,688	$1,136	$895	$297	$2,328
2046	$13,552	$1,196	$830	$303	$2,329
2047	$12,356	$1,262	$757	$309	$2,328
2048	$11,094	$1,336	$680	$315	$2,330
2049	$9,759	$1,409	$598	$321	$2,328
2050	$8,350	$1,489	$511	$328	$2,328
2051	$6,861	$1,575	$420	$334	$2,330
2052	$5,286	$1,665	$324	$341	$2,330
2053	$3,620	$1,759	$222	$348	$2,328
2054	$1,862	$1,862	$114	$355	$2,331
Total		$28,143	$34,517	$7,907	$67,567

Whitewing Trails Public Improvement District No. 2
Summary of Projected Annual Installments
Improvement Area #3B

Lot Size	50 Ft Lots
Assessment	$23,922
% Per Lot	0.28%

Year	Cumulative Outstanding Principal	Bond Principal	Bond Interest	Administrative Expense	Total Annual Installments
2026	$23,922	$54	$1,754	$173	$1,981
2027	$23,868	$430	$1,375	$177	$1,982
2028	$23,438	$447	$1,354	$180	$1,981
2029	$22,990	$464	$1,332	$184	$1,980
2030	$22,526	$484	$1,309	$188	$1,981
2031	$22,042	$504	$1,286	$191	$1,981
2032	$21,538	$524	$1,262	$195	$1,980
2033	$21,014	$546	$1,236	$199	$1,982
2034	$20,468	$569	$1,210	$203	$1,982
2035	$19,899	$592	$1,182	$207	$1,981
2036	$19,307	$617	$1,153	$211	$1,982
2037	$18,690	$648	$1,118	$215	$1,982
2038	$18,042	$679	$1,081	$220	$1,980
2039	$17,362	$713	$1,042	$224	$1,979
2040	$16,649	$750	$1,001	$229	$1,979
2041	$15,899	$790	$957	$233	$1,980
2042	$15,109	$829	$912	$238	$1,979
2043	$14,279	$873	$866	$243	$1,982
2044	$13,405	$920	$814	$247	$1,981
2045	$12,485	$963	$764	$252	$1,979
2046	$11,519	$1,016	$706	$257	$1,979
2047	$10,503	$1,073	$643	$263	$1,979
2048	$9,430	$1,135	$578	$268	$1,981
2049	$8,295	$1,198	$508	$273	$1,979
2050	$7,097	$1,265	$435	$279	$1,979
2051	$5,832	$1,339	$357	$284	$1,980
2052	$4,493	$1,415	$275	$290	$1,981
2053	$3,077	$1,495	$188	$296	$1,979
2054	$1,583	$1,583	$97	$302	$1,981
Total		$23,922	$26,789	$6,721	$57,432

APPENDIX D-1

IMPROVEMENT AREA #3C ASSESSMENT ROLL SUMMARY – 2026-27

Appendix D-1
Improvement Area #3C Assessment Roll

Parcel	Plat	Block #	Lot	Lot Type	Estimated Build Out Value (Original)	Estimated Build Out Value (Outstanding)	Allocation Percentage of Assessment	Original Assessment	Outstanding Assessment	Principal	Interest	Administrative Expenses	Additional Interest	Total Annual Installment
[illegible]	[illegible]	1	1?	[illegible]	[illegible]	[illegible]	100.00%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total					[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

APPENDIX D-2

IMPROVEMENT AREA #3C PROJECTED ASSESSMENT SCHEDULE

Whitewing Trails Public Improvement District No. 2
Summary of Projected Annual Installments
Improvement Area #3C

Lot Size	50 Ft Lots
Assessment	$22,017
% Per Lot	0.57%

Year	Cumulative Outstanding Principal	Bond Principal	Bond Interest	Administrative Expense	Total Annual Installments
2026	$22,017	$74	$1,614	$350	$2,038
2027	$21,943	$423	$1,263	$357	$2,043
2028	$21,520	$434	$1,243	$364	$2,041
2029	$21,086	$446	$1,222	$371	$2,039
2030	$20,640	$463	$1,200	$379	$2,042
2031	$20,177	$474	$1,178	$386	$2,038
2032	$19,703	$491	$1,155	$394	$2,040
2033	$19,211	$509	$1,131	$402	$2,041
2034	$18,703	$526	$1,106	$410	$2,042
2035	$18,177	$543	$1,081	$418	$2,042
2036	$17,634	$560	$1,055	$426	$2,041
2037	$17,074	$583	$1,022	$435	$2,040
2038	$16,491	$606	$999	$444	$2,039
2039	$15,886	$634	$954	$452	$2,041
2040	$15,251	$663	$918	$461	$2,042
2041	$14,589	$691	$879	$471	$2,041
2042	$13,897	$720	$840	$480	$2,040
2043	$13,177	$754	$798	$490	$2,042
2044	$12,423	$789	$755	$499	$2,043
2045	$11,634	$823	$710	$509	$2,042
2046	$10,811	$857	$662	$520	$2,039
2047	$9,954	$903	$610	$530	$2,043
2048	$9,051	$949	$556	$541	$2,046
2049	$8,103	$994	$496	$551	$2,042
2050	$7,109	$1,040	$435	$562	$2,038
2051	$6,069	$1,097	$372	$574	$2,043
2052	$4,971	$1,149	$305	$585	$2,038
2053	$3,823	$1,211	$234	$597	$2,043
2054	$2,611	$1,274	$160	$609	$2,043
2055	$1,337	$1,337	$82	$621	$2,040
Total		$22,017	$25,023	$14,187	$61,227

APPENDIX E
FINAL PLATS

<u>APPENDIX F</u>

PID ASSESSMENT NOTICE

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF PRINCETON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

____

STREET ADDRESS

LOT TYPE ____ PRINCIPAL ASSESSMENT: $_____

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Princeton, Texas (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***Whitewing Trails Public Improvement District No. 2*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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.

[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:

SIGNATURE OF PURCHASER

DATE:

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:

SIGNATURE OF SELLER

DATE:

SIGNATURE OF SELLER][1]

[1] 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 COLLIN §

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][2]

---

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

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

______________________________ ______________________________

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF COLLIN §

The foregoing instrument was acknowledged before me by ____________________ and ________________, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this________________, 20__.

Notary Public, State of Texas][3]

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