CADDO MILLS CROSSING PUBLIC IMPROVEMENT DISTRICT

2026 ANNUAL SERVICE PLAN UPDATE

JULY 15, 2026

INTRODUCTION

Capitalized terms used in this 2026 Annual Service Plan Update shall have the same meanings set forth in the Service and Assessment Plan (the "Levying SAP").

The District was created pursuant to the PID Act by Resolution No. 031224-3 on March 12, 2024 by the governing body of the City (the "Governing Body") to finance certain Authorized Improvements for the benefit of the property in the District.

On July 8, 2025, the Governing Body approved the Levying SAP for the District by adopting Ordinance No. 070825 – 4 which (1) approved the levy of certain Assessments for Assessed Property within Improvement Area #1; (2) approved the Improvement Area #1 Assessment Roll.

The Levying SAP identified the Authorized Improvements to be constructed for the benefit of the Assessed Property within the District, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the District for the costs of the Authorized Improvements. Pursuant to the PID Act, the Levying SAP must be reviewed and updated annually. This document is the Annual Service Plan Update for 2026.

The Governing Body also adopted each Assessment Roll identifying the Assessments on Parcels of Assessed Property within the District, based on the method of assessment identified in the Levying SAP. This 2026 Annual Service Plan Update also updates the Assessment Rolls for 2026.

PARCEL SUBDIVISION

Improvement Area #1

- The final plat of FINAL PLAT CADDO MILLS CROSSING PHASE 1 was filed and recorded with the County as document number 2025-00238 on January 7, 2026.

LOT AND HOME SALES

Current ownership within the District is based on information provided by the Developer and available information and is subject to change as development occurs and property is conveyed. Updated ownership and development information for Assessments securing PID Bonds may be available through continuing disclosure filings accessible via the SEC's EMMA by searching for the District. For Assessments securing reimbursement obligations to the Developer, the summary of current ownership within the property securing such Assessment is based on information provided by the Developer and other publicly available records.

AUTHORIZED IMPROVEMENTS

A summary of the Authorized Improvements, including the original estimated costs of the Authorized Improvements and allocation of such costs, is provided in the Levying SAP. The Authorized Improvements and estimated costs as described in the Levying SAP are for Assessment purposes and do not represent a guarantee of construction timing or Actual Costs.

Information regarding the status of Authorized Improvements, including construction progress, estimated completion timing, and budget information, including any updates to the original estimates of costs, is based on information provided by the Developer and other available project information at the time such information is compiled. Such information may be updated from time to time.

OUTSTANDING ASSESSMENT

The Improvement Area #1 has an outstanding Assessment of $1,824,855.25.

Information for Assessments securing PID Bonds may be available through continuing disclosure filings accessible via EMMA website by searching for the District. For Assessments securing reimbursement obligations to the Developer, the summary of current construction status within the property securing such Assessment is based on information provided by the Developer and other publicly available records. A reimbursement schedule is attached as **Exhibit B**.

ANNUAL INSTALLMENT DUE 1/31/2027

Improvement Area #1

- ***Principal and Interest*** – The total principal and interest required for the Annual Installment is shown below.

Improvement Area #1		
Due January 31, 2027		
Principal	$	22,531.85
Interest		119,710.50
	$	142,242.35
Annual Collection Costs	$	27,180.00
Total Annual Installment	**$**	**169,422.35**

- ***Annual Collection Costs*** – The cost of administering the District shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Annual Installment for Improvement Area #1 is shown below.

Improvement Area #1	
Annual Collection Costs Breakdown	
Administration	$ 18,360.00
City Auditor	1,000.00
Filing Fees	1,000.00
County Collection	1,000.00
Draw Request Review*	3,910.00
Collection Cost Maintenance Balance	10,000.00
Less CCMB Credit from Prior Years	(8,090.00)
Total Annual Collection Costs	**$ 27,180.00**

PREPAYMENT OF ASSESSMENTS

Information regarding any full or partial Prepayments of the Assessments are reflected in the corresponding Assessment Roll.

SERVICE PLAN – FIVE YEAR BUDGET FORECAST

The PID Act requires the annual indebtedness and projected costs for the Authorized Improvements to be reviewed and updated in the Annual Service Plan Update, and the projection shall cover a period of not less than five years, and is included below:

Improvement Area #1 Reimbursement Obligation						
Annual Installment Due		**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**	**1/31/2031**
Principal		$ 22,531.85	$ 24,009.94	$ 25,584.99	$ 27,263.36	$ 29,051.84
Interest		119,710.50	118,232.42	116,657.36	114,978.99	113,190.51
	(1)	$ 142,242.35	$ 142,242.35	$ 142,242.35	$ 142,242.35	$ 142,242.35
Annual Collection Costs	(2)	$ 27,180.00	$ 25,231.80	$ 25,736.44	$ 26,251.16	$ 26,776.19
Total Annual Installment	**(4) = (1) + (2) + (3)**	**$ 169,422.35**	**$ 167,474.15**	**$ 167,978.79**	**$ 168,493.52**	**$ 169,018.54**

ASSESSMENT ROLL

The list of current Parcels or Lots within the District, the corresponding total Assessments, and current Annual Installment are shown on the corresponding Assessment Roll attached hereto as **Exhibit A**. The Annual Installment due on each Parcel or Lot may be updated to reflect prepayments and/or redemptions paid prior to the Annual Installment being billed to the owner of the Parcel or Lot. The Parcels or Lots of Assessed Property shown on the corresponding Assessment Roll will receive the bills for the 2026 Annual Installments which will be delinquent if not paid by January 31, 2027. The Parcel IDs shown within an Assessment Roll are subject to change based on the final certified rolls provided by the County prior to billing.

ADDITIONAL INFORMATION

If the owner of a Parcel claims that an error has been made in any Assessment Roll required by the Levying SAP, a prior Annual Service Plan Update, or this 2026 Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator (at admin@p3-works.com) by December 1st of the year in connection with the approval of such year's Annual Service Plan Update. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the Annual Service Plan Update. The Administrator shall provide a written response to the Governing Body and the owner not later than 30 days after receipt of such written notice of error by the Administrator. The Governing Body 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 Governing Body shall make a final determination as to whether an error has been made. If the Governing Body determines that an error has been made, the governing body shall take such corrective action as is authorized by the PID Act, this 2026 Annual Service Plan Update, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the Governing Body. The determination by the Governing Body as to whether an error has been made, and any corrective action taken by the Governing Body shall be final and binding on the owner and the Administrator.

EXHIBIT A – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b][c]
248777	Lot Type 1	$ 48,022.51	$ 4,458.48
248778	Lot Type 1	$ 48,022.51	$ 4,458.48
248779	Lot Type 1	$ 48,022.51	$ 4,458.48
248780	Lot Type 1	$ 48,022.51	$ 4,458.48
248781	Lot Type 1	$ 48,022.51	$ 4,458.48
248782	Lot Type 1	$ 48,022.51	$ 4,458.48
248783	Non-Benefited	$ -	$ -
248784	Lot Type 1	$ 48,022.51	$ 4,458.48
248785	Lot Type 1	$ 48,022.51	$ 4,458.48
248786	Lot Type 1	$ 48,022.51	$ 4,458.48
248787	Lot Type 1	$ 48,022.51	$ 4,458.48
248788	Lot Type 1	$ 48,022.51	$ 4,458.48
248789	Lot Type 1	$ 48,022.51	$ 4,458.48
248790	Lot Type 1	$ 48,022.51	$ 4,458.48
248791	Lot Type 1	$ 48,022.51	$ 4,458.48
248792	Lot Type 1	$ 48,022.51	$ 4,458.48
248793	Lot Type 1	$ 48,022.51	$ 4,458.48
248794	Lot Type 1	$ 48,022.51	$ 4,458.48
248795	Lot Type 1	$ 48,022.51	$ 4,458.48
248796	Lot Type 1	$ 48,022.51	$ 4,458.48
248797	Lot Type 1	$ 48,022.51	$ 4,458.48
248798	Lot Type 1	$ 48,022.51	$ 4,458.48
248799	Lot Type 1	$ 48,022.51	$ 4,458.48
248800	Lot Type 1	$ 48,022.51	$ 4,458.48
248801	Lot Type 1	$ 48,022.51	$ 4,458.48
248802	Lot Type 1	$ 48,022.51	$ 4,458.48
248803	Non-Benefited	$ -	$ -
248804	Lot Type 1	$ 48,022.51	$ 4,458.48
248805	Lot Type 1	$ 48,022.51	$ 4,458.48
248806	Lot Type 1	$ 48,022.51	$ 4,458.48
248807	Lot Type 1	$ 48,022.51	$ 4,458.48
248808	Lot Type 1	$ 48,022.51	$ 4,458.48
248809	Lot Type 1	$ 48,022.51	$ 4,458.48
248810	Lot Type 1	$ 48,022.51	$ 4,458.48

Property ID[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b][c]
248811	Lot Type 1	$ 48,022.51	$ 4,458.48
248812	Lot Type 1	$ 48,022.51	$ 4,458.48
248813	Lot Type 1	$ 48,022.51	$ 4,458.48
248814	Lot Type 1	$ 48,022.51	$ 4,458.48
248815	Lot Type 1	$ 48,022.51	$ 4,458.48
248816	Lot Type 1	$ 48,022.51	$ 4,458.48
Total[b]		$ 1,824,855.25	**$ 169,422.24**

Footnotes:

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

[b] Totals may not match the total outstanding Assessment or Annual Installment due to rounding.

[c] The Annual Installment due on each Parcel or Lot may be updated to reflect prepayments and/or redemptions paid prior to the Annual Installment being billed to the owner of the Parcel or Lot.

EXHIBIT B – REIMBURSEMENT SCHEDULE

Annual Installment Due 1/31,	Principal	Interest[a]	Annual Collection Costs	Total Annual Installment[b]
2027	$ 22,531.85	$ 119,710.50	$ 27,180.00	$ 169,422.35
2028	$ 24,009.94	$ 118,232.42	$ 25,231.80	$ 167,474.15
2029	$ 25,584.99	$ 116,657.36	$ 25,736.44	$ 167,978.79
2030	$ 27,263.36	$ 114,978.99	$ 26,251.16	$ 168,493.52
2031	$ 29,051.84	$ 113,190.51	$ 26,776.19	$ 169,018.54
2032	$ 30,957.64	$ 111,284.71	$ 27,311.71	$ 169,554.06
2033	$ 32,988.46	$ 109,253.89	$ 27,857.95	$ 170,100.30
2034	$ 35,152.50	$ 107,089.85	$ 28,415.10	$ 170,657.46
2035	$ 37,458.51	$ 104,783.84	$ 28,983.41	$ 171,225.76
2036	$ 39,915.79	$ 102,326.56	$ 29,563.08	$ 171,805.43
2037	$ 42,534.26	$ 99,708.09	$ 30,154.34	$ 172,396.69
2038	$ 45,324.51	$ 96,917.84	$ 30,757.42	$ 172,999.77
2039	$ 48,297.80	$ 93,944.55	$ 31,372.57	$ 173,614.92
2040	$ 51,466.13	$ 90,776.22	$ 32,000.02	$ 174,242.37
2041	$ 54,842.31	$ 87,400.04	$ 32,640.02	$ 174,882.37
2042	$ 58,439.97	$ 83,802.38	$ 33,292.82	$ 175,535.17
2043	$ 62,273.63	$ 79,968.72	$ 33,958.68	$ 176,201.03
2044	$ 66,358.78	$ 75,883.57	$ 34,637.85	$ 176,880.20
2045	$ 70,711.91	$ 71,530.44	$ 35,330.61	$ 177,572.96
2046	$ 75,350.62	$ 66,891.74	$ 36,037.22	$ 178,279.57
2047	$ 80,293.62	$ 61,948.74	$ 36,757.97	$ 179,000.32
2048	$ 85,560.88	$ 56,681.47	$ 37,493.13	$ 179,735.48
2049	$ 91,173.67	$ 51,068.68	$ 38,242.99	$ 180,485.34
2050	$ 97,154.66	$ 45,087.69	$ 39,007.85	$ 181,250.20
2051	$ 103,528.01	$ 38,714.34	$ 39,788.01	$ 182,030.36
2052	$ 110,319.45	$ 31,922.90	$ 40,583.77	$ 182,826.12
2053	$ 117,556.40	$ 24,685.95	$ 41,395.44	$ 183,637.79
2054	$ 125,268.10	$ 16,974.25	$ 42,223.35	$ 184,465.70
2055	$ 133,485.69	$ 8,756.66	$ 43,067.82	$ 185,310.17
Total	**$ 1,824,855.25**	**$ 2,300,172.92**	**$ 962,048.73**	**$ 5,087,076.89**

Footnotes:

[a] Interest is calculated at 6.56% for illustrative purposes, which is not higher than 2% above the Bond Buyer Index of 5.56% stated May 22, 2025, as allowed by the PID Act. Upon issuance of PID Bonds, interest shall adjust to the rate of the PID Bonds plus Additional Interest of 0.50%.

[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 C – BUYER DISCLOSURES

Buyer disclosures for the following Lot Types are found in this Exhibit:

- Improvement Area #1
  - Lot Type 1

CADDO MILLS CROSSING PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 - LOT TYPE 1 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

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

_____
STREET ADDRESS

LOT TYPE ONE PRINCIPAL ASSESSMENT: $ $48,022.51

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Caddo Mills, 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 ***Caddo Mills Crossing 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 Caddo Mills. The exact amount of each annual installment will be approved each year by the City of Caddo Mills City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Caddo Mills.

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 Hunt 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 HUNT §

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 Hunt 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 HUNT §

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 Hunt County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 - LOT TYPE 1

Annual Installment Due 1/31	Principal	Interest[a]	Annual Collection Costs	Total Annual Installment[b]
2027	$ 592.94	$ 3,150.28	$ 715.26	$ 4,458.48
2028	$ 631.84	$ 3,111.38	$ 663.99	$ 4,407.21
2029	$ 673.29	$ 3,069.93	$ 677.27	$ 4,420.49
2030	$ 717.46	$ 3,025.76	$ 690.82	$ 4,434.04
2031	$ 764.52	$ 2,978.70	$ 704.64	$ 4,447.86
2032	$ 814.67	$ 2,928.55	$ 718.73	$ 4,461.95
2033	$ 868.12	$ 2,875.10	$ 733.10	$ 4,476.32
2034	$ 925.07	$ 2,818.15	$ 747.77	$ 4,490.99
2035	$ 985.75	$ 2,757.47	$ 762.72	$ 4,505.94
2036	$ 1,050.42	$ 2,692.80	$ 777.98	$ 4,521.20
2037	$ 1,119.32	$ 2,623.90	$ 793.54	$ 4,536.75
2038	$ 1,192.75	$ 2,550.47	$ 809.41	$ 4,552.63
2039	$ 1,270.99	$ 2,472.23	$ 825.59	$ 4,568.81
2040	$ 1,354.37	$ 2,388.85	$ 842.11	$ 4,585.33
2041	$ 1,443.22	$ 2,300.00	$ 858.95	$ 4,602.17
2042	$ 1,537.89	$ 2,205.33	$ 876.13	$ 4,619.35
2043	$ 1,638.78	$ 2,104.44	$ 893.65	$ 4,636.87
2044	$ 1,746.28	$ 1,996.94	$ 911.52	$ 4,654.74
2045	$ 1,860.84	$ 1,882.38	$ 929.75	$ 4,672.97
2046	$ 1,982.91	$ 1,760.31	$ 948.35	$ 4,691.57
2047	$ 2,112.99	$ 1,630.23	$ 967.31	$ 4,710.53
2048	$ 2,251.60	$ 1,491.62	$ 986.66	$ 4,729.88
2049	$ 2,399.31	$ 1,343.91	$ 1,006.39	$ 4,749.61
2050	$ 2,556.70	$ 1,186.52	$ 1,026.52	$ 4,769.74
2051	$ 2,724.42	$ 1,018.80	$ 1,047.05	$ 4,790.27
2052	$ 2,903.14	$ 840.08	$ 1,067.99	$ 4,811.21
2053	$ 3,093.59	$ 649.63	$ 1,089.35	$ 4,832.57
2054	$ 3,296.53	$ 446.69	$ 1,111.14	$ 4,854.36
2055	$ 3,512.78	$ 230.44	$ 1,133.36	$ 4,876.58
Total	**$ 48,022.51**	**$ 60,530.87**	**$ 25,317.07**	**$ 133,870.44**

Notes:

[a] Interest is calculated at 6.56% for illustrative purposes, which is not higher than 2% above the Bond Buyer Index of 5.56% stated May 22, 2025, as allowed by the PID Act. Upon issuance of PID Bonds, interest shall adjust to the rate of the PID Bonds plus Additional Interest of 0.50%.

[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.