

March 18, 2025

Mr. David Cooke
City Manager, City of Fort Worth

Ms. Jannette Goodall
City Secretary, City of Fort Worth

Mr. Reginald Zeno
Chief Financial Officer, City of Fort Worth
City Hall
200 Texas St.
Fort Worth, Texas 76102

Re: Tradition Municipal Utility District No. 1 of Denton County (the "District")
\$6,755,000 Unlimited Tax Utility Bonds, Series 2025 (the "Bonds")

Mr. Cooke, Ms. Goodall, and Mr. Zeno:

This letter serves to meet certain requirements regarding the District's issuance of bonds under the terms of that Agreement Concerning Creation and Operation of Tradition Municipal Utility District No. 1 of Denton County.

The District intends to issue the Bonds in the aggregate principal amount not to exceed \$6,755,000. The proceeds from the Bonds are expected to be used to reimburse the developer for all or a portion of the following: (i) the District's share of construction of Winding Meadows Drive and North Side III Offsite Waterline serving certain phases of developed residential property in the District and the costs of engineering, testing, and surveying associated therewith; and (ii) fees paid to the City of Fort Worth. Additionally, proceeds from the Bonds will be used to pay developer interest, eighteen (18) months of capitalized interest and certain costs of issuance of the Bonds. Enclosed please find a draft form of summary of costs that sets out the anticipated use and distribution of the proceeds of the Bonds.

We also enclose a schedule of estimated debt service on the Bonds (assuming an average interest rate of 5.25%), a cash flow analysis, a pro-forma budget for maintenance and operations, and supporting value estimates incorporating house counts provided by the Developer within the District. After issuance of the Bonds, the District will levy a total tax rate of \$1.00 per \$100 of assessed valuation composed of a tax for payment of utility debt service, road debt service and a tax for maintenance and operations.

Additionally, as financial advisor to the District, we hereby certify that the Bonds will be issued within the economic feasibility guidelines established by the Texas Commission on Environmental Quality applicable to districts located in Denton County.

Thank you for your review and consideration of the Bonds. If you require any additional information, please contact me at (214) 373-2982.

Sincerely,

ROBERT W. BAIRD & CO. INCORPORATED

A handwritten signature in blue ink, appearing to read "Ryan Nesmith".

Ryan Nesmith
Managing Director

Enclosures

SUMMARY OF COSTS
\$6,755,000
SERIES 2025 UTILITY BOND SUMMARY
TRADITION MUNICIPAL UTILITY DISTRICT No. 1

<u>A. CONSTRUCTION COSTS</u>	<u>Amount</u>	<u>District's Share</u>
District Infrastructure Items		
1. North Side III Offsite Waterline	\$ 8,898,734	\$ 2,201,878 ¹
2. Winding Meadows Drive	\$ 10,286,785	\$ 2,343,671 ¹
Total Construction Costs (67% of Utility Bond Issuance)	\$ 19,185,519	\$ 4,545,549
<u>B. NON CONSTRUCTION COSTS</u>		
1. Legal Fees		\$ 175,100 ²
2. Financial Advisor Fees		\$ 135,100 ³
3. Interest Cost		
a. Developer Interest		\$ 886,593 ⁴
b. Capitalized Interest (18 Months @ 5.25%)		\$ 531,956
4. Developer Advances		\$ 142,500
5. Bond Discount		\$ 202,650 ⁵
6. Bond Issuance Expense		\$ 59,409 ⁸
7. TCEQ Bond Issuance Fee		\$ 16,888 ⁶
8. Attorney General's Fee		\$ 6,755 ⁷
9. Bond Application Report		\$ 52,500
Total Non-Construction Costs (33% of Utility Bond Issuance)		\$ 2,209,451
TOTAL UTILITY BOND ISSUANCE		\$ 6,755,000

SUMMARY OF COSTS

\$6,755,000

SERIES 2025 UTILITY BOND SUMMARY

TRADITION MUNICIPAL UTILITY DISTRICT No. 1

Notes:

- (1) The Districts share for Phases Northside Phase III Offsite Waterline and Winding Meadows Drive are based on received pay applications
- (2) Legal fees are 3% of the first \$3,000,000, 2.5% of the next \$2,000,000 of Bond Issuance, and 2.0% of the amount from \$5,000,000 to \$15,000,000.
- (3) Financial Advisor fees are 2% of Utility Bond Issuance.
- (4) Refer to Attachment 23 for a breakdown of the Developers Interest. Please note that the Developer's Interest has been capped to meet the requirements set forth in Commission Rule 293.50(b)(2). The Developer reserves the right to seek reimbursement for the remainder of these funds in a subsequent bond issue
- (5) Bond Discount is 3% of the Utility Bond Issuance total
- (6) TCEQ Bond Issuance fee is 0.25% of the total Bond Issuance
- (7) Attorney General's Fee is 0.10% of the total Bond Issuance
- (8) Costs associated with the issuance of this bond, which include:

Rated Bond Sale Review	\$	20,000
Word Processing	\$	4,000
Deliveries / Copies / Faxes / Postage	\$	4,000
Photographer	\$	2,000
TCEQ Bond Report Review Fee	\$	500
Advertisement	\$	1,000
Reimbursement Audit	\$	6,500
Disclosure Counsel	\$	8,500
Other Miscellaneous costs	\$	9,349
Printing / Reproduction	\$	3,560
TOTAL	\$	59,409

Tradition Municipal Utility District No. 1
Budget Analysis
Fiscal Year Ending April 30, 2025
100% Reimbursement

	No-Growth
Income	
Maintenance Tax Collections	\$ -
TOTAL Income	\$ -
Expense	
Legal Fees	\$ 20,000
Engineering Fees	\$ 10,000
Election Expense	\$ 1,000
Website Hosting	\$ 500
Bookkeeping Fees	\$ 6,000
Printing & Office Supplies	\$ -
Delivery Expense	\$ -
Postage	\$ -
Insurance & Surety Bond	\$ 3,069
Bank Service Charge	\$ -
Travel Expense	\$ 1,200
Recording Storage Fee	\$ -
TOTAL Expenses	\$ 41,769
<i>Net Revs. (Exps.) Before Taxes</i>	<i>\$ (41,769)</i>
Assessed Valuation	\$ 55,800,000
Tax Rate	\$ 0.1400
Tax Collection %	100.00%
Maintenance Tax Revenue	\$ 78,120
<u><i>Net Revs. (Exps) After Taxes</i></u>	<u><i>\$ 36,351</i></u>
Road Debt Service Tax Rate	\$0.0000
WSD Debt Service Tax Rate	\$0.8600
Contract Tax Rate	\$0.0000
Maintenance Tax Rate	\$0.1400
Total Tax Rate	\$1.0000

Tradition Municipal Utility District No. 1
Utility Debt Service Tax Rate Analysis - No Growth Scenario
Proposed \$6,755,000 Series 2025 Bond Issue at 5.250% Interest Rate
Includes 18 Months of Capitalized Interest
Assumes No-Growth beyond the January 1, 2025 Estimate of Value

Year Ending 12/31	Beginning Fund Balance as of 01/01/2025	Fund Interest Earnings @ 1.000%	Capitalized Interest	Other Income	Prior Year Taxable AV	AV Growth Percentage	Tax Rate / \$100 of Assessed Value	Tax Collections @ 100.00%	Total Funds Available	Current Debt Service	Proposed Debt Service Series 2025	Total Debt Service	Ending Balance	Debt Service Coverage %
2025	-	-	531,956		10,200,540			-	531,956		-		531,956	150.000%
2026	531,956	5,320	-		55,800,000	447.030%	0.860000	479,880	1,017,156		354,638	354,638	662,518	132.600%
2027	662,518	-	-		55,800,000		0.860000	479,880	1,142,398		499,638	499,638	642,761	128.034%
2028	642,761	-	-		55,800,000		0.860000	479,880	1,122,641		502,025	502,025	620,616	123.166%
2029	620,616	-	-		55,800,000		0.860000	479,880	1,100,496		503,888	503,888	596,608	119.268%
2030	596,608	-	-		55,800,000		0.860000	479,880	1,076,488		500,225	500,225	576,263	114.954%
2031	576,263	-	-		55,800,000		0.860000	479,880	1,056,143		501,300	501,300	554,843	110.560%
2032	554,843	-	-		55,800,000		0.860000	479,880	1,034,723		501,850	501,850	532,873	106.177%
2033	532,873	-	-		55,800,000		0.860000	479,880	1,012,753		501,875	501,875	510,878	101.895%
2034	510,878	-	-		55,800,000		0.860000	479,880	990,758		501,375	501,375	489,383	97.808%
2035	489,383	-	-		55,800,000		0.860000	479,880	969,263		500,350	500,350	468,913	93.075%
2036	468,913	-	-		55,800,000		0.860000	479,880	948,793		503,800	503,800	444,993	88.739%
2037	444,993	-	-		55,800,000		0.860000	479,880	924,873		501,463	501,463	423,411	84.077%
2038	423,411	-	-		55,800,000		0.860000	479,880	903,291		503,600	503,600	399,691	79.946%
2039	399,691	-	-		55,800,000		0.860000	479,880	879,571		499,950	499,950	379,621	75.807%
2040	379,621	-	-		55,800,000		0.860000	479,880	859,501		500,775	500,775	358,726	71.629%
2041	358,726	-	-		55,800,000		0.860000	479,880	838,606		500,813	500,813	337,793	67.550%
2042	337,793	-	-		55,800,000		0.860000	479,880	817,673		500,063	500,063	317,611	63.077%
2043	317,611	-	-		55,800,000		0.860000	479,880	797,491		503,525	503,525	293,966	58.683%
2044	293,966	-	-		55,800,000		0.860000	479,880	773,846		500,938	500,938	272,908	54.303%
2045	272,908	-	-		55,800,000		0.860000	479,880	752,788		502,563	502,563	250,226	49.733%
2046	250,226	-	-		55,800,000		0.860000	479,880	730,106		503,138	503,138	226,968	45.153%
2047	226,968	-	-		55,800,000		0.860000	479,880	706,848		502,663	502,663	204,186	40.744%
2048	204,186	-	-		55,800,000		0.860000	479,880	684,066		501,138	501,138	182,928	36.691%
2049	182,928	-	-		55,800,000		0.860000	479,880	662,808		498,563	498,563	164,246	32.853%
2050	164,246	-	-		55,800,000		0.860000	479,880	644,126		499,938	499,938	144,188	0.000%
Totals		5,320	531,956	-			Average Tax Rate: 0.860000	11,997,000		-	12,390,088	12,390,088		

BOND DEBT SERVICE

Tradition MUD 1
Unlimited Tax Utility Bonds, Series 2025

Dated Date 09/01/2025
Delivery Date 09/01/2025

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2026			354,637.50	354,637.50
09/01/2027	145,000	5.250%	354,637.50	499,637.50
09/01/2028	155,000	5.250%	347,025.00	502,025.00
09/01/2029	165,000	5.250%	338,887.50	503,887.50
09/01/2030	170,000	5.250%	330,225.00	500,225.00
09/01/2031	180,000	5.250%	321,300.00	501,300.00
09/01/2032	190,000	5.250%	311,850.00	501,850.00
09/01/2033	200,000	5.250%	301,875.00	501,875.00
09/01/2034	210,000	5.250%	291,375.00	501,375.00
09/01/2035	220,000	5.250%	280,350.00	500,350.00
09/01/2036	235,000	5.250%	268,800.00	503,800.00
09/01/2037	245,000	5.250%	256,462.50	501,462.50
09/01/2038	260,000	5.250%	243,600.00	503,600.00
09/01/2039	270,000	5.250%	229,950.00	499,950.00
09/01/2040	285,000	5.250%	215,775.00	500,775.00
09/01/2041	300,000	5.250%	200,812.50	500,812.50
09/01/2042	315,000	5.250%	185,062.50	500,062.50
09/01/2043	335,000	5.250%	168,525.00	503,525.00
09/01/2044	350,000	5.250%	150,937.50	500,937.50
09/01/2045	370,000	5.250%	132,562.50	502,562.50
09/01/2046	390,000	5.250%	113,137.50	503,137.50
09/01/2047	410,000	5.250%	92,662.50	502,662.50
09/01/2048	430,000	5.250%	71,137.50	501,137.50
09/01/2049	450,000	5.250%	48,562.50	498,562.50
09/01/2050	475,000	5.250%	24,937.50	499,937.50
	6,755,000		5,635,087.50	12,390,087.50

BOND DEBT SERVICE
Tradition MUD 1
Unlimited Tax Utility Bonds, Series 2025

Dated Date 09/01/2025
Delivery Date 09/01/2025

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2026			177,318.75	177,318.75	
09/01/2026			177,318.75	177,318.75	354,637.50
03/01/2027			177,318.75	177,318.75	
09/01/2027	145,000	5.250%	177,318.75	322,318.75	499,637.50
03/01/2028			173,512.50	173,512.50	
09/01/2028	155,000	5.250%	173,512.50	328,512.50	502,025.00
03/01/2029			169,443.75	169,443.75	
09/01/2029	165,000	5.250%	169,443.75	334,443.75	503,887.50
03/01/2030			165,112.50	165,112.50	
09/01/2030	170,000	5.250%	165,112.50	335,112.50	500,225.00
03/01/2031			160,650.00	160,650.00	
09/01/2031	180,000	5.250%	160,650.00	340,650.00	501,300.00
03/01/2032			155,925.00	155,925.00	
09/01/2032	190,000	5.250%	155,925.00	345,925.00	501,850.00
03/01/2033			150,937.50	150,937.50	
09/01/2033	200,000	5.250%	150,937.50	350,937.50	501,875.00
03/01/2034			145,687.50	145,687.50	
09/01/2034	210,000	5.250%	145,687.50	355,687.50	501,375.00
03/01/2035			140,175.00	140,175.00	
09/01/2035	220,000	5.250%	140,175.00	360,175.00	500,350.00
03/01/2036			134,400.00	134,400.00	
09/01/2036	235,000	5.250%	134,400.00	369,400.00	503,800.00
03/01/2037			128,231.25	128,231.25	
09/01/2037	245,000	5.250%	128,231.25	373,231.25	501,462.50
03/01/2038			121,800.00	121,800.00	
09/01/2038	260,000	5.250%	121,800.00	381,800.00	503,600.00
03/01/2039			114,975.00	114,975.00	
09/01/2039	270,000	5.250%	114,975.00	384,975.00	499,950.00
03/01/2040			107,887.50	107,887.50	
09/01/2040	285,000	5.250%	107,887.50	392,887.50	500,775.00
03/01/2041			100,406.25	100,406.25	
09/01/2041	300,000	5.250%	100,406.25	400,406.25	500,812.50
03/01/2042			92,531.25	92,531.25	
09/01/2042	315,000	5.250%	92,531.25	407,531.25	500,062.50
03/01/2043			84,262.50	84,262.50	
09/01/2043	335,000	5.250%	84,262.50	419,262.50	503,525.00
03/01/2044			75,468.75	75,468.75	
09/01/2044	350,000	5.250%	75,468.75	425,468.75	500,937.50
03/01/2045			66,281.25	66,281.25	
09/01/2045	370,000	5.250%	66,281.25	436,281.25	502,562.50
03/01/2046			56,568.75	56,568.75	
09/01/2046	390,000	5.250%	56,568.75	446,568.75	503,137.50
03/01/2047			46,331.25	46,331.25	
09/01/2047	410,000	5.250%	46,331.25	456,331.25	502,662.50
03/01/2048			35,568.75	35,568.75	
09/01/2048	430,000	5.250%	35,568.75	465,568.75	501,137.50
03/01/2049			24,281.25	24,281.25	
09/01/2049	450,000	5.250%	24,281.25	474,281.25	498,562.50
03/01/2050			12,468.75	12,468.75	
09/01/2050	475,000	5.250%	12,468.75	487,468.75	499,937.50
	6,755,000		5,635,087.50	12,390,087.50	12,390,087.50



Denton Central Appraisal District
3911 Morse Street
Denton, TX 76208

(940) 349-3800
 www.dentoncad.com

March 5th, 2025

Dear Board of Directors,

PER YOUR REQUEST AND BASED ON THE ASSUMPTIONS PROVIDED, THE FOLLOWING
ESTIMATE OF MARKET VALUE AS OF January 1, 2025:

W73- TRADITION MUD No. 1

Is

\$55,800,000

This certificate is provided for informational purposes only and the value estimated herein has not been certified by the Denton County Appraisal Review Board. This estimate takes the place of any and all estimates of value previously received from this office.

The ultimate assessed valuation of any property added after January 1st of the given year will be placed on the district's next year tax roll and may vary from such an estimate once the Denton County Appraisal District Board certifies the value at that time.

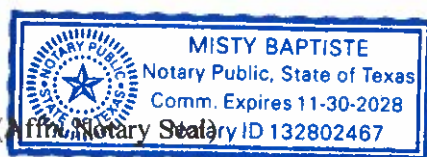
SINCERELY,

Don Spencer
CHIEF APPRAISER



THE STATE OF TEXAS
COUNTY OF DENTON

This instrument was acknowledged before me on this March 5th, 2025 by DON SPENCER, Chief Appraiser of the Denton Central Appraisal District.




Notary Public in and for the State of Texas