

**AGENDA FOR MEETING OF THE BOARD OF DIRECTORS
OF
REINVESTMENT ZONE NUMBER TWENTY-SEVEN, CITY OF HOUSTON, TEXAS
AND
MONTROSE REDEVELOPMENT AUTHORITY**

Notice is hereby given that the Board of Directors of Reinvestment Zone Number Twenty-Seven, City of Houston, Texas (the "Zone"), and along with the Board of Directors of the Montrose Redevelopment Authority (the "Authority"), will hold a regular meeting on **Monday, October 19th, 2026, at 6:30 p.m., at Metropolitan Multi-Service Center, 1475 W. Gray Street, Activity Room No. 1, Houston, Texas*, with supplementary access via Zoom videoconference; REGISTRATION FOR THE VIDEOCONFERENCE IS REQUIRED and can be done at <https://us02web.zoom.us/meeting/register/qa9jns6Sk6t5ZY6wV8-pQ>**. The purpose of the meeting is to consider, discuss and adopt such orders, resolutions or motions, and take direct or indirect actions as may be necessary, convenient, or desirable with respect to the following matters:

1. Opening remarks by Council Member Carter.
2. Minutes.
3. Receive public comment.
(In accordance with the registration procedure found on the last page of this agenda, a statement of no more than 3 minutes may be made of items of general relevance. There will be no yielding of time to another person. State law prohibits the Board Chair or members of the Board from commenting on any statement or engagement in dialogue without an appropriate agenda item being posted in accordance with the Texas Open Meetings Act. Comments should be directed to the entire board, not individual members. Engaging in verbal attacks or comments intended to insult, abuse, malign, or slander any individual shall be cause for termination of time privileges.)
4. Financial matters, including report from Budget and Finance Committee, report from bookkeeper, and payment of invoices.
5. Series 2026 Bonds, including review and approve Preliminary Official Statement.
6. Projects, Planning, and Parking matters, including:
 - a. report from Projects, Planning, and Parking Committee;
 - b. report from HR Green; and
 - c. consider approval of plans and specifications and authorize advertisement for bids; and consider approval of pay estimates and change orders, as necessary.
7. Receive update from The Goodman Corporation.
8. Public Engagement matters, including:
 - a. report from Public Engagement Committee;

- b. consideration of an amendment to the resolution establishing the Public Engagement Committee; and
 - c. announcement reminding attendees of the 10-year anniversary event on October 27th; and
 - d. consideration of the first amendment to the MyHart Communications subconsultant agreement.
- 9. Housing and Community Development matters, including report from Housing and Community Development Committee.
 - 10. Announcements regarding workshops, seminars, and presentations relating to Zone and Authority matters.
 - 11. Discuss meeting schedule and proposed agenda items for upcoming Board meeting(s).
 - 12. Convene in Executive Session to consult with attorney pursuant to Section 551.071, Texas Government Code.
 - 13. Reconvene in Open Session and authorize appropriate action.



Attorney for the Zone

***The Board will conduct an in-person meeting at its physical meeting location. As an accommodation, the Board is making available a video and/or telephone option for members of the public to listen to the meeting and to address the Board during the public comment item, provided they indicate their intention to make public comment in the manner requested by the Board prior to the commencement of the public comment period. Members of the Board may participate via videoconference in accordance with the requirements of the Texas Open Meetings Act, provided a quorum of the Board meets in-person. REGISTRATION FOR THE VIDEOCONFERENCE IS REQUIRED and can be done at <https://us02web.zoom.us/meeting/register/qea9jns6Sk6t5ZY6wV8-pQ> and upon registration, a telephone number to join via teleconference, a link to join via videoconference, and a password to access the conference will be provided.**

Reinvestment Zone Number Twenty-Seven, City of Houston, Texas (the "Zone"), and along with the Board of Directors of the Montrose Redevelopment Authority (the "Authority") reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code, Section 551.071 (Consultation with Attorney about Pending or Contemplated Litigation), Section 551.072 (Deliberations about Real Property), Section 551.073 (Deliberations about Gifts and Donations), Section 551.074 (Personnel Matters), Section 551.076 (Deliberations about Security Devices), and Section 551.087 (Economic Development).

Montrose Redevelopment Authority

Monday, October 16th, 2026, at 6:30 PM

2. Approve minutes.

MINUTES
REINVESTMENT ZONE NUMBER TWENTY-SEVEN, CITY OF HOUSTON, TEXAS
AND
MONTROSE REDEVELOPMENT AUTHORITY

September 21, 2026

The Board of Directors (the “Board”) of Reinvestment Zone Number Twenty-Seven, City of Houston, Texas (the “Zone”) and Montrose Redevelopment Authority (the “Authority”) met in regular session, open to the public, at the Metropolitan Multi-Service Center, 1475 W. Gray Street, Houston, Texas 77019, inside the boundaries of the Zone, with supplemental access by teleconference and videoconference available to the public, on the 21st day of September, 2026, and the roll was called of the members of the Board:

Matt Brollier	Position 1 – Chair
Katy Caldwell	Position 2
Murad Ajani	Position 3
Elizabeth A. Larson	Position 4 – Vice Chair
Robert Guthart	Position 5
T. Ray Purser	Position 6
Helen Zunka	Position 7 – Secretary

and all of the above were present, except Director Caldwell, thus constituting a quorum.

Also attending the meeting, either in-person or via videoconference, were: Brian Sparks of Triton Consulting Group, Inc.; Walter Morris, Administrative Manager of the Authority; Jim Webb, Kristi Miller, Monisha Khurana, and Sam Hopper of The Goodman Corporation (“TGC”); Elia Quiles of UP Art Studio; Kristin Blomquist of Masterson Advisors LLC; Jennifer Curley, Mayor’s Office of Economic Development, City of Houston; Jennifer Landreville and Sean Stepanik of ETI Bookkeeping Services; David Greaney of HR Green, Inc. (“HRG”); Nick Killian of TEI Planning +Design; Josh Rambo of McCall Gibson Swedlund Barfoot Ellis PLLC; Suzy Hartgrove of MyHart Communications; Alia Vinson, Suewan Johnson, and Carnell Emanuel of Allen Boone Humphries Robinson LLP; and members of the public, as shown on the attendance sheet attached hereto.

COMMENTS FROM CHAIR

Director Brollier reported on the conditions and plans for ongoing maintenance and replacement certain trees along Montrose Boulevard between West Clay Steet and Allen Parkway.

MONTROSE PARKING STUDY FINDINGS AND TOOLKIT

Ms. Khurana provided a presentation on the Montrose Parking Study, including survey results, findings, and a parking toolkit.

MINUTES

The Board reviewed the minutes of the August 17, 2026, regular meeting. Following review and discussion, Director Guthart moved to approve the minutes, as presented. Director Purser seconded the motion, which passed unanimously.

PUBLIC COMMENT

Ms. Young commented on the Montrose Parking Survey.

Mr. Garza commented on the Montrose Parking Survey.

Mr. Valinski commented on the Montrose Parking Survey. He also provided an update on the installation of rainbow flags by the City of Houston along Westheimer Boulevard. Mr. Valinski also commented on audio/visual quality during the meeting.

Mr. Strickland commented on the Montrose Parking Survey and related community engagement.

Mr. Wagner commented on the Montrose Parking Study and pedestrian safety in the Zone.

Mr. Spike commented on parking accessibility and management in the Zone, including coordination with Park Houston.

Mr. Johnson commented on the design of the Mandell Street Sidewalk Improvements project. He also inquired about public engagement related to the streetlight audit. Mr. Johnson also commented on street paving being performed by the City of Houston.

Mr. Tutos discussed pedestrian safety concerns related to the West Alabama Street Reconstruction project.

Mr. Rais inquired about future tree preservation efforts for other Zone projects. He also commented on the Montrose Parking Survey and related public engagement.

Ms. Frazier expressed her desire for additional efforts to address affordable housing in the Zone.

Mr. Caille commented on affordable housing, the Montrose Parking Survey, and tree preservation efforts.

Mr. Bhattacharya expressed concerns regarding pedestrian safety related to the West Alabama Street Reconstruction project. He also commented on the Montrose Parking Survey.

Ms. Conely commented on the Montrose Parking Survey and public transportation in the Zone. She also commented on audio/visual quality during the meeting.

Ms. Fendrich commented on the design of the West Alabama Street Reconstruction project and related public engagement.

FINANCIAL MATTERS

The Board reviewed the ongoing work of the Budget and Finance Committee, as reflected in the September 18, 2026, committee report.

Ms. Landreville reviewed the monthly financial and bookkeeping report, including invoices submitted for payment, a copy of which is attached. Following review and discussion, Director Larson moved to approve the bookkeeper's report and authorize payment of the invoices. Director Guthart seconded the motion, which passed unanimously.

FINANCIAL ADVISOR UPDATE REGARDING SERIES 2026 BONDS PLAN OF FINANCE AND SELECTION OF UNDERWRITER SYNDICATE

Ms. Blomquist and Ms. Vinson discussed the financing plan related to the issuance of the Authority's Tax Increment Contract Revenue Bonds, Series 2026 (the "Bonds") to finance a portion of the costs of the West Alabama Street Reconstruction project. Ms. Blomquist then further discussed the steps for issuance of the Bonds, including preparation of the Preliminary Official Statement and the parties involved in the transaction.

Ms. Blomquist and Ms. Vinson then responded to questions from the Board.

The Board, based on the recommendation of the Finance Committee, then considered selecting Hilltop Securities as underwriter for the Bonds.

Following review and discussion, Director Larson moved to select Hilltop Securities as underwriter for the Bonds. Director Purser seconded the motion, which passed unanimously.

PROJECTS, PLANNING, AND PARKING MATTERS

REPORT FROM PROJECTS, PLANNING, AND PARKING COMMITTEE

Director Brollier reviewed the ongoing work of the Projects, Planning, and Parking Committee, as reflected in the September 1, 2026, committee report. Director Brollier responded to earlier public comments.

REPORT FROM HR GREEN

Mr. Greaney reviewed the engineer's report, a copy of which is attached, and provided an update on the projects outlined in the report. He then responded to questions from the Board and earlier public comments.

Mr. Greaney updated the Board on the status of the Montrose Boulevard, Segment One, project, including tree preservation efforts related to the project. He presented and recommended approval of Pay Estimate No. 17 from mc2 Civil, Inc. ("MC2") in the amount of \$557,256.46. Following review and discussion, and based on the engineer's recommendation, Director Larson moved to approve Pay Estimate No. 17 from MC2. Director Zunka seconded the motion, which passed unanimously.

Mr. Greaney updated the Board on the status of the Cherryhurst Sidewalk Improvements project. He presented and recommended approval of Pay Estimate No. 5 from Ceballos Construction, LLC ("Ceballos") in the amount of \$240,081.56. Following review and discussion, and based on the engineer's recommendation, Director Larson moved to approve Pay Estimate No. 5 from Ceballos. Director Zunka seconded the motion, which passed unanimously.

Mr. Greaney updated the Board on the design of the West Alabama Street Reconstruction project. Mr. Killian discussed pedestrian safety measures related to the project. Mr. Greaney then presented a proposal from HRG in the amount of \$11,013.00 for the design of fiber optic cable extension required for the project. Following review and discussion, Director Purser moved to approve the proposal from HRG. Director Guthart seconded the motion, which passed unanimously.

Mr. Greaney updated the Board on the audit of the status and condition of street lighting within the Zone and related public engagement.

Mr. Greaney updated the Board on the status of the Montrose Safe Routes to School Connections project, including the project timeline.

Mr. Greaney updated the Board on the Mandell Street Sidewalk Improvements project. He stated that bids were received for the project and recommended that the Board award the contract to JFT Construction, Inc. ("JFT") in the amount of \$1,205,428.60. The Board concurred that, in its judgment, JFT was

a responsible bidder who would be most advantageous to the Authority and would result in the best and most economical completion of the project. Following review and discussion, Director Guthart moved to award the contract to JFT in the amount of \$1,205,428.60, based upon the engineer's recommendation and receipt of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Larson seconded the motion, which passed unanimously.

Mr. Greaney then presented a proposal from HRG in the amount of \$308,768.00 for construction management and inspection, construction phase services, and construction materials testing related to the Mandell Street Sidewalk Improvements project. Following review and discussion, Director Larson moved to approve the proposal from HRG. Director Purser seconded the motion, which passed unanimously.

UPDATE FROM THE GOODMAN CORPORATION

Mr. Webb and Ms. Khurana responded to questions from the Board and earlier public comments related to the Montrose Parking Study.

Ms. Miller reviewed the ongoing work of TGC, including the pursuit of funds for certain Authority projects, and the status of ongoing projects.

PUBLIC ENGAGEMENT MATTERS

Director Zunka reviewed the ongoing work of the Public Engagement Committee, as reflected in the September 18, 2026, committee report, including public engagement related to the Mandell Street Sidewalk Improvements project.

Director Zunka reported on the upcoming "What Makes Montrose, Montrose?: Presentation Celebrating Montrose and 10 Years of the Montrose TIRZ" event scheduled for October 27, 2026, at 6:00 p.m., at the Ismaili Center Houston.

HOUSING AND COMMUNITY DEVELOPMENT MATTERS

Director Guthart reviewed the ongoing work of the Housing and Community Development Committee, as reflected in the September 10, 2026, committee report, including coordination with Up Art Studio on public art installations in the Zone.

AUDIT FOR FISCAL YEAR ENDED JUNE 30, 2026

Mr. Rambo reviewed the draft audit for the fiscal year ended June 30, 2026, and responded to questions from the Board. Following review and discussion, Director Larson moved to approve the audit for the fiscal year ended June 30, 2026, and authorize submission to the City of Houston. Director Ajani seconded the motion, which passed unanimously.

ANNOUNCEMENTS REGARDING WORKSHOPS, SEMINARS, AND PRESENTATIONS RELATING TO ZONE AND AUTHORITY MATTERS

There was no discussion on this matter.

DISCUSS MEETING SCHEDULE

Director Brollier noted that the next Authority meeting is planned for Monday, October 19, 2026, at 6:30 p.m., at the Metropolitan (West Gray) Multi-Service Center, 1475 West Gray Street, Houston, Texas 77019.

CONVENE IN EXECUTIVE SESSION

The Board did not convene in executive session.

ADJOURN

There being no further business to come before the Board, the meeting was adjourned.

Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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ATTENDANCE SHEET

1. Julie Young
2. Mary Ellen Whitworth
3. Kaylee Gallardo
4. Ruben Garza
5. Jack Valinski
6. Hector Doratt
7. Kevin Strickland
8. Sam Wagner
9. Alex Spike
10. William Johnson
11. Radu Tutos
12. Mehdi Rais
13. Karl Strobe
14. Ian Johnson
15. Nohemy Gonzalez Rojas
16. Chuck Matula
17. Sarah Frazier
18. Laura Caille
19. Sournav Bhattacharya
20. Laura Conely
21. Margo Fendrich
22. Ben Suscavage
23. Mike Root
24. John Geiss
25. Ariel Worthy
26. George Kometiani
27. Christopher Johnston
28. Travis Poe
29. Gin Braverman
30. Sonia Soto
31. Sean McArdle

Montrose Redevelopment Authority

Monday, October 16th, 2026, at 6:30 PM

3. Receive Public Comment

(In accordance with the registration procedure found on the last page of this agenda, a statement of no more than 3 minutes may be made of items of general relevance. There will be no yielding of time to another person. State law prohibits the Board Chair or members of the Board from commenting on any statement or engagement in dialogue without an appropriate agenda item being posted in accordance with the Texas Open Meetings Act. Comments should be directed to the entire board, not individual members. Engaging in verbal attacks or comments intended to insult, abuse, malign, or slander any individual shall be cause for termination of time privileges.)

Montrose Redevelopment Authority

Monday, October 16th, 2026, at 6:30 PM

4. Financial matters, including report from Budget and Finance Committee, report from bookkeeper, and payment of invoices.

Tax Increment Reinvestment Zone (TIRZ) #27 – Montrose
Committee Report Form

Committee Name: Budget and Finance Committee **Date of Meeting:** 10/16/2026

Chairperson: Katy Caldwell

Attendees:

<u>Helen Zunka</u>	<u>Kristin Blomquist</u>
<u>David Greaney</u>	<u>Alia Vinson</u>
<u>Jennifer Landreville</u>	<u>Walter Morris</u>
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Meeting Report

Agenda

- Discussion regarding review of Preliminary Official Statement
- Discussion regarding review of invoices
- Review financial statements
- Discussion regarding project updates with HR Green
- Discussion regarding amendment to the MyHart Communications agreement

Notes

- The Committee reviewed the Preliminary Official Statement
- The Committee recommended approval of all submitted invoices
- The Committee discussed project updates with HR Green

Montrose Redevelopment Authority / TIRZ No. 27

Cash Management Report

September 30, 2026

ETI BOOKKEEPING SERVICES

17111 ROLLING CREEK DRIVE SUITE 108

HOUSTON TX 77090

TELEPHONE 281 444 3384 FAX 281 440 8304

Fiscal Year End: June 30, 2027

Summary

<u>Current Activity</u>	<u>General Operating Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Beginning Balance	16,657,411.59	0.00	319,664.75	16,977,076.34
Revenue	112,821.61	0.00	987.68	113,809.29
Expenditures	1,431,262.94	0.00	0.00	1,431,262.94
Ending Balance	15,338,970.26	0.00	320,652.43	15,659,622.69

NOTES:

Date	Series	Principal	Interest	Total
9/1/2026	2023	575,000.00	323,459.38	898,459.38
3/1/2027	2023		309,084.38	309,084.38
			Total FYE 2027	1,207,543.76

General Operating Fund

BEGINNING BALANCE: **16,657,411.59**

REVENUE:

Stellar Bank Interest	58.63	
TexPool Interest	48,854.98	
Due From METRO	63,908.00	
Voided Check (s)	0.00	
Total Revenue:		112,821.61

DISBURSEMENTS:

Checks Presented At Last Meeting	1,422,971.52	
Checks Written at/after Last Meeting	0.00	
Payroll Expenses	8,291.42	
Total Expenditures		1,431,262.94

Ending Balance: **15,338,970.26**

Location of Assets:

Institution	Investment Number	Interest Rate	
Stellar Bank	*5200	0.1000	99,258.48
TexPool	*0001	3.8706	15,239,711.78
	Total		15,338,970.26

Operating Fund 09-30-2026 Balance	15,338,970.26	
Less Checks Presented at meeting	-229,888.18	
Projected Ending Balance	15,109,082.08	

TIRZ 27 - Montrose RA
Checks Presented
October 19, 2026

Num	Name	Description	Amount
2646	Allen, Boone, Humphries, Robinson LLP	Legal Fee	-18,307.45
2647	Ceballos Construction LLC	Pay App #6 Cherryhurst Pedestrian Improvement	-122,958.62
2648	Equi-Tax Inc.	Tax Roll Management	-637.50
2649	ETI Bookkeeping Services	Bookkeeping Fees	-1,707.50
2650	HR Green, Inc.	Engineering Fees	-16,950.20
2651	mc2 Civil, Inc.	Pay Est 18 Montrose Blvd	-7,920.00
2652	McCall Gibson Swedlund Barfoot PLLC	Auditing Fees	-16,500.00
2653	Myhart Communications	Administrative Planning	-3,689.30
2654	The Goodman Corporation	Planning Consultant	-30,312.28
2655	Tom Combs & Associates	Consultant Fee	-9,500.00
2656	Walter Morris	Reimbursement	-910.33
2657	ZM Interests, LP	Rent - November	-495.00
Total			-229,888.18

Joint Project Fund

BEGINNING BALANCE **52,148.41**

REVENUE

TexPool Interest	161.11	
Voided Check(s)	0.00	
Total Revenue		161.11

EXPENDITURES

Checks Presented at Last Meeting	0.00	
Checks Written at/after Last Meeting	0.00	
Total Expenditures		0.00

ENDING BALANCE **52,309.52**

Location of Assets:

Institution	Investment Number	Interest Rate	Current Balance
TexPool - Downtown RA	*0006	3.8706	52,309.52
		Total	52,309.52

Debt Service Fund

BEGINNING BALANCE 319,664.75

REVENUE

Texpool Interest *0002	977.65	
Texpool Interest *0005	10.03	
Voided Check (s)	0.00	
Total Revenue		987.68

EXPENDITURES

Debt Service Interest Payment	0.00	
Debt Service Principal Payment	0.00	
Trustee Fee	0.00	
Total Expenditures		0.00

ENDING BALANCE 320,652.43

Location of Assets:

Institution	Investment Number	Interest Rate	Current Balance
TexPool	*0002	3.8706	317,411.19
TexPool	*0005	3.8706	3,241.24
	Total		320,652.43

Montrose Redevelopment Authority / TIRZ 27
Investment Report
September 30, 2026

SCHEDULE OF INVESTMENTS

Investment Pools

Fund	Location Of Assets	Interest Rate	Beginning Balance		Interest Earned	Deposits or (Withdrawals)	Ending Balance	
			Market	N.A.V.			Market	N.A.V.
GOF	TexPool	3.8706	16,547,546.63	0.99980	16,550,856.80	48,854.98	15,233,768.29	0.99961
GOF	TexPool	3.8706	52,137.98	0.99980	52,148.41	161.11	52,289.12	0.99961
CPF	TexPool	3.8706	0.00	0.99980	0.00	0.00	0.00	0.99961
DSF	TexPool	3.8706	3,230.56	0.99980	3,231.21	10.03	3,239.98	0.99961
DSF	TexPool	3.8706	316,370.25	0.99980	316,433.54	977.65	317,287.40	0.99961

Demand Accounts

Fund	Location Of Assets	Interest Rate	Purchase Date	Beginning Balance	Interest Earned	Deposits or (Withdrawals)	Ending Balance
GOF	Stellar Bank	0.10	8/1/2021	106,554.79	58.63	(7,354.94)	99,258.48

Collateral Pledged in Addition to FDIC

Depository Institution	Total Funds On Deposit	Custodial Institution	Securities Pledged	Collateral Description	Par Value	Market Value
Stellar Bank	99,258.48	FHLB-Dallas	1,450,000	Various	2,308,219	2,202,151

Certification:

The Authority's investments are in compliance with the investment strategy as expressed in the Authority's Investment Policy and the Public Funds Investment Act. I hereby certify that pursuant to the Senate Bill 253 and in connection with the preparation of this investment report, I have reviewed the divestment lists prepared and maintained by the Texas Comptroller of Public Accounts, and the Authority does not own direct or indirect holdings in any companies identified on such lists.

Bookkeeper _____

Investment Officer _____

Investment Officer	Date Assumed Office	Training Completed
Jennifer Landreville	1/13/2020	5/22/2026

TIRZ 27 - Montrose RA
Profit & Loss Budget vs. Actual
September 2026

		September			Year to Date (3 Months)			Annual
		Actual	Budget	Variance	Actual	Budget	Variance	Budget
Income								
	6-4320 · Increment Collections	0	0	0	5,084,005	5,563,440	-479,435	5,563,440
	6-4330 · Interest	48,914	4,167	44,747	160,454	12,500	147,954	50,000
	6-4336 · Grants	0	582,132	-582,132	0	1,746,397	-1,746,397	6,985,588
Total Income		48,914	586,299	-537,385	5,244,459	7,322,337	-2,077,878	12,599,028
Expense								
	6-6300 · Salaries and Benefits	17,192	17,833	-641	55,423	53,500	1,923	214,000
	6-6310 · Medical/Dental Insurance	390	0	390	1,170	0	1,170	0
	6-6320 · Legal Fees	18,307	22,500	-4,193	71,306	67,500	3,806	270,000
	6-6321 · Auditing Fees	16,500	11,000	5,500	16,500	11,000	5,500	17,000
	6-6322 · Engineering Fees	0	4,167	-4,167	938	12,500	-11,562	50,000
	6-6323 · Planning Consultants	30,312	10,417	19,895	99,881	31,250	68,631	125,000
	6-6325 · Public Engagement Consultants	3,521	5,000	-1,479	11,550	15,000	-3,450	60,000
	6-6326 · Community Development Planning	0	8,333	-8,333	0	25,000	-25,000	100,000
	6-6333 · Accounting	1,803	1,917	-114	6,445	5,750	695	23,000
	6-6334 · Tax Roll Management	638	667	-29	1,913	2,000	-87	8,000
	6-6350 · Office Administration	220	500	-280	689	1,500	-811	6,000
	6-6353 · Insurance / Bonds	0	0	0	0	0	0	5,000
	6-6370 · Board Meeting Expense	300	0	300	1,174	0	1,174	0
	6-6371 · Office Rental	495	0	495	1,485	0	1,485	0
	6-6410 · Developer/Project Reimbursement	0	0	0	0	0	0	341,184
	6-6430 · COH Municipal Services	0	0	0	1,225,897	1,185,976	39,921	1,185,976
	6-6431 · COH Admin Fee	0	0	0	314,198	338,170	-23,972	338,170
	6-6450 · Public Engagement Expenses	169	6,667	-6,498	11,398	20,000	-8,602	80,000
	6-6460 · Board Development	0	417	-417	0	1,250	-1,250	5,000
	6-7000 · Capital Expenditure							
	6-7206 · Workforce/Affordable Housing	0	62,500	-62,500	0	187,500	-187,500	750,000
	6-7217 · Safe Sidewalk Program	0	8,333	-8,333	0	25,000	-25,000	100,000
	6-7218 · Montrose Blvd - Phase 1	22,368	168,333	-145,965	593,201	505,000	88,201	2,020,000
	6-7218a · Montrose Blvd Phase 2	0	2,083	-2,083	0	6,250	-6,250	25,000
	6-7222 · Safe Route to School Sidewalk	0	735,626	-735,626	37,116	2,206,880	-2,169,764	8,827,514
	6-7223 · W Alabama Street	0	927,760	-927,760	583,649	2,783,282	-2,199,633	11,133,122
	6-7226 · W Gray Multi Service	0	83,333	-83,333	0	250,000	-250,000	1,000,000
	6-7229 · Montrose Public Safety	0	2,083	-2,083	0	6,250	-6,250	25,000
	6-7232 · Pat Walsh Memorial	0	1,333	-1,333	0	4,000	-4,000	16,000
	6-7235 · Mandell Rehabilitation	2,502	185,417	-182,915	15,513	556,250	-540,737	2,225,000
	6-7236 · Cherryhurst Pedestrian Improv	59,051	69,500	-10,449	650,606	208,500	442,106	834,000
	6-7237 · Roseland Sidewalks	0	43,750	-43,750	0	131,250	-131,250	525,000

TIRZ 27 - Montrose RA
Profit & Loss Budget vs. Actual
September 2026

		September			Year to Date (3 Months)			Annual
		Actual	Budget	Variance	Actual	Budget	Variance	Budget
	6-7243 · Northeast Safe Sidewalks	0	15,525	-15,525	0	46,577	-46,577	186,302
	6-7244 · Montrose Pedestrian Walkability	0	43,958	-43,958	0	131,875	-131,875	527,500
	Total 6-7000 · Capital Expenditure	83,921	2,349,534	-2,265,613	1,880,085	7,048,614	-5,168,529	28,194,438
	6-7395 · Miscellaneous Expense	0	0	0	300	0	300	0
	6-9000 · Payroll Expenses	599	0	599	2,097	0	2,097	0
	Total Expense	174,367	2,438,952	-2,264,585	3,702,449	8,819,010	-5,116,561	31,022,768
	Net Income	-125,453	-1,852,653	1,727,200	1,542,010	-1,496,673	3,038,683	-18,423,740

TIRZ 27 - Montrose RA DSF
Debt Service Fund Budget
 July 2026 through June 2027

	Year to Date (3 Months)		
	Actual	Budget	Variance
Income			
4-4200 · Increment Payment	1,199,956	1,199,956	0
4-5391 · Interest Temporary Investments	8,307	0	8,307
Total Income	1,208,263	1,199,956	8,307
Expense			
4-7360 · Bond Interest Expense	323,459	632,544	-309,085
4-7362 · Bond Principal	575,000	575,000	0
Total Expense	898,459	1,207,544	-309,085
Net Income	309,804	-7,588	317,392

Montrose Redevelopment Authority

Monday, October 16th, 2026, at 6:30 PM

5. Series 2026 Bonds, including review and approve Preliminary Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 19, 2026

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS (I) IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND (II) IS NOT AN ITEM OF TAX PREFERENCE FOR PURPOSES OF THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS. SEE “TAX MATTERS” HEREIN, INCLUDING INFORMATION REGARDING POTENTIAL ALTERNATIVE MINIMUM TAX CONSEQUENCES FOR CORPORATIONS.

THE BONDS WILL NOT BE DESIGNATED “QUALIFIED TAX-EXEMPT OBLIGATIONS” FOR FINANCIAL INSTITUTIONS.

NEW ISSUE — BOOK ENTRY ONLY

**Rating: S&P: [“BBB”]
See “MUNICIPAL BOND RATINGS” and
“MUNICIPAL BOND INSURANCE” herein.**

\$29,895,000*

MONTROSE REDEVELOPMENT AUTHORITY

(A public nonprofit local government corporation acting on behalf of the City of Houston, Texas)

TAX INCREMENT CONTRACT REVENUE BONDS, SERIES 2026

Dated Date: December 1, 2026

Due: September 1, as shown on page ii

Interest Accrual Date: Delivery Date

Montrose Redevelopment Authority, a public nonprofit local government corporation (the “Authority”), was established by the City of Houston, Texas (the “City”) to aid, assist, and act on behalf of the City in the performance of the City’s governmental functions to promote the common good and general welfare of the area included within Reinvestment Zone Number Twenty-Seven, City of Houston, Texas (the “Zone”) and neighboring areas in the City (the “Montrose Area”). The Zone was created by the City pursuant to the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the “TIF Act”) to promote the redevelopment of the land within the boundaries of the Zone, currently consisting of approximately 608 acres located west and southwest of the central business district of the City generally within the neighborhood known as Montrose.

Interest on the \$29,895,000* Montrose Redevelopment Authority Tax Increment Contract Revenue Bonds, Series 2026 (the “Bonds”) accrues from the Delivery Date (defined below) and is payable each March 1 and September 1, commencing March 1, 2027, until the earlier of maturity or redemption. Principal of and interest on the Bonds will be payable by Regions Bank, an Alabama banking corporation, as initial paying agent/registrar (the “Paying Agent/Registrar”). The Bonds are issued in fully registered form, in denominations of \$5,000 or any integral multiple of \$5,000.

The definitive Bonds will initially be registered and delivered only to Cede & Co., the nominee of The Depository Trust Company (“DTC”), pursuant to the book-entry-only system described herein. DTC will act as securities depository with respect to the Bonds. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to DTC’s participants, which will make distributions of such amounts to the beneficial owners of the Bonds. See “THE BONDS—Book-Entry Only System” herein.

The Bonds are being issued as Additional Parity Bonds pursuant to the terms and conditions of a City ordinance approving the issuance of the Bonds, a bond resolution approved by the Board of Directors of the Authority on November 17, 2026 (the “Bond Resolution”), and an Indenture of Trust dated as of May 15, 2023 (as supplemented, the “Indenture”), between the Authority and Regions Bank, an Alabama banking corporation, as trustee (the “Trustee”). All parity bonds issued under the Indenture, including the Authority’s Tax Increment Contract Revenue Bonds, Series 2023 (the “Prior Bonds”), the Bonds and any subsequent parity bonds (collectively, the “Contract Revenue Bonds”), are payable equally and ratably from the Pledged Contract Tax Increments (as defined herein).

In the Indenture, the Authority has pledged the Pledged Contract Tax Increments (as defined herein) to payment of the Contract Revenue Bonds. The Contract Revenue Bonds are payable solely from the Pledged Contract Tax Increments, certain other funds on deposit with the Trustee or which may be deposited with the Trustee in the future, and earnings and investments thereon as set forth in the Indenture (the “Pledged Revenues”). See “SOURCE OF AND SECURITY FOR PAYMENT—Pledged Revenues.”

The Bonds are limited obligations of the Authority, payable solely from the Pledged Revenues. The Bonds are obligations of the Authority and do not constitute, within the meaning of any statutory or constitutional provision, an indebtedness, an obligation or a loan of credit of the City of Houston, the State of Texas, or any other municipality, county, or other municipal or political corporation or subdivision of the State of Texas. None of the City of Houston, Texas, the State of Texas nor any other municipal or political corporation or subdivision of the State of Texas is obligated to make payments on the Bonds. The Authority does not have the power to levy taxes or assess fees for any purpose, including payment of the Bonds.

This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Prospective investors must read the entire Official Statement, including all appendices hereto, to obtain information essential to making an informed investment decision, paying particular attention to the matters discussed in “INVESTMENT CONSIDERATIONS.”

See MATURITY SCHEDULE on page ii

The Bonds are offered by the Underwriter subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriters, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. Certain other matters will be passed upon on behalf of the Authority by Norton Rose Fulbright US LLP, Houston, Texas, Disclosure Counsel. Certain matters will be passed upon on behalf of the Underwriter by Bracewell LLP, Houston, Texas. Delivery of the Bonds is expected through the facilities of DTC on or about December 18, 2026 (“Delivery Date”).

HILLTOP SECURITIES

* Preliminary, subject to change.

\$29,895,000*

MONTROSE REDEVELOPMENT AUTHORITY
(a public nonprofit local government corporation acting on behalf of the City of Houston, Texas)
TAX INCREMENT CONTRACT REVENUE BONDS, SERIES 2026

MATURITY SCHEDULE*

<u>Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount(a)</u>	<u>CUSIP</u> <u>Number (b)</u>	<u>Interest</u> <u>Rate (%)</u>	<u>Initial</u> <u>Reoffering</u> <u>Yield (%) (c)</u>
2027	1,070,000			
2028	1,125,000			
2029	1,185,000			
2030	1,240,000			
2031	1,310,000			
2032	1,370,000			
2033	1,445,000			
2034	1,515,000			
2035	1,595,000			
2036	1,675,000			
2037	1,470,000			
2038	1,545,000			
2039	1,625,000			
2040	1,710,000			
2041	1,800,000			
2042	1,895,000			
2043	1,995,000			
2044	2,105,000			
2045	2,220,000			

- (a) The Bonds maturing on or after September 1, 20__, are subject to redemption in whole or from time to time in part, at the option of the Authority, on September 1, 20__, or on any date thereafter, at a price equal to the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. The Underwriter may combine maturities into one or more term bonds that are subject to mandatory sinking fund redemption. See “THE BONDS—Redemption Provisions.”
- (b) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Factset Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of purchasers of the Bonds. None of the Authority, the Municipal Advisor nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.
- (c) Initial reoffering yield represents the initial offering yield to the public which has been established by the Underwriter for offers to the public and which may be subsequently changed by the Underwriter and is the sole responsibility of the Underwriter.

*Preliminary, subject to change.

BOARD OF DIRECTORS

**REINVESTMENT ZONE NUMBER TWENTY-SEVEN,
CITY OF HOUSTON, TEXAS
and
MONTROSE REDEVELOPMENT AUTHORITY^(a)**

<u>Position</u>	<u>Name</u>	<u>Appointed to Zone By:</u>	<u>Title/Office</u>
1	Matt Brollier	City of Houston	Chair
2	Katy Caldwell	City of Houston	Director
3	Murad Ajani	City of Houston	Director
4	Elizabeth A. Larson	City of Houston	Vice Chair
5	Robert Guthart	City of Houston	Director
6	T. Ray Purser	City of Houston	Director
7	Helen Zunka	City of Houston	Secretary

(a) The ordinance (the “*City Creation Ordinance*”) creating Reinvestment Zone Number Twenty-Seven, City of Houston, Texas (the “*Zone*”) created a board of directors of the Zone (the “*Zone Board*”), consisting of seven persons nominated and appointed by the Mayor of the City, with the consent and approval of the City Council. The bylaws of the Authority call for a seven-member board of directors (the “*Board*”) that has the same members as the Board of Directors of the Zone.

Professional Consultants

Walter Morris	<i>Administrative Manager</i>
Masterson Advisors, LLC	<i>Municipal Advisor</i>
Allen Boone Humphries Robinson LLP	<i>General Counsel and Bond Counsel</i>
HR Green	<i>Engineering Consultant</i>
The Goodman Corporation	<i>Planning and Grants Consultant</i>
Equitax	<i>Tax Consultant</i>
ETI Bookkeeping Services	<i>Bookkeeper</i>
McCall Gibson Swedlund Barfoot Ellis PLLC	<i>Auditor</i>
Norton Rose Fulbright US LLP	<i>Disclosure Counsel</i>
Regions Bank	<i>Trustee/Paying Agent/Registrar</i>

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USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended and in effect on the date hereof (the “*Rule*”), this document constitutes an Official Statement with respect to the Bonds that has been deemed “final” by the Authority as of the date hereof, except for the omission of certain information as permitted by the Rule.

This Official Statement is not to be used in an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority.

All of the summaries of the statutes, financing documents, resolutions, contracts, engineering and other related reports referenced or described in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the Authority, c/o Allen Boone Humphries Robinson LLP, Phoenix Tower, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or hyperlinks contained therein are not incorporated into, and are not part of, this Official Statement for any purposes.

Neither the Authority nor the Underwriters, as defined herein, make any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

Regions Bank, in each of its capacities, including, but not limited to, Trustee, Bond Registrar, and Paying Agent, has not participated in the preparation of this Official Statement and assumes no responsibility for its content, including, without limitation, the accuracy or completeness of the information concerning the Authority or any other party contained herein or for any failure by any of such parties to disclose events that may have occurred and may affect the significance or accuracy of such information.

In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

THIS OFFICIAL STATEMENT CONTAINS “FORWARD-LOOKING” STATEMENTS. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS. SEE “FORWARD-LOOKING STATEMENTS” HEREIN.

SALE AND DISTRIBUTION OF THE BONDS

The Underwriter

Hilltop Securities, Inc. (the “*Underwriter*”) has agreed, subject to certain customary conditions, to purchase the Bonds at a purchase price of \$_____, which represents (i) the par amount of the Bonds, \$_____, (ii) plus a [net]original issue premium of \$_____, (iii) less an Underwriter’s discount of \$_____, to be funded from bond proceeds, as compensation for the purchase and sale of the Bonds and as reimbursement for certain expenses of the Underwriter related to such Bonds. The Underwriter’s obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriter. The Authority can give no assurance that any trading market will be developed for the Bonds after their sale by the Authority to the Underwriter. The Authority has no control over the price at which the Bonds are subsequently sold and the initial yield at which the Bonds will be priced and reoffered will be established by and will be the responsibility of the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in the Official Statement in accordance with, and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the Authority of a certificate executed and delivered by the Underwriter on or before the Delivery Date, stating the prices at which a substantial amount of the Bonds of each maturity have been sold to the public. For this purpose, the term “public” shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. Otherwise, the Authority has no understanding with the Underwriter regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Underwriter.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time to time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Authority has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in the Bonds. In such a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market.

Securities Laws

No registration statement relating to the offer and sale of the Bonds has been filed with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The Authority assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This

disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities, registration or qualification provisions in such other jurisdiction.

FORWARD-LOOKING STATEMENTS

This Official Statement contains, in part, forward-looking statements and projections, as well as estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or as to the likelihood that they will be realized. Forward-looking statements and projections may be affected by known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from the future results, performance or achievements expressed or implied by such forward-looking statements. Investors are cautioned that actual results could differ materially from those set forth in the forward-looking statements.

Any information and expressions of opinion herein contained are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the Zone, or other matters described herein since the date hereof.

RELIANCE ON PAST FINANCIAL PERFORMANCE

Past financial performance does not necessarily predict future performance, which may be affected by numerous anticipated and unanticipated conditions which did not exist at the time of the prior financial performance. See "INVESTMENT CONSIDERATIONS." The financial and operating data contained herein are the latest available but are as of the dates and for the periods described herein. They are not necessarily indicative of the Authority's future financial condition.

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OFFICIAL STATEMENT SUMMARY

This Official Statement Summary is subject in all respects to the more complete information and to the definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this summary statement from this Official Statement or to otherwise use it without the entire Official Statement.

Creation and Development of the Zone

Reinvestment Zone Number Twenty- Seven, City of Houston, Texas

Reinvestment Zone Number Twenty-Seven, City of Houston, Texas (the “Zone”) was created on December 9, 2015 by the City Council of the City of Houston, Texas (the “City”), pursuant to the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the “TIF Act”), to promote the redevelopment of the land within its boundaries. The Zone currently consists of approximately 608 acres located west and southwest of the central business district of the City generally within the neighborhood known as Montrose. The Zone covers commercial areas which are generally bounded by US Highway 59 to the south, West Dallas Street to the north, Taft Street, Bagby Street and Spur 527 to the east and South Shepherd Drive to the west.

As originally created, the Zone contained approximately 598 acres (the “Original Zone”). In 2020, the City Council approved the annexation of approximately 10 acres consisting of property and right-of-way into the Zone (the “Annexed Area”). See “SOURCE OF AND SECURITY FOR PAYMENT – Establishment of the Zone; Participants,” “APPENDIX A—Boundary Map,” and “APPENDIX B—Land Use Map.”

The Zone is governed by a Board of Directors (the “Zone Board”), who are nominated and appointed by the Mayor of the City with the consent and approval of City Council.

The Zone is currently scheduled to terminate on December 31, 2045.

Project and Financing Plan

As required under the TIF Act, the Zone Board adopted, and the City Council of the City approved, a Project Plan and Reinvestment Zone Financing Plan, which was amended in 2020 (as amended, the “Amended Project and Financing Plan”). The Amended Project and Financing Plan sets out the public improvements, real estate acquisitions and other projects that are needed to induce development within the Zone (the “Public Improvements”). The cost of the Public Improvements, the cost of creation of the Zone, and related organizational costs (the “Project Costs”) constitute eligible project costs under the TIF Act. The Amended Project and Financing Plan states that the Project Costs will be financed through the issuance of notes and bonds, as well as collaboration with developers and other entities for grant funding and partnerships.

Status of Development

The City’s taxable value in the Original Zone increased by approximately \$1.15 billion from January 1, 2015 to January 1, 2025, while the City’s taxable value in the Annexed Area increased by approximately \$5.4 million from January 1, 2020 to January 1, 2025.

Approximately 44.63% percent of the City’s 2025 certified taxable value in the Original Zone is composed of commercial or industrial properties, approximately 34.90% is composed of multifamily developments, approximately 16.97% is composed of residential units, and approximately 3.48% is vacant land. See “Schedule 2: Breakdown of Certified 2025 Taxable Values in the Original Zone by Type” and “APPENDIX B—Land Use Map.”

The Bonds

The Issuer

Montrose Redevelopment Authority (the “Authority”), a public nonprofit local government corporation, was authorized to be established by the City in 2019. The Authority was organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) and to aid, assist, and act on behalf of the City in the performance of the City’s governmental functions to promote the common good and general welfare of the area included within the Zone and neighboring areas. Pursuant to an agreement among the City, the Zone and the Authority (the “Tri-Party Agreement”), the Authority provides services to the Zone and is authorized to issue

bonds payable from Pledged Contract Tax Increments (as defined herein) derived from the Zone and transferred to the Authority.

The Authority is governed by a board of directors (the “*Board*”), whose members are required to be the same persons appointed to the Zone Board.

<i>Description</i>	The Montrose Redevelopment Authority Tax Increment Contract Revenue Bonds, Series 2026 (the “ <i>Bonds</i> ”) are issued in the aggregate principal amount of \$29,895,000* The Bonds are offered in fully registered form in integral multiples of \$5,000 principal amount. Interest on the Bonds accrues from the Delivery Date (as defined on the cover page) and is payable on each March 1 and September 1, commencing March 1, 2027, until the earlier of maturity or redemption. See “THE BONDS – Description.”
<i>Authority for Issuance</i>	The Bonds are authorized pursuant to City Ordinance No. 2021-767 approving the issuance of the Bonds, a bond resolution approved by the Board on November 17, 2026 (the “ <i>Bond Resolution</i> ”), and an Indenture of Trust dated as of May 15, 2023 (as supplemented, the “ <i>Indenture</i> ”), between the Authority and Regions Bank, an Alabama banking corporation, as trustee (the “ <i>Trustee</i> ”).
<i>Book-Entry Only System</i>	The Depository Trust Company (“ <i>DTC</i> ”), New York, New York, will act as securities depository of the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds and will be deposited with DTC. See “THE BONDS—Book-Entry Only System.”
<i>Redemption</i>	Bonds maturing on or after September 1, 20__ are subject to redemption in whole, or from time to time in part, at the option of the Authority prior to their maturity dates on September 1, 20__ or on any date thereafter at a price equal to par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. The Underwriter may combine maturities into one or more term bonds that are subject to mandatory sinking fund redemption. See “THE BONDS—Redemption Provisions.”
<i>Use of Proceeds</i>	Proceeds of the Bonds will be used for the purposes of (1) financing Project Costs in accordance with the Amended Project and Financing Plan; (2) making a deposit of capitalized interest to the Debt Service Fund; (3) making a deposit to the Debt Service Reserve Fund (as defined herein), to the extent required; and (4) paying costs of issuance, all under and pursuant to the authority of the TIF Act and all other applicable law. See “PLAN OF FINANCING” and “USE AND DISTRIBUTION OF BOND PROCEEDS.”
<i>Municipal Bond Ratings</i>	The Bonds are rated [“BBB”] by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“ <i>S&P</i> ”). The rating fee of S&P will be paid by the Authority; payment of any other rating fee will be the responsibility of the Underwriter. See “MUNICIPAL BOND RATINGS.”
<i>Municipal Bond Insurance and Reserve Surety Policy</i>	The Authority has made application for a commitment for municipal bond guaranty insurance on the Bonds and a Reserve Fund Surety Policy (as defined herein). The purchase of such insurance and/or Reserve Fund Surety Policy, if available and deemed economically beneficial, and payment of all associated costs, including the premium charged by the insurer, will be at the option and expense of the Authority. See “MUNICIPAL BOND INSURANCE.”

Source of and Security for Payment

<i>Tax Increments</i>	The City has agreed to deposit to the Tax Increment Fund for the Zone in the City’s treasury (the “ <i>Tax Increment Fund</i> ”) certain of its tax collections resulting from its taxation of the increase, if any, in the appraised taxable value of real property located in the Original Zone since January 1, 2015 and in the Annexed Area since January 1, 2020 (in each case, less the base value of any property removed from the Zone).
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*Preliminary, subject to change.

*Contract Tax
Increments*

The City, the Authority and the Zone have entered into the Tri-Party Agreement (as defined herein) which sets forth, among other things, the agreement of the City, on behalf of itself and the Zone, to pay to the Authority the tax collections deposited to the Tax Increment Fund less (i) any expenses incurred by the City in connection with the collection of the Tax Increments, (ii) any unauthorized payments made by the Authority to a developer or builder, and (iii) the retention of a reserve of up to five percent of the moneys then available in the Tax Increment Fund (the Tax Increments net of such deductions and reserves referred to herein as the “*Contract Tax Increments*”). See “SOURCE OF AND SECURITY FOR PAYMENT—Tri-Party Agreement.”

Pledged Revenues

Pursuant to the Tri-Party Agreement, the Authority may enter into development agreements with developers/builders relating to the development, construction, remodeling, or rehabilitation of Public Improvements and may use Contract Tax Increments to make payments to such developers/builders as required by such development agreements (the “*Developer Related Tax Increments*”). Developer Related Tax Increments owed to developers pursuant to development agreements permitted by the Tri-Party Agreement with an effective date prior to May 15, 2023 are defined in the Indenture as “*Preexisting Developer Related Tax Increments*.”

As of May 15, 2023, the Authority had entered into one development agreement in which it agreed to reimburse the developer for Public Improvements financed with funds advanced by the developer from a portion of the Contract Tax Increments generated from the developer’s project. Developer Related Tax Increments payable by the Authority pursuant to this development agreement qualify as Preexisting Developer Related Tax Increments.

As required by the Tri-Party Agreement, the City will transfer all Contract Tax Increments into the Authority’s revenue fund. Pursuant to the Bond Resolution and the Indenture, the Authority has agreed to transfer all Contract Tax Increments remaining in the Authority’s revenue fund after subtracting the Preexisting Developer Related Tax Increments (the “*Pledged Contract Tax Increments*”) to the Trustee. The Trustee will deposit such amounts into the Pledged Revenue Fund (as defined herein) pursuant to the Indenture. After the Trustee has reserved an amount equal to debt service on the Authority’s Tax Increment Contract Revenue Bonds, Series 2023 (the “*Prior Bonds*”), the Bonds and any subsequently issued parity bonds (collectively, the “*Contract Revenue Bonds*”) for the succeeding twelve-month period, the Debt Service Reserve Fund has been fully funded, and the Trustee’s and Paying Agent/Registrar’s fees have been paid or reserved, the Trustee will deposit any surplus Pledged Contract Tax Increments into a Surplus Fund (as defined herein) to be used for any lawful purpose under the TIF Act.

The Contract Revenue Bonds, including the Prior Bonds and the Bonds, are payable solely from the Pledged Contract Tax Increments, certain other funds on deposit with the Trustee or which may be deposited with the Trustee in the future, and earnings and investments thereon pursuant to the Indenture (the “*Pledged Revenues*”). See “SOURCE OF AND SECURITY FOR PAYMENT—Pledged Revenues.”

*Additional Parity
Bonds*

The Authority has reserved the right to issue additional bonds payable from the Pledged Revenues on an equal and ratable basis with the Prior Bonds and the Bonds (the “*Additional Parity Bonds*”), but only on the terms and conditions set out in the Indenture, including satisfaction of a debt service coverage test for Additional Parity Bonds other than those issued for refunding purposes that have the result of reducing or not increasing the annual debt service requirements on the remaining Contract Revenue Bonds. See “SOURCE OF AND SECURITY FOR PAYMENT – Additional Parity Bonds.”

Limited Obligations

The Bonds are limited obligations of the Authority, payable solely from the Pledged Revenues. The Bonds are obligations of the Authority and do not constitute, within the meaning of any statutory or constitutional provision, an indebtedness, an obligation or a loan of credit of the City of Houston, the State of Texas, or any other municipality, county, or other municipal or political corporation or subdivision of the State of Texas. None of the City, the State of Texas, nor any other municipality, county, or other municipal or political corporation or subdivision of the State of Texas is obligated to make payments on

*Investment
Considerations*

the Bonds. The Authority does not have the power to levy taxes or assess fees for any purpose, including payment of the Bonds.

THE PURCHASE AND OWNERSHIP OF THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS AND ALL PROSPECTIVE PURCHASERS ARE URGED TO EXAMINE CAREFULLY THIS ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, WITH RESPECT TO THE INVESTMENT SECURITY OF THE BONDS, PARTICULARLY THE SECTION CAPTIONED "INVESTMENT CONSIDERATIONS."

Schedule 1: Selected Financial Information Based on 2025 Certified Value (unaudited)

	City		
2025 Certified Taxable Value (a)	\$2,511,750,163		
Tax Increment Base (b)	1,098,766,790		
2025 Captured Appraised Value (c)	\$1,412,983,373		
2025 Total Tax Rate Contribution (d)	\$0.51919		
Estimated Collection Rate (e)	94.11%		
City Retention Fee	5%		
Total Contract Tax Increments (f)	\$ 6,558,775		
Less: True-up Deduction from Prior Year Protests and Litigation	(639,181) (m)		
Net Payment from the City	5,919,595		
Less: Preexisting Developer Related Tax Increments (g)	(193,442)		
Total Pledged Contract Tax Increments Constituting Pledged Revenues for use in FYE 2027	\$ 5,726,153		
Outstanding Debt (h)(i)	\$ 43,215,000		
Average Annual Debt Service (2027-2046)*	3,360,635		
Maximum Annual Debt Service (2034)*	3,651,581		
Coverage of Pledged Contract Tax Increments to: (i)			
Average Annual Debt Service (2027-2046)*	170%		
Maximum Annual Debt Service (2034)*	157%		
Coverage of Pledged Contract Tax Increments to: (i)(j)			
Tax Year	2025	2026-2035	2036-2045
City Participation	100%	90%	80%
Total Pledged Contract Tax Increments	\$ 5,726,153	\$ 5,153,538	\$ 4,580,922
Maximum Annual Debt Service	1,528,388	3,651,581	3,245,081
Coverage	375%	141%	141%
Ratio of 2025 Incremental Appraised Value to Total Appraised Value in the Zone (k)			56.3%
Debt Service Reserve Requirement (l)			3,651,581

* Preliminary, subject to change.

- (a) This schedule shows the Original Zone only. The Annexed Area is not included due to the small amount of Contract Tax Increments it produces. The number shown as the 2025 Certified Taxable Value is the value assessed and certified by Harris Central Appraisal District (the “Appraisal District”) after approval of the Appraisal Review Board of Harris Central Appraisal District (the “Appraisal Review Board” or “ARB”) in April, 2026. Certified appraised values are established annually by the Appraisal District for the current year, but are subject to change for a number of years thereafter as protests and litigation are settled and corrections are made. See “TAXING PROCEDURES OF THE CITY—Taxpayer Remedies.” See “SOURCE OF AND SECURITY FOR PAYMENT—Calculation of Tax Increments” and “FINANCIAL INFORMATION—Schedule 5: Tax Increment Collections” for the certified values for 2021 through 2025.
- (b) Base year for the Original Zone is the taxable value in the Original Zone for tax year 2015.
- (c) The Captured Appraised Value is the 2025 Certified Taxable Value less the Tax Increment Base. See “SOURCE OF AND SECURITY FOR PAYMENT—General Statutory Requirements for Tax Increment Zones.”
- (d) The City’s Tax Rate Contribution is set forth in the Amended Project and Financing Plan and may be revised by the City. Currently the Amended Project and Financing Plan provides that the City will contribute 100% of the Tax Increment it

- receives from the Captured Appraised Value in the Zone to the Tax Increment Fund for the Zone from tax year 2016 through tax year 2025, 90% from tax year 2026 through tax year 2035 and 80% from tax year 2036 through tax year 2045.
- (e) The collection rate shown is the collection rate at the time the City calculated the annual payment due to the Authority in June 2026. It is expected to increase over time. See “INVESTMENT CONSIDERATIONS— Tax and Collection Rates May Decline.” City tax payments are deposited into the General Fund of the City. Once such funds are accounted for and allocated to the Zone, the Tax Increments are deposited to the Tax Increment Fund for the Zone. The City Council must appropriate the monies in the Tax Increment Fund to the parties entitled to them before they are disbursed. Under the Tri-Party Agreement, the City is required to transfer Contract Tax Increments to the Authority prior to the first business day of September in each year. The appropriation of Contract Tax Increments to the Authority is usually made in June of each year. On June 24, 2026, the City transferred Contract Tax Increments to the Authority in the amount of \$5,969,762.64, of which \$5,951,553.72 consisted of Tax Increments from the Original Zone and \$18,208.92 consisted of Tax Increments from the Annexed Area.
 - (f) Total Contract Tax Increments are calculated by multiplying the Total 2025 Captured Appraised Value by the 2025 Tax Rate Contribution, then multiplying the product by the Collection Rate and deducting the City’s Retention Fee. Contract Tax Increments arising from the 2025 taxes are expected to be transferred to the Authority during calendar year 2026 for payment of debt service in fiscal year 2027. Overpayments of Contract Tax Increments from prior years may be offset against the current year’s Contract Tax Increments and may result in a significant reduction. See “INVESTMENT CONSIDERATIONS— True-Up of Tax Increment Collections from Prior Years.”
 - (g) For an explanation of how Preexisting Developer Related Tax Increments are calculated, see “FINANCIAL INFORMATION—Additional Obligations of the Authority.”
 - (h) Outstanding debt consists of the Prior Bonds and the Bonds.
 - (i) The Outstanding Debt is structured to take into account the scheduled reduction in the level of the City’s Tax Rate Contribution to the Zone during the life of the Bonds. The City has agreed to contribute 100% of the Tax Increment it receives from the Captured Appraised Value in the Zone from tax year 2016 through tax year 2025, 90% from tax year 2026 through tax year 2035 and 80% from tax year 2036 through tax year 2045. Average Annual Debt Service and Maximum Annual Debt Service shown in this Schedule are based on the Authority’s fiscal year, which ends June 30. The Schedule references fiscal year 2046; however, the Zone is scheduled to terminate on December 31, 2045, or halfway through fiscal year 2046.
 - (j) This calculation shows the effect of the change in the level of the City’s Tax Rate Contribution as described in footnote (i), assuming all other factors remain constant. The coverage of Pledged Contract Tax Increments to the Maximum Annual Debt Service occurring during the period in which the Tax Rate Contribution is in effect is also shown.
 - (k) See “INVESTMENT CONSIDERATIONS—A Decrease in Taxable Value Produces a Greater Decrease in Captured Appraised Value and Can Reduce Tax Increments Significantly.”
 - (l) The Debt Service Reserve Fund Requirement is described under “SOURCE OF AND SECURITY FOR PAYMENT— Debt Service Reserve Fund.”
 - (m) See “INVESTMENT CONSIDERATIONS—True-Up of Tax Increment Collections from Prior Years.”

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Schedule 1A: Selected Financial Information Based on 2026 Preliminary Value (unaudited)

	City	
2026 Preliminary Taxable Value (a)	\$2,550,305,505	
Tax Increment Base (b)	<u>1,098,766,790</u>	
2026 Captured Appraised Value (c)	\$1,451,538,715	
2026 Total Tax Rate Contribution at 90% Participation (d)	\$0.46727	
Estimated Collection Rate (e)	94.11%	
City Retention Fee	5%	
Total Preliminary Contract Tax Increments (f)	\$ 6,063,967	
Less: Estimated True-up Deduction from Prior Year Protests and Litigation	<u>(590,959) (m)</u>	
Net Payment from the City	5,473,008	
Less: Estimated Preexisting Developer Related Tax Increments (g)	<u>(176,345)</u>	
Total Pledged Contract Tax Increments Constituting Pledged Revenues for use in FYE 2028	\$ 5,296,663	
Outstanding Debt (h)(i)	\$ 43,215,000	
Average Annual Debt Service (2028-2046)*	3,457,069	
Maximum Annual Debt Service (2034)*	3,651,581	
Coverage of Pledged Contract Tax Increments to: (i)		
Average Annual Debt Service (2028-2046)*	153%	
Maximum Annual Debt Service (2034)*	145%	
Coverage of Pledged Contract Tax Increments to: (i)(j)		
Tax Year	2026-2035	2036-2045
City Participation	90%	80%
Total Pledged Contract Tax Increments	\$ 5,296,663	\$ 4,688,551
Maximum Annual Debt Service	3,651,581	3,245,081
Coverage	145%	144%
Ratio of 2026 Incremental Appraised Value to Total Appraised Value in the Zone (k)		56.9%
Debt Service Reserve Requirement (l)		\$ 3,651,581

* Preliminary, subject to change.

(a) This schedule shows the Original Zone only. The Annexed Area is not included due to the small amount of Contract Tax Increments it produces. The number shown as the 2026 Preliminary Taxable Value is the initial estimate of value assigned to real property in the Original Zone by the Appraisal District for tax year 2026 before any formal appeals, corrections, or final certifications. No tax is levied on the Preliminary Taxable Value. Because it is subject to taxpayer protest and adjustment, the 2026 Preliminary Taxable Value has been reduced by 5%, which is the difference between the 2025 Preliminary Taxable Value in the Original Zone and the 2025 Certified Taxable Value in the Original Zone as of February, 2026. The preliminary values were provided to the Authority by its tax consultant based on data received from the Appraisal District (ARB-approved data from August, 2026). See “TAXING PROCEDURES OF THE CITY—Taxpayer Remedies.” See “SOURCE OF AND SECURITY FOR PAYMENT—Calculation of Tax Increments” and “FINANCIAL INFORMATION—Schedule 5: Tax Increment Collections” for the certified values for 2021 through 2025.

(b) Base year for the Original Zone is the taxable value in the Original Zone for tax year 2015.

- (c) The Captured Appraised Value is the 2026 Preliminary Taxable Value less the Tax Increment Base. See “SOURCE OF AND SECURITY FOR PAYMENT—General Statutory Requirements for Tax Increment Zones.”
- (d) The City’s Tax Rate Contribution is set forth in the Amended Project and Financing Plan and may be revised by the City. Currently the Amended Project and Financing Plan provides that the City will contribute 100% of the Tax Increment it receives from the Captured Appraised Value in the Zone to the Tax Increment Fund for the Zone from tax year 2016 through tax year 2025, 90% from tax year 2026 through tax year 2035 and 80% from tax year 2036 through tax year 2045. Taxes on the 2026 certified taxable value will not be levied until the third quarter of 2026. Ninety percent (90%) of the tax rate adopted by the City for tax year 2025 is used for purposes of illustration. The actual 2026 tax rate may differ materially.
- (e) The collection rate shown is the collection rate for tax year 2025 taxes at the time the City calculated the annual payment due to the Authority in June 2026. The 2026 collection rate may differ materially. See “RELIANCE ON PAST FINANCIAL PERFORMANCE” and “INVESTMENT CONSIDERATIONS– Tax and Collection Rates Decline.” City tax payments are deposited into the General Fund of the City. Once such funds are accounted for and allocated to the Zone, the Tax Increments are deposited to the Tax Increment Fund for the Zone. The City Council must appropriate the monies in the Tax Increment Fund to the parties entitled to them before they are disbursed. Under the Tri-Party Agreement, the City is required to transfer Contract Tax Increments to the Authority prior to the first business day of September in each year. The appropriation of Contract Tax Increments to the Authority is usually made in June of each year.
- (f) Total Contract Tax Increments are calculated by multiplying the Total 2026 Captured Appraised Value by the 2026 Tax Rate Contribution, then multiplying the product by the Collection Rate and deducting the City’s Retention Fee. Contract Tax Increments arising from the 2026 taxes are expected to be transferred to the Authority during calendar year 2027 for payment of debt service in fiscal year 2028. Overpayments of Contract Tax Increments from prior years may be offset against the current year’s Contract Tax Increments and may result in a significant reduction. See “INVESTMENT CONSIDERATIONS— True-Up of Tax Increment Collections from Prior Years.”
- (g) For an explanation of how Preexisting Developer Related Tax Increments are calculated, see “FINANCIAL INFORMATION—Additional Obligations of the Authority.”
- (h) Outstanding debt consists of the Prior Bonds and the Bonds.
- (i) The Outstanding Debt is structured to take into account the scheduled reduction in the level of the City’s Tax Rate Contribution to the Zone during the life of the Bonds. The City has agreed to contribute 100% of the Tax Increment it receives from the Captured Appraised Value in the Zone from tax year 2016 through tax year 2025, 90% from tax year 2026 through tax year 2035 and 80% from tax year 2036 through tax year 2045. Average Annual Debt Service and Maximum Annual Debt Service shown in this Schedule are based on the Authority’s fiscal year, which ends June 30. The Schedule references fiscal year 2046; however, the Zone is scheduled to terminate on December 31, 2045, or halfway through fiscal year 2046.
- (j) This calculation shows the effect of the change in the level of the City’s Tax Rate Contribution as described in footnote (i), assuming all other factors remain constant. The coverage of Pledged Contract Tax Increments to the Maximum Annual Debt Service occurring during the period in which the Tax Rate Contribution is in effect is also shown.
- (k) See “INVESTMENT CONSIDERATIONS—A Decrease in Taxable Value Produces a Greater Decrease in Captured Appraised Value and Can Reduce Tax Increments Significantly.”
- (l) The Debt Service Reserve Fund Requirement is described under “SOURCE OF AND SECURITY FOR PAYMENT— Debt Service Reserve Fund.”
- (m) See “INVESTMENT CONSIDERATIONS— True-Up of Tax Increment Collections from Prior Years.”

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OFFICIAL STATEMENT

\$29,895,000*

MONTROSE REDEVELOPMENT AUTHORITY

(a public nonprofit local government corporation acting on behalf of the City of Houston, Texas)

TAX INCREMENT CONTRACT REVENUE BONDS, SERIES 2026

This Official Statement provides certain information in connection with the issuance by Montrose Redevelopment Authority (the “*Authority*”) of its \$29,895,000* Tax Increment Contract Revenue Bonds, Series 2026 (the “*Bonds*”). The Bonds are issued pursuant to Chapter 431, Texas Transportation Code, as amended, the general laws of the State of Texas (the “*State*” or “*Texas*”), a bond resolution (the “*Bond Resolution*”) adopted by the Board of Directors of the Authority (the “*Board*”) on November 17, 2026, and the Indenture of Trust dated as of May 15, 2023 (as supplemented, the “*Indenture*”) between the Authority and Regions Bank, an Alabama banking corporation, as trustee (the “*Trustee*”).

Reinvestment Zone Number Twenty-Seven, City of Houston, Texas (the “*Zone*”) currently consists of approximately 608 acres located west and southwest of the central business district of the City generally within the neighborhood known as Montrose. The Zone covers commercial areas generally bounded by US Highway 59 to the south, West Dallas Street to the north, Taft Street, Bagby Street and Spur 527 to the east and South Shepherd Drive to the west. As originally created, the Zone contained approximately 598 acres (the “*Original Zone*”). The Original Zone boundary was drawn to encompass the major transit corridors in need of improvement within the Zone while complying with state law limiting the percentage of residential property which may be included with the Zone. In 2020, the City Council approved the annexation of approximately 10 acres consisting of property and right-of-way into the Zone (the “*Annexed Area*”). See “APPENDIX A—Boundary Map” and “APPENDIX B—Land Use Map.”

This Official Statement speaks only as of its date and includes descriptions, among others, of the Authority, the Bonds, the Bond Resolution, the Indenture, the Tri-Party Agreement (as defined herein), the Zone, the First Amended Project Plan and Reinvestment Zone Financing Plan approved by City Council on December 9, 2020 (the “*Amended Project and Financing Plan*”), and existing development within the boundaries of the Zone.

All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents referenced herein may be obtained from the Authority, c/o Allen Boone Humphries Robinson LLP, Phoenix Tower, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

SOURCE OF AND SECURITY FOR PAYMENT

General

The Bonds are limited obligations of the Authority payable solely from the sources described herein and are not obligations of the City, the State of Texas, or any entity other than the Authority. The Authority is not obligated to pay principal of and interest on the Bonds from monies of the Authority other than the Pledged Revenues as defined herein under “—Pledged Revenues.”

General Statutory Requirements for Tax Increment Zones

A tax increment reinvestment zone, or zone, under Chapter 311 of the Texas Tax Code, as amended (the “*TIF Act*”), may be created by a city or a county, which also approves a project plan and a financing plan for the zone. In the case of a city, the ordinance creating the zone and the project plan and financing plan may provide that the city will deposit its Tax Increments (as defined below) into a tax increment fund established by the city for the zone. Other taxing units which tax property in the zone may agree with the city that they will also deposit all or a portion of their Tax Increments (as defined below) into the tax increment fund established for the zone.

The amount of a taxing unit’s tax increment for a year (the “*Tax Increment*”) is the amount of property taxes levied and assessed by the taxing unit for that year on the Captured Appraised Value (as defined below) within the

* Preliminary, subject to change.

zone. The captured appraised value of real property taxable by a taxing unit for a year (the “*Captured Appraised Value*”) is the total taxable value of all real property taxable by the taxing unit and located in the zone for that year less the total taxable value of all real property taxable by the unit and located in the reinvestment zone in the year in which the zone was designated as such under the TIF Act and, with respect to any land subsequently added to the zone, the year in which such land was annexed into the zone (the “*Tax Increment Base*”). If the boundaries of a zone are reduced, the Tax Increment Base is reduced by the taxable value of the real property removed from the zone for the year in which the property was originally included in the zone’s boundaries.

The TIF Act provides that each taxing unit is required to pay into the tax increment fund for the zone the collected Tax Increments that it has agreed to pay under its agreement with the city or county that created the zone and in accordance with the project plan and financing plan. The TIF Act provides that the payment is to be made by the 90th day after the later of either the delinquency date for the taxing unit’s property taxes, or the date the entity that created the zone submits to the taxing unit an invoice, unless otherwise provided for in the taxing unit’s agreement with the city or county that created the zone.

The TIF Act provides that a zone terminates on the earlier of: (1) the termination date designated in the ordinance designating the zone or an earlier or later date designated by a subsequent ordinance and (2) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations have been paid in full. In addition, the TIF Act provides that a zone may be terminated if the city or county that created the zone defeases all of the zone’s tax increment bonds. See “THE BONDS—Defeasance.”

Establishment of the Zone; Participants

Pursuant to City Ordinance No. 2015-1257, approved on December 9, 2015 (the “*City Creation Ordinance*”), the City created the Zone and established the tax increment fund for the Zone as a separate fund in the City treasury (the “*Tax Increment Fund*”). The City Creation Ordinance provided that the Zone would take effect upon the passage and approval of the City Creation Ordinance and would terminate on December 31, 2045, or at an earlier or later time designated by subsequent ordinance of the City, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, and the interest on the bonds have been paid in full.

Since its creation, there has been one annexation of land into the Zone. In 2020, the City approved the annexation of approximately 10 acres into the Zone (the “*Annexed Area*”), resulting in the current size of the Zone of approximately 608 acres.

The only taxing unit that contributes to the Tax Increment Fund for the Zone is the City. Under the current Amended Project and Financing Plan for the Zone, the City contributes to the Tax Increment Fund for the Zone the following percentages of its collected Tax Increments arising from the Zone. According to the City Creation Ordinance, the City may amend these rates from time to time.

Jurisdiction	Tax Years	Applied to Debt Service in Fiscal Years	Participation(%)
City	2016-2025	2018-2027	100%
	2026-2035	2028-2037	90%
	2036-2045	2038-2046	80%

Tri-Party Agreement

The Agreement by and between the City, the Zone and the Authority, approved by the City Council of the City on September 4, 2019 pursuant to Ordinance No. 2019-665 (the “*Tri-Party Agreement*”), governs the contractual relationship among the parties.

The Tri-Party Agreement states in detail the scope of services to be provided to the Zone by the Authority. The services include management and administrative services for the Zone, as requested by the board of directors of the Zone (the “Zone Board”), services with respect to the Amended Project and Financing Plan, including enlargement of the Zone and amendments to the Amended Project and Financing Plan, and services with respect to the tax rolls pertaining to the Zone, including analysis and coordination with taxing units. The Authority is also required to assist the Zone Board in establishing a program to increase the level of safety within the Zone, prepare development plans, construct infrastructure and acquire property.

The Tri-Party Agreement provides that the Authority has the authority to issue its bonds and notes, to enter into obligations with developers or builders, and to enter into contracts with consultants, to be repaid from Contract Tax Increments; provided that the Authority may issue its bonds only upon the approval of the City Council. All development agreements with developers or builders must be approved by the Chief Economic Development Officer of the City. Such agreements will provide that the Authority will not reimburse any developer or builder for any costs that are determined to be ineligible for financing under the TIF Act, and the developer or builder will repay the Authority for any payment made by the Authority to the developer or builder that is determined to be ineligible. All consultant contracts are subject to approval of the Chief Economic Development Officer, who is required to approve such contracts if they conform to the terms and conditions of City contracts of substantially the same or similar scope for similar services. Consultant contractors will provide that the Authority will not pay the consultant for services that are determined to be an ineligible Project Cost under the TIF Act and the consultant will repay the Authority for any payment to the consultant that is determined to be an ineligible Project Cost.

The Tri-Party Agreement states that no obligation of the Authority will be issued or incurred by the Authority that cannot be paid from funds budgeted for expenditures in the Authority’s current budget unless the obligation is approved by the Zone Board and the Chief Economic Development Officer. The Tri-Party Agreement approves issuance by the Authority of notes in an amount not to exceed \$15,000,000 which authorization was subsequently amended pursuant to Ordinance No. 2021-767 on September 1, 2021 to authorize the Authority to issue bonds and notes in an aggregate principal amount not to exceed \$50,000,000 outstanding at any one time. Under the Tri-Party Agreement, the City consents to any assignment or pledge of all or part of the Contract Tax Increments deposited into the Authority’s revenue fund to which the Zone Board and City’s Chief Economic Development Officer also consent, and the City has the right to approve the terms and conditions of the instruments related to such assignments or pledges. The Authority must obtain the prior approval of the appropriate City department for any project constructed or caused to be constructed, or financed by the Authority.

During the term of the Tri-Party Agreement, the Authority will prepare and submit its annual budget to the City and the Zone Board by April 1 of each year. The Authority may only transfer funds from one line item of approved Project Costs to another (1) as needed for debt service, and (2) provided the aggregate of such transfer does not exceed the lesser of \$400,000 or five percent (5%) of the Project Costs. In the event that the Zone Board or the City Council fails or refuses to approve the proposed budget for the ensuing year, the Authority may continue to operate on the budget for the previous fiscal year for a period not to exceed twelve months. If, at the end of that period no budget has been approved, either the City or the Authority may terminate the Tri-Party Agreement, subject to payment of the Authority’s bonds, notes and other obligations.

The Authority is required to maintain books of records and accounts, obtain an audit at the end of each fiscal year by an independent certified public accountant, and obtain an audit of construction activities undertaken by a developer/builder or other third party (except for the City) that has entered into a development agreement with the Authority prepared by an independent consultant approved by the Chief Economic Development Officer. The Authority will submit a quarterly accounting of its expenditures and revenues to the Chief Economic Development Officer of the City. The City’s review of such accounting is limited to determining whether the expenditures are authorized by the budget and consistent with the terms of the contract pursuant to which they were incurred, and not a review to determine whether the Board properly exercised its discretion in making the expenditure.

Pursuant to the Tri-Party Agreement, the City and the Zone agree to continuously collect the Tax Increments during the term of the Tri-Party Agreement from the taxing units whose participation in the Zone is reflected in the Plan in the manner and to the extent permitted by applicable law.

Pursuant to the Tri-Party Agreement, the City, on behalf of itself and the Zone, agrees to pay to the Authority not later than the first business day of September in which a current, approved budget is in effect for the Authority,

all monies then available in the Tax Increment Fund subject to the retention by the City of a reserve of up to five percent of the monies then available in the Tax Increment Fund, any expenses incurred by the City in connection with the collection of the Tax Increments, and any payments made by the Authority to a developer builder, consultant or vendor pursuant to a contract that is not authorized by and consistent with the Tri-Party Agreement or the terms of the contract pursuant to which it was incurred. Nonetheless, this offset does not affect the obligation of the City and the Zone to pay from Tax Increments an amount that will permit the Authority to pay its bonds and other obligations issued or incurred pursuant to and consistent with the Tri-Party Agreement.

If a budget has not been approved by the thirtieth day before the date of a principal or interest payment on the Authority's bonds, and upon request by the Authority, the City will pay to the Authority the amount of available monies in the Tax Increment Fund otherwise payable to the Authority under the Tri-Party Agreement in at least the amount necessary for the payment of principal and interest due to the holders of the bonds next due, and the obligation to make the payment survives a termination of the Tri-Party Agreement.

The City and the Zone agree that their obligation to make the payments of Contract Tax Increments to the Authority as set forth in the Tri-Party Agreement from the Tax Increment Fund is absolute and unconditional, and until such time as the bonds or notes, and the contractual obligations of the Authority have been fully paid or legally defeased or the date of expiration of the Zone, whichever comes first, the City and the Zone will not suspend or discontinue any payments of Contract Tax Increments as provided in the Tri-Party Agreement and will not terminate the Tri-Party Agreement for any cause.

If the City or Authority fails to perform its obligations under the Tri-Party Agreement, the non-defaulting party may terminate the Tri-Party Agreement. No termination of the Tri-Party Agreement will affect the obligation of the City and the Zone to pay from Tax Increments an amount of Contract Tax Increments which will permit the Authority to pay its bonds, notes or obligations issued or incurred pursuant to the Tri-Party Agreement prior to termination. In the Tri-Party Agreement, the City agrees not to dissolve the Authority or the Zone unless it makes satisfactory arrangements to provide for the payment of the Authority's bonds, notes or other obligations incurred prior to the Authority's dissolution.

In performing its obligations under the Tri-Party Agreement, the Authority is an independent contractor. The Authority is required to indemnify the City, the Zone, and their officers and employees for all claims for injury, death, damage or loss injuries sustained in connection with or incidental to any performance under the Tri-Party Agreement. The obligations of the Authority to indemnify the City and the Zone are subordinate to the Authority's obligation to pay principal and interest on its bonds and notes.

Calculation of Tax Increments

Harris Central Appraisal District (the "*Appraisal District*") appraises the property within Harris County and produces an annual certified tax roll for the City taking into account state-mandated property tax exemptions and exemptions granted by the City. See "TAXING PROCEDURES OF THE CITY." The Appraisal District has coded the real property within the Zone so the property can be identified. The City of Houston Finance Department utilizes this data to obtain the Captured Appraised Value for the Zone and to calculate the Increment payments due to the Authority.

The Appraisal District supplements its tax rolls monthly, and the changes can affect previously certified values. Value changes can be positive or negative depending on the cause. Omitted property adds value while protest settlements, exemptions and error corrections can add or subtract value. Value changes typically are larger in dollar amount and number in the years just following the current tax year and tend to diminish in amount and number over time.

Captured Appraised Value for tax years 2021 through 2025 is shown under "FINANCIAL INFORMATION—Schedule 5: Tax Increment Collections."

Calculation of Tax Increments is subject to administrative interpretation by the participating taxing units, which may change from time to time, at the option of each such Participant. See "INVESTMENT CONSIDERATIONS— True-Up of Tax Increment Collections from Prior Years."

Collection of Tax Increments

Each taxing unit participating in a tax increment reinvestment zone is to pay into the Tax Increment Fund Tax Increments equal to the amount arrived at by multiplying the Captured Appraised Value in the zone by the taxing unit's contributed tax rate per \$100 of valuation for the tax year and then multiplying that product by the taxing unit's collection percentage, subject to any aggregate limitation. The collection percentage is determined by comparing the taxes collected from all taxable real property in the zone to the total taxes due to the taxing unit for the tax year from all real property in the zone. The City's collection percentage is shown in "FINANCIAL INFORMATION—Schedule 5: Tax Increment Collections."

The TIF Act provides that payment of Tax Increments by a participating taxing unit is to be made by the 90th day after the later of either the delinquency date for the taxing unit's property taxes, or the date the city or county that created the zone submits to the taxing unit an invoice specifying the tax increment produced by the taxing unit and the amount the taxing unit is required to pay into the tax increment fund for the zone, unless otherwise specified by agreement.

Pursuant to the Tri-Party Agreement, the City and the Zone agree to continuously collect the Tax Increments from the taxing units whose participation in the Zone is reflected in the Amended Project and Financing Plan in the manner and to the extent permitted by applicable law. See "TAXING PROCEDURES OF THE CITY."

The obligations of the City and the Zone to pay Contract Tax Increments to the Authority are subject to the Tri-Party Agreement and the rights of any of the holders of bonds, notes or other obligations that have been or will be issued by the City or any other taxing unit that may hereafter participate in the Zone that are payable from and secured by a general levy of ad valorem taxes throughout the taxing jurisdiction of the City or any other taxing unit participating in the Zone. See "INVESTMENT CONSIDERATIONS—Risk of Higher Priority Debt."

Contract Tax Increments Defined

The TIF Act requires that all Tax Increments arising from taxation in the Zone be deposited to the Tax Increment Fund for the Zone in the City's treasury. Pursuant to the Tri-Party Agreement, not later than the first business day of September in each year in which a current, approved budget is in effect for the Authority, the City will pay to the Authority all monies then available in the Tax Increment Fund not subject to retention by the City, as described below. The City's transfer of funds to the Authority from the Tax Increment Fund requires an appropriation by the City Council of the City.

The City nets from the Tax Increments any expenses incurred by the City in connection with the collection of the Tax Increments and any payments made by the Authority to a developer builder, consultant or vendor pursuant to a contract that is not authorized by and consistent with the Tri-Party Agreement or the terms of the contract pursuant to which it was incurred. It also retains a reserve of up to five percent of the monies then available in the Tax Increment Fund. The Tax Increments net of such deductions and reserves are referred to herein as the "*Contract Tax Increments*."

Preexisting Developer Related Tax Increments Defined

Pursuant to the Tri-Party Agreement, the Authority may enter into development agreements with developers/builders relating to the development, construction, remodeling, or rehabilitation of Public Improvements and may use Contract Tax Increments to make payments to such developers/builders as required by such development agreements (the "*Developer Related Tax Increments*").

Developer Related Tax Increments owed to developers pursuant to development agreements permitted by the Tri-Party Agreement with an effective date prior to May 15, 2023 are defined in the Indenture as "*Preexisting Developer Related Tax Increments*." Prior to May 15, 2023, the Authority had entered into one development agreement in which it agreed to reimburse the developer for Public Improvements financed with funds advanced by the developer from a portion of the Contract Tax Increments generated from the developer's project. The Contract Tax Increments needed to make these reimbursements are paid annually to the developer if and when such developer meets the requirements set forth in its development agreement with the Authority. Developer Related Tax Increments payable by the Authority pursuant to this development agreement qualify as Preexisting Developer Related Tax Increments. See "FINANCIAL INFORMATION – Additional Obligations of the Authority."

Pledged Revenues

As required by the Tri-Party Agreement, the City will transfer all Contract Tax Increments into the Authority's revenue fund. Pursuant to the Bond Resolution and the Indenture, the Authority has agreed to transfer to the Trustee all Contract Tax Increments remaining in the Authority's revenue fund after subtracting the Preexisting Developer Related Tax Increments. These Contract Tax Increments are pledged to the Trustee for the benefits of the Contract Revenue Bonds and are defined as the "*Pledged Contract Tax Increments*." The Trustee will deposit such amounts into the Pledged Revenue Fund pursuant to the Indenture. After the Trustee has transferred debt service on the Contract Revenue Bonds for the succeeding twelve-month period to the Debt Service Fund, funded the Debt Service Reserve Fund to the Reserve Requirement, paid or set aside the Trustee's and Paying Agent/Registrar's fees, and made any payments to the Rebate Fund as directed by the Authority, the Trustee will remit any surplus Pledged Contract Tax Increments to the Authority for deposit to the Surplus Fund to be used for any lawful purpose under the TIF Act. See "THE INDENTURE OF TRUST—The Funds."

The Authority has pledged to the payment of principal of and interest on the Contract Revenue Bonds the "Pledged Revenues," which are defined in the Indenture and the Bond Resolution as all of the Authority's right, title and interest in and to the following described properties and interests, direct or indirect, whether now owned or hereafter acquired:

- (a) the Pledged Contract Tax Increments and all of the Authority's right, title and interest thereto;
- (b) all monies deposited or required to be deposited in the Pledged Revenue Fund, the Debt Service Fund (as hereinafter defined), and the Debt Service Reserve Fund held by the Trustee pursuant to the provisions of the Indenture, and all interest earnings and investment income therefrom; and
- (c) any and all property of every kind and nature (including without limitation, cash, obligations or securities) which may from time to time hereafter be conveyed, assigned, hypothecated, endorsed, pledged, mortgaged, granted, or delivered to or deposited with, the Trustee as additional security under the Indenture by the Authority, or anyone on behalf of the Authority, or which pursuant to any of the provisions of the Indenture may come into the possession or control of the Trustee as security thereunder, or of a receiver lawfully appointed thereunder, all of which property the Trustee is authorized to receive, hold and apply according to the terms thereof.

On June 1, 2023, as required by the Tri-Party Agreement, the Chief Economic Development Officer of the City and the Zone Board, respectively, approved, consented to and acknowledged the assignment and pledge of the Pledged Revenues and the terms of the Bond Resolution and the Indenture.

If and when an agreement is reached with another Taxing Unit for payment of its Tax Increments into the Tax Increment Fund, the Authority may, but not necessarily will, grant its right, title, and interest in such Tax Increments to the Trustee as security for the Contract Revenue Bonds pursuant to the Indenture.

Debt Service Reserve Fund

The Debt Service Reserve Fund is created by the Indenture and held by the Trustee for the benefit of the Contract Revenue Bonds. The Debt Service Reserve Fund is required to be funded in the amount of the "Reserve Requirement," which is equal to the Maximum Annual Debt Service on the outstanding Contract Revenue Bonds, provided that the Reserve Requirement shall not exceed 10% of the stated principal amount of the Contract Revenue Bonds or any Series of Contract Revenue Bonds or 10% of the issue price of the Contract Revenue Bonds or any Series of Contract Revenue Bonds if such bonds are issued with more than a de minimis amount of original issue discount or premium. See "THE INDENTURE OF TRUST—The Funds."

The Authority expressly reserves the right at any time to satisfy all or part of the Reserve Requirement by obtaining for the benefit of the Debt Service Reserve Fund one or more Reserve Fund Surety Policies. A "Reserve Fund Surety Policy" is defined as an insurance policy or other credit agreement as such term is defined by Section 1371.001, Texas Government Code, in a principal amount equal to the portion of the Reserve Requirement to be satisfied and issued by a financial institution or insurance company with a rating (at the time of purchase thereof) for

its long term unsecured debt or claims paying ability of at least “A” or its equivalent (without regard to any modifier) by a nationally recognized statistical rating organization.

In the event the Authority elects to substitute at any time a Reserve Fund Surety Policy for any funded amounts in the Debt Service Reserve Fund, it may apply any bond proceeds thereby released, to the greatest extent permitted by law, to any purposes for which the Bonds were issued and any other funds thereby released to any purposes for which such funds may lawfully be used. The premium for any Reserve Fund Surety Policy may be paid from bond proceeds or other funds of the Authority lawfully available for such purpose. All amounts deposited in or required to be deposited in the Debt Service Reserve Fund may be used to pay obligations incurred to providers of Reserve Fund Surety Policies, including amounts advanced thereunder, interest on such advances and related costs and expenses.

Additional Parity Bonds

The Authority has reserved the right to issue additional parity tax increment contract revenue bonds (the “*Additional Parity Bonds*”) on the terms set out in the Indenture and the Bond Resolution for the purposes set forth in the Plan as it may be amended from time to time. Prior to issuing Additional Parity Bonds, the following conditions must be met:

- (a) the Additional Parity Bonds shall mature on, and interest is payable on, the principal installment payment dates and interest payment dates, respectively;
- (b) the City has approved issuance of the Additional Parity Bonds on the terms set forth in the Tri-Party Agreement, as the same may be modified from time to time;
- (c) there shall be on deposit in the Debt Service Reserve Fund, after the issuance of the Additional Parity Bonds, an amount equal to the Reserve Requirement on all Contract Revenue Bonds that will be outstanding after the issuance of the Additional Parity Bonds;
- (d) the Authority certifies that it is not in material default with the terms of the Indenture, any Bond Resolution or the Tri-Party Agreement;
- (e) the Authority has received a certificate of the Authority’s Municipal Advisor which shows Captured Appraised Value which, at the tax rates of the taxing units then participating in the Zone, will generate Contract Tax Increments that will be at least 125 percent of projected Maximum Annual Debt Service, taking into account the Contract Revenue Bonds then outstanding, and the Additional Parity Bonds to be issued; provided that this requirement shall not apply to the issuance of any series of Additional Parity Bonds for refunding purposes that will have the result of reducing the Average Annual Debt Service requirements on Contract Revenue Bonds; and
- (f) The certificate required by paragraph (e) shall be based on a projection of the Captured Appraised Value by the Authority’s Municipal Advisor using either (i) a certificate of the Harris Central Appraisal District showing certified values, adjusted for exemptions, or (ii) estimated or preliminary values provided by the Harris Central Appraisal District, adjusted for exemptions and losses due to protests based on historical data based on a three-year average of such reductions.

In the Indenture, the Authority represents that the Pledged Revenues are not in any manner pledged to the payment of any debt or obligation of the Authority other than the Contract Revenue Bonds, and the Authority covenants that it will not in any manner pledge or further encumber the Pledged Revenues unless such pledge or encumbrance is junior and subordinate to the lien and pledge granted under the Indenture to secure the Contract Revenue Bonds. The Indenture requires that subordinate lien obligations provide that they are payable from Pledged Revenues only if and to the extent of moneys that could otherwise be deposited to the Debt Service Reserve Fund (for Reserve Fund Surety Policy obligations) or the Surplus Fund. See “THE INDENTURE OF TRUST—The Funds.”

PLAN OF FINANCING

Purpose

Proceeds of the Bonds will be used for the purpose of (1) financing Project Costs in accordance with the Amended Project and Financing Plan; (2) making a deposit of capitalized interest to the Debt Service Fund; (3) making a deposit to the Debt Service Reserve Fund, to the extent required; and (4) paying costs of issuance, all under and pursuant to the authority of the TIF Act and all other applicable law.

The Authority plans to use the Bond proceeds to fund a portion of the costs for the full roadway reconstruction of W. Alabama Street from S. Shepherd Drive to Spur 527, including utilities, drainage and sidewalks. See “MONTROSE REDEVELOPMENT PLAN—Projects” for a description of the major projects in the Authority’s current five-year capital improvement plan.

USE AND DISTRIBUTION OF BOND PROCEEDS*

The following table sets forth the expected use and distribution of Bond proceeds and is subject to change.

Sources of Funds:

Principal	\$29,895,000.00
Net Premium	263,046.15
Total Sources:	<u>\$30,158,046.15</u>

Uses of Funds:

Deposit to Project Fund ⁽¹⁾	\$25,757,005.99
Capitalized Interest.....	320,844.03
Deposit to Debt Service Reserve Fund ⁽²⁾	2,566,037.50
Cost of Issuance ⁽³⁾	1,512,324.41
Additional Proceeds	1,834.22
Total Uses:	<u>\$30,158,046.15</u>

* Preliminary, subject to change.

⁽¹⁾ Certain of the project costs being financed with proceeds of the Bonds have been constructed using the Authority’s general fund monies, and the Authority may reimburse the general fund from Bond proceeds for those expenditures.

⁽²⁾ The Authority expressly reserves the right at any time to satisfy all or part of the Reserve Requirement by obtaining for the benefit of the Debt Service Reserve Fund one or more Reserve Fund Surety Policies. See “SOURCE OF AND SECURITY FOR PAYMENT – Debt Service Reserve Fund.”

⁽³⁾ Represents estimated fees, expenses, underwriting discount, insurance and Debt Service Reserve Fund policy premiums, if any, related to the issuance and sale of the Bonds.

INVESTMENT CONSIDERATIONS

For a variety of reasons, including those described below, a decrease or reduction in Tax Increments causing a decrease or reduction in Pledged Revenues may occur. The Bonds are subject to special investment considerations as set forth below.

Limited Obligations

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE PLEDGED REVENUES. THE BONDS ARE NOT OBLIGATIONS OF THE CITY AND DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY. THE CITY IS NOT OBLIGATED TO MAKE ANY PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS. FURTHERMORE, THE BONDS ARE NOT OBLIGATIONS OF THE STATE OF TEXAS, OR ANY ENTITY

OTHER THAN THE AUTHORITY. THE AUTHORITY DOES NOT HAVE THE POWER TO LEVY TAXES OR ASSESS FEES TO PAY THE BONDS.

Impact of Economic Conditions

Each year the then current market value of all real property and improvements in the Zone will determine Captured Appraised Value. The market value of the real property and improvements within the Zone is affected by the demand for such improvements. Demand is affected by many factors, such as interest rates, credit availability, construction costs, energy availability, mobility and the general economic conditions and demographic characteristics of the U.S. economy and the specific economic conditions and demographic characteristics of the Houston metropolitan area and the Zone.

Exposure to Energy Industry

Many energy companies are located in the Houston metropolitan area and have manufacturing facilities and offices there. Energy is a major driver of the City's economy. Any downturn in the oil and gas industry could result in declines in the demand for residential and commercial property in the Houston metropolitan area and could reduce or negatively affect property values or economic activity within the region, including the Zone. In the longer term, the oil and gas industry in the Houston metropolitan area may be adversely affected by governmental actions taken to reduce the use of fossil fuel and concerns about climate change.

Taxable Values in the Zone May Decline

The difference between the base value of the Zone and the current taxable value of the Zone determines Captured Appraised Value. **Captured Appraised Value is derived from the taxable value of real property and improvements within the Zone, not from any increase in the appraised value of personal property (such as equipment and inventory).**

The Appraisal District may use cost data, cost comparisons and/or an analysis of the income being produced by an apartment project, office building or retail establishment to determine its taxable value. Residential or commercial buildings that are not occupied or are only partially occupied may be appraised at a lower value than occupied facilities. Under certain circumstances, residential real property inventory held by a person in the trade or business will be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Reduced taxable values of the improvements in the Zone will affect Captured Appraised Value used to determine the Contract Tax Increments received by the Authority.

The appraisal method or combination of methods that the Appraisal District uses within the Zone is within the discretion of the Chief Appraiser of the Appraisal District and may change from time to time. The use of a particular method or combination of methods of appraisal with respect to property in the Zone may, over time, cause a decrease in the Captured Appraised Value in the Zone and, therefore, result in a reduction in the Contract Tax Increments.

Property owners have the right to protest the appraised value of their property in the Zone annually and are not required to render their property for ad valorem taxation at any agreed upon level, unless required by a development agreement with the Authority. Property owners have the right to seek tax abatements.

Owners in the Zone may sell their properties to entities which do not pay ad valorem taxes on their property or convert their property to a use which is exempt from ad valorem taxes. See “—Tax Exemptions Available to Multifamily Housing Developments” below.

Property values may also be adversely affected by natural or other disasters resulting in the destruction of property in the Zone. See “—Weather Events” in this section.

The appraised value of the property and improvements will be determined and certified by the Appraisal District after approval by the ARB in accordance with the procedures described above and in “TAXING PROCEDURES OF THE CITY” and may be at a value lower than projected.

Risks Related to Commercial Improvements, Including Retail Operations

Commercial improvements make up 44.63% of the 2025 certified taxable value of the Original Zone. Commercial real estate is broadly categorized by property quality and location with Class A being premium, high rent buildings in attractive locations, Class B being well-maintained, value-add assets in a broader range of locations, and Class C being low rent, older buildings. The Zone has a variety of these types of buildings.

The value of commercial improvements can be significantly affected by a variety of risks. The following are examples of such risks: changes in international, national, regional and local economic conditions; tenant bankruptcies and a resulting rejection of leases; local real estate conditions, such as an oversupply of, or reduction in demand for, commercial space, decreases in rental rates, declining real estate values and the availability and creditworthiness of tenants; hybrid work arrangements; the willingness of commercial real estate owners to lease space; increased operating costs; changes in applicable laws and regulations, including tax, environmental, safety and zoning; perceptions by tenants of the safety, convenience and attractiveness of the commercial properties; immigration enforcement, casualties and other natural disasters; and the potential for terrorist activities.

Retail shopping centers and retail operations may also be significantly affected by additional risk factors, including the impact on retail tenants and demand for retail space due to increased shopping online; the impact of alternative retail shopping centers like outlet centers and community/lifestyle centers; the loss of anchor stores and other major tenants; reduction in demand for retail space or retail goods; levels of consumer spending, changes in consumer confidence and fluctuations in seasonal spending; and perceptions by consumers of the safety, convenience and attractiveness of retail shopping centers and stores.

Occupancy rates and rental rates may be taken into account in establishing the taxable value of income producing properties, such as commercial properties, so lower occupancy and rental rates may result in lower taxable values for such establishments. See "TAXING PROCEDURES OF THE CITY—Valuation of Property for Taxation."

Risks Related to Multifamily Housing Market

The value of multifamily housing developments can be significantly affected by a variety of risks. The following are examples of such risks: changes in international, national, regional and local economic conditions; local real estate conditions, such as an oversupply of, or reduction in demand for, housing units, declining real estate values and availability; levels of consumer spending and changes in consumer confidence; increased operating costs; perceptions by consumers of the safety, convenience and attractiveness of the properties; decreases in rental rates and creditworthiness of tenants for rental housing; casualties and other natural disasters; immigration enforcement; and the potential for terrorist activities.

Occupancy rates and rental rates may be taken into account in establishing the taxable value of income producing properties, such as multifamily housing developments, so lower occupancy and rental rates may result in lower taxable values for such establishments. See "TAXING PROCEDURES OF THE CITY—Valuation of Property for Taxation."

Multifamily housing makes up 34.90% of the 2025 certified value of the Original Zone.

Tax Exemptions Available to Multifamily Housing Developments

As described in "TAXING PROCEDURES OF THE CITY – Property Subject to Taxation by the City—Affordable Housing Exemptions," a multifamily residential development owned or leased by a public facility corporation ("PFC"), a housing authority created by a municipality or county, a housing finance corporation whose creation was approved by a municipality or county, or a community housing development organization may be exempt from ad valorem taxation by the State and any other political subdivision of the State, including the City and County, if it is providing affordable housing as defined by particular statutes. Houston Housing Authority is using these vehicles for the creation of affordable apartments in the greater Houston area, both through the development of new apartment projects and the acquisition of existing (and previously taxable) apartment projects which are then leased back to the prior private owner. Conversion of a taxable multifamily housing development to a tax-exempt status

would result in the property no longer generating Contract Tax Increments available for payment of the Contract Revenue Bonds.

Concentration of Risk

Approximately 34.69% of the 2025 certified taxable value in the Original Zone was derived from property owned by the top ten taxpayers. See “STATUS OF DEVELOPMENT—Schedule 3: Principal Taxpayers in the Original Zone.” A significant reduction in the value of these properties could adversely affect the amount of Contract Tax Increments available for payment of debt service on the Bonds. If a principal taxpayer were to default in the payment of its City taxes, the amount of Contract Tax Increments available for payment of debt service on the Bonds could be adversely affected. Collection of delinquent taxes can be a time consuming process. See “Limitations on Tax Collections and Foreclosure Remedies” in this section.

A Decrease in Taxable Value Produces a Greater Decrease in Captured Appraised Value and Can Reduce Tax Increments Significantly

A percentage decrease in taxable values results in a larger percentage decrease in the Captured Appraised Value (which subtracts the base year value). For instance, if a zone had a taxable value of \$100 and a Captured Appraised Value of \$50, then a reduction in taxable value to \$95 would be a 5% decrease in taxable values and a 10% decrease in Captured Appraised Value. Tax Increments are derived from Captured Appraised Value and so will show the same percentage reduction as the Captured Appraised Value (10% in the example). See the “Ratio of 2025 Incremental Appraised Value to Total Appraised Value in Zone” in “OFFICIAL STATEMENT SUMMARY—Schedule 1: Selected Financial Information (unaudited).”

Tax and Collection Rates May Decline

The amount of Contract Tax Increments available to pay principal of and interest on the Bonds is determined by the taxable value of the real property and improvements in the Zone, the tax rate of the City, and the percentage of taxes actually collected from taxpayers in the Zone and paid into the Tax Increment Fund.

The City is not required under Texas law or any contract to set a tax rate sufficient to assure any certain dollar amount of Contract Tax Increments; rather, Texas law and the Tri-Party Agreement only require the City to contribute the Tax Increments actually collected by it and only to the extent provided in the Creation Ordinance, Tri-Party Agreement, and Plan. The City must set its tax rate in accordance with the Texas Property Tax Code (the “Property Tax Code”), which limits the City’s ability to increase its tax rate without holding an election. See “TAXING PROCEDURES OF THE CITY—State Law Limitations on Setting the Annual Tax Rate.” In addition, the Texas Legislature could change the process for setting the rates or establish more stringent limits on the tax rates that may be set by a political subdivision than those currently in effect. See “Change in Law” below.

The City’s tax rate may be further limited by provisions added to its City Charter. In 2014, the City tax rate was limited for the first time by a revenue cap added to the City Charter in 2004. See “TAXING PROCEDURES OF THE CITY—City Charter Limitations.” The cap has required the City to lower its tax rate in every year but one since 2014. The 2017 tax rate of \$0.584210 per \$100 valuation was more than 5 cents lower than the 2013 rate and the lowest since 1987. Under the revenue cap formula, the tax rate for 2018 rose slightly from 2017, but decreased in 2019 through 2022. The 2023 through 2025 tax rate was the same at \$0.51919 per \$100 valuation. See “TAXING PROCEDURES OF THE CITY—City Charter Limitations” for information on pending litigation concerning the revenue cap.

See “FINANCIAL INFORMATION—Schedule 5: Tax Increment Collections” for tax rates from 2021 through 2025 and “TAXING PROCEDURES OF THE CITY—State Law Limitations on Setting the Annual Tax Rate.” If the tax rate of the City declines, the amount of Pledged Revenues available to pay debt service on the Bonds may decrease.

If the percentage of taxes collected by the City in the Zone declines, the amount of Pledged Revenues available to pay debt service on the Bonds may decrease. Historical tax collection rates may not accurately predict future tax collection rates.

The collection of, and accounting for, Tax Increments involve extensive administration and are subject to error. Moreover, detailed procedures for calculation and collection of Tax Increments are not set forth in the TIF Act and are implemented at the discretion of each taxing unit participating in a tax increment reinvestment zone.

Limitations on Tax Collections and Foreclosure Remedies

The Authority's ability to make debt service payments on the Bonds may be adversely affected by the City's inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the City constitutes a lien on the property against which taxes are levied and such lien may be enforced by foreclosure. Foreclosure must be effected through a judicial proceeding. The City's ability to collect ad valorem taxes through such foreclosure may be impaired by cumbersome, time-consuming and expensive collection procedures or economic and market conditions affecting the marketability of taxable property within the Zone and limiting the proceeds from a foreclosure sale of such property. Moreover, the proceeds of any sale of property within the Zone available to pay debt service on the Bonds may be limited by the current aggregate tax rate being levied against the property and by other factors, including the taxpayers' right to redeem property within two years of foreclosure for residential homestead and agricultural use property and within six months of foreclosure for other property. Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the Zone pursuant to the United States Bankruptcy Code (the "*Bankruptcy Code*") could stay any attempt by the City to collect delinquent ad valorem taxes assessed against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years, and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. The Authority has no control over the collection of property taxes by the City.

True-Up of Tax Increment Collections from Prior Years

Overpayments of Contract Tax Increments from prior years may be offset against the current year's Contract Tax Increments and may result in a significant reduction. The City makes adjustments in the amount of Contract Tax Increments owed for the prior four years before transferring the current year's Contract Tax Increments to the Authority.

Overpayments occur when taxpayers are successful in reducing the value of their properties and consequently their taxes in administrative or judicial proceedings which were pending when the Contract Tax Increments were paid to the Authority but have subsequently been decided. Overpayments can also occur when property has been erroneously included within the Zone and a correction is made.

Pledged Contract Tax Increments not used for debt service in a particular year, if any, flow to the Surplus Fund and may be used for other purposes before the overpayment is determined.

Weather Events

The Houston area, including the Zone, is susceptible to high winds, heavy rain and flooding caused by rain events, hurricanes, tropical storms and other tropical disturbances. It may also be affected by severe winter storms.

The City participates in the National Flood Insurance Program administered by the Federal Emergency Management Agency ("*FEMA*"). Communities participating in the National Flood Insurance Program are required by FEMA to adopt restrictions on development in designated flood-prone areas. In exchange, the National Flood Insurance Program makes federally subsidized flood insurance available to property owners located in the participating communities. FEMA periodically updates and revises its maps designating the areas of the City that are subject to special flood hazards. Properties that are currently located outside of a designated flood-prone area may suffer a reduction in value if they are placed within the boundaries of a special flood hazard area the next time FEMA updates and revises its flood maps.

Not all flood hazards are mapped on the FEMA flood maps, nor is every bayou or creek studied. Flooding can occur from ponding or overland sheet flow when intense rainfall overwhelms the local street drainage system. The mapped floodplain is only an estimate of where flooding is predicted to occur from a bayou or creek, given a set

of parameters including a hypothetical rainfall occurring over a watershed for an assumed amount of time. During an actual rain event, natural conditions can result in greater amounts of rainfall or runoff, resulting in flood levels deeper and wider than shown on the FEMA maps.

The greater Houston area, including the Zone, has experienced several storms exceeding a 0.2% probability (i.e., “500-year flood” events) since 2015, including Hurricane Harvey, which made landfall in 2017. According to a Drainage Study undertaken by the Authority, Montrose needs significant investment in drainage infrastructure to mitigate against potential future rainfall events like Hurricane Harvey. The Authority is working on full-scale roadway and drainage reconstruction along corridors such as Montrose Boulevard and W. Alabama Street. See “MONTROSE REDEVELOPMENT PLAN—Projects.”

If a future weather event significantly damaged all or part of the improvements within the Zone, the assessed value of property within the Zone could be substantially reduced, which could result in a decrease in Pledged Revenues. Further, there can be no assurance that a casualty loss to taxable property within the Zone will be covered by insurance (or that property owners will even carry flood or other casualty insurance), that any insurance company will fulfill its obligations to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the Zone. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the Zone could be adversely affected.

There are special taxing procedures for areas declared to be a disaster area by the Governor of Texas (the “Governor”) that could affect the amount of taxes due and when they are collected. See “TAXING PROCEDURES OF THE CITY—Reappraisal of Property after Disaster” and “—Tax Payment Installments after Disaster.”

The frequency and intensity of weather events in the Houston area could have a material impact on the long-term development of the area’s economy.

Specific Flood Type Risks

Ponding (or Pluvial) Flood. Ponding, or pluvial, flooding occurs when heavy rainfall creates a flood event independent of an overflowing water body, typically in relatively flat areas. Intense rainfall can exceed the drainage capacity of a drainage system, which may result in water within the drainage system becoming trapped and diverted onto streets and nearby property until it is able to reach a natural outlet. Ponding can also occur in a flood pool upstream or behind a dam, levee or reservoir.

Riverine (or Fluvial) Flood. Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or drainage systems downstream.

Flood Plain and Development Regulations Might Impede New Development

As a direct result of Hurricane Harvey, the City adopted new rules and amended existing regulations in order to reduce the potential impact of new development on drainage and to mitigate flooding risks. The new and amended City regulations took effect on September 1, 2018.

The City floodplain regulations govern construction projects in the corporate jurisdiction of the City of Houston and include regulations governing the elevation of structures in the 100-year and 500-year floodplains and the elevation of residential additions greater than one-third the footprint of the existing structure and non-residential additions. Additionally, the City regulations require an improved structure with a new market value which exceeds 50% of the market value of the structure prior to the start of improvements to meet the new and amended City of Houston regulations.

These regulations are expected to increase the costs of new developments in the City and could deter the development of new improvements in the Zone.

Growth Limited by Air Quality Issues

Air quality control measures required by the United States Environmental Protection Agency (the “EPA”) and the Texas Commission on Environmental Quality (“TCEQ”) may curtail new industrial, commercial and residential development in Houston and adjacent areas. Under the Clean Air Act Amendments of 1990, the eight county Houston-Galveston-Brazoria Area (“HGB Area”) was designated by the EPA as a non-attainment area under the EPA’s ozone standards, and the EPA and the TCEQ have imposed limitations on sources of air emissions and require any new source of significant air emissions to provide for a net reduction of air emissions. If the HGB Area fails to demonstrate progress in reducing ozone concentrations or fails to meet EPA’s standards, EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects, and may impose severe emissions offset requirements on new major sources of hydrocarbon emissions for which construction has not already commenced.

In order to demonstrate progress toward attainment of the EPA’s ozone standards, the TCEQ has established a state implementation plan (“SIP”) for the HGB Area setting emission control requirements, some of which regulate the inspection and use of automobiles. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany the designation and because of the community stigma associated with a non-attainment designation. It is possible that additional controls will be necessary to allow the HGB Area to reach attainment with the ozone standards by the EPA’s attainment deadlines. These additional controls could make the Houston area a less attractive location to businesses in comparison to other areas of the country that do not impose similarly stringent air emissions controls.

Risk of Increased Debt

The Authority has reserved the right to issue Additional Parity Bonds which are secured by the Pledged Revenues on an equal basis with the outstanding Contract Revenue Bonds. The issuance of Additional Parity Bonds may adversely affect the investment security of the outstanding Contract Revenue Bonds. For a description of the circumstances under which Additional Parity Bonds may be issued and the Authority’s issuance plans, see “SOURCE OF AND SECURITY FOR PAYMENT—Additional Parity Bonds” and “PLAN OF FINANCING.” Additionally, the Authority may incur debt subordinate to the payment of Additional Parity Bonds or may incur certain obligations through development agreements and related agreements. See “FINANCIAL INFORMATION—Additional Obligations of the Authority.”

Risk Related to Preexisting Developer Related Tax Increments

The Authority has agreed to reimburse a developer in the Zone for Public Improvements financed with funds advanced by the developer from a portion of the Contract Tax Increments generated from the developer’s project. See “FINANCIAL INFORMATION – Additional Obligations of the Authority.” The Contract Tax Increments needed to make these reimbursements are paid to the developer and are not available for payment of the Contract Revenue Bonds. Preexisting Developer Related Tax Increments may vary from year to year but increase only if the Captured Appraised Value generated from the project has increased.

Risk of Higher Priority Debt

The obligation of the City to pay Tax Increments into the Tax Increment Fund is subject to the rights of any of the holders of bonds, notes or other obligations that have been or are hereafter issued by the City that are payable from and secured by a general levy of ad valorem taxes throughout the City. If taxable values in the City decline so that it cannot pay its outstanding tax-supported indebtedness without use of Tax Increments, there may be insufficient remaining Tax Increments to pay the Bonds.

Limited Remedies After Default

Remedies in the event of a default by the Authority in one or more of its obligations under the Bonds, the Bond Resolution or the Indenture are limited. Although the Indenture provides that the Trustee may obtain a writ of mandamus requiring performance of such obligations, such remedy may prove time-consuming, costly and difficult to enforce. Neither the Bond Resolution nor the Indenture provides for acceleration of maturity of the Bonds, or provides for the foreclosure of any property or assets other than applying the Pledged Revenues to payment of the Bonds in the manner provided in the Indenture. See “—Risk of Bankruptcy” below.

Risk of Bankruptcy

Under the Bankruptcy Code as interpreted by court cases, it is likely (but not certain) that the Authority would fall within the Bankruptcy Code’s definition of a “governmental unit.” A “governmental unit” may not be placed into bankruptcy involuntarily and may not file a petition for relief under either Chapter 7 or Chapter 11 of the Bankruptcy Code.

The Bankruptcy Code also provides that the only type of “governmental unit” that can voluntarily file for bankruptcy is a “municipality” (as defined in the Bankruptcy Code) and then only if it is authorized to do so by its state law or by an officer of the state authorized to grant such authority. Under the Bankruptcy Code and current case law interpreting it, it is doubtful that the Authority is a “municipality” and if it were, there is no specific authorization under Texas law for local government corporations such as the Authority to file for bankruptcy.

If the Authority were to be placed into bankruptcy or successfully file for bankruptcy, the security for the Bonds, including the lien on the Pledged Revenues, could be adversely affected. The opinion of Bond Counsel will note that all opinions relative to enforceability of the Bond Resolution, the Indenture and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors, including rights afforded to debtors under the Bankruptcy Code.

Dependence on Contract Payments

In order for owners of the Bonds to receive principal of and interest as due, the City must perform its obligations under the Tri-Party Agreement, which include transferring the Contract Tax Increments to the Authority on the schedule set forth in the Tri-Party Agreement. Transfer of funds to the Authority cannot occur unless such funds are appropriated to the Authority by action of the City Council of the City. Bondholders have no right to enforce the City’s obligation to pay Contract Tax Increments to the Authority directly or to seek monetary damages against the City. If the Authority or the Trustee were to seek to enforce the City’s obligations under the Tri-Party Agreement, they could be limited or prohibited if the City filed for bankruptcy under the Bankruptcy Code or similar state laws.

Failure to Generate Sufficient Tax Increments Prior to Termination of Zone

The Zone was created by the City Council of the City on December 9, 2015, and currently is scheduled to terminate on December 31, 2045. If Tax Increments collected prior to termination of the Zone have been insufficient to pay principal of and interest on the Bonds when due, no additional Tax Increments are required to be collected, and no remedies are available to the Bondholders to recover amounts remaining unpaid.

The TIF Act permits the City Council of the City to shorten or lengthen the term of the Zone. In the Tri-Party Agreement, the City has agreed not to terminate the Zone unless it makes satisfactory arrangements to provide for payment of the Authority’s outstanding bonds, notes and obligations to developers and builders in the Zone.

Risk of Failure to Comply with Certain Covenants

Failure of the Authority to comply with certain covenants contained in the Bond Resolution and the Indenture on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactive to the date of original issuance. See “TAX MATTERS.”

Cybersecurity

The Authority's consultants use digital technologies to hold funds and process disbursements. These systems necessarily hold sensitive protected information that is valued on the black market. As a result, the electronic systems and networks of organizations like the Authority's consultants are considered targets for cyber-attacks and other potential breaches of their systems. To the extent the Authority is determined to be the party responsible for various electronic systems or suffers a loss of funds due to a security breach, there could be a material adverse effect on the Authority's finances. Insurance to protect against such breaches is limited.

The Texas Legislature and Changes in Law

Current law may change so as to directly or indirectly reduce Tax Increments available to the Authority or eliminate the benefit to local governments of participating in tax increment reinvestment zones. The Texas Legislature meets biennially in odd numbered years and frequently makes changes to the TIF Act and the Property Tax Code. Thereafter, the Governor may call one or more additional special sessions, at the Governor's discretion each of which may last no more than thirty days and for which the Governor sets the agenda. Changes to the Property Tax Code can also affect the valuation of property in the Zone. The Authority has no control over these changes.

Changes in Tax Legislation

Certain tax legislation, whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

Limited Marketability of the Bonds

The Authority has no understanding with the Underwriter regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price may be greater than the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers as such bonds are more generally bought, sold or traded in the secondary market.

Bond Insurance Risk Factors

The Authority has made application for a commitment for municipal bond guaranty insurance on the Bonds. If a bond insurer makes a commitment to insure the Bonds and the Authority elects to accept the commitment and the conditions to the commitment are satisfied, scheduled payment of principal of and interest on the Bonds when due will be guaranteed by the bond insurer (the "*Bond Insurer*") under a municipal bond insurance policy (the "*Policy*") issued concurrently with the delivery of the Bonds.

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the Authority which is recovered by the Authority from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absence such prepayment by the Authority unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any

remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description of "MUNICIPAL BOND RATINGS" herein.

The obligations of the Bond Insurer are contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Authority nor the Underwriter will make an independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Authority to pay principal and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

Reliance on Debt Service Reserve Fund and Use of Reserve Fund Surety Policy

The Reserve Requirement may be satisfied, in whole or in part, by a deposit of cash into the Debt Service Reserve Fund (which may be invested in investments permitted under the Indenture) or by the purchase of a Reserve Fund Surety Policy or Policies. The Authority purchased a Reserve Fund Surety Policy from the Bond Insurer in the amount of the Reserve Requirement for the Prior Bonds, and has made application with the Bond Insurer for a second Reserve Fund Surety Policy to satisfy the additional Reserve Requirements for the Bonds.

The financial strength and claims paying ability of the Bond Insurer providing the Reserve Fund Surety Policy are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of such a Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. There is no obligation on the part of the Authority to replenish the Debt Service Reserve Fund if the ratings of the Bond Insurer are downgraded or the Bond Insurer becomes insolvent or bankrupt.

The obligations of the Bond Insurer providing the Reserve Fund Surety Policy are contractual obligations and in an event of default by the provider, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

The Debt Service Reserve Fund is for the equal and ratable benefit of all the Contract Revenue Bonds. The Debt Service Reserve Fund is to be utilized when there are insufficient funds in the Debt Service Fund to pay principal and interest coming due on the Bonds. However, the amount of the Debt Service Reserve Fund is limited to the Reserve Requirement and may not be sufficient to pay debt service on the Bonds, depending upon the amount, duration and frequency of the shortage in Pledged Contract Tax Increments. The Bond Insurer may require that cash in the Debt Service Reserve Fund be used prior to the Reserve Fund Surety Policy. If the Reserve Fund Surety Policy is utilized, the Authority is required to repay the Bond Insurer, along with costs and accrued interest. The Authority may not have sufficient Pledged Contract Tax Increments to repay the Bond Insurer. In such event the Bond Insurer may be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than (i) acceleration of the maturity of the Prior Bonds or the Bonds, or (ii) remedies which would adversely affect the owners of the Prior Bonds, the Bonds and any Additional Parity Bonds.

THE BONDS

Description

The Bonds will be issued in the aggregate principal amount and will mature on the dates and in the amounts, and will bear interest at the rates per annum set forth on the inside cover of this Official Statement. Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and will accrue from the Delivery Date. Interest on the Bonds is payable on each March 1 and September 1, commencing March 1, 2027, until the earlier of maturity or redemption. The Bonds are issued in fully registered form, in denominations of \$5,000 or any integral multiple of \$5,000.

Book-Entry Only System

The information in this section concerning DTC, Cede & Co. and the book-entry system has been furnished by DTC for use in disclosure documents such as this Official Statement. The Authority and the Underwriter believe such information to be reliable, but neither the Authority nor the Underwriter takes any responsibility for the accuracy or completeness thereof.

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial

Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and the Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer or paying agent of the Bonds, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not DTC nor its nominee, the paying agent or the issuer of the Bonds, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer or paying agent of the Bonds, disbursement of such payments to Direct Participants will be the responsibility to DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct Participants and the Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the issuer or the paying agent of the Bonds. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates will be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Discontinuance of use of the system of book-entry transfers through DTC may require the approval of DTC Participants under DTC's operational arrangements. In the event of such discontinuance, certificates will be printed and delivered.

Method of Payment of Principal and Interest

In the Bond Resolution, the Board has appointed Regions Bank, an Alabama banking corporation, as the initial Paying Agent/Registrar for the Bonds (together with any successors, the "*Paying Agent/Registrar*"). The principal of the Bonds will be payable to the registered owners of the Bonds (the "*Registered Owners*"), initially Cede & Co., without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon presentation and surrender of the Bonds as they respectively become due and payable, at the designated corporate trust office of the Paying Agent/Registrar. In the event the book-entry-only system is discontinued, interest on each Bond will be payable by check payable on each Interest Payment Date, mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Registered Owner of record as of the close of business on the February 15 or August 15 immediately preceding each Interest Payment Date (each a "*Record Date*"), to the address of such Registered Owner

as shown on the Paying Agent/Registrar's records (the "*Register*") or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owners at the risk and expense of the Registered Owners.

If the date for payment of principal of or interest on any Bond is not a business day, then the date for such paying will be the next succeeding business day, as defined in the Bond Resolution. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty days thereafter, the Paying Agent/Registrar is required to establish a new record date for the payment of such interest (a "*Special Record Date*") when funds to make such payment are received from or on behalf of the Authority. Such Special Record Date is required to be fifteen days prior to the date fixed for payment of such past due interest.

Redemption Provisions

The Underwriter may combine maturities into one or more term bonds that are subject to sinking fund redemption. The Authority reserves the right, at its option, to redeem the Bonds maturing on or after September 1, 20__, prior to their scheduled maturities, in whole or from time to time, in part, in integral multiples of \$5,000 on September 1, 20__, or any date thereafter, at a price equal to par value plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the Authority.

During any period in which ownership of the Bonds is in book-entry-only form, if fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds of such maturity to be redeemed will be selected in accordance with the arrangements between the Authority and DTC; provided, that if any Bond is selected for redemption in part, it shall not be redeemed in an amount that would result, upon exchange, in a Bond in a denomination less than \$5,000.

Notice of Redemption

Notice of redemption will be given by the Paying Agent/Registrar not less than 30 days prior to the date of redemption by United States mail, first class, postage prepaid, to the Registered Owners of Bonds called for redemption at the address on the Register maintained by the Paying Agent/Registrar. Notice having been given in the manner and under the conditions provided in the Bond Resolution and monies for the payment of the redemption price being held by the Paying Agent/Registrar, the Bonds designated for redemption described above will be due and payable at the redemption price specified above and interest thereon will cease to accrue on such Bonds, and such Bonds will cease to be entitled to any lien, benefit or security under the Bond Resolution and shall not be deemed to be outstanding thereunder. The owners of such Bonds will have no right in respect thereof except to receive payment of the redemption price thereof.

The Authority reserves the right, in the case of an optional redemption, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, or (ii) that the Authority retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Authority delivers a certificate of the Authority to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. Any Bonds that are subject to conditional redemption shall remain outstanding if such redemption is rescinded prior to redemption of such Bonds.

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar will keep the Register at its designated corporate trust office, and subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolution.

In the event the book-entry-only system is discontinued, each Bond will be transferable only upon the presentation and surrender of such Bond at the designated corporate trust office of the Paying Agent/Registrar, duly

endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond in proper form for transfer, the Paying Agent/Registrar has been directed by the Authority to authenticate and deliver in exchange therefor, within three business days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity, aggregate principal amount, and Dated Date, and bearing interest at the same rate as the Bond or Bonds so presented.

In the event the book-entry-only system is discontinued, all Bonds will be exchangeable upon presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar is authorized to authenticate and deliver exchange Bonds in accordance with the provisions of the Bond Resolution. Each Bond delivered will be entitled to the benefits and security of the Bond Resolution to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

Neither the Authority nor the Paying Agent/Registrar shall be required to transfer or to exchange any Bond during the period beginning on a Record Date and ending on the next succeeding Interest Payment Date (including any Special Record Date) or to transfer or exchange any Bond called for redemption during the thirty (30) day period prior to the date fixed for redemption and ending on the date fixed for redemption; provided, however, that such limitation will not apply to the exchange by the Registered Owner of the unredeemed portion of a Bond called for redemption in part.

The Authority or the Paying Agent/Registrar may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange will be paid by the Authority.

Replacement of Paying Agent/Registrar

Provision is made in the Bond Resolution for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the Authority, the new Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any Paying Agent/Registrar selected by the Authority will be a national or state banking institution, doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and which will be subject to supervision or examination by federal or state authority, to act as Paying Agent/Registrar for the Bonds.

Lost, Stolen or Destroyed Bonds

In the event the book-entry-only system is discontinued, upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar will authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the Authority, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding.

Registered Owners of lost, stolen or destroyed Bonds will be required to pay the Authority's cost to replace such Bonds. In addition, the Authority or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

Legal Investment and Eligibility to Secure Public Funds in Texas

Pursuant to Chapter 1201, Texas Government Code, the Bonds are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries and trustees and for the sinking funds of cities, towns, villages, school districts and other political subdivisions or public agencies of the State of Texas. The Bonds are not an authorized investment for political

subdivisions that are required to comply with the Public Funds Investment Act, Chapter 2256, Texas Government Code. Most political subdivisions in the State of Texas are required to adopt investment guidelines consistent with the Public Funds Investment Act. However, political subdivisions otherwise subject to the Public Funds Investment Act may have statutory authority to invest in the Bonds independent from the Public Funds Investment Act. The Bonds are eligible under the Public Funds Collateral Act, Chapter 2257, Texas Government Code, to secure deposits of public funds of the State of Texas, or any political subdivision or public agency of the State of Texas and are lawful and sufficient security for those deposits to the extent of their market value.

The Authority has not reviewed the laws in other states to determine whether the Bonds are legal investments for various institutions in those states or eligible to serve as collateral for public funds in those states. The Authority has made no investigation of any other laws, rules, regulations or investment criteria that might affect the suitability of the Bonds for any of the above purposes or limit the authority of any of the above persons or entities to purchase or invest in the Bonds.

Defeasance

The Authority may defease any or all of the Bonds pursuant to the provisions of the Bond Resolution and discharge its obligations to the Registered Owners in any manner permitted by law.

Under current Texas law, such discharge may be accomplished by depositing with the Comptroller of Public Accounts of the State of Texas, with the Paying Agent/Registrar or with any other escrow agent so authorized by law either (i) cash in an amount equal to the principal amount and redemption amount, if any, of the Bonds plus interest thereon to the date of maturity or redemption or (ii) pursuant to an escrow or trust agreement, cash and (x) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (y) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Authority adopts or approves the proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (z) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Authority adopts or approves the proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and which mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds.

Upon such deposit as described above, such Bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the Authority to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the Authority: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

THE INDENTURE OF TRUST

Pursuant to the Indenture, the Authority has pledged all of the Authority's right, title and interest in and to the Pledged Revenues, including the Pledged Contract Tax Increments, to the Trustee for the benefit of the holders of the Contract Revenue Bonds, including the Prior Bonds, the Bonds and any Additional Parity Bonds. Pledged Contract Tax Increments are defined as the Contract Tax Increments received by the Authority from the City less Preexisting Developer Related Tax Increments owed by the Authority to one or more developers pursuant to development agreements.

The Indenture requires the Trustee to maintain the Pledged Revenue Fund, the Debt Service Fund, and the Debt Service Reserve Fund as trust funds to be held in trust solely for the benefit of the Registered Owners of the Contract Revenue Bonds. The Pledged Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund and

the Rebate Fund are to be invested only in investments authorized by the laws of the State of Texas but must be invested in a manner such that the money required to be expended from any fund will be available at the proper time or times. Amounts deposited into the Debt Service Reserve Fund shall be used to pay interest on and principal of the Contract Revenue Bonds when insufficient funds are available for such purpose in the Debt Service Fund or may be applied toward the payment of principal of or interest on the Contract Revenue Bonds in connection with the refunding or redemption of such Bonds.

The Funds

The Indenture creates the following funds, each of which (except the Project Fund and the Surplus Fund) shall be maintained by the Trustee:

- (a) the Pledged Revenue Fund, into which all Pledged Revenues shall be deposited;
- (b) the Debt Service Fund, into which deposits shall be made from the Pledged Revenue Fund as described below;
- (c) the Debt Service Reserve Fund, which shall be initially funded from proceeds of each series of Contract Revenue Bonds, or a Reserve Fund Surety Policy, and into which deposits from the Pledged Revenue Fund shall be made to attain the Reserve Requirement, and from which monies shall be applied to the Debt Service Fund if amounts in the Pledged Revenue Fund and Debt Service Fund are insufficient to pay the amounts of principal and interest due on the Contract Revenue Bonds;
- (d) the Project Fund, which will be maintained by the Authority and funded initially from Contract Revenue Bond proceeds and disbursed by the Trustee immediately, free and clear of any lien created by the Indenture, to pay costs of issuance and to deposit with the Authority to pay Project Costs as provided in the applicable Bond Resolution;
- (e) the Rebate Fund, which shall be free and clear of any lien created by the Indenture, and into which certain amounts earned by the Authority on the investment of the “gross proceeds” of the Contract Revenue Bonds (within the meaning of section 148(f)(6)(B) of the Internal Revenue Code of 1986, as amended (the “Code”) shall be deposited for rebate to the United States federal government, all as provided in the Bond Resolution with respect to each series of Contract Revenue Bonds; and
- (f) the Surplus Fund, into which shall be deposited any amounts remaining in the Pledged Revenue Fund.

Pledged Revenues deposited in the Pledged Revenue Fund shall be applied by the Trustee as follows: (i) to the Debt Service Fund amounts necessary to make the amounts on deposit therein equal to the interest and principal installments on the Contract Revenue Bonds due in the next twelve month period; (ii) to the Debt Service Reserve Fund amounts required to attain the Reserve Requirement; (iii) to the payment of fees and expenses of the Trustee and Paying Agent/Registrar; (iv) to the extent required, to the Rebate Fund any amounts required to be deposited therein; and (v) to the Surplus Fund of the Authority established in accordance with the Tri-Party Agreement, for use by the Authority for any lawful purpose. Monies can be transferred from the Pledged Revenue Fund to the Project Fund (instead of the Surplus Fund) at the discretion and written direction of the Authority given at the time moneys are received in the Pledged Revenue Fund, provided that immediately prior to any such transfer the deposits required by clauses (i), (ii), (iii) and (iv) above have been made or provided for.

Events of Default

The Indenture provides that an Event of Default shall be any of the following occurrences:

- (a) Failure to pay when due the interest and principal installment on any Contract Revenue Bond; or

- (b) Failure to deposit to the Debt Service Fund money sufficient to pay any principal of or interest on any Contract Revenue Bond no later than the date when such becomes due and payable.

Remedies

Upon the occurrence of an Event of Default, the Trustee, subject to the other provisions of the Indenture, may, and at the direction of the Registered Owners of not less than 25% of the aggregate principal amount of the Contract Revenue Bonds then outstanding, shall proceed to protect and enforce its rights and the rights of the Registered Owners of the Contract Revenue Bonds by suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in the Indenture, the Contract Revenue Bonds or resolutions authorizing the Contract Revenue Bonds, or in aid of the execution of any power granted in the Indenture or for the enforcement of any of the legal, equitable or other remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or Registered Owners, including, without limitation, requesting a writ of mandamus issued by a court of competent jurisdiction compelling the directors and other officers of the Authority to make such payment of the Pledged Contract Tax Increment (but only from and to the extent of the sources provided in the Indenture and the Tri-Party Agreement) or to observe and perform its other covenants, obligations and agreements in the Indenture or the Tri-Party Agreement.

The Indenture provides that the Trustee may seek the appointment of receivers, may act without possession of the Contract Revenue Bonds, subject to provisions in the Indenture, may act as attorney in fact for the Registered Owners of the Contract Revenue Bonds, no remedy is exclusive and that the delay or omission in the exercise of any right or remedy will not constitute a waiver.

The Indenture does not provide for any acceleration of maturity of the Contract Revenue Bonds or provide for the foreclosure upon any property or assets of the Authority or the City, other than applying the Pledged Revenues in the manner provided in the Indenture.

Limitation on Action by Owners

The Indenture imposes certain limitations on Registered Owners to institute suits, actions or proceedings at law or in equity for the appointment of a receiver or other remedy unless and until the Trustee shall have received the written request of the Registered Owners of not less than 25% of the aggregate principal amount of all Contract Revenue Bonds and the Trustee shall have refused or neglected to institute such suit, action or proceeding for a period of 10 days after having been furnished reasonable indemnity. Notwithstanding the foregoing, Registered Owners of more than 50% of the aggregate principal amount of the Contract Revenue Bonds will have the right, by written instrument delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture.

Amendments to the Indenture

Without the consent of the Registered Owners, the Authority and the Trustee may from time to time enter into one or more indentures supplemental to the Indenture, which shall form a part of the Indenture, for any one or more of the following purposes:

- (a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Registered Owners of the Contract Revenue Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners of the Contract Revenue Bonds or the Trustee or either of them;
- (c) to subject to the lien of the Indenture additional revenues, properties or collateral;
- (d) to modify, amend or supplement the Indenture or any supplemental indenture in such manner as to provide further assurances that interest on the Contract Revenue Bonds will, to the greatest extent legally possible, be excludable from gross income for federal income tax purposes;

- (e) to obtain bond insurance for the Contract Revenue Bonds, if any;
- (f) to provide for one or more Reserve Fund Surety Policies;
- (g) to permit the assumption of the Authority's obligations thereunder by any entity that may become the legal successor to the Authority; and
- (h) to issue any Parity Bonds or issue any bonds, notes, or other obligations secured in whole or in part by liens on all or part of the Pledged Revenues that are junior and subordinate to the lien on the Pledged Revenues securing payment of the Parity Bonds;

provided, however, that no provision in such supplemental indenture is permitted to be inconsistent with the Indenture or to impair in any manner the rights of the Registered Owners of the Parity Bonds.

Except as provided in the preceding paragraph, any modification, change or amendment of the Indenture may be made only by a supplemental indenture adopted and executed by the Authority and the Trustee with the consent of the Registered Owners of not less than a majority of the aggregate principal amount of the Contract Revenue Bonds then outstanding. However, without the consent of the Registered Owner of each outstanding Contract Revenue Bond, no modification, change or amendment to the Indenture shall:

- (1) extend the time of payment of the principal thereof or interest thereon, or reduce the principal amount thereof or premium, if any, thereon, or the rate of interest thereon, or make the principal thereof or premium, if any, or interest thereon payable in any coin or currency other than that of the United States, or deprive such Registered Owner of the lien of the Indenture on the revenues pledged thereunder; or
- (2) change or amend the Indenture to permit the creation of any lien on the revenues pledged under the Indenture equal or prior to the lien thereof, or reduce the aggregate principal amount of Contract Revenue Bonds.

Resignation of Trustee

The Trustee and any successor to the Trustee may resign and be discharged from the trust created by the Indenture by giving to the Authority notice in writing which notice will specify the date on which such resignation is to take effect; provided, however, that such resignation may only take effect on the day specified in such notice if a successor Trustee has been appointed in accordance with the terms of the Indenture. If a successor Trustee meeting the qualifications of the Indenture has not been appointed by the later of the date specified and 90 days after the receipt of the notice by the Authority, the Trustee may (a) appoint a temporary successor Trustee having the qualifications required by the Indenture or (b) request a court of competent jurisdiction to (i) require the Authority to appoint a successor within three days of the receipt of citation or notice by the court, or (ii) appoint a Trustee having the qualifications provided in the Indenture. In no event will the resignation of the Trustee be effective until a qualified successor Trustee shall have been selected and appointed. In the event a temporary successor Trustee is appointed pursuant to clause (a) above, the Authority may remove such temporary successor Trustee and appoint a successor thereto pursuant to the terms described below under "—Appointment of Successor Trustee."

Removal of Trustee

The Trustee or any successor Trustee may be removed (a) at any time by the Registered Owners of a majority in aggregate principal amount of the Contract Revenue Bonds then outstanding, (b) by the Authority for cause or upon the sale or other disposition of the Trustee or its trust functions or (c) by the Authority without cause so long as no event of default exists or has existed within the last 90 days, upon payment to the Trustee so removed of all money then due to it under the Indenture and appointment of a successor thereto by the Authority and acceptance thereof by the successor.

Appointment of Successor Trustee

In case at any time the Trustee or any successor Trustee resigns, is dissolved, or is removed or otherwise is disqualified to act or is incapable of acting, or in case control of the Trustee or of any successor Trustee or of its officers is taken over by any public officer or officers, a successor Trustee may be appointed by the Authority by an instrument in writing duly authorized by the Authority, and the Authority will cause notice thereof to be mailed to the Registered Owners of the Contract Revenue Bonds. Any successor Trustee or temporary Trustee shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Texas duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$100,000,000.

STATUS OF DEVELOPMENT

Development from Inception to Present

The City's taxable value in the Original Zone has increased by approximately \$1.15 billion from January 1, 2015 to January 1, 2025, while the City's taxable value in the Annexed Area has increased by approximately \$5.4 million from January 1, 2020 to January 1, 2025. See "Schedule 2: Breakdown of Certified 2025 Taxable Values in the Original Zone by Type" and "APPENDIX B—Land Use Map."

Development Under Construction or Recently Completed

Several areas of the Zone are undergoing redevelopment. Major projects that have been completed since 2023 include UNITi Montrose at 701 Richmond, consisting of rent by the bed fully furnished units, and The Heron Museum District at 4343 Woodhead, consisting of 302 multifamily units.

Artis Montrose, a 330 apartment Class A development at the intersection of Montrose Boulevard and Lovett Boulevard, former site of a Kroger grocery store, is currently being developed by Southeastern Development. According to Southeastern Development, the project will include a resort style pool, a cyber lounge, a game and club room, outdoor spaces, outdoor kitchen and grilling areas, a pet spa, and a zen garden. The project is slated for completion in late 2027.

Other projects that have been announced but not started include Starling, a 31-story luxury apartment and retail tower at the southwest corner of Westheimer and Montrose Boulevard. Skanska USA Commercial purchased the three acre property in 2020.

Infill residential development in the Zone is ongoing.

There can be no assurance that any projects under construction in the Zone will be completed as described or finalized. For more information on Authority projects, see "MONTROSE REDEVELOPMENT PLAN—Projects."

Schedule 2: Breakdown of Certified 2025 Taxable Values in the Original Zone by Type

	<u>Taxable Value (a)</u>	
Residential	\$ 423,719,596	16.97%
Multi-Family	871,224,320	34.90%
Vacant Land	86,997,814	3.48%
Commercial	1,114,322,354	44.63%
Utilities	327,750	0.01%
	<u>\$ 2,496,591,834</u>	

(a) Prepared by the Authority's tax consultant based on certified tax values in the Original Zone provided by the Appraisal District. It includes uncertified values at the Appraisal District's original estimate of value. The total taxable value shown is derived from the February 2026 ARB-approved supplemental tax roll and differs slightly (\$15,158,329) from the total taxable value shown on Schedule 1, which was provided to the Authority by the City based on the April 2026 ARB-approved supplemental tax roll.

Schedule 3: Principal Taxpayers in the Original Zone

The following table represents the principal taxpayers in the Original Zone, the taxable assessed value of such taxpayers' property, and the assessed value of such property as a percentage of the Original Zone's taxable value, using the City's certified value for tax year 2025. The values were compiled by the Authority's tax consultant. The values are subject to change due to pending tax protests or litigation in state district court contesting the value of parcels of property.

2025	Property Type	Tax Assessed	
		Value (a)	%
1 Driscoll at River Oaks LLC	Multi Family	\$ 143,652,000	5.75
2 Residences at La Colombe Dor	Multi Family	125,000,000	5.01
3 H&P Montrose Holdings LLC	Multi Family	112,168,072	4.49
4 Finger-FSG Dunlavy LTD	Multi Family	104,674,734	4.19
5 HGIT 888 Westheimer Rd. LP	Commercial	90,467,753	3.62 (b)
6 Kimco Realty Corp.	Commercial	83,581,266	3.35
7 Montrose Armando LLC	Multi Family	54,575,000	2.19
8 Shelter Montrose Owner LLC	Multi Family	53,635,459	2.15
9 ANBIL River Oaks Plaza LLC	Commercial	52,300,000	2.09
10 4300 Dunlavy Development LLC	Multi Family	46,000,000	1.84
Total		\$ 866,054,284	34.69
Total Certified Taxable Value		\$ 2,496,591,834	

(a) Prepared by the Authority's tax consultant based on certified tax values in the Original Zone provided by the Appraisal District and includes uncertified values at the Appraisal District's original estimate of value. The total taxable value shown is derived from the February 2026 ARB-approved supplemental tax roll and differs slightly (\$15,158,329) from the total taxable value shown on Schedule 1, which was provided to the Authority by the City based on the April 2026 ARB-approved supplemental tax roll. The certified value of each of the top taxpayers was updated by the tax consultant in August 2026 from the August, 2026 ARB-approved supplemental tax roll).

(b) See "FINANCIAL INFORMATION—Additional Obligations of the Authority."

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FINANCIAL INFORMATION

Debt Service Requirements on the Contract Revenue Bonds

The following sets forth the estimated debt service requirements on the Prior Bonds and the Bonds based upon a fiscal year end of June 30, and is inclusive of amounts payable from capitalized interest deposited into the Debt Service Fund from Bond proceeds.

Fiscal Year	Outstanding Debt Service	The Bonds*			Total Debt Service
		Principal	Interest	Total	
2027	1,207,544	-	320,844	320,844	1,528,388
2028	1,086,169	1,070,000	1,493,038	2,563,038	3,649,206
2029	1,086,544	1,125,000	1,438,163	2,563,163	3,649,706
2030	1,085,669	1,185,000	1,380,413	2,565,413	3,651,081
2031	1,088,419	1,240,000	1,319,788	2,559,788	3,648,206
2032	1,084,794	1,310,000	1,256,038	2,566,038	3,650,831
2033	1,089,669	1,370,000	1,189,038	2,559,038	3,648,706
2034	1,087,919	1,445,000	1,118,663	2,563,663	3,651,581
2035	1,089,544	1,515,000	1,044,663	2,559,663	3,649,206
2036	1,089,419	1,595,000	966,913	2,561,913	3,651,331
2037	1,087,544	1,675,000	885,163	2,560,163	3,647,706
2038	966,919	1,470,000	806,538	2,276,538	3,243,456
2039	967,544	1,545,000	731,163	2,276,163	3,243,706
2040	964,759	1,625,000	651,913	2,276,913	3,241,672
2041	963,822	1,710,000	568,538	2,278,538	3,242,359
2042	966,544	1,800,000	478,538	2,278,538	3,245,081
2043	967,822	1,895,000	381,544	2,276,544	3,244,366
2044	967,113	1,995,000	279,431	2,274,431	3,241,544
2045	964,394	2,105,000	171,806	2,276,806	3,241,200
2046	965,081	2,220,000	58,275	2,278,275	3,243,356
Total	<u>\$ 20,777,228</u>	<u>\$ 29,895,000</u>	<u>\$ 16,540,463</u>	<u>\$ 46,435,463</u>	<u>\$ 67,212,691</u>
Average Annual Debt Service (2027-2046)*					\$ 3,360,635
Maximum Annual Debt Service (2034)*					\$ 3,651,581

*Preliminary, subject to change.

Authority to Issue Bonds and Notes

On September 1, 2021, pursuant to Ordinance No. 2021-767, the City Council authorized the Authority to issue bonds and notes in an aggregate principal amount not to exceed \$50,000,000 outstanding at any one time, which are secured by Pledged Contract Tax Increments. The City could authorize the Authority to issue additional bonds and notes in the future. As principal is paid, the Authority's unused authorization will increase in an amount equal to the amount of principal paid.

Schedule 4: Authorized and Unissued Bonds and Notes

Total Authorized Amount of Bonds and Notes the City Council has	
Authorized to be Issued by the Authority	\$ 50,000,000
Less: Outstanding Debt	(13,320,000)
Less: The Bonds*	(29,895,000)
Available Authorization	<u>\$ 6,785,000</u>

* Preliminary, subject to change.

Authority's Financing Plans

The Authority does not plan to issue Additional Parity Bonds in the next 12 months.

Additional Obligations of the Authority

The following constitute the principal existing obligations of the Authority other than the Contract Revenue Bonds:

Development Agreement with Montrose Collective Owner, LP. In February 2020, the Authority and the Zone entered into a Development Agreement (the "*Development Agreement*") with Montrose Collective Owner, LP, a Delaware limited partnership (the "*Developer*"). In July, 2025, the Developer sold the project to HGIT 888 Westheimer Road LP and assigned the Development Agreement to it.

The Development Agreement describes the terms upon which the Authority would reimburse the Developer for certain public infrastructure to serve a mixed-use project, including office, retail and an underground parking garage on five tracts of land bordered by Westheimer Road on the south, Crocker Street on the east, Montrose Boulevard on the west and California Street on the north (the "*Developer Tracts*"). In consideration of such reimbursement, the Developer agreed to provide 100 parking spaces of public parking and to host events open to the general public on the public spaces of the project at least four days per calendar year.

Under the Development Agreement, the Developer was required to design and construct the Public Improvements needed for the development, including site utilities, stormwater detention, electrical power and lighting, upgraded street lights, landscaping and irrigation, sidewalk finishes, curb, gutter, bike racks and other hardscape improvements, and public art. The Authority agreed to reimburse the Developer for such Public Improvements from the Developer Related Tax Increments generated from the Developer Tracts in the maximum amount of \$3,707,859, subject to the Developer's compliance with the terms of the Development Agreement. These Developer Related Tax Increments qualify as Preexisting Developer Related Tax Increments.

Once each year after the project has been completed and the City has transferred the Contract Tax Increments to the Authority, the Authority will use the Preexisting Developer Related Tax Increments to reimburse the Developer for the costs of the Public Improvements.

The Preexisting Developer Related Tax Increments are defined in the Development Agreement as 50% of the Contract Tax Increments attributable to the Developer Tracts after all City required fees have been paid. The Development Agreement states that the obligation of the Authority to the Developer is subject to the rights of the holders of bonds, and the levy of ad valorem taxes throughout the taxing jurisdiction of the City. The Authority and the Zone agree that no interests in the Preexisting Developer Related Tax Increments will be granted, conveyed, pledged or assigned to another developer of property in the Zone until the Developer is fully paid.

The project was completed in 2020 and the Authority made its first payment of Preexisting Developer Related Tax Increments to the Developer on August 15, 2022 for tax year 2021. The Authority has made a payment of Preexisting Developer Related Tax Increments to the Developer each year thereafter for a total of \$626,457 through 2025. The Authority expects to make an additional payment of \$175,905 in 2026.

In the future, the Authority may enter into additional development agreements with developers/builders, pursuant to the Tri-Party Agreement, and may agree with such developers to reimburse them for public infrastructure costs from the Contract Tax Increments generated from the increase in taxable value generated from their developments. Such development agreements will result in the creation of new Developer Related Tax Increments payable by the Authority, if and when due pursuant to the terms of the development agreements; however, such Developer Related Tax Increments will not qualify as Preexisting Developer Related Tax Increments and will be payable only from funds deposited to the Surplus Fund or other legally available funds that are not Pledged Revenues.

Municipal Services Agreement. The Authority, the Zone and the City entered into an agreement whereby the Authority pays to the City the incremental costs of providing increased municipal services incurred as a result of the development of the land in the Zone. Payment of the incremental service costs is from the City's Tax Increment and is limited to the available Tax Increment received by the Authority as defined in the agreement and the amount

included in the Authority's annual approved budget. If the City's available Tax Increment is not sufficient in any year to pay the amount included in the approved budget, the amount due will accrue without interest. The agreement automatically renews annually on June 30. The Authority paid the City a fee of \$1,225,897 for the incremental costs of providing increased municipal services rendered in fiscal year 2026.

Investment Policy

Under Texas law, the Authority is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all Authority funds must be invested in accordance with the following objectives: understanding the suitability of the investment to the Authority's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The Authority's investments must be made with "judgment and care under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest Authority funds without express written authority from the Board.

Texas statutes include specifications for and limitations applicable to the Authority and its authority to purchase investments as defined in the Public Funds Investment Act. Authorized investments are summarized as follows: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) certain "A" rated or higher obligations of states, agencies, counties, cities, and other political subdivisions of any state, (6) bonds insured, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit, (8) certain fully collateralized repurchase agreements secured by delivery, (9) certain bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 365 days or less, (11) no load money market mutual funds and no-load mutual funds with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools, and (14) a qualified securities lending program.

The Authority maintains an investment strategy that emphasizes, in order of priority, safety, liquidity and return on investment, as embodied in its investment policy (the "*Investment Policy*"). The Authority does not invest in, among other things, inverse floater, interest-only or principal-only mortgage-backed securities. The Investment Policy provides, among other things, that (i) an investment officer must submit quarterly investment reports to the Board and (ii) the Investment Policy must be reviewed annually by the Board.

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Schedule 5: Tax Increment Collections

	Tax	Base Year	Current Year	Captured	Increment	Prior Year	Prior Year	95%	Collection
	Year	Value (a)	Value (b)	Appraised	Tax Rate (d)	Payment (e)	True-up (f)	Increment	Rate (h)
Original				Value				Collections (g)	
	2021	1,098,766,790	1,948,925,988	850,159,198	0.55083	4,678,963	1,627	4,446,561	100.0%
	2022	1,098,766,790	2,113,915,706	1,015,148,916	0.53364	5,409,632	2,191	5,141,232	99.9%
	2023	1,098,766,790	2,350,132,818	1,251,366,028	0.51919	6,646,424	(179,343)	6,143,727	99.5%
	2024	1,098,766,790	2,385,693,227	1,286,926,437	0.51919	7,105,828	(463,656)	6,310,063	99.4%
	2025	1,098,766,790	2,511,750,163	1,412,983,373	0.51919			6,558,775	94.1%
Projected (i)	2026	1,098,766,790	2,550,305,505	1,451,538,715	0.46727			6,063,967	94.1%

- (a) The Base Year Value for the Original Zone is shown; the Annexed Area base value of \$11,931,206 is not included.
- (b) The Current Year Value for the Original Zone is shown; the Annexed Area current year value (\$17,347,946 for tax year 2025) is not included. Current year's values are received from the City's Department of Finance. They are subject to change for a number of years thereafter as corrections in the tax roll are made due to various factors such as omission of property, erroneous inclusion of property, or settlements of taxpayer litigation.
- (c) Captured Appraised Value is derived from subtracting Base Year Value from Current Year Value.
- (d) Assumes the tax rate remains 0.51919. In tax year 2026, the City will contribute to the Zone 90% of its collected Tax Increments.
- (e) Cumulative of payments to the Authority for the specified tax year, prior to taking into account the adjustment made in 2026. See "INVESTMENT CONSIDERATIONS— True-Up of Tax Increment Collections from Prior Years."
- (f) The adjustments made to the amount owed the Authority in June 2026 due to changes in taxable value in prior years.
- (g) Includes Preexisting Developer Related Tax Increments. Excludes the City retention fee of 5% and Increment Collections from the Annexed Area, which are minimal.
- (h) Collection rates are determined by comparing total collections to the total tax levy; however, both total collections and the total tax levy change over time, so a calculated collection rate may either increase or decrease. The City has been updating the certified value for each tax year and the total collections for each tax year annually in order to calculate the tax increments to be transferred to the Authority. The tax year 2025 collection percentage is the percentage of 2025 taxes collected at the time the City was calculating the amount of Contract Tax Increments due to the Authority and paid in June, 2026. The 2026 collection rate is assumed to be the same as 2025. The actual collection rate may differ significantly.
- (i) See Schedule 1A for the derivation of these amounts.

Schedule 6: True-Up of Tax Increment Collections from Prior Years

The following schedule shows the effect on current year Contract Tax Increments of the "true-up" of the prior four years' Contract Tax Increments made by the City Finance Department prior to making its annual payment to the Authority. The true-up shows the impact of changes to taxable value that occur in a tax year after each annual payment to the Authority. Positive numbers indicate an increase in certified taxable value for the tax year while negative numbers indicate a decrease in certified taxable value. Decreases stem primarily from taxpayer litigation contesting the value of their property certified by the Appraisal District, which can take years to become final. Negative true-up amounts from prior years reduce the Contract Tax Increments paid to the Authority in the subsequent year. See "INVESTMENT CONSIDERATIONS-- True-Up of Tax Increment Collections from Prior Years" and "TAXING PROCEDURES OF THE CITY—Taxpayer Remedies."

	Current Year					
	Tax Year	Tax Year	Tax Year	Tax Year	Tax Year	
	2021	2022	2023	2024	2025	
Trueup	(272.14)	(674.63)	(5,103.42)	6,722.23	1,627.20	
Trueup	(5,042.17)	(87,637.35)	(3,874.79)	(156,321.10)	2,191.29	
Trueup	(523.36)	(230,396.03)	(2,033.51)	(204,002.78)	(179,342.76)	
Trueup	(157,307.66)	(41,752.15)	(223,737.91)	(517,196.96)	(463,656.29)	
Current Year	4,879,070.00	5,837,372.83	7,163,620.95	7,105,828.26	6,903,973.95	
Actual Payment	4,715,924.67	5,476,912.67	6,928,871.32	6,235,029.65	6,264,793.39	
	Ratio of Payment to Current Year Increment					5-Year
	96.66%	93.82%	96.72%	87.75%	90.74%	Avg
						93.14%

Schedule 7: Debt Service Coverage

FYE June 30	Audited Contract Tax Increments Received or Receivable (a)	Less: City Administrative Fee (b)	Less: Pre-existing Developer Related Tax Increment Payments (c)	Pledged Contract Tax Increments (d)	Next Fiscal Year's Debt Service Requirements (e)	Debt Service Coverage
2022	4,715,924	235,796	-	4,480,128	-	n/a
2023	5,476,913	273,846	118,849	5,084,218	429,979	11.82x
2024	6,944,811	347,241	158,598	6,438,972	1,207,419	5.33x
2025	6,249,982	312,499	168,409	5,769,074	1,210,669	4.77x
2026 (f)	6,283,961	314,198	180,601	5,789,162	1,528,388	3.79x

- (a) Payments shown here are derived from the Authority's audited financial statements which are on an accrual basis. The formula for determining tax increments is described in "OFFICIAL STATEMENT SUMMARY—Schedule 1: Selected Financial Information (Unaudited)."
- (b) The City may retain a reserve of up to five percent of the monies then available in the Tax Increment Fund attributable to the Zone under the Tri-Party Agreement. See "SOURCE OF AND SECURITY FOR PAYMENT—Contract Tax Increments Defined."
- (c) The amount of Preexisting Developer Related Tax Increments will depend upon the taxable value of the development with a development agreement entered into by the Authority and the Zone prior to May 15, 2023 and the maximum amount of reimbursable Public Improvements due to it. See "FINANCIAL INFORMATION—Additional Obligations of the Authority."
- (d) Pledged Contract Tax Increments shown in FY 2022 were unencumbered. After issuance of the Prior Bonds, all Contract Tax Increments received by the Authority other than Preexisting Developer Related Tax Increments were pledged by the Authority to secure the Prior Bonds, the Bonds and any Additional Parity Bonds or permitted subordinate obligations.
- (e) See "FINANCIAL INFORMATION—Debt Service Requirements on the Contract Revenue Bonds."
- (f) Debt service projected.

MONTROSE REDEVELOPMENT PLAN

The Zone

Pursuant to City Ordinance No. 2015-1257, approved on December 9, 2015 (the "City Creation Ordinance"), the City created the Zone and established the tax increment fund for the Zone as a separate fund in the City treasury (the "Tax Increment Fund"). The City Creation Ordinance provided that the Zone would take effect upon the passage and approval of the City Creation Ordinance and would terminate on December 31, 2045, or at an earlier or later time designated by subsequent ordinance of the City, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, and the interest on the bonds have been paid in full.

The Zone currently consists of approximately 608 acres located west and southwest of the central business district of the City generally within the neighborhood known as Montrose. The Zone covers commercial areas generally bounded by US Highway 59 to the south, West Dallas Street to the north, Taft Street, Bagby Street and Spur 527 to the east and South Shepherd Drive to the west. As originally created, the Zone contained approximately 598 acres (the "Original Zone"). On December 9, 2020 by Ordinance No. 2020-1070, the City Council approved the annexation into the Zone of approximately 10 acres consisting of property and right-of-way (the "Annexed Area"). See "APPENDIX A—Boundary Map."

The City Creation Ordinance also formed a Zone Board. The Zone Board consists of seven members nominated and appointed by the Mayor of the City, with the consent and approval of the City Council. Terms are for two years. The Mayor is authorized to annually nominate and appoint, subject to City Council approval, the member of the Zone Board who will serve as chair. These terms are for one year. The Zone Board is authorized to elect from its members a vice chair and such other officers as it deems appropriate.

Under the Amended Project and Financing Plan for the Zone, the City contributes to the Tax Increment Fund for the Zone 100% of its collected Tax Increments arising from the Zone in tax years 2016 through 2025, 90% in tax years 2026 through 2035 and 80% in tax years 2036 through 2045.

The Authority

The Authority's creation was authorized by City Resolution No. 2019-28, adopted by the City Council of the City on August 14, 2019. The Authority was created as a public nonprofit local government corporation pursuant to the provisions of Chapter 431, Texas Transportation Code, and Chapter 394, Texas Local Government Code to act as a duly constituted authority of the City to aid and assist the City in the performance of one or more of its governmental functions.

According to its articles of incorporation, the Authority is organized and will be operated exclusively for one or more charitable purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and is further organized for the purpose of aiding, assisting and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the Zone and neighboring areas. More specifically, it will aid, assist and act on behalf of the City in the implementation of the Amended Project Plan and Financing Plan, in the development of a policy for and implementation of the financing and construction of public infrastructure improvements and open space improvements in the Montrose area, and in the development and implementation of a development policy for the Montrose area, including the acquisition of land for development purposes.

The articles of incorporation provide that the Authority will be managed by a board of directors consisting of seven persons. Any director may be removed from office at any time, with or without cause, by the City Council. According to the bylaws of the Authority, the members of the Board will be the same members as serve on the Zone Board. The bylaws further provide that the Chair of the Board will be the same as the Chair of the Zone.

The Authority's operations are governed by the Tri-Party Agreement. Its operations are currently funded by proceeds of the Contract Tax Increments paid to the Authority by the City pursuant to the Tri-Party Agreement and as described herein.

Original Project and Financing Plan

The Project Plan and Financing Plan for the Zone (the "*Original Project and Financing Plan*") was approved by the City on November 29, 2017 by City Ordinance No. 2017-940. The Original Project and Financing Plan called for enhancing the multi-modal transportation network within the Zone, improving public parking opportunities and access, stimulation of economic development and growth through the development of vacant sites and redevelopment of older areas, developing open space and parks within the Zone and facilitating the development and redevelopment of affordable housing within the Zone.

Amended Project and Financing Plan

The Amended Project and Financing Plan was adopted by the City on December 9, 2020 by City Ordinance No. 2020-1071. The Amended Project and Financing Plan incorporates the Annexed Area into the planning, summarizes redevelopment efforts in the Zone, restates the redevelopment goals for the Zone, redesignates the Zone's project cost categories and allocations to align with current goals, and states the anticipated use of expenditures for the cost of operating the Zone and project facilities.

The Project Costs for the Zone were estimated at \$167,024,133 as of June 30, 2026, with corridor improvements totaling \$108,594,133, workforce/affordable housing totaling \$39,600,000, parking enhancements totaling \$4,830,000, parks, open spaces, recreational facilities and cultural amenities totaling \$8,000,000 and Zone administration totaling \$6,000,000. As of June 30, 2026, Project Costs of \$37,516,003 had been expended. The dollar amounts for each category may be amended from time to time by the Zone Board with approval of City Council.

The goals of the Zone were stated as follows:

Goal 1: Enhance Public Infrastructure. The Authority plans to improve and enhance drainage, the transportation network, and promote multi-modal transportation options, including improved infrastructure for automobiles, mass-transit, bicycles and pedestrians. The Board proposed evaluating the possibility of full-scale roadway and drainage reconstruction along corridors such as Montrose Boulevard, Dunlavy Street, West Gray Street

and Fairview Street, while also evaluating projects complementary to City capital improvement projects along West Alabama Street, Richmond Avenue and Westheimer Road.

Goal 2: Enhance local parking opportunities and the associated pedestrian-friendly environments. The Board proposed to coordinate with public partners as well as private investors to improve parking opportunities throughout the Zone, thereby increasing economic development activity and making the area more attractive for private investment. The Board further supported improvements to sidewalks, lighting, signage, street trees, landscaping, benches and other pedestrian amenities.

Goal 3: Stimulate economic development and growth through the development of vacant sites and redevelopment of older ones. Improvements and expansion of retail and commercial development along key corridors are important to the successful redevelopment of the Zone, including the introduction of additional mixed-use, pedestrian-friendly development and activity centers while also respecting the scale and character of existing commercial and mixed-use areas. The Board may approve funding for retention and development of existing businesses, promotion of small business development and entrepreneurship, and support projects that could catalyze investments. The Board may enter into development agreements, fund programs, establish infrastructure and provide matching grants to leverage other economic funds.

Goal 4: Develop and enhance open space, parks, plazas, recreational amenities, cultural facilities and other similar improvements. The Board will redevelop and upgrade existing public green space, parks and other recreational facilities, as well as facilitate the acquisition and development of new parks. The Board will improve access and connectivity to parks and open space areas through access and egress improvements, the dedication of public benefit easements, pedestrian bridges and other enhancements. Additionally, the Board may seek to support amenities and facilities, including public art, that provide cultural or recreational value to the Montrose community.

Goal 5: Facilitate affordable housing in the Zone. Tax increments may be leveraged against the private, public and nonprofit resources to support affordable housing in the Zone, including the integration of affordable housing concepts into ongoing and proposed redevelopment projects within the Zone and partnerships with government entities and nonprofits to support maintaining the existing affordable housing inventory in Montrose. The Board may also support “value-added” improvements to development projects that include affordable housing, as well as programs that incentivize property owners to retain the affordable character of existing housing stock.

Land Use Regulations

The TIF Act permits the Zone Board to adopt land use regulations pursuant to the Amended Project and Financing Plan. Before adoption, the regulations must be approved by the Zone Board and the City Council. No land use regulations currently exist.

Projects

The Authority has adopted a five year capital improvements plan for fiscal years 2027 through 2031 in the total aggregate amount of \$103,285,179. The Authority has submitted the plan to the City for its approval, which is pending.

The following projects are included in the Authority’s five-year capital improvements plan. Completion of the projects is subject to the availability of funds, market conditions and other considerations which may necessitate changes to the program.

West Alabama Street consists of full roadway reconstruction of West Alabama Street from S. Shepherd Drive to Spur 527 including utilities, drainage and sidewalks. The cost of the project is expected to total \$33,806,602 with \$11,149,937 coming from grants.

Montrose Boulevard Improvements. The Authority is planning a complete reconstruction of Montrose Boulevard into a four lane boulevard roadway. Segment 1 of the project extends from West Clay Street to Allen Parkway and is substantially complete. Segment 2 of the project extends from West Clay Street to U.S. Highway 59. The project includes an enlarged storm sewer system that will provide additional in-line detention, 6 to 8 foot wide sidewalks (reduced to meet existing widths around trees to preserve them), replacement of public utilities, traffic

signals and street lighting. The Authority expects to expend a total of \$28,479,461 on Segment 1 and \$27,585,000 on Segment 2.

Safe Route to School Sidewalk Program consists of replacing the existing deteriorating sidewalks around four schools in the Zone. The projected cost is \$11,991,649 with \$9,403,922 of the funds coming from grants. A majority of this project will be built in 2027-2031.

Renovation of the West Gray Multi-Service Center. The Authority has budgeted \$11,500,000 in fiscal years 2027-2031 to fund a portion of the cost to update the facility.

Affordable Housing consists of creating a data-driven baseline of current conditions with an estimated cost of \$2,500,000 in fiscal years 2027-2031.

Cherryhurst Pedestrian Improvement Project. This project entails replacing pedestrian infrastructure and installing new wheelchair ramps in the Cherryhurst neighborhood to improve access to METRO bus stops on Westheimer Road. The projected cost is \$1,532,507, with \$200,000 expected to come from grants.

Sidewalk Projects. Various sidewalk projects are included in the CIP, including sidewalk and wheelchair ramp construction in the Roseland Area, and replacement of existing deteriorating sidewalks in various parts of Montrose. Total cost for these projects is estimated to be \$6,250,256. To date, the Authority has been awarded a grant of \$850,000 for this project and has pending applications for \$3,500,000 additional funds.

Montrose Neighborhood Pedestrian Walkability and Amenities Study. The Montrose Neighborhood Pedestrian Walkability and Amenities Study will evaluate the area bounded by S. Shepherd Street (west), I-69/US 59 (south), Spur 527 (east), and West Dallas Street (north) to create a community-supported, walkability and connectivity plan to and from key centers and transit within and adjacent to Montrose. This study is expected to cost \$527,000 with \$400,000 expected to come from grants. The study will be conducted in 2027.

Pat Walsh Memorial. This memorial is expected to cost \$16,000 and be constructed in 2027.

TAXING PROCEDURES OF THE CITY

Authority to Levy Taxes

Under Texas law the City is authorized to levy an annual ad valorem tax on all taxable property within its boundaries.

Property Tax Code and County-Wide Appraisal District

The Property Tax Code specifies the taxing procedures of all political subdivisions of the State of Texas, including the City. Provisions of the Property Tax Code are not fully summarized here.

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Appraisal District has the responsibility for appraising property for all taxing units with property within Harris County, including the City. Such appraisal values are subject to review and change by the Appraisal Review Board of Harris Central Appraisal District (the “Appraisal Review Board” or “ARB”). The Property Tax Code requires each appraisal district to comply with the Uniform Standards of Professional Appraisal Practice.

Property Subject to Taxation by the City

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a situs in the political subdivision are subject to taxation by the City. However, the tax revenue generated by the City on any personal property is not included in the Tax Increments. Principal categories of exempt property include, but

are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; and most individually owned automobiles.

State law grants various exemptions for disabled veterans and their families and surviving spouses of members of the armed services or first responders killed in action or fatally injured in the line of duty.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption by a taxing unit may be considered each year, but must be adopted by May 1.

Additional Homestead Exemptions: The City may by its own action exempt residential homesteads of persons sixty-five (65) years or older and of certain disabled persons to the extent deemed advisable by the City Council of the City. Qualifying surviving spouses of persons aged 65 years or older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. The City may be required to offer such an exemption if a majority of voters approve it at an election. The City would be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The City is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair its obligation to pay tax-supported debt incurred prior to adoption of the exemption.

Tax Freeze: Under Article VIII of the Texas Constitution and state law, the governing body of the City may freeze the total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older to the amount of taxes imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the City, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons 65 years of age or who are disabled. Upon providing for such exemption, such freeze on ad valorem taxes is transferrable to a different residence homestead. Also, a surviving spouse of a taxpayer who qualifies for the freeze on ad valorem taxes is entitled to the same exemption so long as the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual's spouse. Once established, the tax rate limitation may not be repealed or rescinded.

Affordable Housing Exemptions: The Property Tax Code provides for several types of corporations which provide affordable housing to be exempted from payment of ad valorem taxes. These include public facility corporations formed under Chapter 303 of the Local Government Code, housing authorities owned by a municipality or county and created under Chapter 392 of the Local Government Code, and housing finance corporations created under Chapter 395 of the Local Government Code. The Property Tax Code provides an exemption from ad valorem taxes for a nonprofit corporation which qualifies as a community housing development organization under federal law. The qualifications for each of these types of entity differ but generally they must reserve a certain number of units in the development for persons earning no more than 80% of the median income in the area.

Historic Tax Exemptions: The City may exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or site, if the structure or site is designated as a recorded Texas Historic Landmark or a state archeological landmark by the Texas Historical Commission or is designated as a historically or archeologically significant site in need of tax relief to encourage its preservation.

Abatements: The City is authorized to enter into a tax abatement agreement with an owner of real or personal property in the Zone, if the Zone Board approves the agreement and the City Council of the City approves the agreement. A tax abatement agreement may exempt from ad valorem taxation by the City for a period of up to ten years, all or any part of the increase in the assessed valuation of property covered by the agreement over its assessed

valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property.

Exemptions as Applied to the City: For the 2026 tax year, the City had a 20% local option homestead exemption with a \$5,000 minimum and an exemption for persons 65 years of age or older and disabled persons of \$260,000. A person who is both 65 years of age or older and disabled may not claim both exemptions but instead may choose which exemption he or she wishes to have applied to his or her property. For the 2026 tax year, the City elected the local option to exempt from taxation property being used as a day care. The City has not adopted a tax freeze.

Valuation of Property for Taxation

Generally, property must be appraised at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the applicable appraisal review board, it is used by each taxing unit in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are generally to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code.

In determining the market value of property, an appraisal district is required to consider the cost method of appraisal, the income method of appraisal, and the market data comparison method of appraisal, and use the method the chief appraiser of the appraisal district considers most appropriate.

If the cost method of appraisal is used to determine the market value of the property, the appraisal district is required to (i) use cost data from generally accepted sources; (ii) make appropriate adjustments for physical, functional, or economic obsolescence; (iii) make available on request cost data developed and used by the appraisal district as applied to all properties within a property category; (iv) clearly state the reason for any variation between generally accepted cost data and locally produced cost data if the data vary by more than 10 percent; and (v) make available to the property owner on request all applicable market data that demonstrate the difference between the replacement cost of the improvements to the property and the depreciated value of the improvements. If the appraisal district uses the income method of appraisal to determine the market value of real property, the appraisal district is required to: (i) use rental income and expense data pertaining to the property if possible and applicable; (ii) make any projections of future rental income and expenses only from clear and appropriate evidence; (iii) use data from generally accepted sources in determining an appropriate capitalization rate; and (iv) determine a capitalization rate for income-producing property that includes a reasonable return on investment, taking into account the risk associated with the investment. If the appraisal district uses the market data comparison method of appraisal to determine the market value of real property, the appraisal district is required to use comparable sales data if possible and adjust the comparable sales to the subject property.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the City can collect taxes based on the new use, including taxes for the previous five (5) years for open space land and timberland.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property, or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

Effective January 1, 2024, an appraisal district is prohibited from increasing the appraised value of real property during the 2024 tax year on certain non-homestead properties (the "*Subjected Property*") whose appraised

values are not more than \$5,000,000 (the “*maximum property value*”) to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property. After the 2024 tax year, through December 31, 2026 (unless extended by the Legislature), the maximum property value may be increased or decreased by the product of the preceding state fiscal year’s increase or decrease in the consumer price index, as applicable, to the maximum property value.

The Property Tax Code requires each Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

Reappraisal of Property after Disaster

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% damaged by a disaster and located within an area declared to be a disaster area by the Governor. This temporary exemption is automatic if the disaster is declared prior to a taxing unit adopting its tax rate for the tax year. A taxing unit may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

Taxpayer Remedies

The Property Tax Code establishes an appraisal review board in each county with responsibility for resolving disputes between taxpayers and the appraisal district. It is also empowered to determine challenges initiated by taxing units, correct clerical errors in the appraisal records and the appraisal rolls, act on motions to correct appraisal rolls, and determine whether an exemption or a partial exemption is improperly granted. The appraisal review board is independent of the appraisal district. In counties with more than 120,000 in population, the local administrative district judge appoints the appraisal review board members.

A property owner is entitled to protest the value of a tract of property before the appraisal review board in the following circumstances: the value the appraisal district placed on the property is too high; the property was unequally appraised; the appraisal district denied a special appraisal, such as open-space land; the appraisal district failed to provide the property owner with required notices; or as otherwise permitted under the Property Tax Code.

Owners of certain property with a taxable value in excess of the current year “minimum eligibility amount,” as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount was set at \$50 million for the 2020 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

A property owner who files a protest must pay the amount of taxes due on the portion of the taxable value of the property subject to the protest that is not in dispute before the delinquency date or the property owner forfeits the right to proceed to a final determination of the protest.

Property owners who are dissatisfied with the decision of the appraisal review board may appeal the decision. Depending upon the circumstances, the property owner may be able to require the appraisal district to go to binding arbitration or to have the appeal heard by the State Office of Administrative Hearings.

If those remedies are not available or if the property owner prefers, it has the right to appeal the decision of the appraisal review board to the state district court in which the property is located. The district court review is by trial de novo, and the district court is required to try all issues of fact and law raised by the pleadings in the manner applicable to civil suits generally. Any party is entitled to trial by jury on demand. The district court will grant relief if it determines that the appraised value of the property exceeds the appraised value required by law or the property is appraised unequally.

A party may appeal the final judgment of the district court as provided by law for appeal of civil suits generally, except that an appeal bond is not required of the chief appraiser, the county, the comptroller, or the commissioners court.

State Law Limitations on Setting the Annual Tax Rate

The Constitution of the State of Texas (the “Texas Constitution”) limits the maximum ad valorem tax rate to \$2.50 (per \$100 assessed valuation) for home-rule cities such as the City. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all debt service on ad valorem tax-supported debt, as calculated at the time of issuance.

The Property Tax Code further limits the City’s ad valorem tax rate, which consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the “maintenance and operations tax rate”), and (2) a rate for funding debt service in the current year (the “debt service tax rate”). Under the Property Tax Code, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Council by August 1 or as soon as practicable thereafter.

The Property Tax Code uses the terms “voter-approval tax rate” and “no-new-revenue tax rate.” The “voter-approval tax rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the “unused increment rate.” The “no-new-revenue tax rate” means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year’s total tax levy (adjusted) from the current year’s total taxable values (adjusted). The “unused increment rate” means the cumulative difference between the City’s voter-approval tax rate and its actual tax rate for each of the three preceding tax years, which may be applied to the City’s tax rate in the current tax year without impacting the “voter-approval tax rate.”

The City must annually calculate its “voter-approval tax rate” and “no-new revenue tax rate” in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the City and the county tax assessor-collector for each county in which all or part of the City is located. The City must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the “voter-approval tax rate” must be adopted not later than the 71st day before the next occurring November uniform election date. If the City fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the “no-new-revenue tax rate” for the current tax year or the tax rate adopted by the City for the preceding tax year.

As described below, the Property Tax Code provides that if the City adopts a tax rate that exceeds its “voter-approval tax rate” or, in certain cases, its “de minimis rate,” an election must be held to determine whether or not to reduce the adopted tax rate to the “voter-approval tax rate.” The “de minimis rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax rate levy from the current year’s values, plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year’s taxable value, plus the debt service tax rate.

The City may not adopt a tax rate that exceeds the lower of the “voter-approval tax rate” or the “no-new-revenue tax rate” until each appraisal district in which the City participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the City has held a public hearing on the proposed tax increase. Generally, if the adopted tax rate for any tax year exceed the “voter-approval tax rate,” cities with a population of 30,000 or more as of the most recent federal decennial census must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the “voter-approval tax rate.”

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its “voter-approval tax rate” using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city’s total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the “no-new-revenue tax rate” and “voter-approval tax rate” must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year. The City has not held such a local option election.

City Charter Limitations

General: In addition to the statutory limits described above, the City may limit, increase or change the revenue resources available during a given fiscal year, either by voter authorization as provided by the City Charter or by amending the City Charter itself. The City Charter may not be amended more frequently than once every two years. Since 2004, voters of the City have limited increases in ad valorem tax revenues and other revenues in Proposition 1 (codified in Article III, Sec. 1 and Article IX, Sec. 20 of the City Charter) and Proposition 2 (codified in Article VI-a, Sec. 7 of the City Charter). Voters also have increased available revenue sources in Proposition G (codified in Article IX, Sec. 21 of the City Charter) and Proposition H, which did not amend the City Charter.

Proposition 1 and Proposition 2 (2004): In 2004, voters approved Proposition 1 (now codified as Article III, Sec. 1 and Article IX, Sec. 20 of the City Charter) in order to limit increases in (i) the City’s ad valorem tax revenues by requiring voter approval for increases in ad valorem taxes in future years above a limit equal to the lesser of the actual revenues in the preceding fiscal year, plus 4.5%, or a formula that is based upon the actual revenues received in fiscal year 2005 adjusted for the cumulative combined rates of inflation and the City’s population growth; and (ii) water and sewer rates (i.e., the City’s Combined Utility System) by limiting rate increases to the combined increases in the rates of inflation and population growth, excluding rate increases required by certain bond covenants and rates established by contract, unless approved by the voters. At the same election, the voters also approved Proposition 2 (Article VI-a, Sec. 7, City Charter), which limited increases in the City’s “combined revenues,” including revenues of the General Fund, Special Funds and Enterprise Funds.

The election ordinance included a “primacy clause” stating that Proposition 1 (proposed by the City Council) would prevail over Proposition 2 (proposed by citizen initiative) if voters approved Proposition 1 by more votes than Proposition 2. At the election, voters approved both charter amendments but Proposition 1 won more votes than Proposition 2. As required by a decision of the Texas Court of Appeals, the City adopted both amendments to its charter; however, the City took the position that Proposition 2 was not effective because of the primacy clause and the existing provision of the City Charter governing reconciliation of conflicting amendments, which states that in the event conflicting charter amendments are approved at the same election, the one with the most votes prevails. The City has never complied with Proposition 2.

Current Proposition 2 Litigation: Protracted litigation in state district court, state appellate court, and the Texas Supreme Court followed the approval of the two propositions. On April 21, 2023, the Texas Supreme Court held that the City could not rely on the primacy clause in the election ordinance because it conflicted with state law, which requires cities to adopt proposed charter amendments when voters approve them by majority vote. The Texas Supreme Court remanded the case to the trial court to determine whether and the extent to which Proposition 1 and Proposition 2 may be harmonized under the City’s existing charter provision governing reconciliation of conflicting amendments, which the Court found did not violate state law, and to consider the effect of the severability clause in Proposition 2 for those provisions that conflict. On November 13, 2025, the trial court determined that Proposition 1 and Proposition 2 cannot be harmonized and Proposition 2 is unconstitutional, preempted, and violative of Texas law. The plaintiff appealed and the case is currently pending in the 14th Court of Appeals.

Impact of Propositions G and H on Propositions 1 and 2: In response to Proposition 1 and Proposition 2, the City held an election on November 7, 2006, at which the voters approved Proposition G and Proposition H, both of which are currently effective. Proposition G amends the City Charter to exclude revenues of the City’s enterprise systems (i.e., Combined Utility System, Houston Airport System and the Convention and Entertainment Facilities

Department) from the types of revenues limited under the City Charter. Voter approval of Proposition G removed the enterprise systems from the revenue limitations of Proposition 2, although the limitation on water and sewer rate increases included in Proposition 1 remains in effect. Proposition H allows the City to collect and spend up to \$90 million of revenue, over and above any Proposition 2 limitations, for increased police, fire and emergency medical services and related matters. The amount collected and spent in each year becomes part of the base revenue calculations for the following year. Propositions G and H are incorporated into the City's financial policies, and the City has collected revenues and made expenditures for public safety purposes in compliance with Proposition H.

See "INVESTMENT CONSIDERATIONS—Tax and Collection Rates May Decline" and "—Risk of Higher Priority Debt."

Collection of Taxes

The City is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. The City's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residential homestead, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in equal monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is a person 65 years of age or older or disabled is entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership.

The City's Rights in the Event of Tax Delinquencies

Taxes levied by the City are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each taxing unit having power to tax the property. The City's tax lien is on a parity with tax liens of other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of another taxing entity is determined by applicable federal law.

At any time after taxes on property become delinquent, a taxing unit may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both, subject to the limitations with respect to residential homesteads described in the preceding section. In filing a suit to foreclose a tax lien on real property, the taxing unit must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights and by bankruptcy proceedings that may restrict collection of taxpayer debts. A taxpayer has the right to redeem a mineral estate or property that was used at the time the suit was filed for residential homestead or agricultural purposes within two years after the purchaser's deed issued at the foreclosure sale is filed in the county's real property records. A taxpayer has the right to redeem property that was used for all other purposes within six months after the purchaser's deed is filed in the county records. See "INVESTMENT CONSIDERATIONS—Limitations on Tax Collections and Foreclosure Remedies."

Tax Payment Installments after Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a disaster area which have been damaged as a direct result of the disaster, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the City if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date.

Effect of FIRREA on Tax Collections

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 (“FIRREA”) contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation (“FDIC”) when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA, real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such property, (ii) the FDIC shall not be liable for any penalties, interest, or fines, including those arising from the failure to pay any real or personal property tax when due, and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

These provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the Zone and may prevent the collection of penalties and interest on such taxes or may affect the valuation of such property.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the Authority under the Constitution and laws of the State of Texas, payable from the Pledged Revenue and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Bond Counsel to a like effect and to the effect that, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Code (as defined herein), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See “TAX MATTERS” for a discussion of the opinion of Bond Counsel.

The legal fees paid to Bond Counsel and to Disclosure Counsel for services rendered in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

No-Litigation Certificate

The Authority will furnish the Underwriter a certificate dated as of the date of delivery of the Bonds, to the effect that there is not pending, and to the knowledge of the officers executing the certificate, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the Zone, or the title of the officers thereof to their respective offices, and that no Additional Parity Bonds or other indebtedness have been issued since the date of the statement of indebtedness or nonencumbrance certificate submitted to the Attorney General of Texas in connection with approval of the Bonds.

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax Exemption

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the “Service”). The Authority has covenanted in the Bond Resolution that it will comply with these requirements.

Bond Counsel’s opinion will assume continuing compliance with the covenants of the Bond Resolution pertaining to those sections of the Code that affect the excludability of interest on the Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the Authority and other parties involved with the issuance of the Bonds with respect to matters solely within the knowledge of the Authority and such parties, which Bond Counsel has not independently verified. If the Authority fails to comply with the covenants in the Bond Resolution or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Bond Resolution upon the advice or with the approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to Bond Counsel’s ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Bonds from gross income for federal income tax purposes.

Bond Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel’s knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel’s legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Authority as the taxpayer, and the Owners of the Bonds may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds, regardless of the ultimate outcome of the audit.

Qualified Tax-Exempt Obligations

The Bonds **will not be** designated as “qualified tax-exempt obligations” for financial institutions.

Additional Federal Income Tax Considerations

Collateral Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited to those noted below. Therefore, prospective purchasers of the Bonds should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

An “applicable corporation” (as defined in section 59(k) of the Code) may be subject to a 15 percent alternative minimum tax imposed under section 55 of the Code on its “adjusted financial statement income” (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation’s “adjusted financial statement income,” ownership of the Bonds could subject certain corporations to alternative minimum tax consequences.

Tax Accounting Treatment of Original Issue Premium

If the issue price of any maturity of the Bonds exceeds the stated redemption price payable at maturity of such Bonds, such Bonds (the “Premium Bonds”) are considered for federal income tax purposes to have “bond premium” equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount

If the issue price of any maturity of the Bonds is less than the stated redemption price payable at maturity of such Bonds (the “OID Bonds”), the difference between (i) the amount payable at the maturity of each OID Bond, and (ii) the initial offering price to the public of such OID Bond constitutes original issue discount with respect to such OID Bond in the hands of any owner who has purchased such OID Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such OID Bond equal to that portion of the amount of such original issue discount allocable to the period that such OID Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the captions “TAX MATTERS – Tax Exemption” and “TAX MATTERS – Additional Federal Income Tax Considerations – Collateral Tax Consequences” and “—Tax Legislative Changes” generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such OID Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such OID Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such OID Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriter has purchased the Bonds for contemporaneous sale to the public and (ii) all of the OID Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm’s-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside cover page of this Official Statement. Neither the Authority nor Bond Counsel has made any investigation or offers any assurance that the OID Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each OID Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner’s basis for such OID Bond for purposes of determining the amount of gain or loss recognized

by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of OID Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such OID Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such OID Bonds.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any recently enacted, proposed, pending or future legislation.

MUNICIPAL BOND RATINGS

S&P has assigned a municipal bond rating of ["BBB"] to the Bonds. This rating reflects only the views of such rating agency, and an explanation of the significance of any rating may be obtained only from the rating agency furnishing such rating. There is no assurance that any such rating will be maintained for any given period of time or that such rating will not be revised downward, suspended or withdrawn entirely by such rating agency, if in its sole judgment, circumstances so warrant. Any downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

MUNICIPAL BOND INSURANCE

The Authority has made application for a commitment for municipal bond guaranty insurance on the Bonds and for a Reserve Fund Surety Policy. The purchase of such municipal bond guaranty insurance and/or Reserve Fund Surety Policy, if available and determined to be economically beneficial, and payment of all associated fees, including the premium charged by the Bond Insurer, will be at the expense of the Authority.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolution, the Authority has made the following agreement for the benefit of the registered and beneficial owners of the Bonds. The Authority is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Authority will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB") or any successor to its functions as a repository through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The Authority will provide certain updated financial information and operating data annually to the MSRB through its EMMA system. The information to be updated includes all quantitative financial information and operating data with respect to the Authority of the general type included in this Official Statement in: Schedules 1-7 and APPENDIX B: FINANCIAL STATEMENTS OF THE AUTHORITY. The Authority will update and provide this information within six months after the end of each of its fiscal year ending in and after 2027. The Authority may provide updated information in full text or may incorporate by reference certain other documents on the EMMA System, as permitted by the United States Securities and Exchange Commission ("SEC") Rule 15c2-12, as amended (the "Rule").

The updated information will include audited financial statements, if the Authority commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Authority will provide unaudited financial statements for the applicable fiscal year to EMMA within six months after the end of the fiscal year and audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix C or such other accounting principles as the Authority may be required to employ from time to time pursuant to state law or regulation.

The Authority's fiscal year end is currently June 30. Accordingly, it must provide updated information by December 31 in each year, beginning in fiscal year 2027, unless the Authority changes its fiscal year. If the Authority changes its fiscal year, it will notify the MSRB of the change.

Specified Event Notices

The Authority will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The Authority will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Authority within the meaning of the Rule; (13) consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the Authority if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority any of which reflect financial difficulties. The terms "obligated person" or "financial obligation" when used in this paragraph shall have the meanings ascribed to them under the Rule. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for liquidity enhancement. In addition, the Authority will provide timely notice of any failure by the Authority to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from MSRB

The Authority has agreed to provide the foregoing information only to the MSRB. Investors will be able to access, without charge from the MSRB, continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

The Authority has agreed to update information and to provide notices of events only as described above. The Authority has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Authority makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Authority disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the Authority to comply with its agreement.

The Authority may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or any person unaffiliated with the Authority (such as nationally recognized Bond Counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Authority may amend or repeal the agreement in the Bond Resolution if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent an underwriter from lawfully purchasing the Bonds in the initial offering. If the Authority so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

The Authority entered into a continuing disclosure agreement in accordance with the Rule in connection with the issuance of the Prior Bonds in 2023. Since then, it has been in material compliance with its obligations under the continuing disclosure agreement.

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

The financial data and other information contained in this Official Statement has been obtained primarily from the records of the City, the Appraisal District, the Authority, and other sources. All of these sources are believed to be reliable, but no guarantee is made by the Authority as to the accuracy or completeness of the information derived from sources other than the Authority, and the Board has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the Authority. Inclusion of such information herein is not to be construed as a representation on the part of the Authority, except that the Authority has represented to the Underwriter that it has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading. Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering and other related information set forth in this Official Statement are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

Municipal Advisor

Masterson Advisors LLC is employed as Municipal Advisor to the Authority to render certain professional services, including advising the Authority on a plan of financing and the Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to the Authority and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information. The fees paid to the Municipal Advisor for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued and sold. Therefore, the payment of such fees is contingent upon the sale and delivery of the Bonds.

Audited Financial Statements

McCall Gibson Swedlund Barfoot Ellis PLLC, the Authority’s independent auditor, has consented to the inclusion of its opinion and the financial statements of the governmental activities and each major fund of the Authority as of and for the year ended June 30, 2026 as Appendix C to the Official Statement. McCall Gibson

Swedlund Barfoot Ellis PLLC has not been engaged to perform and has not performed, since the date of its report included in Appendix B, any procedures on the financial statements addressed in that report. McCall Gibson Swedlund Barfoot Ellis PLLC also has not performed any procedures relating to this Official Statement.

MISCELLANEOUS

All estimates, statements and assumptions in this Official Statement and the Appendices hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any such statements will be realized.

This Official Statement has been approved by the Board of Directors of Montrose Redevelopment Authority.

APPENDIX A
BOUNDARY MAP

APPENDIX B
LAND USE MAP

This map shows current land use in the Zone based on data from Harris Central Appraisal District and the City of Houston.

APPENDIX C
FINANCIAL STATEMENTS OF THE AUTHORITY

Montrose Redevelopment Authority

Monday, October 16th, 2026, at 6:30 PM

6. Projects, Planning, and Parking matters, including:
 - a. report from Projects, Planning, and Parking Committee; and
 - b. report from HR Green; and
 - c. consider approval of plans and specifications and authorize advertisement for bids; and consider approval of pay estimates and change orders, as necessary.

Tax Increment Reinvestment Zone (TIRZ) #27 – Montrose

Committee Report Form

Committee Name: Projects, Planning, and Parking
Committee

Date of Meeting: 10/6/2026

Chairperson: Matt Brollier

Attendees:

Matt Brollier	Katy Caldwell
David Greaney	Muhammad Ali
Derek St. John	Ranjan Roy
Wei Xiao	Suewan Johnson
Tom Combs	Walter Morris
Kristin Blomquist	Kristi Miller

Meeting Report

Agenda

- HR Green Project Report
 - Project Submittal Schedule
 - Progress Report
 - Discussion regarding Montrose Blvd Free Outfall PILOT Study
 - Discussion regarding update on Streetlight audit
- Discussion and Review regarding the Preliminary Official Statement for W Alabama Bond Issuance with Masterson Advisors
- Discussion regarding developer agreement

Notes

- The Committee discussed the Montrose Outfall Study.
- The Committee review the draft Preliminary Official Statement for the W Alabama Bond Sale.
 - The Committee reviewed the Opinion of Probable Construction Cost with HR Green.
- Wei Xiao with Asakura Robinson described the landscaping and hardscape plan for the W Alabama Improvement Project.
- David Greaney with HR Green presented the HR Green Project Stats Report
- The Committee discussed the potential developer agreement

MONTROSE BOULEVARD IMPROVEMENTS, SEGMENT 1

- Remaining punch list items can be addressed now that the bridge rail materials were received.
- Landscape warranty work continues.
- Tree replacement updates.

CHERRYHURST SIDEWALK IMPROVEMENTS

- Pay app 6: conditional approval. No release of retainage yet.
- Contractor working to address punch list items.

MONTROSE SAFE ROUTES TO SCHOOL CONNECTIONS

- Final City comments are being addressed.
- NTP can be scheduled after plan approval.

MANDELL ST SIDEWALKS

- City routed plans for signature.
- NTP can be scheduled after plan approval.

WEST ALABAMA STREET RECONSTRUCTION

- Submitted 75% plans for review on October 2
- 75% plans are under review by City of Houston.
- Re-present project objectives with a focus on tree preservation and planting.

STREETLIGHT AUDIT

- Present streetlight audit findings.
- Next steps are to find methods of addressing lighting deficiencies.



October 15, 2026

Montrose Redevelopment Authority/TIRZ 27 Project Schedules - **DRAFT**



Projects	2026			2027									
	October	November	December	January	February	March	April	May	June	July	August	September	
Montrose Blvd - Segment 1 CM/I & CPS													
Final Completion													
Cherryhurst Sidewalks													
Substantial Completion to Final Completion													
Montrose SRTS Connections													
City Review													
Bid Phase													
Commence Construction - October/November 2026 (one year duration)													
Substantial Completion to Final Completion (October/November 2027)													
Mandell Street Sidewalks													
City Review													
Bid Project (60 days)													
Commence Work to Substantial Completion													
Substantial Completion to Final Completion													
W Alabama Reconstruction													
75% City Review (5 days minimum)													
100% Design/Submittal													
City Review (5 days minimum)													
Submittal for Federal TIP Funding													
Bid Project													
Commence Work to Substantial Completion													
Streetlight Audit													
Draft Report and Coordination with CNP and COH													
Discuss Next Steps with PPP Committee													

Lengend

Design Phase

Bid Phase

Construction Phase



VIRTUAL OPEN HOUSE

WEST ALABAMA STREET RECONSTRUCTION

From Shepherd Drive to Spur 527

August 3, 2026

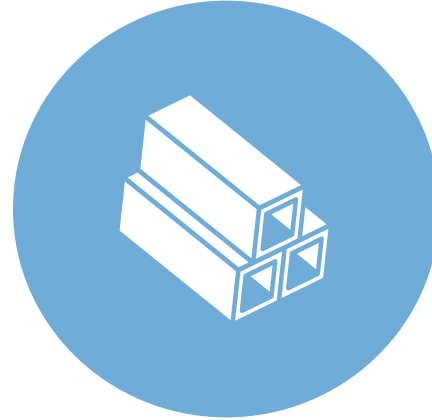
PROJECT OBJECTIVES

Proposed conditions will achieve the following

Safety is being integrated into every aspect of design.



Improve Safety and
Mobility for All Users



Improve Drainage



Promote a Pedestrian
Friendly Environment



Tree Preservation

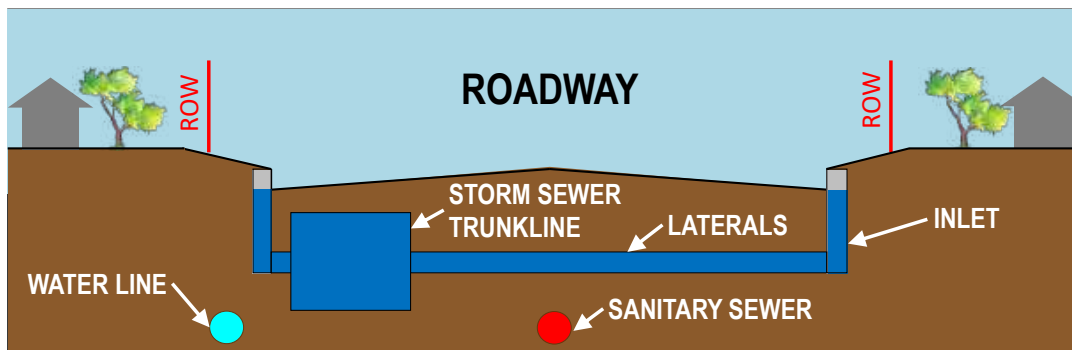
UNDERGROUND INFRASTRUCTURE

DRAINAGE IMPROVEMENTS

- Storm sewer: 6-ft by 3-ft to 6-ft by 6-ft
- Over 5 ac-ft of detention, which will contribute to street ponding reduction and neighborhood resiliency
- Less flooding = safer roadway
- May improve home resale value

WATER LINE AND SANITARY SEWER IMPROVEMENTS

- Relocate due to conflicts with proposed infrastructure.
- Replace some due to age and materials.



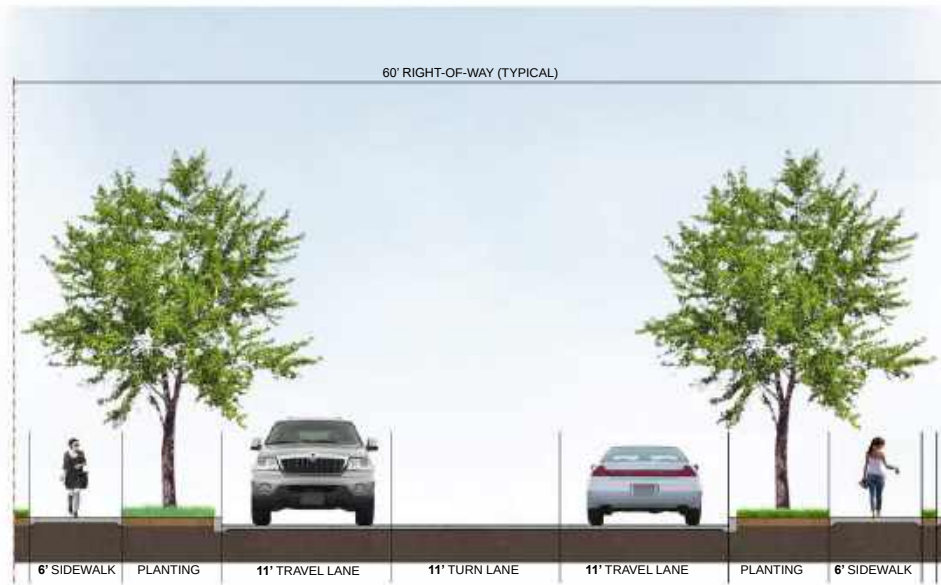
ROADWAY DESIGN

EXISTING CONDITIONS



- Poor to satisfactory asphalt pavement conditions
- One lane in each direction
- Poorly marked center two-way left turn lane
- 4- to 5-ft sidewalks on both sides of the street
- Limited tree locations

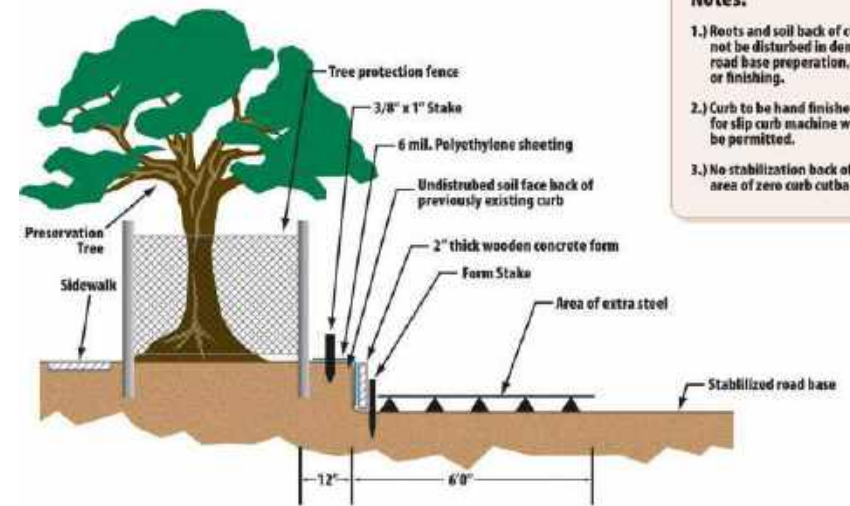
PROPOSED CONDITIONS



- New curb and gutter with concrete pavement
- One lane in each direction
- Clearly marked center two-way-left-turn-lane
- Left turn lanes at key cross streets
- New traffic signals
- 6-ft sidewalk on both sides of the street.
- Implement best practices to protect mature trees.
- Plant new trees
- Maintain access to driveways and head-in parking
- Four lanes at east end to tie into existing



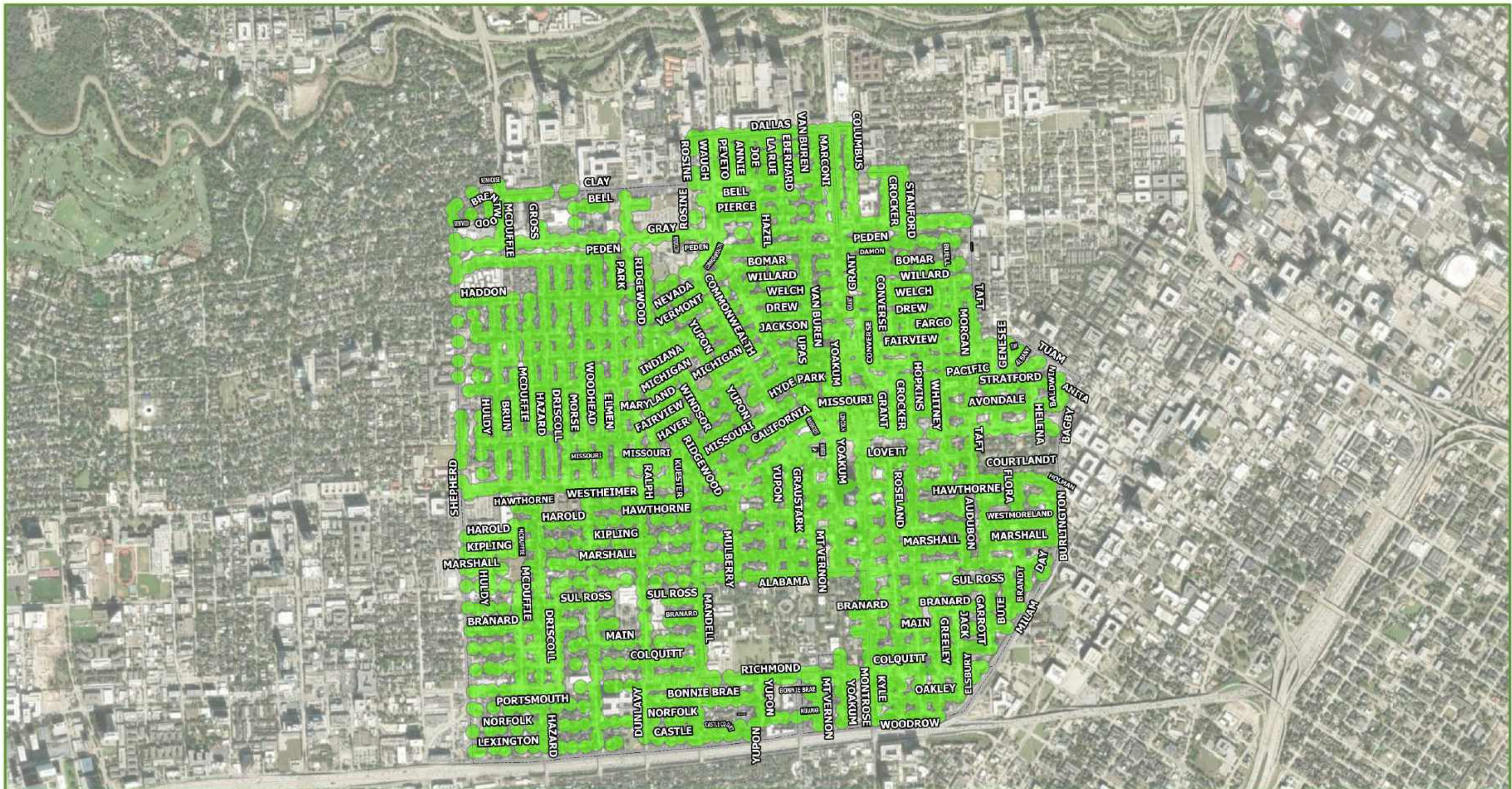
- Design will preserve trees to maximum extent feasible
- Best practices will be implemented to protect trees.
- Plant new trees where possible (30-ft on-center).



- 1.) Roots and soil back of curb shall not be disturbed in demolition, road base preparation, forming or finishing.
- 2.) Curb to be hand finished, access for slip curb machine will not be permitted.
- 3.) No stabilization back of curb in area of zero curb cutback.

Zero Curb Cutback Detail

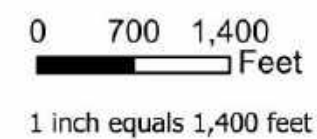




Streetlight Audit

-  Streetlight Coverage
 Audit Boundary

TIRZ 27
STREETLIGHT AUDIT
Asset Coverage Map
Texas





11750 Katy Freeway | Suite 400
Houston, TX 77079
Main 832-318-8800
TBPE Firm F-11278
► **HRGREEN.COM**

October 5, 2026

Matt Brollier, Chairman
Montrose Tax Increment Reinvestment Zone No. 27
c/o ABHR
3200 Southwest Freeway, Suite 2600
Houston, TX 77027

Re: **Montrose Boulevard Improvements – Segment 1**
WBS No. N-T270005-7
mc2 Civil, Inc. Payment No. 18

Dear Chair Brollier,

mc2 Civil, Inc. (mc2) has submitted estimate No. 18 in the amount of \$7,920.00 for construction services rendered through September 30, 2026. Based on our review, mc2 has complied with all requirements stated in the estimate and we recommend payment of **\$7,920.00** to mc2.

The following billing information is to be used for payment:

mc2 Civil, Inc.
14115 Luthe Road, Suite 100
Houston, TX 77039

If you have any questions or require additional information, please feel free to contact me at (832) 968-9981.

Sincerely,

HR Green, Inc.

A handwritten signature in blue ink that reads 'David G. Greaney'.

David G. Greaney, PE

Project Manager

Estimate No. 18
Cut off Date 09/30/26
Estimate Date 10/01/26

Montrose Redevelopment Authority / TIRZ 27
Estimate and Certificate for Payment Unit Price Work



Project Name : Montrose Blvd Improvements - Segment 1
Contractor Name : mc2 Civil
Address : 14115 Luthe Road, Suite 100 Houston, TX 77039

WBS No. N-T27000-0005-7

Contract Date : 3/17/2025
Start Date : 3/31/2025
Current Contract Completion Date : 3/14/2026
Substantial Completion Date : 3/14/2026
Percentage By Time : 100.00% In Place : 97.53%
Date Insurance Exp. : 10/1/2026 Drug Policy Due Date: N/A

M/SBE : 10.00%
Current M/SBE : 14.81%
WBE : 8.00%
Current WBE : 9.14%

CONTRACT TIME IN CALENDAR DAYS

Original Contract Time : 320
Approved Extensions : 29
Total Contract Time : 349
Days Used to Date : 349
Days Remaining to Date : 0
Schedule Update Received :

CONTRACT AMOUNT TO DATE :

- 1- Original Contract Amount
2- Approved Change Orders

\$17,896,003.00

No.	Date	Ext.Days	Amount
1	12/16/2025	0	\$894,800.15
2	12/16/2025	29	\$0.00

Total Approved Extensions

29

Total Change Orders to Date

\$894,800.15

- 3- Approved Work Change Directives

No.	Date	Ext.Days	Amount

Total Pending Work Change Directives to Date

\$0.00

TOTAL CONTRACT AMOUNT (excludes WCDs)

\$18,790,803.15

A. EARNINGS TO DATE

- 1- Work Completed to Date 97.53% Complete
2- Material Stored on Site \$0.00
3- Material Stored in Place \$0.00
4- Balance-Materials Accepted Not in Place \$0.00
5- Work Change Directives - In Place \$0.00

Current Month Billing

\$8,000.00

\$18,327,215.31

TOTAL EARNINGS TO DATE \$18,327,215.31

B. DEDUCTIONS

- 1- Retainage 5% Of \$18,327,215.31 \$916,360.77
2- Retainage Release 4% Of \$18,327,215.31 \$(733,088.61)
3- Total Retainage \$183,272.15
4- Liquidated Damages 0.00 Days @ \$2,000.00 \$0.00
5- Assessments \$0.00
6- Inspector Overtime Costs \$0.00

TOTAL DEDUCTIONS \$183,272.15

C. AMOUNT DUE THIS PERIOD

- 1- Total Earnings to Date \$18,327,215.31
2- Total Deductions \$183,272.15
3- Total Payments Due \$18,143,943.16
4- Less Previous Payments \$18,136,023.16
5- Restoration Adjustment \$0.00

TOTAL AMOUNT DUE CONTRACTOR THIS DATE \$7,920.00

BALANCE REMAINING \$463,587.84

Prepared By David G. Greaney 10/5/2026
David G. Greaney, P.E. Date

Reviewed By Muhammad Ali 10/5/2026
Muhammad Ali, P.E. Date

Approved By: _____
Montrose Redevelopment Authority Date



APPLICATION AND CERTIFICATION FOR PAYMENT

OWNER: MONTROSE REDEVELOPMENT

PROJECT: MONTROSE BLVD
SEGMENT 1

APPLICATION NO: 18

Distribution to:

☒ OWNER

PERIOD: SEPTEMBER 2026

FROM CONTRACTOR:

mc2 CIVIL
14115 LUTHE ROAD, SUITE 100
HOUSTON, TEXAS 77039

PROJECT NO: 250212

DRAWING NO: WBS NO. N-T-27000-0005-7

APPLICATION DATE: 10/1/2026

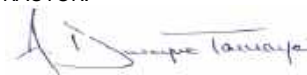
CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet is attached.

1. ORIGINAL CONTRACT SUM	\$	17,896,003.00
2. Net change by Change Orders	\$	894,800.15
3. CONTRACT SUM TO DATE (Line 1 ± 2)	\$	18,790,803.15
4. TOTAL COMPLETED TO DATE	\$	18,327,215.31
4A. TOTAL STORED TO DATE	\$	0.00
5. RETAINAGE:		
a. 1 % of Completed Work	\$	\$183,272.15
b. 5 % of Stored Material	\$	0.00
Total Retainage (Lines 5a + 5b)		\$183,272.15
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	\$18,143,943.16
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	18,136,023.16
8. CURRENT PAYMENT DUE	\$	7,920.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	646,859.99

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: 

Date: 10/1/2026

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

A	B	Q	C	D	E	F	G	H	J	K	L	M	N	P	R
		P / F	C * E				(G+J)*E - H				G + J		H + K + M		F - P
Item No. / Task	Description of Work	%	SCHEDULE OF VALUES				WORK COMPLETED				MATERIALS PRESENTLY STORED (not in H or K)		TOTAL COMPLETED AND STORED TO DATE		Balance to Finish
			Scheduled Qty	Unit of Measure	Scheduled Unit/Cost	Scheduled Value	FROM PREVIOUS APPLICATION		THIS PERIOD		Stored Qty	Stored Cost	Completed Qty	Total Cost	
							Prior Qty	Prior Invoiced	Period Qty	Period Cost					
1	Mobilization (5% maximum)	100%	1	LS	\$880,000.00	\$ 880,000.00	1.00	\$880,000.00	0.00	\$0.00			1.00	\$880,000.00	\$ -
2	Clearing and Grubbing	100%	1	AC	\$ 10,000.00	\$ 10,000.00	1.00	\$10,000.00	0.00	\$0.00			1.00	\$10,000.00	\$ -
3	Uniformed Peace Officers (Min bid - \$55/HR)	189%	2500	HR	\$ 55.00	\$ 137,500.00	4,732.50	\$260,287.50	0.00	\$0.00			4732.50	\$260,287.50	\$ (122,787.50)
4	Traffic Control and Regulation	100%	1	LS	\$ 325,000.00	\$ 325,000.00	1.00	\$325,000.00	0.00	\$0.00			1.00	\$325,000.00	\$ -
5	Furnishing and installing precast Low Profile Concrete Barrier (LPCB) TYP 1	103%	2540	LF	\$ 40.00	\$ 101,600.00	2,620.00	\$104,800.00	0.00	\$0.00			2620.00	\$104,800.00	\$ (3,200.00)
6	Furnishing and installing precast Low Profile Concrete Barrier (LPCB) TYP 2	200%	40	LF	\$ 40.00	\$ 1,600.00	80.00	\$3,200.00	0.00	\$0.00			80.00	\$3,200.00	\$ (1,600.00)
7	Move precast Low Profile Concrete Barrier (LPCB) TYP 1	100%	80	LF	\$ 20.00	\$ 1,600.00	80.00	\$1,600.00	0.00	\$0.00			80.00	\$1,600.00	\$ -
8	Move precast Low Profile Concrete Barrier (LPCB) TYP 2	100%	80	LF	\$ 20.00	\$ 1,600.00	80.00	\$1,600.00	0.00	\$0.00			80.00	\$1,600.00	\$ -
9	Remove precast Low Profile Concrete Barrier (LPCB) TYP 1	152%	2540	LF	\$ 10.00	\$ 25,400.00	3,860.00	\$38,600.00	0.00	\$0.00			3860.00	\$38,600.00	\$ (13,200.00)
10	Remove precast Low Profile Concrete Barrier (LPCB) TYP 2	100%	40	LF	\$ 10.00	\$ 400.00	40.00	\$400.00	0.00	\$0.00			40.00	\$400.00	\$ -
11	Constructing Detours (Temp 8-Inch Asphalt)	273%	686	SY	\$ 120.00	\$ 82,320.00	1,875.16	\$225,019.20	0.00	\$0.00			1875.16	\$225,019.20	\$ (142,699.20)
12	Plug Pipes (All Types and All Sizes) and Manholes	100%	4	EA	\$ 500.00	\$ 2,000.00	4.00	\$2,000.00	0.00	\$0.00			4.00	\$2,000.00	\$ -
13	Cut and Plug Pipes (All Types and All Sizes)	100%	3	EA	\$ 1,000.00	\$ 3,000.00	3.00	\$3,000.00	0.00	\$0.00			3.00	\$3,000.00	\$ -
14	Remove and Store School Zone Sign	100%	1	EA	\$ 1,000.00	\$ 1,000.00	1.00	\$1,000.00	0.00	\$0.00			1.00	\$1,000.00	\$ -
15	Remove and Dispose of School Zone Sign Foundation	100%	1	EA	\$ 300	\$ 300.00	1.00	\$300.00	0.00	\$0.00			1.00	\$300.00	\$ -
16	Remove and Dispose of Existing Concrete Curb and Gutter	100%	2458	LF	\$ 5.00	\$ 12,290.00	2,458.00	\$12,290.00	0.00	\$0.00			2458.00	\$12,290.00	\$ -
17	Remove and Dispose of Concrete Driveways (All Thickness)	100%	1038	SY	\$ 20.00	\$ 20,760.00	1,038.00	\$20,760.00	0.00	\$0.00			1038.00	\$20,760.00	\$ -
18	Remove and Dispose of Concrete Sidewalks & Ramp (All Thickness)	100%	1475	SY	\$ 10.00	\$ 14,750.00	1,475.00	\$14,750.00	0.00	\$0.00			1475.00	\$14,750.00	\$ -
19	Remove and Dispose of Existing Asphaltic Surface and Flexible Base Material (All Depths) w/ subgrade	100%	9633	SY	\$ 10.00	\$ 96,330.00	9,633.00	\$96,330.00	0.00	\$0.00			9633.00	\$96,330.00	\$ -
20	Remove and Dispose of Reinforced Concrete Pavement (All Depths) With or Without Asphalt Overlay	155%	5785	SY	\$ 10.00	\$ 57,850.00	8,975.00	\$89,750.00	0.00	\$0.00			8975.00	\$89,750.00	\$ (31,900.00)
21	Remove and Dispose of Concrete Riprap	3567%	2	SY	\$ 100.00	\$ 200.00	71.33	\$7,133.00	0.00	\$0.00			71.33	\$7,133.00	\$ (6,933.00)
22	Remove and Dispose of Guard Rail	148%	27	LF	\$ 10.00	\$ 270.00	40.00	\$400.00	0.00	\$0.00			40.00	\$400.00	\$ (130.00)
23	Remove and Dispose of Existing Strm Swr Pipe (All Types and All Sizes)	100%	1480	LF	\$ 24.00	\$ 35,520.00	1,480.00	\$35,520.00	0.00	\$0.00			1480.00	\$35,520.00	\$ -
24	Remove and Dispose of Existing MRC Strm Swr Pipe (All Sizes)	100%	1790	LF	\$ 110.00	\$ 196,900.00	1,790.00	\$196,900.00	0.00	\$0.00			1790.00	\$196,900.00	\$ -
25	Remove and Dispose of Existing Manholes	100%	13	EA	\$ 800.00	\$ 10,400.00	13.00	\$10,400.00	0.00	\$0.00			13.00	\$10,400.00	\$ -
26	Remove and Dispose of Existing Inlets	100%	13	EA	\$ 800.00	\$ 10,400.00	13.00	\$10,400.00	0.00	\$0.00			13.00	\$10,400.00	\$ -
27	Remove and Dispose of Fence (All Types and All Sizes)	100%	115	LF	\$ 5.00	\$ 575.00	115.00	\$575.00	0.00	\$0.00			115.00	\$575.00	\$ -
28	Remove and Dispose of Gas Valve	100%	1	EA	\$ 500.00	\$ 500.00	1.00	\$500.00	0.00	\$0.00			1.00	\$500.00	\$ -
29	Remove and Dispose of Metal Post	200%	1	EA	\$ 200.00	\$ 200.00	2.00	\$400.00	0.00	\$0.00			2.00	\$400.00	\$ (200.00)
30	Remove and Dispose of Electric Box	100%	1	EA	\$ 1,000.00	\$ 1,000.00	1.00	\$1,000.00	0.00	\$0.00			1.00	\$1,000.00	\$ -
31	Remove and Dispose of Metal Sign	100%	1	EA	\$ 200.00	\$ 200.00	1.00	\$200.00	0.00	\$0.00			1.00	\$200.00	\$ -
32	4" Concrete Riprap	200%	3	CY	\$ 2,000.00	\$ 6,000.00	6.00	\$12,000.00	0.00	\$0.00			6.00	\$12,000.00	\$ (6,000.00)
33	Stainless Steel Bollard	0%	10	EA	\$ 1,500.00	\$ 15,000.00	0.00	\$0.00	0.00	\$0.00			0.00	\$0.00	\$ 15,000.00
34	Roadway Excavation and Offsite Disposal	100%	12458	CY	\$ 25.00	\$ 311,450.00	12,458.00	\$311,450.00	0.00	\$0.00			12458.00	\$311,450.00	\$ -
35	Embankment Fill	100%	391	CY	\$ 40.00	\$ 15,640.00	391.00	\$15,640.00	0.00	\$0.00			391.00	\$15,640.00	\$ -
36	Hydrated Lime (Slurry) or Commercial Lime Slurry (7% by Dry Weight)	100%	384	TON	\$ 360.00	\$ 138,240.00	384.00	\$138,240.00	0.00	\$0.00			384.00	\$138,240.00	\$ -
37	8" Lime Treated Stabilized Subgrade Manipulation	100%	16640	SY	\$ 10.00	\$ 166,400.00	16,640.00	\$166,400.00	0.00	\$0.00			16640.00	\$166,400.00	\$ -
38	Type B Hot Mix Asphaltic Leveling Course, 8-Inch (including Prime Coat at 0.30 Gal/SY)	100%	227	TON	\$ 180.00	\$ 40,860.00	227.00	\$40,860.00	0.00	\$0.00			227.00	\$40,860.00	\$ -
39	Type D Hot Mix Asphaltic Concrete Pavement, 3-Inch (including Tack Coat at 0.15 Gal/SY)	100%	86	TON	\$ 200.00	\$ 17,200.00	86.00	\$17,200.00	0.00	\$0.00			86.00	\$17,200.00	\$ -
40	Reinforced Concrete Pavement (11" Depth), including Expansion Joints and Horizontal Dowels	100%	10424	SY	\$ 100.00	\$ 1,042,400.00	10,424.00	\$1,042,400.00	0.00	\$0.00			10424.00	\$1,042,400.00	\$ -
41	Reinforced Concrete Pavement (11" Depth), High Early Strength, including Expansion Joints and Horizontal Dowels	100%	4499	SY	\$ 120.00	\$ 539,880.00	4,499.00	\$539,880.00	0.00	\$0.00			4499.00	\$539,880.00	\$ -
42	Metro Bus Stop Concrete Pad (9")	114%	268	SY	\$ 140.00	\$ 37,520.00	304.40	\$42,616.00	0.00	\$0.00			304.40	\$42,616.00	\$ (5,096.00)
43	7-inch High Early Strength Concrete Driveway, including Excavation and Subgrade Stabilization	100%	8015	SF	\$ 12.00	\$ 96,180.00	8,015.00	\$96,180.00	0.00	\$0.00			8015.00	\$96,180.00	\$ -
44	Concrete Paving Header	100%	256	LF	\$ 15.00	\$ 3,840.00	256.00	\$3,840.00	0.00	\$0.00			256.00	\$3,840.00	\$ -
45	Reinforced Concrete Curb (6")	100%	6727	LF	\$ 6.00	\$ 40,362.00	6,727.00	\$40,362.00	0.00	\$0.00			6727.00	\$40,362.00	\$ -
46	Reinforced Concrete Curb (9")	100%	1164	LF	\$ 20.00	\$ 23,280.00	1,164.00	\$23,280.00	0.00	\$0.00			1164.00	\$23,280.00	\$ -
47	Reinforced Concrete Curb and Gutter (6")	100%	225	LF	\$ 30.00	\$ 6,750.00	225.00	\$6,750.00	0.00	\$0.00			225.00	\$6,750.00	\$ -
48	Reinforced Concrete Sidewalk (4-1/2" Thick)	100%	6472	SF	\$ 9.00	\$ 58,248.00	6,472.00	\$58,248.00	0.00	\$0.00			6472.00	\$58,248.00	\$ -
49	Reinforced Concrete Sidewalk (5-1/2" Thick)	118%	10625	SF	\$ 10.00	\$ 106,250.00	12,574.09	\$125,740.90	0.00	\$0.00			12574.09	\$125,740.90	\$ (19,490.90)

A	B	Q P / F	C	D	E	F C * E	G	H	J	K (G+J)*E - H	L	M	N G + J	P H + K + M	R F - P
Item No. / Task	Description of Work	%	SCHEDULE OF VALUES				WORK COMPLETED				MATERIALS PRESENTLY STORED (not in H or K)		TOTAL COMPLETED AND STORED TO DATE		Balance to Finish
			Scheduled Qty	Unit of Measure	Scheduled Unit/Cost	Scheduled Value	Prior Qty	Prior Invoiced	Period Qty	Period Cost	Stored Qty	Stored Cost	Completed Qty	Total Cost	
50	Construct ADA Complaint Wheelchair Ramp, including ADA Truncated Domes (complete in place)	100%	2960	SF	\$ 17.00	\$ 50,320.00	2,960.00	\$50,320.00	0.00	\$0.00			2960.00	\$50,320.00	\$ -
51	Pavement Repair and Replacement	100%	225	SY	\$ 175.00	\$ 39,375.00	225.00	\$39,375.00	0.00	\$0.00			225.00	\$39,375.00	\$ -
52	REMOV CONC (RETAINING WALLS)	100%	13	SY	\$ 1,500.00	\$ 19,500.00	13.00	\$19,500.00	0.00	\$0.00			13.00	\$19,500.00	\$ -
53	DRILL SHAFT (24 INCH)	100%	172	LF	\$ 400.00	\$ 68,800.00	172.00	\$68,800.00	0.00	\$0.00			172.00	\$68,800.00	\$ -
54	DRILL SHAFT (30 INCH)	100%	174	LF	\$ 550.00	\$ 95,700.00	174.00	\$95,700.00	0.00	\$0.00			174.00	\$95,700.00	\$ -
55	CL C CONC (ABUT)	100%	19.1	CY	\$ 2,400.00	\$ 45,840.00	19.10	\$45,840.00	0.00	\$0.00			19.10	\$45,840.00	\$ -
56	CL C CONC (CAP)	100%	4.1	CY	\$ 5,000.00	\$ 20,500.00	4.10	\$20,500.00	0.00	\$0.00			4.10	\$20,500.00	\$ -
57	CL C CONC (COLUMN)	100%	16.5	CY	\$ 2,400.00	\$ 39,600.00	16.50	\$39,600.00	0.00	\$0.00			16.50	\$39,600.00	\$ -
58	REINF CONC SLAB (SLAB BEAM)	100%	1338	SF	\$ 35.00	\$ 46,830.00	1,338.00	\$46,830.00	0.00	\$0.00			1338.00	\$46,830.00	\$ -
59	PRESTR CONC SLAB BEAM (5SB15)	100%	262	LF	\$ 240.00	\$ 62,880.00	262.00	\$62,880.00	0.00	\$0.00			262.00	\$62,880.00	\$ -
60	RIPRAP (CONC)(CL B)(RR9)	333%	4.2	CY	\$ 1,600.00	\$ 6,720.00	14.00	\$22,400.00	0.00	\$0.00			14.00	\$22,400.00	\$ (15,680.00)
61	STR STEEL (MISC NON BRIDGE)	100%	305	LB	\$ 20.00	\$ 6,100.00	305.00	\$6,100.00	0.00	\$0.00			305.00	\$6,100.00	\$ -
62	RAIL (CONCRETE)	100%	176.5	LF	\$ 200.00	\$ 35,300.00	176.50	\$35,300.00	0.00	\$0.00			176.50	\$35,300.00	\$ -
63	REMOVABLE BOLLARD	100%	2	EA	\$ 1,500.00	\$ 3,000.00	2.00	\$3,000.00	0.00	\$0.00			2.00	\$3,000.00	\$ -
64	REMOV CONC (CURB)	200%	140	LF	\$ 15.00	\$ 2,100.00	280.00	\$4,200.00	0.00	\$0.00			280.00	\$4,200.00	\$ (2,100.00)
65	BRIDGE CURB	100%	140	LF	\$ 50.00	\$ 7,000.00	140.00	\$7,000.00	0.00	\$0.00			140.00	\$7,000.00	\$ -
66	RETROFIT RAIL (ALUMINUM)	100%	80	LF	\$ 300.00	\$ 24,000.00	80.00	\$24,000.00	0.00	\$0.00			80.00	\$24,000.00	\$ -
67	Retaining Wall, Including Surface Mineral Finish and Anti-Graffiti Coating	100%	4333	SF	\$ 315.00	\$ 1,364,895.00	4,333.00	\$1,364,895.00	0.00	\$0.00			4333.00	\$1,364,895.00	\$ -
68	Handrail (1.5" Diameter Pipe Rail With Powder Coat Finish)	100%	629	LF	\$ 125.00	\$ 78,625.00	629.00	\$78,625.00	0.00	\$0.00			629.00	\$78,625.00	\$ -
69	Brick Plug in RCB	100%	200	SF	\$ 20.00	\$ 4,000.00	200.00	\$4,000.00	0.00	\$0.00			200.00	\$4,000.00	\$ -
70	Concrete Collar	100%	3	EA	\$ 1,500.00	\$ 4,500.00	3.00	\$4,500.00	0.00	\$0.00			3.00	\$4,500.00	\$ -
71	10" Thick Concrete Wall with Orifice in 10'x8' RCB (Cast-In-Place, All Sizes)	100%	1	EA	\$ 13,000.00	\$ 13,000.00	1.00	\$13,000.00	0.00	\$0.00			1.00	\$13,000.00	\$ -
72	Clean Dirt from Pipe	100%	400	LF	\$ 30.00	\$ 12,000.00	400.00	\$12,000.00	0.00	\$0.00			400.00	\$12,000.00	\$ -
73	5'X5' Precast Box Concrete Manhole	100%	2	EA	\$ 7,500.00	\$ 15,000.00	2.00	\$15,000.00	0.00	\$0.00			2.00	\$15,000.00	\$ -
74	TYP "BB" Inlet	100%	4	EA	\$ 7,500.00	\$ 30,000.00	4.00	\$30,000.00	0.00	\$0.00			4.00	\$30,000.00	\$ -
75	TYP "C-"1 Inlet	100%	11	EA	\$ 9,000.00	\$ 99,000.00	11.00	\$99,000.00	0.00	\$0.00			11.00	\$99,000.00	\$ -
76	TYP "C-1 MOD" Inlet	100%	1	EA	\$ 12,000.00	\$ 12,000.00	1.00	\$12,000.00	0.00	\$0.00			1.00	\$12,000.00	\$ -
77	TYP "C" 4-Foot Diameter Precast Round Concrete Manhole	100%	9	EA	\$ 7,000.00	\$ 63,000.00	9.00	\$63,000.00	0.00	\$0.00			9.00	\$63,000.00	\$ -
78	TYP "C" 4-Foot Diameter Precast Concrete Manhole on Box Storm Sewer	111%	9	EA	\$ 4,500.00	\$ 40,500.00	10.00	\$45,000.00	0.00	\$0.00			10.00	\$45,000.00	\$ (4,500.00)
79	8'x13' Junction Box, including Orifice (Cast-In-Place)	100%	4	EA	\$ 100,000.00	\$ 400,000.00	4.00	\$400,000.00	0.00	\$0.00			4.00	\$400,000.00	\$ -
80	11'x15' Junction Box, including Orifice (Cast-In-Place) and Temporary Shoring	100%	1	EA	\$ 350,000.00	\$ 350,000.00	1.00	\$350,000.00	0.00	\$0.00			1.00	\$350,000.00	\$ -
81	24-inch diameter Storm Sewer by Open-Cut, Complete in Place	100%	765	LF	\$ 290.00	\$ 221,850.00	765.00	\$221,850.00	0.00	\$0.00			765.00	\$221,850.00	\$ -
82	30-inch diameter Storm Sewer by Open-Cut, Complete in Place	100%	42	LF	\$ 350.00	\$ 14,700.00	42.00	\$14,700.00	0.00	\$0.00			42.00	\$14,700.00	\$ -
83	36-inch diameter Storm Sewer by Open-Cut, Complete in Place	100%	106	LF	\$ 460.00	\$ 48,760.00	106.00	\$48,760.00	0.00	\$0.00			106.00	\$48,760.00	\$ -
84	42-inch diameter Storm Sewer by Open-Cut, Complete in Place	100%	19	LF	\$ 510.00	\$ 9,690.00	19.00	\$9,690.00	0.00	\$0.00			19.00	\$9,690.00	\$ -
85	54-inch diameter Storm Sewer by Open-Cut, Complete in Place	100%	24	LF	\$ 610.00	\$ 14,640.00	24.00	\$14,640.00	0.00	\$0.00			24.00	\$14,640.00	\$ -
86	10'x8' RCB by Open-Cut, Complete in Place	100%	56	LF	\$ 2,100.00	\$ 117,600.00	56.00	\$117,600.00	0.00	\$0.00			56.00	\$117,600.00	\$ -
87	10'x10' RCB by Open-Cut, Complete in Place	100%	2143	LF	\$ 2,150.00	\$ 4,607,450.00	2,143.00	\$4,607,450.00	0.00	\$0.00			2143.00	\$4,607,450.00	\$ -
88	Trench Safety System	100%	3163	LF	\$ 5.00	\$ 15,815.00	3,163.00	\$15,815.00	0.00	\$0.00			3163.00	\$15,815.00	\$ -
89	16-inch Steel Casing	100%	31	LF	\$ 300.00	\$ 9,300.00	31.00	\$9,300.00	0.00	\$0.00			31.00	\$9,300.00	\$ -
90	20-inch Steel Casing	100%	73	LF	\$ 300.00	\$ 21,900.00	73.00	\$21,900.00	0.00	\$0.00			73.00	\$21,900.00	\$ -
91	Adjust Water Meter/ Valve to Grade	100%	5	EA	\$ 400.00	\$ 2,000.00	5.00	\$2,000.00	0.00	\$0.00			5.00	\$2,000.00	\$ -
92	Remove and Dispose Water Line pipe (all sizes)	100%	31	LF	\$ 20.00	\$ 620.00	31.00	\$620.00	0.00	\$0.00			31.00	\$620.00	\$ -
93	Remove and Dispose Water Meter Vault	100%	1	EA	\$ 3,000.00	\$ 3,000.00	1.00	\$3,000.00	0.00	\$0.00			1.00	\$3,000.00	\$ -
94	Trench Safety System	100%	416	LF	\$ 5.00	\$ 2,080.00	416.00	\$2,080.00	0.00	\$0.00			416.00	\$2,080.00	\$ -
95	8-inch Diameter Water Line by Open-Cut	100%	138	LF	\$ 220.00	\$ 30,360.00	138.00	\$30,360.00	0.00	\$0.00			138.00	\$30,360.00	\$ -
96	12-inch Diameter Water Line by Open-Cut	100%	169	LF	\$ 220.00	\$ 37,180.00	169.00	\$37,180.00	0.00	\$0.00			169.00	\$37,180.00	\$ -
97	20-inch Diameter Water Line by Open-Cut	0%	109	LF	\$ 350.00	\$ 38,150.00	0.00	\$0.00	0.00	\$0.00			0.00	\$0.00	\$ 38,150.00
98	6-inch diameter wet connection	100%	1	EA	\$ 2,800.00	\$ 2,800.00	1.00	\$2,800.00	0.00	\$0.00			1.00	\$2,800.00	\$ -
99	8-inch diameter wet connection	100%	7	EA	\$ 3,000.00	\$ 21,000.00	7.00	\$21,000.00	0.00	\$0.00			7.00	\$21,000.00	\$ -
100	12-inch diameter wet connection	100%	1	EA	\$ 3,200.00	\$ 3,200.00	1.00	\$3,200.00	0.00	\$0.00			1.00	\$3,200.00	\$ -
101	20-inch diameter wet connection	0%	2	EA	\$ 7,500.00	\$ 15,000.00	0.00	\$0.00	0.00	\$0.00			0.00	\$0.00	\$ 15,000.00
102	8-inch Cut, Plug, and Abandon	100%	4	EA	\$ 500.00	\$ 2,000.00	4.00	\$2,000.00	0.00	\$0.00			4.00	\$2,000.00	\$ -
103	12-inch Cut, Plug, and Abandon	100%	3	EA	\$ 600.00	\$ 1,800.00	3.00	\$1,800.00	0.00	\$0.00			3.00	\$1,800.00	\$ -
104	20-inch Cut, Plug, and Abandon	0%	2	EA	\$ 1,000.00	\$ 2,000.00	0.00	\$0.00	0.00	\$0.00			0.00	\$0.00	\$ 2,000.00
105	Remove and Salvage Existing Fire Hydrant	100%	6	EA	\$ 1,000.00	\$ 6,000.00	6.00	\$6,000.00	0.00	\$0.00			6.00	\$6,000.00	\$ -
106	Fire Hydrant Assembly	100%	8	EA	\$ 7,500.00	\$ 60,000.00	8.00	\$60,000.00	0.00	\$0.00			8.00	\$60,000.00	\$ -
107	6-inch FH Lead (Open-cut)	100%	108	LF	\$ 130.00	\$ 14,040.00	108.00	\$14,040.00	0.00	\$0.00			108.00	\$14,040.00	\$ -
108	8-inch x 6-inch TS&V w/ Box	100%	7	EA	\$ 6,500.00	\$ 45,500.00	7.00	\$45,500.00	0.00	\$0.00			7.00	\$45,500.00	\$ -
109	8-inch x 8-inch TS&V w/ Box	100%	2	EA	\$ 9,000.00	\$ 18,000.00	2.00	\$18,000.00	0.00	\$0.00			2.00	\$18,000.00	\$ -

A	B	Q P / F	C	D	E	F C * E	G	H	J	K (G+J)*E - H	L	M	N G + J	P H + K + M	R F - P
Item No. / Task	Description of Work	%	SCHEDULE OF VALUES				WORK COMPLETED				MATERIALS PRESENTLY STORED (not in H or K)		TOTAL COMPLETED AND STORED TO DATE		Balance to Finish
			Scheduled Qty	Unit of Measure	Scheduled Unit/Cost	Scheduled Value	Prior Qty	Prior Invoiced	Period Qty	Period Cost	Stored Qty	Stored Cost	Completed Qty	Total Cost	
110	Remove and Replace Water Meter Box with Concrete Box. Work Includes Adjusting Water Meter to Grade if Needed.	100%	11	EA	\$ 700.00	\$ 7,700.00	11.00	\$7,700.00	0.00	\$0.00			11.00	\$7,700.00	\$ -
111	Adjust Existing Sanitary Sewer Manholes to Grade, All Types	100%	10	EA	\$ 600.00	\$ 6,000.00	10.00	\$6,000.00	0.00	\$0.00			10.00	\$6,000.00	\$ -
112	Remove and Dispose of Existing Sanitary Sewer Pipe (All Types and All Sizes)	100%	103	LF	\$ 30.00	\$ 3,090.00	103.00	\$3,090.00	0.00	\$0.00			103.00	\$3,090.00	\$ -
113	Trench Safety System	283%	103	LF	\$ 5.00	\$ 515.00	292.00	\$1,460.00	0.00	\$0.00			292.00	\$1,460.00	\$ (945.00)
114	8-inch Sanitary Sewer by Open-cut, Complete in place	100%	103	LF	\$ 300.00	\$ 30,900.00	103.00	\$30,900.00	0.00	\$0.00			103.00	\$30,900.00	\$ -
115	Pavement Marking Blast Clean (12")	100%	412	LF	\$ 2.00	\$ 824.00	412.00	\$824.00	0.00	\$0.00			412.00	\$824.00	\$ -
116	Pavement Marking Blast Clean (24")	100%	32	LF	\$ 4.00	\$ 128.00	32.00	\$128.00	0.00	\$0.00			32.00	\$128.00	\$ -
117	Raised Reflective Pavement Markings Type I-C	100%	109	EA	\$ 7.00	\$ 763.00	109.00	\$763.00	0.00	\$0.00			109.00	\$763.00	\$ -
118	Raised Reflective Pavement Markings Type II A-A Yellow	100%	28	EA	\$ 7.00	\$ 196.00	28.00	\$196.00	0.00	\$0.00			28.00	\$196.00	\$ -
119	Raised Reflective Pavement Markings Type II-C-R	100%	83	EA	\$ 7.00	\$ 581.00	83.00	\$581.00	0.00	\$0.00			83.00	\$581.00	\$ -
120	Solid Green Thermoplastic Block	100%	80	SF	\$ 20.00	\$ 1,600.00	80.00	\$1,600.00	0.00	\$0.00			80.00	\$1,600.00	\$ -
121	Thermoplastic Pavement Markings - (W) (4") (BRK)	100%	1160	LF	\$ 1.00	\$ 1,160.00	1,160.00	\$1,160.00	0.00	\$0.00			1160.00	\$1,160.00	\$ -
122	Thermoplastic Pavement Markings - (W) (6") (SLD)	100%	1800	LF	\$ 1.50	\$ 2,700.00	1,800.00	\$2,700.00	0.00	\$0.00			1800.00	\$2,700.00	\$ -
123	Thermoplastic Pavement Markings - (W) (12") (SLD)	100%	1051	LF	\$ 5.00	\$ 5,255.00	1,051.00	\$5,255.00	0.00	\$0.00			1051.00	\$5,255.00	\$ -
124	Thermoplastic Pavement Markings - (W) (24") (SLD)	100%	1350	LF	\$ 10.00	\$ 13,500.00	1,350.00	\$13,500.00	0.00	\$0.00			1350.00	\$13,500.00	\$ -
125	Reflectorized Pavement Markings Type I (Y) (4") (DBL SLD)	100%	420	LF	\$ 2.00	\$ 840.00	420.00	\$840.00	0.00	\$0.00			420.00	\$840.00	\$ -
126	Reflectorized Pavement Markings (W) (ARROW)	100%	14	EA	\$ 300.00	\$ 4,200.00	14.00	\$4,200.00	0.00	\$0.00			14.00	\$4,200.00	\$ -
127	Reflectorized Pavement Markings (W) (WORD)	100%	5	EA	\$ 300.00	\$ 1,500.00	5.00	\$1,500.00	0.00	\$0.00			5.00	\$1,500.00	\$ -
128	Bike Dot Symbol	100%	1	EA	\$ 500.00	\$ 500.00	1.00	\$500.00	0.00	\$0.00			1.00	\$500.00	\$ -
129	Median Nose Paint (Y)	100%	1430	LF	\$ 2.00	\$ 2,860.00	1,430.00	\$2,860.00	0.00	\$0.00			1430.00	\$2,860.00	\$ -
130	Installation or Replacement of Permanent Signs	100%	58	EA	\$ 300.00	\$ 17,400.00	58.00	\$17,400.00	0.00	\$0.00			58.00	\$17,400.00	\$ -
131	Solar Flashing Beacon Assembly, Complete in Place (Re-install Stored Post with a New Screw-in Anchor Foundation)	100%	1	EA	\$ 4,000.00	\$ 4,000.00	1.00	\$4,000.00	0.00	\$0.00			1.00	\$4,000.00	\$ -
132	TYPE "A" PULL BOX WITH APRON, GRAVEL, AND GROUND ROD	100%	14	EA	\$ 1,200.00	\$ 16,800.00	14.00	\$16,800.00	0.00	\$0.00			14.00	\$16,800.00	\$ -
133	TYPE "B" PULL BOX WITH APRON, GRAVEL, AND GROUND ROD	108%	12	EA	\$ 1,400.00	\$ 16,800.00	13.00	\$18,200.00	0.00	\$0.00			13.00	\$18,200.00	\$ (1,400.00)
134	TYPE "C" PULL BOX WITH APRON, GRAVEL, AND GROUND ROD	200%	1	EA	\$ 2,200.00	\$ 2,200.00	2.00	\$4,400.00	0.00	\$0.00			2.00	\$4,400.00	\$ (2,200.00)
135	Furnish and Install 3-Section Vehicle Signal Head Assembly (RYG) (Horizontal) (H3)	100%	6	EA	\$ 1,100.00	\$ 6,600.00	6.00	\$6,600.00	0.00	\$0.00			6.00	\$6,600.00	\$ -
136	Furnish and Install 3-Section Vehicle Signal Head Assembly (<R<Y<G) (Horizontal) (H3L)	100%	2	EA	\$ 1,100.00	\$ 2,200.00	2.00	\$2,200.00	0.00	\$0.00			2.00	\$2,200.00	\$ -
137	Furnish and Install 3-Section Vehicle Signal Head Assembly (<R<Y<G) (Vertical) (V3L)	100%	2	EA	\$ 1,100.00	\$ 2,200.00	2.00	\$2,200.00	0.00	\$0.00			2.00	\$2,200.00	\$ -
138	Furnish and Install 3-Section Vehicle Signal Head Assembly (RR<Y<GG) (Horizontal) (H5LT)	100%	2	EA	\$ 1,400.00	\$ 2,800.00	2.00	\$2,800.00	0.00	\$0.00			2.00	\$2,800.00	\$ -
139	Furnish and Install 3-Section HAWK Signal Head Assembly (RRY)	100%	4	EA	\$ 1,400.00	\$ 5,600.00	4.00	\$5,600.00	0.00	\$0.00			4.00	\$5,600.00	\$ -
140	Furnish and Install LED Blank-Out Sign	100%	3	EA	\$ 5,500.00	\$ 16,500.00	3.00	\$16,500.00	0.00	\$0.00			3.00	\$16,500.00	\$ -
141	Remove and Salvage Existing Traffic Signal System (Including Foundations and Signs), to extent Shown in Plans	100%	2	EA	\$ 5,000.00	\$ 10,000.00	2.00	\$10,000.00	0.00	\$0.00			2.00	\$10,000.00	\$ -
142	Install and Maintain Temporary Traffic Signal for Operation During Construction, as Shown in Plans	100%	2	EA	\$ 84,000.00	\$ 168,000.00	2.00	\$168,000.00	0.00	\$0.00			2.00	\$168,000.00	\$ -
143	Overhead Street Name Sign	100%	4	EA	\$ 770.00	\$ 3,080.00	4.00	\$3,080.00	0.00	\$0.00			4.00	\$3,080.00	\$ -
144	Sign, "CROSSWALK STOP ON RED STOP ON FLASHING RED THEN PROCEED IF CLEAR", R10-23 (COH) (48"X36")	100%	2	EA	\$ 550.00	\$ 1,100.00	2.00	\$1,100.00	0.00	\$0.00			2.00	\$1,100.00	\$ -
145	Sign, "PEDESTRIAN CROSSING" (54"X24")	100%	2	EA	\$ 500.00	\$ 1,000.00	2.00	\$1,000.00	0.00	\$0.00			2.00	\$1,000.00	\$ -
146	Sign, "LEFT ON GREEN ARROW ONLY", R10-5 (30"X36")	100%	2	EA	\$ 350.00	\$ 700.00	2.00	\$700.00	0.00	\$0.00			2.00	\$700.00	\$ -
147	Sign, "NO RIGHT TURN ON RED", R10-11a (36"X48")	100%	8	EA	\$ 400.00	\$ 3,200.00	8.00	\$3,200.00	0.00	\$0.00			8.00	\$3,200.00	\$ -
148	Sign, "LEFT TURN YIELD ON GREEN", R10-12 (30"X36")	100%	2	EA	\$ 400.00	\$ 800.00	2.00	\$800.00	0.00	\$0.00			2.00	\$800.00	\$ -
149	2-#14 XHHW (DLC)	100%	4860	LF	\$ 1.00	\$ 4,860.00	4,860.00	\$4,860.00	0.00	\$0.00			4860.00	\$4,860.00	\$ -
150	2/C #14 (IMSA 50-2) (Stranded) (RLW)	4273%	190	LF	\$ 5.50	\$ 1,045.00	8,119.00	\$44,654.50	0.00	\$0.00			8119.00	\$44,654.50	\$ (43,609.50)
151	#8 AWG Solid Copper Bare Wire (BB)	100%	2570	LF	\$ 1.70	\$ 4,369.00	2,570.00	\$4,369.00	0.00	\$0.00			2570.00	\$4,369.00	\$ -
152	#8 AWG Solid Copper Bare Wire (BG)	100%	170	LF	\$ 2.20	\$ 374.00	170.00	\$374.00	0.00	\$0.00			170.00	\$374.00	\$ -
153	#12 AWG XHHW Wire (SLG)	100%	670	LF	\$ 1.00	\$ 670.00	670.00	\$670.00	0.00	\$0.00			670.00	\$670.00	\$ -
154	6-#4 AWG XHHW (SP1)	100%	70	LF	\$ 22.00	\$ 1,540.00	70.00	\$1,540.00	0.00	\$0.00			70.00	\$1,540.00	\$ -
155	3-#4 AWG XHHW (SP2)	100%	120	LF	\$ 11.00	\$ 1,320.00	120.00	\$1,320.00	0.00	\$0.00			120.00	\$1,320.00	\$ -
156	2-#10 AWG XHHW (SL)	100%	900	LF	\$ 2.00	\$ 1,800.00	900.00	\$1,800.00	0.00	\$0.00			900.00	\$1,800.00	\$ -
157	TRAFFIC SIGNAL CABLES, 3/C #14 AWG SOLID CABLE	100%	2820	LF	\$ 2.20	\$ 6,204.00	2,820.00	\$6,204.00	0.00	\$0.00			2820.00	\$6,204.00	\$ -
158	TRAFFIC SIGNAL CABLES, 5/C #14 AWG SOLID CABLE	100%	2470	LF	\$ 2.30	\$ 5,681.00	2,470.00	\$5,681.00	0.00	\$0.00			2470.00	\$5,681.00	\$ -
159	TRAFFIC SIGNAL CABLES, 7/C #14 AWG SOLID CABLE	100%	4020	LF	\$3.80	\$ 15,276.00	4,020.00	\$15,276.00	0.00	\$0.00			4020.00	\$15,276.00	\$ -
160	3/C #20 SHIELDED CABLE (SC)	100%	550.00	LF	\$ 2.20	\$ 1,210.00	550.00	\$1,210.00	0.00	\$0.00			550.00	\$1,210.00	\$ -
161	CONDUIT, 1-IN SCH 80 PVC TRENCH (INCLUDES BOND WIRE AND PULL TAPE)	148%	60.00	LF	\$ 28.00	\$ 1,680.00	89.00	\$2,492.00	0.00	\$0.00			89.00	\$2,492.00	\$ (812.00)

A	B	Q P / F	C	D	E	F C * E	G	H	J	K (G+J)*E - H	L	M	N G + J	P H + K + M	R F - P
Item No. / Task	Description of Work	%	SCHEDULE OF VALUES				WORK COMPLETED				MATERIALS PRESENTLY STORED (not in H or K)		TOTAL COMPLETED AND STORED TO DATE		Balance to Finish
			Scheduled Qty	Unit of Measure	Scheduled Unit/Cost	Scheduled Value	Prior Qty	Prior Invoiced	Period Qty	Period Cost	Stored Qty	Stored Cost	Completed Qty	Total Cost	
162	CONDUIT, 2-IN SCH 80 PVC TRENCH (INCLUDES BOND WIRE AND PULL TAPE)	100%	1,190.00	LF	\$ 15.00	\$ 17,850.00	1,190.00	\$17,850.00	0.00	\$0.00			1190.00	\$17,850.00	\$ -
163	CONDUIT, 3-IN SCH 80 PVC TRENCH (INCLUDES BOND WIRE AND PULL TAPE)	145%	40.00	LF	\$ 36.00	\$ 1,440.00	58.00	\$2,088.00	0.00	\$0.00			58.00	\$2,088.00	\$ (648.00)
164	CONDUIT, 3-IN SCH 80 PVC BORE (INCLUDES BOND WIRE AND PULL TAPE)	100%	120.00	LF	\$ 36.00	\$ 4,320.00	120.00	\$4,320.00	0.00	\$0.00			120.00	\$4,320.00	\$ -
165	CONDUIT, 4-IN SCH 80 PVC TRENCH (INCLUDES BOND WIRE AND PULL TAPE)	100%	140.00	LF	\$ 42.00	\$ 5,880.00	140.00	\$5,880.00	0.00	\$0.00			140.00	\$5,880.00	\$ -
166	CONDUIT, 4-IN SCH 80 PVC BORE (INCLUDES BOND WIRE AND PULL TAPE)	108%	1,180.00	LF	\$ 42.00	\$ 49,560.00	1,272.00	\$53,424.00	0.00	\$0.00			1272.00	\$53,424.00	\$ (3,864.00)
167	CONDUIT, 2-IN RIGID METAL CONDIT (Extra Work Item)	350%	10.00	LF	\$ 77.00	\$ 770.00	35.00	\$2,695.00	0.00	\$0.00			35.00	\$2,695.00	\$ (1,925.00)
168	LOOP DETECTOR (SAW CUT IN PAVEMENT) (INCLUDING LOOP WIRE- SEALANT AND CONNECTIONS)	100%	950.00	LF	\$ 14.00	\$ 13,300.00	950.00	\$13,300.00	0.00	\$0.00			950.00	\$13,300.00	\$ -
169	Emergency Vehicle Preemption System (Intersection)	100%	1.00	EA	\$ 10,000.00	\$ 10,000.00	1.00	\$10,000.00	0.00	\$0.00			1.00	\$10,000.00	\$ -
170	Accessible Pedestrian Push Button Station	121%	19.00	EA	\$ 1,200.00	\$ 22,800.00	23.00	\$27,600.00	0.00	\$0.00			23.00	\$27,600.00	\$ (4,800.00)
171	5' Pedestal Pole Assembly with Screw-In Anchor and Breakaway Base	114%	7.00	EA	\$ 2,600.00	\$ 18,200.00	8.00	\$20,800.00	0.00	\$0.00			8.00	\$20,800.00	\$ (2,600.00)
172	15' Pedestal Pole Assembly with Screw-In Anchor and Breakaway Base	100%	3.00	EA	\$ 2,750.00	\$ 8,250.00	3.00	\$8,250.00	0.00	\$0.00			3.00	\$8,250.00	\$ -
173	20' Pedestal Pole Assembly with Concrete Foundation	100%	2.00	EA	\$ 19,500.00	\$ 39,000.00	2.00	\$39,000.00	0.00	\$0.00			2.00	\$39,000.00	\$ -
174	25-ft Mast Arm Pole Assembly 15' Luminaire Arm, Luminaire (115 Watt LED) and Foundation	100%	2.00	EA	\$ 20,000.00	\$ 40,000.00	2.00	\$40,000.00	0.00	\$0.00			2.00	\$40,000.00	\$ -
175	30-ft Mast Arm Pole Assembly 15' Luminaire Arm, Luminaire (115 Watt LED) and Foundation	100%	2.00	EA	\$ 21,000.00	\$ 42,000.00	2.00	\$42,000.00	0.00	\$0.00			2.00	\$42,000.00	\$ -
176	40-ft Mast Arm Pole Assembly 15' Luminaire Arm, Luminaire (115 Watt LED) and Foundation	100%	1.00	EA	\$ 23,000.00	\$ 23,000.00	1.00	\$23,000.00	0.00	\$0.00			1.00	\$23,000.00	\$ -
177	45-ft Mast Arm Pole Assembly 15' Luminaire Arm, Luminaire (115 Watt LED) and Foundation	100%	1.00	EA	\$ 34,000.00	\$ 34,000.00	1.00	\$34,000.00	0.00	\$0.00			1.00	\$34,000.00	\$ -
178	ITS Controller Cabinet Assembly (MODEL 346)(Type 2070L)	100%	1.00	EA	\$ 34,000.00	\$ 34,000.00	1.00	\$34,000.00	0.00	\$0.00			1.00	\$34,000.00	\$ -
179	Controller Cabinet Foundation (346) with Apron	100%	1.00	EA	\$ 3,500.00	\$ 3,500.00	1.00	\$3,500.00	0.00	\$0.00			1.00	\$3,500.00	\$ -
180	Electrical Service Pedestal Assembly ("Square D" Breakers, Photoelectric and HOA Lighting Control Included)	100%	1.00	EA	\$ 8,500.00	\$ 8,500.00	1.00	\$8,500.00	0.00	\$0.00			1.00	\$8,500.00	\$ -
181	LED Pedestrian Signal Head Assembly (SYMBOLIC) (COUNTDOWN)	100%	15.00	EA	\$ 750.00	\$ 11,250.00	15.00	\$11,250.00	0.00	\$0.00			15.00	\$11,250.00	\$ -
182	Uninterruptible Power Supply	100%	2.00	EA	\$ 9,000.00	\$ 18,000.00	2.00	\$18,000.00	0.00	\$0.00			2.00	\$18,000.00	\$ -
183	Field Hardened Ethernet Switch (Six Copper Ports Only)	100%	2.00	EA	\$ 2,750.00	\$ 5,500.00	2.00	\$5,500.00	0.00	\$0.00			2.00	\$5,500.00	\$ -
184	GPS Serial Communication Module	100%	3.00	EA	\$ 800.00	\$ 2,400.00	3.00	\$2,400.00	0.00	\$0.00			3.00	\$2,400.00	\$ -
185	Cellular Communication System, Complete in Place	100%	2.00	EA	\$ 7,500.00	\$ 15,000.00	2.00	\$15,000.00	0.00	\$0.00			2.00	\$15,000.00	\$ -
186	Remove and Dispose of Existing Underpass Lighting Fixtures and Equipment	100%	1.00	LS	\$ 10,500.00	\$ 10,500.00	1.00	\$10,500.00	0.00	\$0.00			1.00	\$10,500.00	\$ -
187	Removal of Existing CNP Streetlight Assets (Existing Poles and Light Fixtures)	100%	1.00	LS	\$ 10,000.00	\$ 10,000.00	1.00	\$10,000.00	0.00	\$0.00			1.00	\$10,000.00	\$ -
188	Stenciling of Proposed Street Lighting per COH Identification Number	100%	1.00	LS	\$ 1,100.00	\$ 1,100.00	1.00	\$1,100.00	0.00	\$0.00			1.00	\$1,100.00	\$ -
189	Service Equipment and Pole	100%	3.00	EA	\$ 6,000.00	\$ 18,000.00	3.00	\$18,000.00	0.00	\$0.00			3.00	\$18,000.00	\$ -
190	Metering Panel	100%	3.00	EA	\$ 1,000.00	\$ 3,000.00	3.00	\$3,000.00	0.00	\$0.00			3.00	\$3,000.00	\$ -
191	Service Enclosure	100%	3.00	EA	\$ 5,500.00	\$ 16,500.00	3.00	\$16,500.00	0.00	\$0.00			3.00	\$16,500.00	\$ -
192	Lighting Panels	100%	3.00	EA	\$ 1,200.00	\$ 3,600.00	3.00	\$3,600.00	0.00	\$0.00			3.00	\$3,600.00	\$ -
193	Pull Boxes	175%	4.00	EA	\$ 1,500.00	\$ 6,000.00	7.00	\$10,500.00	0.00	\$0.00			7.00	\$10,500.00	\$ (4,500.00)
194	Underpass Lighting Fixtures	100%	8.00	EA	\$ 3,200.00	\$ 25,600.00	8.00	\$25,600.00	0.00	\$0.00			8.00	\$25,600.00	\$ -
195	Décor Lighting Fixtures	100%	4.00	EA	\$ 3,500.00	\$ 14,000.00	4.00	\$14,000.00	0.00	\$0.00			4.00	\$14,000.00	\$ -
196	30-ft Street light Pole, 10' Luminaire Arm, Luminaire (55 Watt LED) and Foundation	111%	9.00	EA	\$ 9,000.00	\$ 81,000.00	10.00	\$90,000.00	0.00	\$0.00		\$ -	10.00	\$90,000.00	\$ (9,000.00)
197	30-ft Street light Pole, 10' Luminaire Arm, 18" Pipe Arm, 2- Luminaires (55 Watt LED) and Foundation	88%	25.00	EA	\$ 9,000.00	\$ 225,000.00	22.00	\$198,000.00	0.00	\$0.00		\$ -	22.00	\$198,000.00	\$ 27,000.00
198	Conduit and Conductors	100%	1.00	LS	\$ 450,000.00	\$ 450,000.00	1.0000	\$450,000.00	0.00	\$0.00			1.00	\$450,000.00	\$ -
199	Electrical Ductbank	100%	4,000.00	LF	\$ 25.00	\$ 100,000.00	4,000.00	\$100,000.00	0.00	\$0.00			4000.00	\$100,000.00	\$ -
200	Misc. Electrical Items	100%	1.00	LS	\$ 20,000.00	\$ 20,000.00	1.00	\$20,000.00	0.00	\$0.00			1.00	\$20,000.00	\$ -
201	Remove tree 0 to 11.99"(or Palm tree)	100%	27.00	LS	\$ 1.00	\$ 27.00	27.00	\$27.00	0.00	\$0.00			27.00	\$27.00	\$ -
202	Remove tree 12" to 29.99"	100%	1.00	LS	\$ 1.00	\$ 1.00	1.00	\$1.00	0.00	\$0.00			1.00	\$1.00	\$ -
203	Clearance Prune Tree	100%	26.00	LS	\$ 1.00	\$ 26.00	26.00	\$26.00	0.00	\$0.00			26.00	\$26.00	\$ -
204	Install Tree Protection Fence	100%	2,300.00	LS	\$ 1.00	\$ 2,300.00	2,300.00	\$2,300.00	0.00	\$0.00			2300.00	\$2,300.00	\$ -
205	Install Root Pruning Trench	100%	800.00	LS	\$ 1.00	\$ 800.00	800.00	\$800.00	0.00	\$0.00			800.00	\$800.00	\$ -
206	Install Zero Curb Cutback	110%	960.00	LF	\$ 15.00	\$ 14,400.00	1,060.00	\$15,900.00	0.00	\$0.00			1060.00	\$15,900.00	\$ (1,500.00)
207	Crown Cleaning Prune	100%	37.00	LS	\$ 1.00	\$ 37.00	37.00	\$37.00	0.00	\$0.00			37.00	\$37.00	\$ -
208	Root Stimulation	100%	37.00	LS	\$ 1.00	\$ 37.00	37.00	\$37.00	0.00	\$0.00			37.00	\$37.00	\$ -
209	Urban Forestry Monitoring	100%	10.00	LS	\$ 1.00	\$ 10.00	10.00	\$10.00	0.00	\$0.00			10.00	\$10.00	\$ -
210	P3 - Rolled Steel Edge	100%	423.00	LF	\$ 50.00	\$ 21,150.00	423.00	\$21,150.00	0.00	\$0.00			423.00	\$21,150.00	\$ -
211	P2- Concrete Paver Edge Restraint	100%	137.00	LF	\$ 30.00	\$ 4,110.00	137.00	\$4,110.00	0.00	\$0.00			137.00	\$4,110.00	\$ -

A	B	Q P / F	C	D	E	F C * E	G	H	J	K (G+J)*E - H	L	M	N G + J	P H + K + M	R F - P
Item No. / Task	Description of Work	%	SCHEDULE OF VALUES				WORK COMPLETED				MATERIALS PRESENTLY STORED (not in H or K)		TOTAL COMPLETED AND STORED TO DATE		Balance to Finish
			Scheduled Qty	Unit of Measure	Scheduled Unit/Cost	Scheduled Value	Prior Qty	Prior Invoiced	Period Qty	Period Cost	Stored Qty	Stored Cost	Completed Qty	Total Cost	
212	P4- Mortared Cobble	100%	161.00	SF	\$ 90.00	\$ 14,490.00	161.00	\$14,490.00	0.00	\$0.00			161.00	\$14,490.00	\$ -
213	P1 - Concrete Unit Paver	100%	5,185.00	SF	\$ 10.00	\$ 51,850.00	5,185.00	\$51,850.00	0.00	\$0.00			5185.00	\$51,850.00	\$ -
214	P1 - Pavers Concrete Base	100%	5,185.00	SF	\$ 15.00	\$ 77,775.00	5,185.00	\$77,775.00	0.00	\$0.00			5185.00	\$77,775.00	\$ -
215	Planting Mix Soil Type 0.5 - 6" (Sodded Areas)	100%	330.00	CY	\$ 90.00	\$ 29,700.00	330.00	\$29,700.00	0.00	\$0.00			330.00	\$29,700.00	\$ -
216	Planting Mix Soil Type 1 - 12" (Above Retaining Wall)	100%	340.00	CY	\$ 90.00	\$ 30,600.00	340.00	\$30,600.00	0.00	\$0.00			340.00	\$30,600.00	\$ -
217	Planting Mix Soil Type 2 - 24" (Base of Retaining Wall & Steel Edge)	100%	149.00	CY	\$ 90.00	\$ 13,410.00	149.00	\$13,410.00	0.00	\$0.00			149.00	\$13,410.00	\$ -
218	Planting Mix Soil Type 3 - 36" (Trees - Included Crowning)	100%	2,200.00	CY	\$ 90.00	\$ 198,000.00	2,200.00	\$198,000.00	0.00	\$0.00			2200.00	\$198,000.00	\$ -
219	Structural Planting Soil	74%	2,250.00	CY	\$ 210.00	\$ 472,500.00	1,665.00	\$349,650.00	0.00	\$0.00			1665.00	\$349,650.00	\$ 122,850.00
220	Hardwood Mulch 1/2"-3"	100%	130.00	CY	\$ 75.00	\$ 9,750.00	130.00	\$9,750.00	0.00	\$0.00			130.00	\$9,750.00	\$ -
221	Trees - 100 Gal (Taxodium 406, includes platypus tree anchoring)	100%	99.00	EA	\$ 1,700.00	\$ 168,300.00	99.00	\$168,300.00	0.00	\$0.00			99.00	\$168,300.00	\$ -
222	Trees - 100 Gal (Quercus virginana 'Cathedral' (Live Oak), includes platypus tree anchoring)	100%	6.00	EA	\$ 1,700.00	\$ 10,200.00	6.00	\$10,200.00	0.00	\$0.00			6.00	\$10,200.00	\$ -
223	Trees - 200 Gal (Quercus virginana 'Cathedral', (Live Oak) includes platypus tree anchoring)	100%	7.00	EA	\$ 2,500.00	\$ 17,500.00	7.00	\$17,500.00	0.00	\$0.00			7.00	\$17,500.00	\$ -
224	Bermuda Sod	100%	57,505.00	SF	\$ 0.80	\$ 46,004.00	57,505.00	\$46,004.00	0.00	\$0.00			57505.00	\$46,004.00	\$ -
225	Warranty / Grow-In Period - 48 Months (Watering, mowing, tree stake removal, tree pruning, tree fertilizing)	13%	48.00	MO	\$ 8,000.00	\$ 384,000.00	5.00	\$40,000.00	1.00	\$8,000.00			6.00	\$48,000.00	\$ 336,000.00
226	Stainless Cladding, Galvanized Internal Framing, Bead Blasted Finish (Design, Furnish, and Install)	88%	1.00	LS	\$ 700,000.00	\$ 700,000.00	0.88	\$615,000.00	0.00	\$0.00			0.88	\$615,000.00	\$ 85,000.00
227	Bagged Gravel Barrier	100%	210.00	LF	\$ 10.00	\$ 2,100.00	210.00	\$2,100.00	0.00	\$0.00			210.00	\$2,100.00	\$ -
228	Filter Fabric Barrier	100%	775.00	LF	\$ 6.00	\$ 4,650.00	775.00	\$4,650.00	0.00	\$0.00			775.00	\$4,650.00	\$ -
229	Demobilization & Remobilization	100%	1.00	LS	\$ 25,000.00	\$ 25,000.00	1.00	\$25,000.00	0.00	\$0.00			1.00	\$25,000.00	\$ -
230	Extra Cement Stabilized Sand	0%	20.00	CY	\$ 55.00	\$ 1,100.00	0.00	\$0.00	0.00	\$0.00			0.00	\$0.00	\$ 1,100.00
231	Early completion of Phase 1, Steps 1 to 3 (substantially complete except bridge, streetlights, and trees) prior to 12:00am on September 1, 2025. \$5,000 per day for a maximum of 15 working days.	0%	15.00	DAY	\$ 6,670.00	\$ 100,050.00	0.00	\$0.00	0.00	\$0.00			0.00	\$0.00	\$ 100,050.00
232	Street Cut Permits	0%	1.00	LS	\$ 5,000.00	\$ 5,000.00	0.00	\$0.00	0.00	\$0.00			0.00	\$0.00	\$ 5,000.00
233	Power Company Allowance	0%	1.00	LS	\$ 20,000.00	\$ 20,000.00	0.00	\$0.00	0.00	\$0.00			0.00	\$0.00	\$ 20,000.00
234	Streetlights	0%	1.00	LS	\$ 3,000.00	\$ 3,000.00	0.00	\$0.00	0.00	\$0.00			0.00	\$0.00	\$ 3,000.00
235	Work Change Directives (500,000 + 894,800.15)	0%	1.00	LS	\$ 1,394,800.15	\$ 152,910.90	0.00	\$0.00	0.00	\$0.00			0.00	\$0.00	\$ 152,910.90
235A	Remove Median Curb	100%	1,257.00	LF	\$ 5.00	\$ 6,285.00	1,257.00	\$6,285.00	0.00	\$0.00			1257.00	\$6,285.00	\$ -
235B	Junction Box 5 Temporary Manhole	100%	1.00	ls	\$ 63,724.96	\$ 63,724.96	1.00	\$63,724.96	0.00	\$0.00			1.00	\$63,724.96	\$ -
235C	Inspector Services	100%	245.00	HR	\$ (120.00)	\$ (29,400.00)	245.00	(\$29,400.00)	0.00	\$0.00			245.00	(\$29,400.00)	\$ -
235D	FLAGMEN FOR CROSSWALK	100%	1,658.00	HR	\$ 25.00	\$ 41,450.00	1,658.00	\$41,450.00	0.00	\$0.00			1658.00	\$41,450.00	\$ -
235E	CONSTRUCTING DETOURS (TEMP 8" ASPHALT)	100%	2,577.00	SY	\$ 109.00	\$ 280,893.00	2,577.00	\$280,893.00	0.00	\$0.00			2577.00	\$280,893.00	\$ -
235F	USE OF HES IN LIEU OF STANDARD CONCRETE	100%	4,502.07	SY	\$ 14.00	\$ 63,028.98	4,502.07	\$63,028.98	0.00	\$0.00			4502.07	\$63,028.98	\$ -
235G	REINFORCED CONCRETE CURB 6"	100%	2,033.00	LF	\$ 6.00	\$ 12,198.00	2,033.00	\$12,198.00	0.00	\$0.00			2033.00	\$12,198.00	\$ -
235H	INSTALL SOD IN MEDIANS /REMOVE SOD FROM MEDIANS	100%	3,825.00	SF	\$ 0.70	\$ 2,677.50	3,825.00	\$2,677.50	0.00	\$0.00			3825.00	\$2,677.50	\$ -
235I	REMOVE SOD FROM MEDIANS	100%	3,825.00	SF	\$ 0.40	\$ 1,530.00	3,825.00	\$1,530.00	0.00	\$0.00			3825.00	\$1,530.00	\$ -
235J	TREE GRATES	100%	1.00	LS	\$ 81,028.16	\$ 81,028.16	1.00	\$81,028.16	0.00	\$0.00			1.00	\$81,028.16	\$ -
235K	DEMO AND DISPOSE OF UNDERGROUND RETAINING WALL CONFLICT	100%	1.00	LS	\$ 8,910.61	\$ 8,910.61	1.00	\$8,910.61	0.00	\$0.00			1.00	\$8,910.61	\$ -
235L	REGRADE SWALE/ DRESS AREA 104+00 TO 108+00	100%	1.00	LS	\$ 4,577.72	\$ 4,577.72	1.00	\$4,577.72	0.00	\$0.00			1.00	\$4,577.72	\$ -
235M	LOWER EXISTING 4" GAS LINE & 2 UTILITES -EZZE FIBER & VERIZON	100%	1.00	LS	\$ 13,969.30	\$ 13,969.30	1.00	\$13,969.30	0.00	\$0.00			1.00	\$13,969.30	\$ -
235N	WATER VALVE RELOCATION	100%	1.00	LS	\$ 6,984.65	\$ 6,984.65	1.00	\$6,984.65	0.00	\$0.00			1.00	\$6,984.65	\$ -
235O	WATER LINE LOWERING	100%	1.00	LS	\$ 25,670.71	\$ 25,670.71	1.00	\$25,670.71	0.00	\$0.00			1.00	\$25,670.71	\$ -
235P	REMOVE AND REINSTALL TREES	100%	1.00	LS	\$ 58,595.95	\$ 58,595.95	1.00	\$58,595.95	0.00	\$0.00			1.00	\$58,595.95	\$ -
235Q	WALL DESIGN CHANGE	100%	1.00	LS	\$ 453,089.87	\$ 453,089.87	1.00	\$453,089.87	0.00	\$0.00			1.00	\$453,089.87	\$ -
235R	RELIABLE FOUNTAIN REPAIR	100%	1.00	LS	\$ 29,667.11	\$ 29,667.11	1.00	\$29,667.11	0.00	\$0.00			1.00	\$29,667.11	\$ -
235S	RENFRO- STRUCTURE CHANGE FOR CANTALIEVER TRUSS	100%	1.00	LS	\$ 5,667.00	\$ 5,667.00	1.00	\$5,667.00	0.00	\$0.00			1.00	\$5,667.00	\$ -
235T	RELIABLE CO-3 LUMINAIRE AND CAMERA SYSTEM	100%	7.00	EA	\$ 8,498.19	\$ 59,487.33	7.00	\$59,487.33	0.00	\$0.00			7.00	\$59,487.33	\$ -
235U	RELIABLE CO-4 F&I VIVIDS SYSTEM	100%	6.00	EA	\$ 4,493.53	\$ 26,961.20	6.00	\$26,961.20	0.00	\$0.00			6.00	\$26,961.20	\$ -
235V	RELIABLE CO-5 LOOP CARDS FOR LOOP DETECTORS	100%	15.00	EA	\$ 187.80	\$ 2,816.93	15.00	\$2,816.93	0.00	\$0.00			15.00	\$2,816.93	\$ -
235W	RELIABLE CO-7 NEW CCU FOR PED PUSH BUTTON STATION	100%	1.00	EA	\$ 5,077.58	\$ 5,077.58	1.00	\$5,077.58	0.00	\$0.00			1.00	\$5,077.58	\$ -
235X	PFEIFFER INVOICE- REMOVE SECURITY CAMERAS AT BRIDGE	100%	1.00	EA	\$ 1,920.04	\$ 1,920.04	1.00	\$1,920.04	0.00	\$0.00			1.00	\$1,920.04	\$ -
235Y	GARAGE PARKING WAYFINDING SIGNS	420%	18.00	EA	\$ 448.50	\$ 1,920.04	18.00	\$8,073.00	0.00	\$0.00			18.00	\$8,073.00	
235Z	INSTALL DOORWAY AND DOOR AT ISMAILI CENTER	100%	1.00	LS	\$ 13,157.62	\$ 13,157.62	1.00	\$13,157.62	0.00	\$ -			1.00	\$ 13,157.62	\$ -
						\$ -	0.00	\$0.00		\$ -			0.00	\$ -	\$ -
							0.00		0.00	\$0.00			0.00		
	GRAND TOTAL	98%				\$ 18,790,803.15		\$18,319,215.31		\$ 8,000.00		-		\$ 18,327,215.31	\$ 469,740.80

IX - PART B

AFFIDAVIT OF BILLS PAID

Harris County, Texas

BEFORE ME, the undersigned authority, on this day personally appeared A. Dwayne Tamayo the Project Manager of mc2 Civil, ("CONTRACTOR"), party to that certain Contract entered on the 17th day of March, 2025, between Montrose Redevelopment Authority and CONTRACTOR for the erection, construction, and completion of certain improvements and/or additions upon the following described premises, to wit:

Montrose Blvd Improvements – Segment 1 WBS NO N-T-27000-0005-7

Said party being by me duly sworn states upon oath that the said improvements have been erected and completed in full compliance with the above referred to Contract and the agreed plans and specifications therefor.

Deponent further states that he has paid all bills and claims for materials furnished and labor performed on said Contract and that there are no outstanding unpaid bills or legal claims for labor performed or materials furnished upon said job.

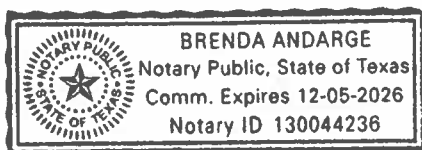
THIS AFFIDAVIT IS BEING MADE BY THE UNDERSIGNED REALIZING THAT IT IS IN RELIANCE UPON THE TRUTHFULNESS OF THE STATEMENTS CONTAINED HEREIN THAT FINAL AND FULL SETTLEMENT OF THE BALANCE DUE ON SAID CONTRACT IS BEING MADE, AND IN CONSIDERATION OF THE DISBURSEMENT OF FUNDS BY PASADENA ECONOMIC DEVELOPMENT CORPORATION, DEPONENT EXPRESSLY WAIVES AND RELEASES LIENS, CLAIMS, AND RIGHTS TO ASSERT A LIEN ON SAID PREMISES AND AGREES TO INDEMNIFY AND HOLD OWNER SAFE AND HARMLESS FROM AND AGAINST ALL LOSSES, DAMAGES, COSTS, AND EXPENSES OF ANY CHARACTER WHATSOEVER SPECIFICALLY INCLUDING COURT COSTS, BONDING FEES, AND ATTORNEY FEES, ARISING OUT OF OR IN ANY WAY RELATING TO CLAIMS FOR UNPAID LABOR OR MATERIAL USED OR ASSOCIATED WITH CONSTRUCTION OF IMPROVEMENTS ON THE ABOVE-DESCRIBED PREMISES.

mc2 Civil



By: A. DWAYNE TAMAYO

Subscribed and sworn to before me, the undersigned authority, on this the October day of 2, 2026




Notary Public in and for Harris County, Texas



11750 Katy Freeway | Suite 400
Houston, TX 77079
Main 832-318-8800
TBPE Firm F-11278
► **HRGREEN.COM**

October 5, 2026

Matt Brollier, Chairman
Montrose Tax increment Reinvestment Zone No. 27
c/o ABHR
3200 Southwest Freeway, Suite 2600
Houston, TX 77027

Re: **Cherryhurst Sidewalk Improvement Project**
WBS No. N-T27000-0014-7
Ceballos Construction LLC. - Payment No. 06

Dear Chair Brollier,

Ceballos Construction LLC has submitted estimate No. 6 in the amount of \$122,958.62 for construction services rendered through September 25, 2026. Based on our review Ceballos Construction LLC. has complied with all requirements stated in the estimate and we recommend payment of **\$122,958.62** to Ceballos Construction LLC.

The following billing information is to be used for payment:

Ceballos Construction Company
4526 N Freeway, Suite 119
Houston, Texas 77022

If you have any questions or require additional information, please feel free to contact me at (832) 968-9981.

Sincerely,

HR Green, Inc.

A handwritten signature in blue ink that reads 'David G. Greaney'.

David G. Greaney, PE

Project Manager

Estimate No. 6
 Cut off Date 09/25/26
 Estimate Date 10/01/26

Montrose Redevelopment Authority (TIRZ #27)
Estimate and Certificate for Payment Unit Price Work



Project Name : Cherryhurst Sidewalk Improvement Project
 Contractor Name : Ceballos Construction Co.
 Address : 4526 N Freeway, Suite 119, Houston, Texas 77022

Contract Date : 12/9/2025
 Start Date : 4/6/2026
 Current Contract Completion Date : 9/3/2026

Percentage By Time : 100.00% In Place : 81.20%
 Date Insurance Exp. : 3/14/2027

CONTRACT TIME IN CALENDAR DAYS

Original Contract Time : 150
 Approved Extensions : 0
 Total Contract Time : 150
 Days Used to Date : 150
 Days Remaining to Date : 0
 Schedule Update Received :

CONTRACT AMOUNT TO DATE :

- 1- Original Contract Amount
 2- Approved Change Orders

\$960,907.00

No.	Date	Ext.Days	Amount

Total Approved Extensions

0

Total Change Orders to Date

\$0.00

- 3- Approved Work Change Directives

No.	Date	Ext.Days	Amount

Total Pending Work Change Directives to Date

\$0.00

TOTAL CONTRACT AMOUNT (excludes WCDs)

\$960,907.00

A. EARNINGS TO DATE

1- Work Completed to Date 81.20% Complete
 2- Material Stored on Site \$0.00
 3- Material Stored in Place \$0.00
 4- Balance-Materials Accepted Not in Place \$0.00 @ 85%
 5- Work Change Directives - In Place

Current Month Billing

\$129,430.12

\$780,236.83

\$0.00

\$0.00

\$0.00

\$0.00

TOTAL EARNINGS TO DATE \$780,236.83

B. DEDUCTIONS

1- Retainage 5% Of \$780,236.83 \$39,011.84
 2- Retainage Release 0% Of \$780,236.83 \$0.00
 3- Total Retainage
 4- Liquidated Damages 0.00 Days @ \$0.00
 5- Assessments
 6- Inspector Overtime Costs

\$39,011.84

\$0.00

\$0.00

\$0.00

TOTAL DEDUCTIONS \$39,011.84

C. AMOUNT DUE THIS PERIOD

1- Total Earnings to Date \$780,236.83
 2- Total Deductions \$39,011.84
 3- Total Payments Due
 4- Less Previous Payments
 5- Restoration Adjustment

\$741,224.99

\$618,266.37

\$0.00

TOTAL AMOUNT DUE CONTRACTOR THIS DATE \$122,958.62

BALANCE REMAINING \$180,670.17

Prepared By Jeffrey W. Koenig 10/5/2026
 Jeff Koenig, PE, CCM, CPESC Date

Reviewed By David Greaney 10/5/2026
 David Greaney, PE Date

Approved By: _____
 Montrose Redevelopment Authority Date



4526 N Freeway Ste. 119, Houston TX 77022

Application and Certificate for Payment

PROJECT: Cherryhurst Sidewalk Improvement Project

OWNER: Montrose Tax Increment Reinvestment
Zone 27 (TIRZ 27)
ADDRESS: 3200 Southwest Freeway, Ste. 2600
Houston, Texas 77027

PAY PERIOD: From 8/26/2026 To 9/25/2026

Estimate No 6

4/6/2026 Notice to Proceed
9/3/2026 Substantial Completion Date
10/3/2026 Final Completion Date

Initial Contract Time 150 days
Change in Contract Time 0 days
Previous Approved 0 days
Total Contract Time 150 days
Spent Days 172 days
Days Remaining -22 days
Rain Days To Date 0 days

% Contract Time 114.7%

% Complete to Date 81.2%

Change Orders:

	NO.	Date:	Amount:
Approved Change Orders:	1		
	2		
	3		

Total Change Orders: \$0.00

Payment Calculation:

Original Contract Sum:	\$ 960,907.00
Net Change by Change Orders:	\$ -
Contract Sum to Date:	\$ 960,907.00
Total Completed and Stored to Date:	\$ 780,236.83
Total Retainage (5%):	\$ 39,011.84
Total Earned Less Retainage:	\$ 741,224.99
Less Previous Certificates of Payment:	\$ 618,266.37

Current Payment Due: \$ 122,958.62

Engineer: _____
HR GREEN, INC

Contractor: 
Ceballos Construction, LLC

Owner: _____
Montrose (TIRZ 27)

Application and Certificate for Payment

Owner: Montrose Tax Increment Reinvestment Zone 27
(TIRZ 27)

Contractor: Ceballos Construction, LLC

Project: CHERRYHURST SIDEWALK IMPROVEMENTS

Application No:

6

Date: 10/1/2026

Project WBS No:

N- T27000-0014-7

Pay Period:

From: 8/26/2026

To: 9/25/2026

Item No.	Item Description	Unit	Contract Quantity	Unit Price	Scheduled Price	Quantities		Completed and Stored to Date		
						Previous Estimate	This Period	Quantity	Amount	%
1	MOBILIZATION	LS	1	\$ 15,000.00	\$ 15,000.00	1	0	1	\$ 15,000.00	100%
2	Traffic Control and Regulation	LS	1	\$ 25,000.00	\$ 25,000.00	0.95	0.05	1	\$ 25,000.00	100%
3	Clearing and grubbing	AC	1	\$ 3,500.00	\$ 3,500.00	0.38	0.212	0.592	\$ 2,072.00	59%
4	Project Sign	EA	2	\$ 1,500.00	\$ 3,000.00	2	0	2	\$ 3,000.00	100%
5	Uniformed Peace Officers (Min bid - \$55/HR)	HR	250	\$ 75.00	\$ 18,750.00	250	0	250	\$ 18,750.00	100%
6	Remove and Dispose of Concrete Driveways (All Thickness)	SY	978	\$ 12.00	\$ 11,736.00	949.99	28.01	978	\$ 11,736.00	100%
7	Remove and Dispose of Existing Concrete Curb and Gutter	LF	231	\$ 3.00	\$ 693.00	218	12	230	\$ 690.00	100%
8	Remove and Dispose of Concrete Sidewalks & Ramp (All Thickness)	SY	3,537	\$ 14.00	\$ 49,518.00	3369.08	164.42	3533.5	\$ 49,469.00	100%
9	Concrete Leveling	SF	1,708	\$ 1.00	\$ 1,708.00	0	0	0	\$ -	0%
10	Curb Wall	LF	217	\$ 50.00	\$ 10,850.00	205	0	205	\$ 10,250.00	94%
11	4-inch Concrete Riprap	CY	10	\$ 110.00	\$ 1,100.00	8.72	0	8.72	\$ 959.20	87%
12	Remove and reset pavers	SF	279	\$ 5.00	\$ 1,395.00	0	0	0	\$ -	0%
13	Roadway Excavation and Offsite Disposal	CY	132	\$ 20.00	\$ 2,640.00	127.35	0	127.35	\$ 2,547.00	96%
14	Coarse Sand, including Woven Geotextile, Complete-in-place	CY	132	\$ 35.00	\$ 4,620.00	132	0	132	\$ 4,620.00	100%
15	6-Inch High Early Strength Concrete Driveway, including Excavation and Subgrade Stabilization	SF	8,736	\$ 15.00	\$ 131,040.00	7908.21	827.79	8736	\$ 131,040.00	100%
16	Reinforced Concrete Curb and Gutter (6")	LF	231	\$ 40.00	\$ 9,240.00	231	0	231	\$ 9,240.00	100%
17	Reinforced Concrete Curb (6")	LF	118	\$ 10.00	\$ 1,180.00	88	30	118	\$ 1,180.00	100%
18	Reinforced Concrete Sidewalk (4-1/2" Thick)	SF	35,051	\$ 7.00	\$ 245,357.00	29188.5	3274	32462.5	\$ 227,237.50	93%

19	Construct ADA Compliant Wheelchair Ramp, including ADA Truncated Domes (complete in place)	SF	3,617	\$ 40.00	\$ 144,680.00	3301.34	202.5	3503.84	\$ 140,153.60	97%
20	TYP "A" Inlet	EA	1	\$ 2,000.00	\$ 2,000.00	1	0	1	\$ 2,000.00	100%
21	Adjust Water Meter/Valve to Grade	EA	10	\$ 250.00	\$ 2,500.00	4	0	4	\$ 1,000.00	40%
22	Remove and Replace Water Meter Box with Concrete Box. Work Includes Adjusting Water Meter to Grade if Needed.	EA	7	\$ 350.00	\$ 2,450.00	7	0	7	\$ 2,450.00	100%
23	Sodding	SY	3,200	\$ 12.00	\$ 38,400.00	1579.02	302.44	1881.46	\$ 22,577.53	59%
24	Irrigation System Repair and Adjustment, Complete In Place	LS	1	\$ 2,500.00	\$ 2,500.00	0.95	0.05	1	\$ 2,500.00	100%
25	Remove and Reset Landscape Borders	LS	1	\$ 1,500.00	\$ 1,500.00	0.95	0.05	1	\$ 1,500.00	100%
26	Remove tree 0 to 11.99" (or Palm tree)	EA	8	\$ 700.00	\$ 5,600.00	5	0	5	\$ 3,500.00	63%
27	Remove tree 12 to 29.99"	EA	1	\$ 1,500.00	\$ 1,500.00	0	0	0	\$ -	0%
28	Clearance prune tree	RS	26	\$ 150.00	\$ 3,900.00	0	0	0	\$ -	0%
29	Install Tree Protection fence (up to 5,000 l.f.)	LF	1,450	\$ 5.00	\$ 7,250.00	507	0	507	\$ 2,535.00	35%
30	Install Root Pruning Trench	LF	130	\$ 7.00	\$ 910.00	0	0	0	\$ -	0%
31	Install Slip-Resistant Metal Plate Sidewalk construction	SF	1,932	\$ 75.00	\$ 144,900.00	0	1012	1012	\$ 75,900.00	52%
32	Bagged Gravel Barrier	LF	544	\$ 10.00	\$ 5,440.00	323	0	323	\$ 3,230.00	59%
33	Embankment Fill	CY	30	\$ 35.00	\$ 1,050.00	0	0	0	\$ -	0%
34	Type "B" Handrail w/ extra thickness and rebar	LF	50	\$ 100.00	\$ 5,000.00	0	0	0	\$ -	0%
35	City of Houston Permit	LS	1	\$ 5,000.00	\$ 5,000.00	0	0	0	\$ -	0%
36	Work Change Directives	LS	1	\$ 50,000.00	\$ 50,000.00	0.176	0.026	0.202	\$ 10,100.00	20%
Total					\$ 960,907.00				\$ 780,236.83	81%

Less 5% Retainage \$ 39,011.84
Less Previous Payments \$ 618,266.37
AMOUNT DUE \$ 122,958.62

Cherryhurst Sidewalk Improvement Project

Summary of Quantities Installed to Date

9/25/2026



Item Number	Description	Unit	Authorized Quantity	Unit Price	Installed To Date	Cost To Date
1	Mobilization (5% maximum)	LS	1	\$15,000.00	1	\$15,000.00
2	Traffic Control and Regulation	LS	1	\$25,000.00	1	\$25,000.00
3	Clearing and grubbing	AC	1	\$3,500.00	0.592	\$2,072.00
4	Project Sign	EA	2	\$1,500.00	2	\$3,000.00
5	Uniformed Peace Officers (Min bid - \$55/HR)	HR	250	\$75.00	250	\$18,750.00
6	Remove and Dispose of Concrete Driveways (All Thickness)	SY	978	\$12.00	978	\$11,736.00
7	Remove and Dispose of Existing Concrete Curb and Gutter	LF	231	\$3.00	230	\$690.00
8	Remove and Dispose of Concrete Sidewalks & Ramp (All Thickness)	SY	3537	\$14.00	3533.5	\$49,469.00
9	Concrete Leveling	SF	1708	\$1.00	0	\$0.00
10	Curb Wall	LF	217	\$50.00	205	\$10,250.00
11	4-inch Concrete Riprap	CY	10	\$110.00	8.72	\$959.20
12	Remove and reset pavers	SF	279	\$5.00	0	\$0.00
13	Roadway Excavation and Offsite Disposal	CY	132	\$20.00	127.35	\$2,547.00
14	Coarse Sand, including Woven Geotextile, Complete-in-place	CY	132	\$35.00	132	\$4,620.00
15	6-Inch High Early Strength Concrete Driveway, including Excavation and Subgrade Stabilization	SF	8736	\$15.00	8736	\$131,040.00
16	Reinforced Concrete Curb and Gutter (6")	LF	231	\$40.00	231	\$9,240.00
17	Reinforced Concrete Curb (6")	LF	118	\$10.00	118	\$1,180.00
18	Reinforced Concrete Sidewalk (4-1/2" Thick)	SF	35051	\$7.00	32462.5	\$227,237.50
19	Construct ADA Compliant Wheelchair Ramp, including ADA Truncated Domes (complete in place)	SF	3617	\$40.00	3503.84	\$140,153.60
20	TYP "A" Inlet	EA	1	\$2,000.00	1	\$2,000.00
21	Adjust Water Meter/Valve to Grade	EA	10	\$250.00	4	\$1,000.00
22	Remove and Replace Water Meter Box with Concrete Box. Work Includes Adjusting Water Meter to Grade if Needed.	EA	7	\$350.00	7	\$2,450.00
23	Sodding	SY	3200	\$12.00	1881.46	\$22,577.52
24	Irrigation System Repair and Adjustment, Complete In Place	LS	1	\$2,500.00	1	\$2,500.00
25	Remove and Reset Landscape Borders	LS	1	\$1,500.00	1	\$1,500.00
26	Remove tree 0 to 11.99" (or Palm tree)	LS	8	\$700.00	5	\$3,500.00
27	Remove tree 12 to 29.99"	LS	1	\$1,500.00	0	\$0.00
28	Clearance prune tree	LS	26	\$150.00	0	\$0.00
29	Install Tree Protection fence (up to 5,000 l.f.)	LS	1450	\$5.00	507	\$2,535.00
30	Install Root Pruning Trench	LS	130	\$7.00	0	\$0.00
31	Install Slip-Resistant Metal Plate Sidewalk construction	SF	1932	\$75.00	1012	\$75,900.00
32	Bagged Gravel Barrier	LF	544	\$10.00	323	\$3,230.00
33	Embankment Fill	CY	30	\$35.00	0	\$0.00
34	Type "B" Handrail w/ extra thickness and rebar	LF	50	\$100.00	0	\$0.00

Cherryhurst Sidewalk Improvement Project

Summary of Quantities Installed to Date

9/25/2026



Item		Authorized				
Number	Description	Unit	Quantity	Unit Price	Installed To Date	Cost To Date
35	City of Houston Permit	LS	1	\$5,000.00	0	\$0.00
36	Work Change Directives	LS	1	\$50,000.00	0.202	\$10,100.00
Value of Work Completed To Date=						\$780,236.83

Montrose Redevelopment Authority

Monday, October 16th, 2026, at 6:30 PM

7. Receive update form The Goodman Corporation.

Montrose Redevelopment Authority Status Update

As of October 15, 2026

Grant Management, NEPA, and Compliance Services

Projects: Montrose Safe Routes to School Connections (SRTS), Cherryhurst Area Sidewalks, General Compliance

- SRTS: pre-construction meeting conducted with HR Green and PSI on 9/8/26. NTP is pending COH approval of plans. TGC presented FTA construction provisions and contract administration requirements at pre-con and provided Buy America certification checklist to PSI.
- Cherryhurst: Construction began on 4/6/2026 with a scheduled completion date of 9/3/2026. All Buy America certificates have been received. Ceballos continues to meet certified payroll compliance. TGC is coordinating Pay Estimate #3, 4, & 5 reimbursement confirmation w/ TIRZ and METRO. Montrose has received Pay Estimate #1 & #2 from Metro.

Montrose SRTS Construction Materials Testing Procurement and Federal Contract Compliance

- TGC managed the procurement process on behalf of the TIRZ and will manage contract compliance through project completion.

TxDOT Transportation Alternatives: Montrose Sidewalk and Amenities Study

- Pending receipt of Advance Funding Agreement from TxDOT.

FY 26 Congressional Community Project Funding: Northeast Montrose Sidewalk Improvement Project

- This project focuses on sidewalk improvements in an area bounded by W Dallas Street, Westheimer Road, Waugh Drive, and Mason Street.
- Discussed FY26 CPF grants with HUD Houston Field Office. TGC has set up the initial access to the grant in DRGR. Initial planning – draft action plan and environmental – has started.

Parking Study

- Final presentation shared at the September 2026 meeting.

Overall TGC Funding Pursuit

Pursuit of Funding Balance: \$48,331 (as of August 1, 2026)

Applications In Progress / Pending

- Houston-Galveston Area Call for Projects – Active Transportation Investment Category: \$3 Million for Southeast Montrose Sidewalk Improvement Project. Phase 2 (BCA) under development. This project focuses on sidewalk improvements in an area bounded by Fairview Street, Mandell Street, IH-69, and Spur 527.

Awarded/Monitoring

- FY 27 Congressional Community Project Funding: Southwest Montrose Sidewalk Improvement Project, bound by Westheimer Road, Dunlavy Street, I-69/US 59, and

Shepherd Drive. The Appropriations Committee has recommended \$500,000 for this project. The funding is tentative pending a FY27 spending bill. TGC will continue to monitor the Appropriations process and coordinate with Rep Fletcher as needed.

Current/Upcoming Opportunities

- H-GAC Call for Subregional Planning Studies
- TxDOT Transportation Alternatives Program
- TxDOT Highway Safety Improvement Program

Montrose Redevelopment Authority

Monday, October 16th, 2026, at 6:30 PM

8. Public Engagement matters, including:
 - a. report from Public Engagement Committee;
 - b. consideration of an amendment to the resolution establishing the Public Engagement Committee; and
 - c. announcement reminding attendees of the 10-year anniversary event on October 27th; and
 - d. consideration of the first amendment to the MyHart Communications subconsultant agreement.

Tax Increment Reinvestment Zone (TIRZ) #27 – Montrose

Committee Report Form

Committee Name: Public Engagement Committee Meeting

Date of Meeting: 10/14/2026

Chairperson: Helen Zunka

Attendees:

Helen Zunka	Matt Brollier
David Greaney	Suzy Hartgrove
Marian Coffman	Walter Morris

Meeting Report

Agenda

- Discussion regarding the 10-year anniversary
- Discussion regarding W Alabama Business Program Noticing
- Discussion with HR Green regarding project status
- Discussion regarding media inquiries
- Discussion regarding Zone branding and website updates
- Discussion regarding MyHart Communications Contract Amendment

Notes

- The Committee discussed the 10-year anniversary event
- The Committee discussed the W Alabama Business Program
- The Committee received an update from David Greaney with HR Green
 - o HR Green presented an update on the Montrose Tree Maintenance
- The Committee discussed the most recent media inquiry
- The Committee discussed updates to the Montrose website
- The Committee discussed the amendment to the MyHart Communications agreement



MyHart Communications Work Authorization and Scope of Work for Montrose Tax Increment Reinvestment Zone (TIRZ) Work Authorization

This WORK AUTHORIZATION authorizes consultant services to be performed by MYHART COMMUNICATIONS (the "CONSULTANT") pursuant to the Master Agreement for Services ("AGREEMENT") between the CONSULTANT and MONTROSE TAX INCREMENT REINVESTMENT ZONE (TIRZ) NO. 27. Unless otherwise defined herein, all capitalized terms used in this WORK AUTHORIZATION are defined in the Agreement.

This WORK AUTHORIZATION consists of the following:

Monthly Public Relations, Communication and Content Development

- Manage the public relations and branding strategy to guide monthly activities to position the Montrose Redevelopment Authority/TIRZ 27 as the leading agency in the community for infrastructure and area improvements.
- Develop new content for notifications, press announcements, marketing materials, reports, blogs, articles, and other items as directed by the client
- Provide media relations support and assistance with announcements, events, and activities. Confirm speaking roles; conduct media outreach with pitches and/or news items; respond to reporters request for information; and coordinate interviews with client
- Monitor for and report news coverage
- Manage the website to include coordination with webmaster to post new content and items on site, remove or archive out of date material, ensure work is done timely and launch new website and webpages as needed to keep the site current and active
- Manage the social media platforms for the client, posting relevant and informative content, growing the audience and showcasing the successes and activities of the client
- Meet with client monthly

Estimated budget \$5,000/month based on an hourly rate of \$185/hour

Any expenses for photography, graphic design or printing will be quoted separately.

A penalty of 15% late fee may be assessed if payment is past 45 days.



MYHART COMMUNICATIONS

By: _____

Name: _____

Title: _____

MONTROSE TIRZ NO. 27

By: _____

Name: _____

Title: _____

Montrose Redevelopment Authority

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9. Housing and Community Development Matters, including report from Housing And Community Development Committee.

Tax Increment Reinvestment Zone (TIRZ) #27 – Montrose

Committee Report Form

Committee Name: Housing and Community
Development Committee

Date of Meeting: 10/15/2026

Chairperson: Robert Guthart

Attendees:

Robert Guthart

David Greaney

Wei Xiao

Ranjan Roy

Yiming Chu

Elia Quiles

Meeting Report

Agenda

Priority:

- Discussions with Up Art Studios regarding review of locations, theme survey, and next steps
- Discussion with HR Green and Asakura Robinson on Landscape and hardscape items for W Alabama Project

Notes

- David Greaney with HR Green and Asakura Robinson presented the W Alabama Landscape design
- Elia with Up Art Studios presented the results of the theme survey
 - Set up coordination meeting later in October – earlier in the last week of October
- The Committee discuss the Big Walls Big Dreams Festival in Spring

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10. Announcements regarding workshops, seminars, and presentations relating to Zone and Authority matters.

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11. Discuss meeting schedule and proposed agenda items for upcoming Board Meeting(s).

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12. Convene in Executive Session to consultant with attorney pursuant to Section 551.071, Texas Government Code.

Montrose Redevelopment Authority

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13. Reconvene in Open Session and authorize appropriate action.