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November 20, 2017

STATE OF TEXAS

COUNTY OF ROCKWALL

CITY OF ROYSE CITY

I, Deborah Sorensen, City Secretary in and for the City of Royse City, Texas do hereby certify that the attached Ordinance No. 17-11-1260 for the City of Royse City, Texas are true and correct copies of the original thereof, which was adopted by the City Council of Royse City, Texas and is on file with the City Secretary of said City.

Witness my hand and seal this 20th day of November, 2017.

Deborah Sorensen, TRMC, CMC
City Secretary



CITY OF ROYSE CITY, TEXAS

ORDINANCE NO. 17-11-1260

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROYSE CITY, TEXAS ACCEPTING AND APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLLS FOR THE WATERSCAPE PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS, PROVIDING FOR SEVERABILITY, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the governing body (the "**City Council**") of the City of Royse City, Texas (the "**City**") is authorized by the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "**PID Act**") to create public improvement districts within the extra-territorial jurisdiction of the City; and

WHEREAS, on September 1, 2016, a petition (the "**Petition**") was submitted and filed with the City Secretary (the "**City Secretary**") of the City meeting the requirements of the PID Act requesting the creation of a public improvement district within the City ; and

WHEREAS, the Petition contained the signatures of the owners of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District (defined below), as determined by the then current ad valorem tax rolls of Rockwall Central Appraisal District and the signatures of the property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property within the District that is liable for assessment; and

WHEREAS, the City accepted the Petition and called a public hearing to consider the creation of the District and directed the City Secretary to publish and mail notice of such hearing as required by the PID Act; and

WHEREAS, on October 11, 2016, after due notice, the City Council held a public hearing in the manner required by law on the advisability of the public improvements and services described in the Petition as required by Section 372.009 of the PID Act and made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 16-10-1170R (the "**Authorization Resolution**") adopted by a majority of the members of the City Council, authorized and created the Waterscape Public Improvement District (the "**District**") in accordance with its finding as to the advisability of the Authorized Improvements; and

WHEREAS, the City published the Authorization Resolution as required by law; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary; and

WHEREAS, on October 24, 2017, the Council adopted Resolution No. 17-10-045R determining total costs of certain authorized public improvements, approving a preliminary service and assessment plan, including proposed assessment rolls, and calling for a public hearing (the "**Assessment Hearing**") to consider an ordinance levying assessments on property within the District (the "**Assessments**"); and directing the publication and mailing of notice of the Assessment Hearing; and

WHEREAS, on October 25, 2017, the City Secretary filed the proposed Assessment Rolls (defined below) and made the same available for public inspection; and

WHEREAS, the City Secretary, pursuant to Section 372.016(c) of the PID Act, mailed the notice of the Assessment Hearing to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Secretary, pursuant to Section 372.016(b) of the PID Act, published notice of the Assessment Hearing on November 1, 2017 in the *Royse City Herald Banner*, a newspaper of general circulation in the City and the extra-territorial jurisdiction of the City; and

WHEREAS, the City Council convened the Assessment Hearing on November 14, 2017, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Actual Costs of the authorized public improvements to be undertaken for the benefit of property within the District (the "**Authorized Improvements**"), the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the owners of 100% of the property subject to the proposed assessment within the District (the "**Landowners**") had actual knowledge of the Assessment Hearing to be held on November 14, 2017, and support the creation of the District and the levy of assessments against the property in accordance with the Service and Assessment Plan to finance the Authorized Improvements for benefit of the property within the District; and

WHEREAS, the City Council finds and determines that the Assessment Rolls and the Waterscape Public Improvement District Service and Assessment Plan (Authorized Improvements), dated November 14, 2017 (the "**Service and Assessment Plan**"), attached as **Exhibit A** and incorporated as a part of this Ordinance for all purposes, should be approved and that the Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan, including the Assessment Rolls attached thereto as Appendix A (the "**Assessment Rolls**"); and

WHEREAS, the City Council further finds that there were no objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the Actual Costs of the Authorized Improvements as described in the Service and Assessment Plan, the Assessment Rolls, and the levy of the Assessments; and

WHEREAS, at the Assessment Hearing, the Landowners, or their representatives, who are the persons to be assessed pursuant to this Ordinance, appeared in support of the levy of the Assessments against their property located within the District; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the PID Act.

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

Section 1. Terms.

Terms not otherwise defined herein are defined in the Service and Assessment Plan.

Section 2. Findings.

The City Council hereby finds, determines, and ordains, as follows:

(a) The recitals set forth in the WHEREAS clauses of this Ordinance are true and correct and are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section and constitute findings of the City Council acting in its discretionary, legislative capacity;

(b) All actions of the City in connection with the creation and establishment of the District and the approval of this Ordinance: (i) have been taken and performed in compliance with the PID Act and all other applicable laws, policies, and procedures; (ii) have been taken and performed in a regular, proper and valid manners; and (iii) are approved and ratified;

(c) The apportionment of the Actual Costs of the Authorized Improvements, including specifically the Improvement Area #1 Improvements, the Major Improvements, and the Future Improvement Area Improvements (as reflected in the Service and Assessment Plan, and the Administrative Expenses pursuant to the Service and Assessment Plan) is fair and reasonable, reflects an accurate presentation of the special benefit each assessed Parcel will receive from the construction of the Authorized Improvements identified in the Service and Assessment Plan, and is hereby approved;

(d) The Service and Assessment Plan covers a period of at least five years and defines the annual indebtedness and projected costs for the Authorized Improvements;

(e) The Service and Assessment Plan apportions the Actual Cost(s) of the Authorized Improvements to be assessed against the property in the District and such apportionment is made on the basis of special benefits accruing to the property because of the Authorized Improvements;

(f) All of the Improvement Area #1 Assessed Property being assessed in the amounts shown on the Improvement Area #1 Assessment Roll will be benefited by the Improvement Area #1 Projects proposed to be constructed as described in the Service and

Assessment Plan, and each assessed Parcel of Improvement Area #1 Assessed Property will receive special benefits equal to or greater than the total amount assessed for the Improvement Area #1 Projects;

(g) All of the Major Improvement Area Assessed Property being assessed in the amounts shown on the Major Improvement Area Assessment Roll will (1) be benefited by the Major Improvement Area Projects proposed to be constructed as described in the Service and Assessment Plan, and each assessed Parcel of Major Improvement Area Assessed Property will receive special benefits equal to or greater than the total amount assessed for the Major Improvement Area Projects; and (2) be benefited by the Future Improvement Area Improvements proposed to be constructed as described in the Service and Assessment Plan, and each assessed Parcel of Major Improvement Area Assessed Property will receive special benefits equal to or greater than the total amount assessed for the Future Improvement Area Improvements.

(h) The method of apportionment of the Actual Costs of the Authorized Improvements and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the Actual Costs of the Authorized Improvements and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the Actual Costs;

(i) The Service and Assessment Plan has been prepared on behalf of, presented to, and reviewed by the City Council and should be approved as the service plan and assessment plan for the District for all purposes as described in Sections 372.013 and 372.014 of the PID Act;

(j) The Assessment Rolls should be approved as the Assessment Rolls for the District;

(k) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Assessments, interest on Annual Installments, interest and penalties on delinquent Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Assessments should be approved and will expedite collection of the Assessments in a timely manner in order to provide the services and improvements needed and required for the area within the District; and

(l) A written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon.

Section 3. Service and Assessment Plan.

The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the PID Act as the service plan and the assessment plan relating to the Authorized

Improvements for the District. The Service and Assessment Plan shall be updated by the City Council no less frequently than annually as required by the PID Act and more frequently as may be required by the Service and Assessment Plan including upon the issuance of PID Bonds.

Section 4. Assessment Rolls.

The Assessment Rolls are hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Assessment Rolls of the District for all purposes.

Section 5. Levy and Payment of Assessments for Costs of the Authorized Improvements.

(a) The City Council hereby levies the Assessments on each Parcel of property (excluding Non-Benefitted Property) located within the District, as shown and described in the Service and Assessment Plan and the Assessment Rolls, in the respective amounts shown in the Service and Assessment Plan as a special assessment as set forth in the Assessment Rolls.

(b) The levy of the Assessments shall be effective on the date of execution of this Ordinance levying Assessments and strictly in accordance with the terms of the Service and Assessment Plan and the PID Act.

(c) The collection of the Assessments shall be as described in the Service and Assessment Plan and the PID Act.

(d) Each Assessment may be prepaid in whole or in part at any time without penalty or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

(e) Each Assessment shall bear interest at the rate or rates specified in the Service and Assessment Plan.

(f) Each Annual Installment shall be collected each year in the manner set forth in the Service and Assessment Plan.

(g) The Administrative Expenses for Assessed Property shall be calculated pursuant to the terms of the Service and Assessment Plan.

Section 6. Method of Assessment.

The method of apportioning the Actual Costs of the Authorized Improvements and Administrative Expenses are set forth in the Service and Assessment Plan.

Section 7. Penalties and Interest on Delinquent Assessments.

Delinquent Assessments shall be subject to the penalties, interest, procedures, and foreclosure sales set forth in the Service and Assessment Plan and as allowed by law.

Section 8. Prepayments of Assessments.

As provided in the Service and Assessment Plan, the owner of any Assessed Property may prepay the Assessments levied by this Ordinance.

Section 9. Lien Priority.

The City Council and the Landowners intend for the obligations, covenants and burdens on the Assessed Property, including without limitation such Landowners' obligations related to payment of the Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Assessments and the Annual Installments thereof which are levied hereby shall be binding upon the the assessed parties, as the owners of Assessed Property, and their respective transferees, legal representatives, heirs, devisees, successors and assigns, regardless of whether such owners are named, in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Assessments shall have lien priority as specified in the Service and Assessment Plan and the PID Act.

Section 10. Applicability of Tax Code.

To the extent not inconsistent with this Ordinance, and not inconsistent with the PID Act or the other laws governing public improvement districts, the provisions of the Texas Tax Code, as amended, shall be applicable to the imposition and collection of Assessments by the City.

Section 11. Filing in Land Records.

The City Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan and/or the Assessment Roll, to be recorded in the real property records of Rockwall County, Texas. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council.

Section 12. Severability.

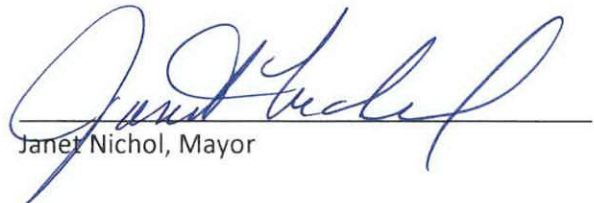
If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the application to other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

Section 14. Effective Date.

This Ordinance shall take effect, and the levy of the Assessments, and the provisions and terms of the Service and Assessment Plan shall be and become effective upon passage and execution hereof.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF ROYSE CITY, TEXAS, THIS 14th DAY OF NOVEMBER, 2017.

CITY OF ROYSE CITY, TEXAS


Janet Nichol, Mayor

ATTEST:


Deborah Sorensen, TRMC, CMC, City Secretary

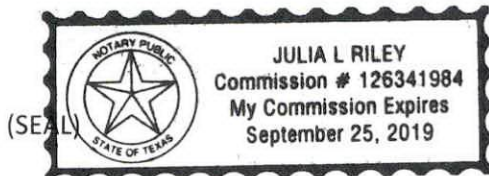


APPROVED AS TO FORM:


Jason Day, City Attorney

STATE OF TEXAS §
 §
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on the 14th day of November, 2017 by Janet Nichol, Deborah Sorensen and Jason Day, the Mayor, City Secretary, and City Attorney, respectively, of the City of Royse City, Texas on behalf of said City.




Notary Public, State of Texas

EXHIBIT A

Service and Assessment Plan

Waterscape
Public Improvement District

Service and Assessment Plan
(Authorized Improvements)

November 14, 2017

**SECTION I
INTRODUCTION AND DEFINITIONS**

A. Introduction

1. On October 11, 2016, the City of Royse City, Texas (the "City") passed and approved Resolution No. 16-10-1170R authorizing the establishment of the Waterscape Public Improvement District (the "District") in accordance with Chapter 372, Texas Local Government Code, as amended (the "Act"), which authorization was effective upon publication as required by the Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 310.202 acres located within the extraterritorial jurisdiction of the City, and within Rockwall County, Texas, and more specifically described in **Exhibit A** (the "Property"). The Property is subject to that certain "Parker Creek Development Agreement", effective May 31, 2016, and recorded in the Official Public Records of Rockwall County, Texas on June 8, 2016, Instrument No. 20160000009468, which establishes the permitted uses of, and standards for the development of, the Property (the "Development Agreement").

2. Capitalized terms used in this Service and Assessment Plan (as amended from time to time, this "SAP") shall have the meanings given to them in **Section I.B** unless otherwise defined in this SAP or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section" or an "Exhibit" shall be a reference to a Section of this SAP or an Exhibit attached to and made a part of this SAP for all purposes.

3. The Act governs the creation of public improvement districts within the corporate limits and extraterritorial jurisdiction of Texas municipalities and counties. The Act, among other things, governs the process by which Actual Costs of Authorized Improvements are apportioned to and assessed against the Property based on the special benefit conferred on the Property by the Authorized Improvements.

4. The Act requires a service plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements (as updated, from time to time, a "Service Plan"). The Service Plan is contained in **Section IV**.

5. The Act requires that the Service Plan include an assessment plan that assesses the Actual Costs of the Authorized Improvements against the Property based on the special benefits conferred on the Property by the Authorized Improvements (as updated, from time to time, an "Assessment Plan"). The Assessment Plan is contained in **Section V**.

6. The Act requires an assessment roll that states the assessment against each Parcel determined by the method chosen by the City Council (as updated from time to time and which may be in one or more parts, the "Assessment Roll"). The assessment against each Parcel must be sufficient to pay the share of the Actual Costs apportioned to the Parcel and

cannot exceed the special benefit conferred on the Parcel by the Authorized Improvements. The Assessment Roll is contained in **Section VII**.

B. Definitions

1. **"Act"** is defined in **Section I.A.1**.

2. **"Actual Costs"** mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of owners and developers of the Property: (1) to plan, finance, design, acquire, construct, install, and dedicate such improvements to the City; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) to acquire easements and other right-of-way; (5) for third-party professional consulting services including, but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (6) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; (7) of fees charged by the City or any other political subdivision or governmental authority; and (8) to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the owners or developers. Actual Costs shall not include general contractor's fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsections (3), (4), (5), (7) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

3. **"Additional Improvement Area #1 Bonds"** means bonds issued to fund Improvement Area #1 Projects or refund the Improvement Area #1 Reimbursement Obligation, in whole or in part, that are secured by Assessments levied against the Improvement Area #1 Assessed Property.

4. **"Additional Interest"** means the 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the Act.

5. **"Administrative Expenses"** mean the actual or budgeted costs and expenses related to the creation and operation of the District, the issuance and sale of PID Bonds, and the construction, operation, and maintenance of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and

Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this SAP and the Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel; and (9) administering the construction of the Authorized Improvements. Administrative Expenses collected but not expended in any year shall be carried forward and applied to reduce Administrative Expenses for subsequent years.

6. **"Administrator"** means the person or independent firm designated by the City Council to perform the duties and obligations of the "Administrator" in this SAP.

7. **"Annual Installment"** means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Administrative Expenses; and (4) Additional Interest.

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

9. **"Assessed Property"** means any Parcel against which an Assessment is levied.

10. **"Assessment"** means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the Act. An Assessment for a Parcel consists of the Annual Installments to be collected in all years and includes the annual payment of the principal and interest on the Assessment, Administrative Expenses and Additional Interest.

11. **"Assessment Ordinance"** means any ordinance adopted by the City Council in accordance with the Act that levies the Assessments.

12. **"Assessment Roll"** is defined in **Section I.A.6**.

13. **"Assessment Plan"** is defined in **Section I.A.5**.

14. **"Authorized Improvements"** mean improvements authorized by Section 372.003 of the Act including those listed in **Section III**.

15. **"Authorized Improvement Costs"** mean the estimated costs of the Authorized Improvements as shown on **Exhibit D**.

16. **"City"** is defined in **Section I.A.1**.

17. **"City Council"** means the governing body of the City.

18. **"County"** means Rockwall County, Texas.

19. **"Delinquent Collection Costs"** mean, for a Parcel, interest, penalties, and other costs and expenses authorized by the Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this SAP, including costs and expenses to foreclose liens.
20. **"Development Agreement"** is defined in **Section I.A.1.**
21. **"District"** is defined in **Section I.A.1.**
22. **"District Formation and Bond Issuance Costs"** means the costs associated with forming the District and issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, 1st year District administration reserves, underwriter discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the establishment of the District and/or the issuance of PID Bonds.
23. **"Future Improvement Area"** means a distinct portion of the Major Improvement Area described by metes and bounds and developed as individual phases after Improvement Area #1, with such area(s) to be described and designated in future Annual Service Plan Updates. Initially, the Future Improvement Area will be the Major Improvement Area, described by metes and bounds in **Exhibit C-1.**
24. **"Future Improvement Annual Installment"** means the annual installment payment of a Future Improvement Assessment calculated by the Administrator and approved by the City Council, in an amount sufficient to pay: (1) Future Improvement Area Bonds principal and interest, Administrative Expenses, and Additional Interest as required by an Indenture and/or (2) the Future Improvement Area Reimbursement Obligation.
25. **"Future Improvement Area Assessed Property"** means any and all Parcels within a Future Improvement Area other than Non-Benefited Property and as shown on an Assessment Roll against which an Assessment relating to the Future Improvement Area Improvements is levied.
26. **"Future Improvement Area Bonds"** mean bonds issued to fund Future Improvement Area Improvements or refund the Future Improvement Area Reimbursement Obligation, in whole or in part, that are secured by Future Improvement Assessments. If issued, Future Improvement Area Bonds, will be secured by and paid from only the Future Improvement Assessments levied on Parcels located within the Future Improvement Area benefitting from the Future Improvement Area Improvements being financed.
27. **"Future Improvement Area Improvements"** means the Authorized Improvements which only benefit the Future Improvement Areas and are described in **Section III.B** hereto.

28. **“Future Improvement Area Reimbursement Obligation”** means the obligation of the City to pay certain costs of Future Improvement Area Improvements from Future Improvement Assessments levied on Future Improvement Area Assessed Property, pursuant to the PID Reimbursement Agreement.
29. **“Future Improvement Area Reimbursement Obligation Trigger Date”** means for each Parcel on which a Future Improvement Assessment is levied, the date after which the City shall begin collecting the Future Improvement Assessments securing the Future Improvement Area Reimbursement Obligation, which date shall be the earlier of: (1) the date a lot and block number in a final subdivision plat recorded in the Official Public Records of the County is assigned to the Parcel; or (2) the date Future Improvement Area Bonds secured by a Future Improvement Assessment levied against such Parcel are issued to pay all or a portion of the Future Improvement Area Reimbursement Agreement Obligation.
30. **“Future Improvement Assessment”** means the Assessment levied on the Future Improvement Area Assessed Property (initially consisting of the Major Improvement Area Assessed Property) for the Future Improvement Area Improvements as shown on the Major Improvement Area Assessment Roll.
31. **“Homeowner Association Property”** means property within the boundaries of the District that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a Homeowner’s Association established for the benefit of property owners within the District.
32. **“Improvement Areas”** means a distinct portion of the District described by metes and bounds that will be developed in a similar timeframe.
33. **“Improvement Area #1”** means the initial area to be developed within the District as generally shown on the map on **Exhibit B** and as described by metes and bounds in **Exhibit B-1** consisting of approximately 79.50 acres.
34. **“Improvement Area #1 Annual Installment”** means the annual installment payment of an Assessment levied against Improvement Area #1 Assessed Property calculated by the Administrator and approved by the City Council, in an amount sufficient to pay: (1) Improvement Area #1 Bonds principal and interest, Administrative Expenses, and Additional Interest as required by an Indenture; and/or (2) the Improvement Area #1 Reimbursement Obligation.
35. **“Improvement Area #1 Assessed Property”** means any and all Parcels within Improvement Area #1 other than Non-Benefited Property and as shown in the Improvement Area #1 Assessment Roll against which an Assessment relating to the Improvement Area #1 Projects is levied.

36. **“Improvement Area #1 Assessment Roll”** means the Assessment Roll for the Assessed Property within Improvement Area #1 included in this SAP as Exhibit H, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the Act, including updates prepared in connection with the issuance of PID Bonds, including Additional Improvement Area #1 Bonds, if any, or in connection with any Annual Service Plan Updates.
37. **“Improvement Area #1 Bonds”** means those certain “City of Royse City, Texas, Assessment Revenue Bonds, Series, 2017 (Waterscape Public Improvement District Improvement Area #1 Project)” that are secured by actual revenues received by or on behalf of the City from the collection of Assessments levied against Improvement Area #1 Assessed Property, or the Annual Installments thereof, for the Improvement Area #1 Projects.
38. **“Improvement Area #1 Improvements”** means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property and are described in Section III.A hereto.
39. **“Improvement Area #1 Projects”** means, collectively (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1, and (ii) the Improvement Area #1 Improvements.
40. **“Improvement Area #1 Initial Parcel”** means the initial area to be developed within the District as generally shown on the map on **Exhibit B** and as described by metes and bounds in **Exhibit B-1** consisting of approximately 79.50 acres.
41. **“Improvement Area #1 Reimbursement Obligation”** means the obligation of the City to pay certain costs of Improvement Area #1 Projects from Assessments levied on Improvement Area #1 Assessed Property pursuant to the PID Reimbursement Agreement.
42. **“Improvement Area #1 Reimbursement Obligation Trigger Date”** means, for each Parcel within Improvement Area #1, the date after which the City shall begin collecting such Assessments securing the Improvement Area #1 Reimbursement Obligation, which date shall be the earlier of: (1) the date a lot and block number in a final subdivision plat recorded in the Official Public Records of the County is assigned to the Parcel; or (2) the date Improvement Area #1 Bonds are issued to pay all or a portion of the Improvement Area #1 Reimbursement Agreement Obligation.
43. **“Indenture”** means an indenture of trust, trust agreement, ordinance, or similar agreement between the City and the Trustee setting forth the terms and conditions relating to a series of PID Bonds, as the same may be modified, amended, and/or supplemented from time to time.

44. **“Lot”** means for any portion of the Property for which a final subdivision plat has been recorded in the official public records of the County, a tract of land described by “lot” in such final and recorded subdivision plat.
45. **“Lot Type”** means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multi-family, single family residential, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the estimated buildout value of the Lot as determined by the Administrator and confirmed by the City Council.
46. **“Major Improvement Area”** means the all the property within the District, excluding Improvement Area #1, as depicted on the map on **Exhibit C** and as described by metes and bounds in **Exhibit C-1** consisting of approximately 230.6 acres within the District.
47. **“Major Improvement Area Annual Installment”** means the annual installment payment of a Major Improvement Assessment levied against Major Improvement Area Assessed Property calculated by the Administrator and approved by the City Council, in an amount sufficient to pay: (1) Major Improvement Area Bonds principal and interest, Administrative Expenses, and Additional Interest as required by an Indenture; and/or (2) the Major Improvement Area Reimbursement Obligation.
48. **“Major Improvement Area Assessed Property”** means any and all Parcels within the Major Improvement Area other than Non-Benefited Property, as shown on the Major Improvement Area Assessment Roll attached hereto as **Exhibit I**.
49. **“Major Improvement Area Assessment”** means the Assessment levied on the Major Improvement Area Assessed Property for the Major Improvement Area Projects as shown on the Major Improvement Area Assessment Roll.
50. **“Major Improvement Area Assessment Roll”** means the Assessment Roll covering the Major Improvement Area, attached hereto as **Exhibit J**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Updates.
51. **“Major Improvement Area Bonds”** means those certain “City of Royse City, Texas, Assessment Revenue Bonds, Series, 2017 (Waterscape Public Improvement District Major Improvement Project)” that are secured by actual revenues received by or on behalf of the City from the collection of the Major Improvement Area Assessments levied against Major Improvement Area Assessed Property, or the Annual Installments thereof, for the Major Improvement Area Projects.

52. **“Major Improvement Area Initial Parcel”** means all property located within the Major Improvement Area, which is more particularly described on **Exhibit C-1**.
53. **“Major Improvement Area Projects”** means the pro rata portion of the Major Improvements allocable to the Major Improvement Area.
54. **“Major Improvement Area Reimbursement Obligation”** means the obligation of the City to pay the costs of certain Major Improvement Area Projects from Major Improvement Area Assessments levied on Major Improvement Area Assessed Property pursuant to the PID Reimbursement Agreement.
55. **“Major Improvement Area Reimbursement Obligation Trigger Date”** means, for each Parcel within the Major Improvement Area, the date after which the City shall begin collecting the Major Improvement Area Assessments securing the Major Improvement Area Reimbursement Obligation, which date shall be the earlier of: (1) the date a lot and block number in a final subdivision plat recorded in the Official Public Records of the County is assigned to the Parcel; or (2) the date Major Improvement Area Bonds are issued to pay all or a portion of the Major Improvement Area Reimbursement Obligation.
56. **“Major Improvements”** means those Authorized Improvements that confer special benefit to all of the Assessed Property within the District, and as further described in **Section III.C**.
57. **“Non-Benefited Property”** means Parcels that receive no special benefit from the Authorized Improvements as determined by the City Council which may include Public Property.
58. **“Owner”** means Parker Creek Estates, L.P., a Texas limited partnership, and any successor owner of the Property or any portion thereof.
59. **“Parcel”** or **“Parcels”** means a specific property within the District identified by either a tax map identification number assigned by the Rockwall County Appraisal District for real property tax purpose, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of the County, or by any other means determined by the City.
60. **“PID Bonds”** means the bonds to be issued by the City, in one or more series, to finance all or a portion of the Actual Costs of the Authorized Improvements that confer special benefit on the Assessed Property, which may include funds for any required reserves and amounts necessary to pay the PID Bond issuance costs, and to be secured by a pledge of the Assessments pursuant to the authority granted in the Act, for the purposes of (i) financing the costs of Authorized Improvements and related costs, and (ii) reimbursement for Actual Costs paid prior to the issuance of and payment for the PID Bonds. This term is used in this SAP to collectively refer to: (i) the Improvement Area #1

Bonds, (ii) the Additional Improvement Area #1 Bonds, if issued, (iii) the Major Improvement Area Bonds, and (iv) the Future Improvement Area Bonds, if issued.

61. **"PID Reimbursement Agreement"** means that certain "PID Reimbursement Agreement – Waterscape," effective November 14, 2017, by and between the City and the Owner, as the developer of the Authorized Improvements, in which the Owner agrees to construct the Authorized Improvements and to fund certain Actual Costs of the Authorized Improvements and the City agrees to (i) pay directly or reimburse the Owner for Actual Costs of an Authorized Improvement from the proceeds of PID Bonds in accordance with the Act, this SAP and the applicable Indenture, and (ii) reimburse the Owner for Actual Costs of an Authorized Improvement not paid by proceeds of PID Bonds solely from the revenue collected from Assessments, including Annual Installments, not pledged to the payment of PID Bonds.

62. **"Prepayment Costs"** means interest and expenses to the date of Prepayment, plus any additional expenses related to the Prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any Prepayment.

63. **"Property"** is defined in **Section I.A.1.**

64. **"Public Property"** means real property, whether conveyed or dedicated in fee simple, as an easement, license, or otherwise, to the Federal Government, to the County, to the City, or to any other political subdivision, public or government agency, or public utility.

65. **"SAP"** is defined in **Section I.A.2.**

66. **"Service Plan"** is defined in **Section I.A.4.**

67. **"Trustee"** means the trustee (or successor trustee) under an Indenture.

SECTION II THE PROPERTY

The Property includes approximately 310.202 contiguous acres located within the extraterritorial jurisdiction of the City, and within the County, as more particularly described by metes and bounds on Exhibit A. Development of the Property is anticipated to include 1,012 single-family homes as well as Homeowner Association Property and Public Property.

Improvement Area #1 includes the initial area to be developed within the District as generally shown on the map on Exhibit B and is described by metes and bounds on Exhibit B-1 consisting of approximately 79.50 acres. Improvement Area #1 is anticipated to be comprised of approximately 275 Lots as well as Homeowner Association Property and Public Property.

The Major Improvement Area comprises future development phases for the Property, none of which is within Improvement Area #1. The Major Improvement Area is anticipated to be comprised of approximately 737 Lots as well as Homeowner Association Property and Public Property. The Major Improvement Area boundary is shown on Exhibit C and is described by metes and bounds on Exhibit C-1.

SECTION III AUTHORIZED IMPROVEMENTS; COSTS

A. Improvement Area #1 Improvements

The City Council, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Improvement Area #1 Improvements described below are public improvements authorized by the Act that confer a special benefit only to Improvement Area #1 Assessed Property, as summarized on Exhibit E. Improvement Area #1 Improvements will be designed and constructed in accordance with City standards and specifications, as modified by the Development Agreement, and will be owned and operated by the City. The Improvement Area #1 Improvements consist of the following:

1. **STREET** improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and street lights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within

Improvement Area #1. The costs for the Improvement Area #1 street improvements are \$3,680,544.

2. **WATER AND SANITARY SEWER** improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide water and wastewater service to all Lots within Improvement Area #1. The costs for the Improvement Area #1 water and sanitary sewer improvements are \$1,465,476.
3. **STORM DRAINAGE** improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Improvement Area #1. The costs for the Improvement Area #1 storm drainage are \$710,730.
4. **SOFT COSTS** include engineering and design, construction inspection fees, geotechnical testing, governmental submittal fees, and 2% contractor completion bonds for the Improvement Area #1 Improvements described above. The Improvement Area #1 soft costs are \$1,370,186.

B. Future Improvement Area Improvements

The City Council, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Future Improvement Area Improvements described below are public improvements authorized by the Act that confer a special benefit only to Major Improvement Area Assessed Property, as summarized on Exhibit E. Future Improvement Area Improvements will be designed and constructed in accordance with City standards and specifications, as modified by the Development Agreement, and will be owned and operated by the City. The Future Improvement Area Improvements consist of the following:

1. **STREET** improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and street lights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to all Assessed Property within the applicable Future Improvement Area. The costs for the Future Improvement Area street improvements are \$9,357,457.

2. **WATER AND SANITARY SEWER** improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide water and wastewater service to all Assessed Property within the applicable Future Improvement Area. The costs for the Future Improvement Area water and sanitary system improvements are \$3,785,620.
3. **STORM DRAINAGE** improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Assessed Property within the applicable Future Improvement Area. The costs for the Future Improvement Area storm drainage improvements are \$2,044,038.
4. **SOFT COSTS** include engineering and design, construction inspection fees, geotechnical testing, governmental submittal fees, and 2% contractor completion bonds for the Future Improvement Area Improvements described above. The Future Improvement Area soft costs are \$3,323,196.

C. Major Improvements

The City Council, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Major Improvements described below, and depicted on a map on Exhibit L, are public improvements authorized by the Act that confer a special benefit to Improvement Area #1 Assessed Property as well as the Major Improvement Area, as summarized on Exhibit E. The Major Improvements are described as follows:

1. **STREET & STORM DRAINAGE** improvements include improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and street lights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide access for all of the Assessed Property within the District. Storm Drainage improvements include improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in the District. The storm drainage improvements will benefit all of the Assessed Property within the District. The street and storm drainage

improvement cost of \$1,787,614 is allocated between Improvement Area #1 and the Major Improvement Area based on the following formula:

Improvement Area #1 Allocation

$$(275 \text{ Improvement Area \#1 Lots} \div 1,012 \text{ total Lots}) \times \$1,787,614 = \$485,765$$

Major Improvement Area Allocation

$$(737 \text{ Major Improvement Area Lots} \div 1,012 \text{ total Lots}) \times \$1,787,614 = \$1,301,850$$

2. **WATER AND SANITARY SEWER** improvements include improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide water and wastewater service to all Assessed Property within the District. The water and sanitary sewer improvements benefit all of the Assessed Property within the District. The water improvement cost of \$1,953,609 is allocated between Improvement Area #1 and the Major Improvement Area based on the following formula:

Improvement Area #1 Allocation

$$(275 \text{ Improvement Area \#1 Lots} \div 1,012 \text{ total Lots}) \times \$1,953,609 = \$530,872$$

Major Improvement Area Allocation

$$(737 \text{ Major Improvement Area Lots} \div 1,012 \text{ total Lots}) \times \$1,953,609 = \$1,422,737$$

3. **LANDSCAPING** improvements include installation of landscaping, including irrigation, in public open spaces, entryway monuments and signs, establishment and improvement of lakes, park and open space. The landscaping improvement cost of \$2,080,000 is allocated between Improvement Area #1 and the Major Improvement Area based on the following formula:

Improvement Area #1 Allocation

$$(275 \text{ Improvement Area \#1 Lots} \div 1,012 \text{ total Lots}) \times \$2,080,000 = \$565,217$$

Major Improvement Area Allocation

$$(737 \text{ Major Improvement Area Lots} \div 1,012 \text{ total Lots}) \times \$2,080,000 = \$1,514,783$$

4. **SOFT COSTS** include engineering and design, construction inspection fees, geotechnical testing, governmental submittal fees, and 2% contractor completion bonds for the Authorized Improvements described above. The Major Improvements soft costs of \$530,201 is allocated between Improvement Area #1 and the Major Improvement Area based on the following formula:

Improvement Area #1 Allocation

$$(275 \text{ Improvement Area \#1 Lots} \div 1,012 \text{ total Lots}) \times \$530,201 = \$144,076$$

Major Improvement Area Allocation

$$(737 \text{ Major Improvement Area Lots} \div 1,012 \text{ total Lots}) \times \$530,201 = \$386,125$$

D. District Formation and Bond Issuance Costs

The City Council, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the District Formation and Bond Issuance Costs described below are authorized by the Act and are required to establish the District and issue PID Bonds to fund Authorized Improvements that confer a special benefit to Improvement Area #1 Assessed Property, Major Improvement Area Assessed Property, and/or Future Improvement Area Assessed Property. The District Formation and Bond Issuance Costs are described as follows:

1. **DEBT SERVICE RESERVE FUND REQUIREMENT** equals the amount required under an Indenture in connection with the issuance of PID Bonds.
2. **CAPITALIZED INTEREST** equals the capitalized interest payments on PID Bonds as reflected in an applicable Indenture.
3. **UNDERWRITER DISCOUNT** equals a percentage of the par amount of a series of PID Bonds plus a fee for underwriter counsel equal to one percent (1%) of the par amount of such Bonds.
4. **COST OF ISSUANCE** includes costs associated with forming the District and issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, 1st year District administration reserves, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the establishment of the District and/or the issuance of PID Bonds.

SECTION IV SERVICE PLAN

The Service Plan attached as **Exhibit F** covers a period of five years, including the projected annual costs of the Authorized Improvements and the projected annual indebtedness for the Authorized Improvements. The Service Plan must be reviewed and updated by the City Council at least annually. The estimated sources and uses of funds relating to the Authorized Improvements are summarized on **Exhibit G**.

SECTION V ASSESSMENT PLAN

A. Introduction. The Act allows the City Council to apportion the Authorized Improvement Costs to the Assessed Property based on the special benefit received by the Authorized Improvements. The Act provides that such costs may be apportioned: (i) equally per front foot or square foot; (ii) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (iii) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The proposed bond issuance program entails a series of financings that are intended to finance the Authorized Improvements required for the Property. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. The number of phases will be dependent on local housing market conditions, availability of financing, absorption of Lots within the District, and other factors. Following the Improvement Area #1 Bonds, Major Improvement Area Bonds, and the Additional Improvement Area #1 Bonds, if issued, the City and the Owner anticipate issuing one or more series of Future Improvement Area Bonds over the upcoming decade as the subsequent phases of the Property are gradually developed.

The purpose of the gradual issuance of Future Improvement Area Bonds is to mirror the actual private development of the Authorized Improvements. The PID Bonds to be issued are most prudently and efficiently utilized when directly coinciding with construction of the public infrastructure needed for private development that is to occur once the infrastructure is completed; it is most effective to issue the PID Bonds when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and

several disadvantages to issuing debt and encumbering property within the District prior to the need for the Authorized Improvements.

Additionally, phased issuance of debt will maintain a prudent value to lien ("VtL") within the financing program. In order to maintain a prudent VtL, the initial issuance of PID Bonds for a specific set of Authorized Improvements may not fund the entire desired level of public infrastructure because the property value is not high enough to support the entire debt load at the desired VtL. In this case, the Owner will fund the portion of the Authorized Improvements Costs not funded with PID Bonds, subject to the PID Reimbursement Agreement. Subject to approval by the City Council in its sole discretion obligations owed to the Owner under the PID Reimbursement Agreement can be reduced by a subsequent parity lien bond financing, secured by the same assessments, once all requirements required by the applicable Indenture have been satisfied.

This section of this Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements, and provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners and developers of the Assessed Property.

B. Findings of Special Benefit. The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

1. Improvement Area #1
 - i. The Improvement Area #1 Projects costs equal \$8,952,868, as shown on **Exhibit E**; and
 - ii. The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Projects equal to or greater than the Actual Cost of the Improvement Area #1 Projects; and
 - iii. The Improvement Area #1 Initial Parcel consists of all property in Improvement Area #1, therefore the Improvement Area #1 Initial Parcel will be allocated 100% of the Improvement Area #1 Assessments, which equal \$6,240,000 as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit H**; and

- iv. The special benefit ($\geq \$8,952,868$) received by Improvement Area #1 Assessed Property from the Improvement Area #1 Projects is greater than the amount of the Assessments ($\$6,240,000$) levied for the Improvement Area #1 Projects.
- v. At the time the City Council approved the SAP, the Owner owned 100% of the Improvement Area #1 Assessed Property. The Owner has acknowledged that the Improvement Area #1 Projects confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Owner has ratified, confirmed, accepted, agreed to and approved: (i) the determinations and findings by the City Council as to the special benefits described herein and the Assessment Ordinance; (ii) the SAP and the Assessment Ordinance, and (iii) the levying of Assessments on the Improvement Area #1 Assessed Property.

2. Major Improvement Area

- i. The costs of the Major Improvement Area Projects equal $\$4,625,494$ and the costs of the Future Improvement Area Improvements equal $\$18,510,311$, resulting in a total cost of $\$23,135,805$ as shown on **Exhibit E**; and
- ii. The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Projects and the Future Improvement Area Improvements equal to or greater than the sum of the Actual Costs of the Major Improvement Area Projects and the Future Improvement Area Improvements; and
- iii. The Major Improvement Area Initial Parcel consists of all property in Major Improvement Area (initially being the same property constituting the Future Improvement Area), therefore the Major Improvement Area Initial Parcel will be allocated 100% of the $\$3,500,000$ Major Improvement Area Assessments and 100% of the $\$13,340,000$ Future Improvement Assessments, which collectively total $\$16,840,000$ as shown on the Major Improvement Area Assessment Roll attached hereto as **Exhibit J**; and
- iv. The special benefit ($\geq \$4,625,493$) received by Major Improvement Area Assessed Property from the Major Improvements is greater than the amount of the Major Improvement Area Assessment ($\$3,500,000$) levied for the Major Improvements.

- v. The special benefit (\geq \$18,510,311) received by Future Improvement Area Assessed Property from the Future Improvement Area Improvements is greater than the amount of the Future Improvement Assessment (\$13,340,000) levied for the Future Improvement Area Improvements.
- vi. At the time the City Council approved the SAP, the Owner owned 100% of the Major Improvement Area Assessed Property. The Owner has acknowledged that the Major Improvement Area Projects and Future Improvement Area Improvements confer a special benefit on the Major Improvement Area Assessed Property and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Owner has ratified, confirmed, accepted, agreed to and approved: (i) the determinations and findings by the City Council as to the special benefits described herein and the Assessment Ordinance; (ii) the SAP and the Assessment Ordinance, and (iii) the levying of Assessments on the Major Improvement Area Assessed Property.

C. **Administrative Expenses.** Administrative Expenses shall be shared pro rata among all Parcels for which Assessments remain unpaid based on the amount of outstanding principal remaining on each Parcel.

D. **Additional Interest.** The interest rate on Assessments may exceed the interest rate on the PID Bonds by the Additional Interest. The Additional Interest shall be collected as part of each Annual Installment pursuant to the terms of the applicable Indenture.

SECTION VI ASSESSMENTS AND ANNUAL INSTALLMENTS

A. **Assessments and Annual Installments.** Following a Future Improvement Area Reimbursement Obligation Trigger Date, the Improvement Area #1 Reimbursement Obligation Trigger Date, or a Major Improvement Area Reimbursement Obligation Trigger Date, as applicable, Assessments and Annual Installments for each Parcel shall be calculated and collected each year in an amount sufficient to first pay principal and interest on the PID Bonds, if issued, Administrative Expenses, and the Additional Interest, and next to pay obligations under the PID Reimbursement Agreement.

B. **Reallocation of Assessments.**

- 1. If a Parcel is divided, the Administrator shall allocate the Assessment against the Parcel before the division to the newly created Parcels and approved by the City Council in the next Annual Service Plan Update based on estimated buildout value as follows:

- i. Upon Division Prior to Recording of Subdivision Plat – Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C \div D)$$

where:

- A = the Assessment for the newly divided Assessed Property
- B = the Assessment for the Assessed Property prior to division
- C = the estimated buildout value of the newly divided Assessed Property
- D = the sum of the estimated buildout value for all of the newly divided Assessed Properties

The calculation of the buildout value of an Assessed Property shall be performed by the Administrator based on information available in the official public records of the County regarding the Assessed Property. The calculation as confirmed by the City Council shall be conclusive.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the City Council.

- ii. Upon Subdivision by a Recorded Subdivision Plat – Upon the subdivision of any Assessed Property based on a recorded Subdivision Plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on buildout value according to the following formula:

$$A = [B \times (C \div D)]/E$$

where:

- A = the Assessment for the newly subdivided Lot
- B = the Assessment for the Parcel prior to subdivision
- C = the sum of the estimated average buildout value of all newly subdivided Lots with same Lot Type
- D = the sum of the estimated average buildout value for all of the newly subdivided Lots excluding Non-Benefitted Property

- E= the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an estimated buildout value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact value. The calculation of the estimated average buildout value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the City Council.

2. If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update.
3. Upon subdivision of the Major Improvement Area Initial Parcel that initially constitutes the Future Improvement Area Assessed Property into one or more Future Improvement Areas, the costs of the Future Improvement Area Improvements will be allocated to each Future Improvement Area based on the benefit each Future Improvement Area Improvement provides each Future Improvement Area in accordance with **Section VI.B.1.**
4. If, as a result of any replat, the sum of the Assessments against the replatted Lot(s) exceeds the sum of the Assessments before the replat, then prior to recording the replat the person(s) requesting the replat must prepay the amount by which the Assessment for the replatted Lot(s) exceeds the sum of the Assessments before the replat. The replat shall not be recorded without a letter from the Administrator confirming that the payment has been made.

5. The reallocation of an Assessment against a Lot after the Lot has been designated as a homestead under Texas law may not exceed the Assessment against the homestead Lot prior to the reallocation.

C. Mandatory Prepayment of Assessments. If the Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the Administrator the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

D. Reduction of Assessments.

1. If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, the City Council shall reduce each Assessment on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs. Excess bond proceeds shall be applied to redeem outstanding PID Bonds. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

2. The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments.

1. The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the Act. Prepayment Costs, if any, may be paid from the Additional Interest Reserve. If an Annual Installment has been billed prior to payment, the Annual Installment shall be due and payable and shall be credited against the prepayment.

2. If an Assessment is paid in full, with interest: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination."

3. If an Assessment is paid in part, with interest: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced.

F. Payment of Assessment in Annual Installments.

1. **Exhibit I** shows the total Improvement Area #1 Annual Installments for the Improvement Area #1 Initial Parcel and **Exhibit K** shows the total Major Improvement Area Annual Installments and Future Improvement Annual Installments for the Major Improvement Area Initial Parcel.

2. Following a Future Improvement Area Reimbursement Obligation Trigger Date, the Improvement Area #1 Reimbursement Obligation Trigger Date, or a Major Improvement Area Reimbursement Obligation Trigger Date, as applicable, Assessments that are not paid in full shall be due and payable in Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

3. The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and updated calculations of Annual Installments. Administrative Expenses shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be reduced by any credits applied under the Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the Act.

4. Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay the non-delinquent Annual Installments as they become due and payable.

5. The City reserves the right to refund PID Bonds in accordance with the Act. In the event of a refunding, the Administrator shall recalculate the Annual

Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

6. Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be delinquent if not paid prior to February 1 of the following year.

SECTION VII ASSESSMENT ROLL

The Improvement Area #1 Assessment Roll is attached as Exhibit H, and the Major Improvement Area Assessment Roll is attached as Exhibit I. The Administrator shall prepare, and submit to the City Council for review and approval, proposed revisions to the Assessment Roll and Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII ADDITIONAL PROVISIONS

A **Calculation Errors.** If the owner of a Parcel claims that an error has been made in any calculation required by this SAP, including, but not limited to, any calculation made as part of any Service and Assessment Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the City Council within 10 days after City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved the calculation. Upon receipt of a written notice of error from an owner, the City Council shall refer the notice to the Administrator who shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a public hearing, and within 30 days after closing such hearing, the City Council shall make a final determination as to whether or not an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the Act, this SAP, the Bond Ordinance, or the Trust Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B **Amendments.** Amendments to this SAP must be made by the City Council in accordance with the Act. To the extent permitted by the Act, this SAP may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical

errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this SAP.

C Administration and Interpretation. The Administrator shall: (1) perform the obligations of the Administrator as set forth in this SAP; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this SAP. Interpretations of this SAP by the Administrator shall be in writing and shall be appealable to the City Council by owners or developers adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public hearing at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

D Severability. If any provision of this SAP is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

E **Exhibits.** The following Exhibits are attached to and made a part of this SAP for all purposes:

- Exhibit A** Legal Description of the Property
- Exhibit B** Improvement Area #1 Map
- Exhibit B-1** Legal Description of Improvement Area #1
- Exhibit C** Major Improvement Areas Map
- Exhibit C-1** Legal Description of Major Improvement Area
- Exhibit D** Authorized Improvement Costs
- Exhibit E** Allocation of Authorized Improvements Costs
- Exhibit F** Service Plan
- Exhibit G** Sources and Uses of Funds
- Exhibit H** Improvement Area #1 Assessment Roll
- Exhibit I** Projected Improvement Area #1 Annual Installments
- Exhibit J** Major Improvement Area Assessment Roll
- Exhibit K** Projected Major Improvement Area Annual Installments
- Exhibit L** Map Depicting Major Improvements
- Exhibit M** Map Depicting Improvement Area #1 Improvements

Exhibit A
Legal Description of the Property

METES AND BOUNDS DESCRIPTION OF THE PROPERTY

BEING a tract of land located in the S.C. WRIGHT SURVEY, ABSTRACT NO. 218, Rockwall County, Texas and being part of a tract of land described in Deed to Parker Creek Estates, L.P., recorded in Volume 2855, Page 252 (Doc. No. 00272567), Deed Records, Rockwall County, Texas and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the intersection of the Easterly right-of-way line of F.M. 548, a variable width right-of-way, with the approximate centerline of Crenshaw Road, said point being the most Northerly corner of said Parker Creek Estates, L.P. tract;

THENCE South 46 degrees 24 minutes 20 seconds East, along the approximate centerline of said Crenshaw Road, a distance of 5123.44 feet to a 3/8 inch iron rod found at the most Easterly corner of said Parker Creek Estates, L.P. tract, said point being the most Northerly corner of a tract of land described in Deed to John H. Crenshaw, Jr., recorded in Volume 126, Page 887, Deed Records, Rockwall County, Texas;

THENCE South 43 degrees 47 minutes 21 seconds West, along the common line of said Parker Creek Estates, L.P. and John H. Crenshaw, Jr. tracts, a distance of 2697.97 feet to a 1 1/4 inch diameter axle found for corner at the most Southerly corner of said Parker Creek Estates, L.P. tract, said point being North 42 degrees 49 minutes 03 seconds West, a distance of 361.66 feet from the most Westerly corner of said John H. Crenshaw, Jr. tract, said point also being an ell corner of a tract of land described in Deed to Dean M. Gandy, recorded in Volume 688, Page 258, Deed Records, Rockwall County, Texas;

THENCE North 45 degrees 36 minutes 22 seconds West, along the common line of said Parker Creek Estates, L.P. and said Dean M. Gandy tracts, a distance of 4893.37 feet to a 1/2 inch iron rod found for corner in the East right-of-way line of said F.M. 548;

THENCE North 00 degrees 57 minutes 55 seconds West, along said East line, a distance of 169.42 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner at the beginning of a curve to the right having a central angle of 44 degrees 32 minutes 00 seconds, a radius of 222.04 feet, and a chord bearing and distance of North 21 degrees 18 minutes 05 seconds East, 168.27 feet;

THENCE Westerly, along said curve to the right, an arc distance of 172.58 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

Exhibit A
Legal Description of the Property

THENCE North 43 degrees 34 minutes 05 seconds East, along said Easterly right-of-way line, a distance of 2266.78 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE North 00 degrees 37 minutes 55 seconds West, a distance of 53.90 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE North 43 degrees 33 minutes 48 seconds East, a distance of 47.85 feet to the POINT OF BEGINNING and containing 310.202 acres of land, more or less.

Exhibit B
Improvement Area #1 Map

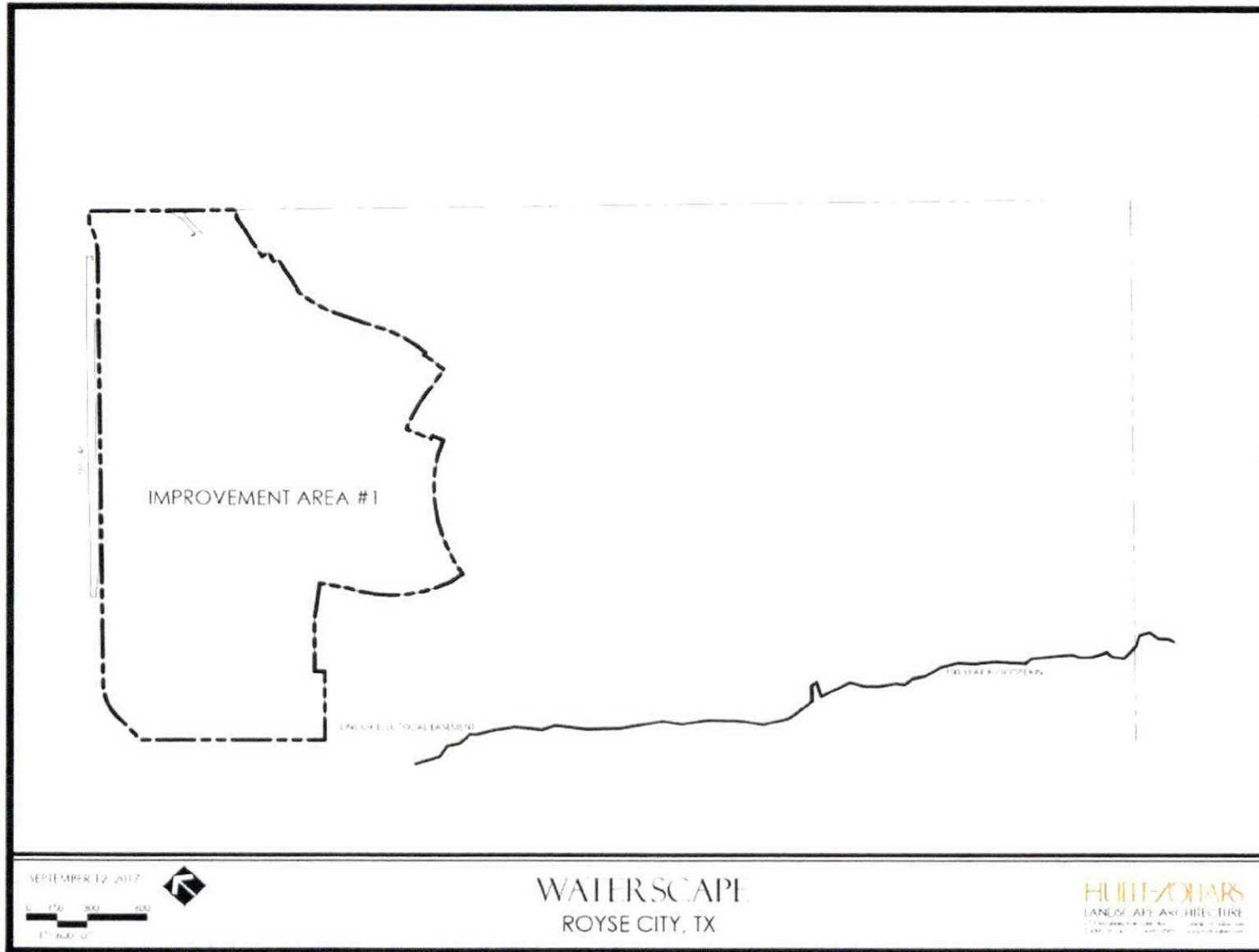


Exhibit B-1
Improvement Area #1 Legal Description

**LAND DESCRIPTION
EXHIBIT B**

BEING a tract of land situated in the S. C. Wright Survey, Abstract No. 218, Rockwall County, Texas, and being a portion of a tract of land described in instrument to Parker Creek Estates, L.P., as recorded in Volume 2855, Page 252 of the Deed Records of Rockwall County, Texas (D.R.R.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod found at the most northerly corner of said Parker Creek Estates tract, said iron being in Crenshaw Road;

THENCE, South 46 degrees 24 minutes 19 seconds East (Record: South 44 degrees 12 minutes 25 seconds East), generally along Crenshaw Road and the northeast line of said Parker Creek Estates tract, a distance of 730.30 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, over and across said Parker Creek Estates tract the following courses:

South 43 degrees 35 minutes 41 seconds West, a distance of 40.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 11 degrees 34 minutes 06 seconds West, a distance of 229.95 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the right having a central angle of 04 degrees 43 minutes 25 seconds, a radius of 475.00 feet, subtended by a 39.15 foot chord which bears South 74 degrees 11 minutes 40 seconds East;

Along said curve to the left an arc distance of 39.16 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 18 degrees 10 minutes 02 seconds West, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the right having a central angle of 03 degrees 20 minutes 31 seconds, a radius of 425.00 feet, subtended by a 24.79 foot chord which bears South 70 degrees 09 minutes 42 seconds East;

Along said curve to the right an arc distance of 24.79 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 11 degrees 48 minutes 18 seconds West, a distance of 196.86 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 09 degrees 17 minutes 01 seconds East, a distance of 47.99 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 13 degrees 52 minutes 06 seconds East, a distance of 48.00 feet to a 5/8 inch

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Exhibit B-1
Improvement Area #1 Legal Description

iron rod set with plastic cap stamped "Huitt-Zollars";

South 18 degrees 27 minutes 11 seconds East, a distance of 48.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 23 degrees 02 minutes 18 seconds East, a distance of 48.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 26 degrees 40 minutes 01 seconds East, a distance of 49.30 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 26 degrees 56 minutes 34 seconds East, a distance of 251.51 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 21 degrees 13 minutes 36 seconds East, a distance of 67.72 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 11 degrees 18 minutes 28 seconds East, a distance of 79.03 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 08 degrees 39 minutes 42 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 81 degrees 20 minutes 18 seconds West, a distance of 14.09 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 08 degrees 39 minutes 42 seconds East, a distance of 125.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 81 degrees 20 minutes 18 seconds West, a distance of 130.60 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 79 degrees 44 minutes 25 seconds West, a distance of 75.61 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 73 degrees 50 minutes 13 seconds West, a distance of 71.26 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 68 degrees 40 minutes 09 seconds West, a distance of 71.35 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 23 degrees 41 minutes 21 seconds East, a distance of 125.66 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 67 degrees 03 minutes 26 seconds East, a distance of 17.85 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

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Exhibit B-1
Improvement Area #1 Legal Description

South 22 degrees 11 minutes 47 seconds East, a distance of 70.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 67 degrees 31 minutes 06 seconds West, a distance of 6.13 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 20 degrees 14 minutes 39 seconds West, a distance of 13.76 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 63 degrees 15 minutes 26 seconds West, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 26 degrees 42 minutes 31 seconds West, a distance of 0.62 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 72 degrees 32 minutes 29 seconds West, a distance of 13.82 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the left having a central angle of 39 degrees 34 minutes 26 seconds, a radius of 615.00 feet, subtended by a 416.38 foot chord which bears South 40 degrees 55 minutes 23 seconds West;

Along said curve to the left an arc distance of 424.78 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a compound curve to the left having a central angle of 11 degrees 11 minutes 47 seconds, a radius of 1015.00 feet, subtended by a 198.03 foot chord which bears South 15 degrees 32 minutes 16 seconds West;

Along said curve to the left an arc distance of 198.35 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 80 degrees 03 minutes 37 seconds West, a distance of 70.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 67 degrees 10 minutes 01 seconds West, a distance of 101.05 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 60 degrees 15 minutes 07 seconds West, a distance of 71.17 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 54 degrees 12 minutes 34 seconds West, a distance of 71.17 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 47 degrees 25 minutes 43 seconds West, a distance of 71.13 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

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Exhibit B-1
Improvement Area #1 Legal Description

North 42 degrees 09 minutes 20 seconds West, a distance of 71.07 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 36 degrees 08 minutes 39 seconds West, a distance of 71.07 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 30 degrees 06 minutes 06 seconds West, a distance of 71.07 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 35 degrees 51 minutes 00 seconds West, a distance of 136.87 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 52 degrees 06 minutes 07 seconds West, a distance of 184.55 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 44 degrees 10 minutes 59 seconds West, a distance of 257.76 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 45 degrees 49 minutes 01 seconds East, a distance of 49.06 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 44 degrees 10 minutes 59 seconds West, a distance of 340.30 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" on the southwesterly line of said Parker Creek Estates tract;

THENCE, North 45 degrees 36 minutes 34 seconds West (Record: North 44 degrees 24 minutes 00 seconds West), along the southwesterly line of said Parker Creek Estates tract, a distance of 906.63 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" on the easterly right-of-way line of F.M. 548, an 80-foot right-of-way, as described in instrument to the State of Texas, recorded in Volume 45, Page 363, D.R.R.C.T., from which a 1/2 inch iron rod found bears North 45 degrees 36 minutes 34 seconds West, a distance of 1.22 feet;

THENCE, along the southeasterly right-of-way line of F.M. 548 the following courses:

North 00 degrees 59 minutes 32 seconds West (Record: North 00 degrees 13 minutes 00 seconds West), a distance of 169.46 feet (Record: 168.85 feet) to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", from which a 1/2 inch iron rod found with plastic cap stamped "DAA" bears North 53 degrees 42 minutes 06 seconds West, a distance of 1.45 feet, and being the beginning of a curve to the right having a central angle of 44 degrees 35 minutes 44 seconds (Record: 44 degrees 32 minutes 00 seconds), a radius of 222.04 feet, subtended by a 168.49 foot (Record: 168.27 foot) chord which bears North 21 degrees 18 minutes 20 seconds East (Record: North 22 degrees 29 minutes 00 seconds East);

Along said curve to the right an arc distance of 172.82 feet (Record: 172.58 feet) to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", from which a 1/2 inch iron

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Exhibit B-1
Improvement Area #1 Legal Description

rod found with plastic cap stamped "DAA" bears South 83 degrees 41 minutes 55 seconds West, a distance of 2.97 feet;

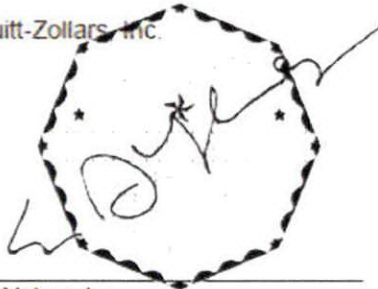
North 43 degrees 36 minutes 12 seconds East (Record: North 44 degrees 45 minutes 00 seconds East), a distance of 2137.73 feet (Record: 2137.55 feet) to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", from which a 1/2 inch iron rod found bears North 53 degrees 45 minutes 52 seconds West, a distance of 0.38 feet, and being the beginning of a curve to the left having a central angle of 29 degrees 16 minutes 56 seconds (Record: 27 degrees 57 minutes 18 seconds), a radius of 317.64 feet, subtended by a 160.58 foot (Record: 153.45 foot) chord which bears North 28 degrees 57 minutes 44 seconds East (Record: North 30 degrees 46 minutes 21 seconds East);

Along said curve to the left an arc distance of 162.34 feet (Record: 154.98 feet) to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", from which a 1/2 inch iron rod found with plastic cap stamped "DAA" bears South 40 degrees 09 minutes 44 seconds West, a distance of 5.18 feet, and a 1/2 inch iron rod found with plastic cap stamped "DAA" bears North 45 degrees 07 minutes 13 seconds East, a distance of 12.06 feet;

North 43 degrees 36 minutes 12 seconds East (Record: North 44 degrees 45 minutes 00 seconds East), a distance of 60.15 feet (Record: 66.67 feet) to the **POINT OF BEGINNING** and **CONTAINING** 79.50 Acres of land, more or less.

Bearings are based on the Texas State Plane Coordinate System, North Central Zone (4202), North American Datum 1983 (2011).

For Huitt-Zollars, Inc.



Eric J. Yahoudy
Registered Professional Land Surveyor
Texas Registration No. 4862
Huitt-Zollars, Inc.
Firm Registration No. 10025600
1717 McKinney Avenue, Suite 1400
Dallas, Texas 75202-1236
Ph. (214) 871-3311
Email: yahoo@huitt-zollars.com

Date of Certification: 9/15/2017

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Exhibit C
Major Improvement Area Map

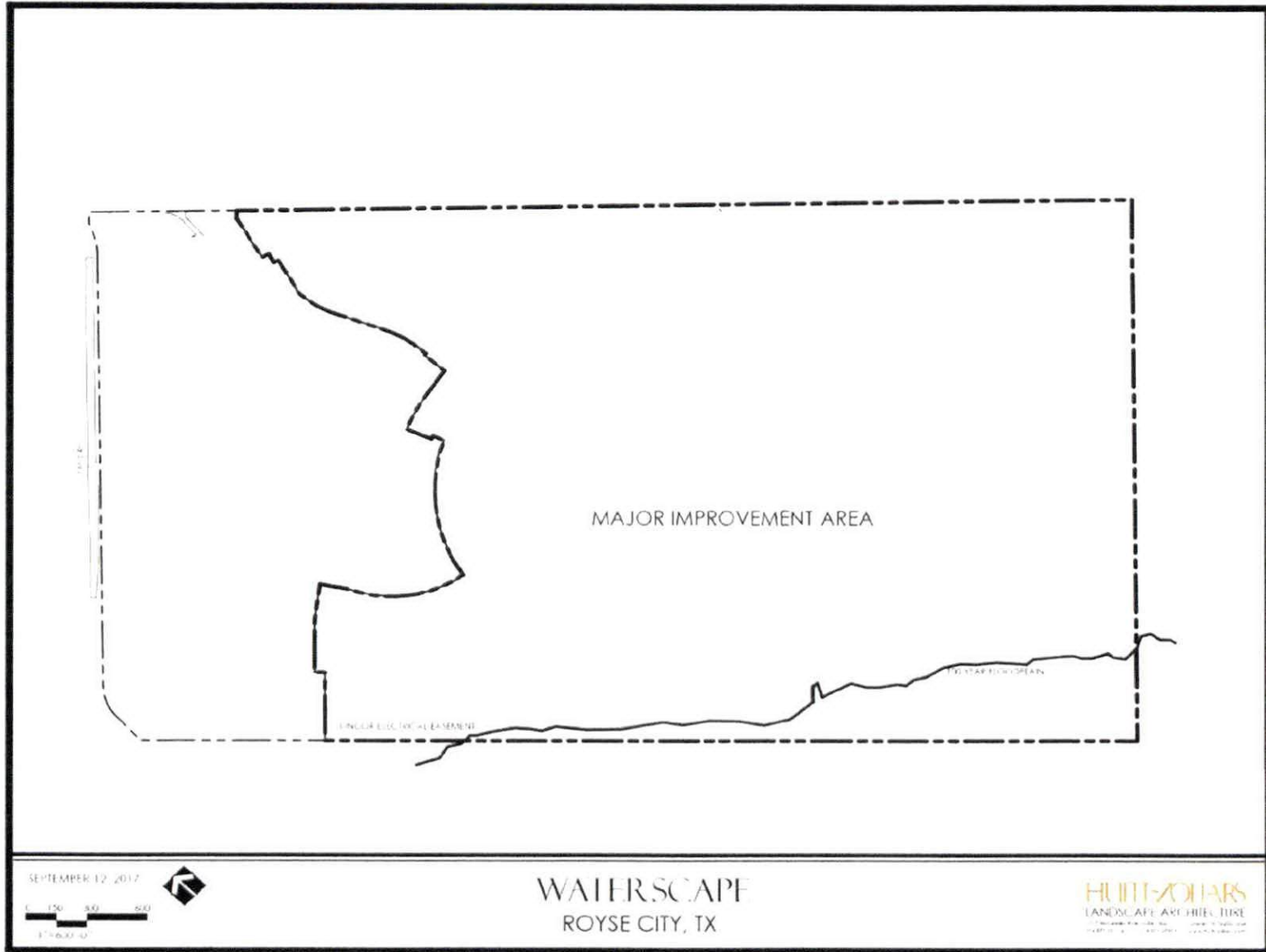


Exhibit C-1
Major Improvement Area Legal Description

**LAND DESCRIPTION
EXHIBIT C**

BEING a tract of land situated in the S. C. Wright Survey, Abstract No. 218, Rockwall County, Texas, and being a portion of a tract of land described in instrument to Parker Creek Estates, L.P., as recorded in Volume 2855, Page 252 of the Deed Records of Rockwall County, Texas (D.R.R.C.T.), and being all of a called 10.00 acre tract of land described in instrument as an undivided 20 percent interest to William Pike Chapman; Robert T. Love; William D. Randels; Misty Partridge; and Parker Creek Estates, L.P.; as recorded in Volume 4386, Page 19; Volume 4386, Page 37; Volume 4386, Page 55; Volume 5832, Page 228; and Clerk's File No. 2016000015014, D.R.R.C.T., respectively, and being more particularly described as follows:

COMMENCING at a 1/2 inch iron rod found at the most northerly corner of said Parker Creek Estates tract, said iron being in Crenshaw Road;

THENCE, South 46 degrees 24 minutes 19 seconds East (Record: South 44 degrees 12 minutes 25 seconds East) generally along Crenshaw Road and the northeast line of said Parker Creek Estates tract, a distance of 730.30 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" at the **POINT OF BEGINNING**;

THENCE, South 46 degrees 24 minutes 19 seconds East (Record: South 44 degrees 12 minutes 25 seconds East), continuing along Crenshaw Road and the northeast line of said Parker Creek Estates tract, passing at a distance of 3957.76 feet a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" at the most northerly corner of said 10.00 acre tract, and continuing along the northeast line of said 10.00 acre tract a total distance of 4393.36 feet (Record for previous two calls: 5123.47 feet) to a 3/8 inch iron rod found in Crenshaw Road, said point being the most easterly corner of said 10.00 acre tract;

THENCE, South 43 degrees 48 minutes 12 seconds West (Record: South 43 degrees 47 minutes 21 seconds West), along the southeast line of said 10.00 acre tract, passing at a distance of 1000.01 feet a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" at the most southerly corner of said 10.00 acre tract, and continuing along the southeast line of said Parker Creek Estates tract a total distance of 2697.81 feet (Record: 2697.97 feet) to a 1/2 inch iron rod found at the most southerly corner of said Parker Creek Estates tract, from which a 5/8 inch iron rod found with plastic cap stamped "CSM" bears North 45 degrees 25 minutes 28 seconds East, a distance of 7.45 feet;

THENCE, North 45 degrees 36 minutes 34 seconds West (Record: North 44 degrees 24 minutes 00 seconds West), along the southwesterly line of said Parker Creek Estates tract, a distance of 3984.57 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, over and across said Parker Creek Estates tract the following courses:

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Exhibit C-1
Major Improvement Area Legal Description

North 44 degrees 10 minutes 59 seconds East, a distance of 340.30 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 45 degrees 49 minutes 01 seconds West, a distance of 49.06 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 44 degrees 10 minutes 59 seconds East, a distance of 257.76 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 52 degrees 06 minutes 07 seconds East, a distance of 184.55 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 35 degrees 51 minutes 00 seconds East, a distance of 136.87 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 30 degrees 06 minutes 06 seconds East, a distance of 71.07 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 36 degrees 08 minutes 39 seconds East, a distance of 71.07 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 42 degrees 09 minutes 20 seconds East, a distance of 71.07 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 47 degrees 25 minutes 43 seconds East, a distance of 71.13 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 54 degrees 12 minutes 34 seconds East, a distance of 71.17 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 60 degrees 15 minutes 07 seconds East, a distance of 71.17 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 67 degrees 10 minutes 01 seconds East, a distance of 101.05 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 80 degrees 03 minutes 37 seconds East, a distance of 70.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the right having a central angle of 11 degrees 11 minutes 47 seconds, a radius of 1015.00 feet, subtended by a 198.03 foot chord which bears North 15 degrees 32 minutes 16 seconds East;

Along said curve to the right an arc distance of 198.35 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a compound curve to the right having a central angle of 39 degrees 34 minutes 26

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Exhibit C-1
Major Improvement Area Legal Description

seconds, a radius of 615.00 feet, subtended by a 416.38 foot chord which bears North 40 degrees 55 minutes 23 seconds East;

Along said curve to the right an arc distance of 424.78 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 72 degrees 32 minutes 29 seconds East, a distance of 13.82 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 26 degrees 42 minutes 31 seconds East, a distance of 0.62 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 63 degrees 15 minutes 26 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 20 degrees 14 minutes 39 seconds East, a distance of 13.76 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 67 degrees 31 minutes 06 seconds East, a distance of 6.13 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 22 degrees 11 minutes 47 seconds West, a distance of 70.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 67 degrees 03 minutes 26 seconds West, a distance of 17.85 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 23 degrees 41 minutes 21 seconds West, a distance of 125.66 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 68 degrees 40 minutes 09 seconds East, a distance of 71.35 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 73 degrees 50 minutes 13 seconds East, a distance of 71.26 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 79 degrees 38 minutes 31 seconds East, a distance of 71.23 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 81 degrees 20 minutes 18 seconds East, a distance of 134.98 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 08 degrees 39 minutes 42 seconds West, a distance of 125.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 81 degrees 20 minutes 18 seconds East, a distance of 14.09 feet to a 5/8

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Exhibit C-1
Major Improvement Area Legal Description

inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 08 degrees 39 minutes 42 seconds West, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 11 degrees 18 minutes 28 seconds West, a distance of 79.03 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 21 degrees 13 minutes 36 seconds West, a distance of 67.72 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 26 degrees 56 minutes 34 seconds West, a distance of 251.51 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 26 degrees 40 minutes 01 seconds West, a distance of 49.30 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 23 degrees 02 minutes 18 seconds West, a distance of 48.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 18 degrees 27 minutes 11 seconds West, a distance of 48.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 13 degrees 52 minutes 06 seconds West, a distance of 48.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 09 degrees 17 minutes 01 seconds West, a distance of 47.99 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 11 degrees 48 minutes 18 seconds East, a distance of 196.86 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the left having a central angle of 03 degrees 20 minutes 31 seconds, a radius of 425.00 feet, subtended by a 24.79 foot chord which bears North 70 degrees 09 minutes 42 seconds West;

Along said curve to the left an arc distance of 24.79 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 18 degrees 10 minutes 02 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the left having a central angle of 04 degrees 43 minutes 25 seconds, a radius of 475.00 feet, subtended by a 39.15 foot chord which bears North 74 degrees 11 minutes 40 seconds West;

Along said curve to the left an arc distance of 39.16 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

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Exhibit C-1
Major Improvement Area Legal Description

North 11 degrees 34 minutes 06 seconds East, a distance of 229.95 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 43 degrees 35 minutes 41 seconds East, a distance of 40.00 feet to the **POINT OF BEGINNING** and **CONTAINING** 230.6 Acres of land, more or less.

Bearings are based on the Texas State Plane Coordinate System, North Central Zone (4202), North American Datum 1983 (2011).

For Huitt-Zollars, Inc.



Eric J. Yahoudy
Registered Professional Land Surveyor
Texas Registration No. 4862
Huitt-Zollars, Inc.
Firm Registration No. 10025600
1717 McKinney Avenue, Suite 1400
Dallas, Texas 75202-1236
Ph. (214) 871-3311
Email: yahoo@huitt-zollars.com

Date of Certification: 9/15/2017

5 of 5

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Exhibit D
Authorized Improvement Costs

<u>Authorized Improvements</u>	<u>Hard Costs</u>	<u>Construction Management (a)</u>	<u>Total</u>
<u>Improvement Area #1 Improvements</u>			
Streets (b)	\$ 3,538,985	\$ 141,559	\$ 3,680,544
Water & Sanitary Sewer	1,409,112	56,364	1,465,476
Storm Drainage	683,394	27,336	710,730
Soft Costs (c)	<u>1,317,487</u>	<u>52,699</u>	<u>1,370,186</u>
	\$ 6,948,978	\$ 277,959	\$ 7,226,937
<u>Future Improvement Area Improvements</u>			
Streets	\$ 8,997,555	\$ 359,902.20	\$ 9,357,457
Water & Sanitary Sewer	\$ 3,640,019	145,601	3,785,620
Storm Drainage	\$ 1,965,421	78,617	2,044,038
Soft Costs (c)	<u>\$ 3,195,381</u>	<u>127,815</u>	<u>3,323,196</u>
	\$ 17,798,376	\$ 711,935	\$ 18,510,311
<u>Major Improvements</u>			
Streets & Storm Drainage	1,718,860	68,754	1,787,614
Water & Sanitary Sewer	1,878,470	75,139	1,953,609
Landscaping	2,000,000	80,000	2,080,000
Soft Costs (c)	<u>509,809</u>	<u>20,392</u>	<u>530,201</u>
	\$ 6,107,139	\$ 244,286	\$ 6,351,425
<u>PID Formation and Bond Issuance Costs</u>			
Debt Service Reserve Fund Requirement	\$ -	\$ -	\$ -
Capitalized Interest	-	-	-
Underwriter Discount	-	-	-
Cost of Issuance	<u>-</u>	<u>-</u>	<u>-</u>
	\$ -	\$ -	\$ -
TOTAL	\$ 30,854,493	\$ 1,234,180	\$ 32,088,673

Notes:

(a) Equals 4% of hard costs.

(b) Includes local streets within Improvement Area #1 as well as collector streets constructed within Improvement Area #1.

(c) Includes engineering and design, construction inspection fees, geotechnical testing, governmental submittal fees, and 2% contractor completion bond.

Exhibit E
Allocation of Authorized Improvement Costs

Authorized Improvements	Total Costs (a)	Allocation Between PID and Non-PID Property				Allocation Between Improvement Area #1 and Major Improvement Area				
		(1)	(2)	PID (3) = (1) x (2)	Non PID (4)	(5) = (4) x (1)	Improvement Area #1 (6)	(7) = (3) x (6)	Major Improvement Area (8)	(9) = (3) x (8)
<u>Improvement Area #1 Improvements</u>										
Streets	\$ 3,680,544	100.00%	\$ 3,680,544	0.00%	\$ -	100.00%	\$ 3,680,544	0.00%	\$ -	
Water & Sanitary Sewer	1,465,476	100.00%	1,465,476	0.00%	-	100.00%	1,465,476	0.00%	-	
Storm Drainage	710,730	100.00%	710,730	0.00%	-	100.00%	710,730	0.00%	-	
Soft Costs	1,370,186	100.00%	1,370,186	0.00%	-	100.00%	1,370,186	0.00%	-	
	\$ 7,226,937	100.00%	\$ 7,226,937	0.00%	\$ -	100.00%	\$ 7,226,937	0.00%	\$ -	
<u>Future Improvement Area Improvements</u>										
Streets	\$ 9,357,457	100.00%	\$ 9,357,457	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 9,357,457	
Water & Sanitary Sewer	3,785,620	100.00%	3,785,620	0.00%	-	0.00%	-	100.00%	3,785,620	
Storm Drainage	2,044,038	100.00%	2,044,038	0.00%	-	0.00%	-	100.00%	2,044,038	
Soft Costs	3,323,196	100.00%	3,323,196	0.00%	-	0.00%	-	100.00%	3,323,196	
	\$ 18,510,311	100.00%	\$ 18,510,311	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 18,510,311	
<u>Major Improvements (b)</u>										
Streets & Storm Drainage	\$ 1,787,614	100.00%	\$ 1,787,614	0.00%	\$ -	27.17%	\$ 485,765	72.83%	\$ 1,301,850	
Water & Sanitary Sewer	1,953,609	100.00%	1,953,609	0.00%	-	27.17%	530,872	72.83%	1,422,737	
Landscaping	2,080,000	100.00%	2,080,000	0.00%	-	27.17%	565,217	72.83%	1,514,783	
Soft Costs	530,201	100.00%	530,201	0.00%	-	27.17%	144,076	72.83%	386,125	
	\$ 6,351,425	100.00%	\$ 6,351,425	0.00%	\$ -	27.17%	\$ 1,725,931	72.83%	\$ 4,625,494	
<u>PID Formation and Bond Issuance Costs</u>										
Debt Service Reserve Fund Requirement	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	
Capitalized Interest	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
Underwriter Discount	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
Cost of Issuance	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	
TOTAL	\$ 32,088,673		\$ 32,088,673		\$ -		\$ 8,952,868		\$ 23,135,805	

Notes:

(a) See Exhibit D for detail.

(b) Allocated pro rata based on the estimated number of lots.

Exhibit F
Service Plan

IMPROVEMENT AREA #1				
Year	Projected Annual Costs	Improvement Area #1 Bond	Improvement Area #1 Reimbursement Obligation	Projected Annual Installment due 1/31 (a)
2017	\$ 4,513,806	\$ -	\$ 6,240,000	\$ -
2018	\$ 2,713,131	\$ -	\$ -	\$ -
2019	\$ -	\$ -	\$ -	\$ -
2020	\$ -	\$ -	\$ -	\$ -
2021	\$ -	\$ -	\$ -	\$ -

MAJOR IMPROVEMENT AREA					
Year	Projected Annual Costs	Major Improvement Area Bond	Major Improvement Area Reimbursement Obligation	Future Improvement Area Reimbursement Obligation	Projected Annual Installment due 1/31 (b)
2017	\$ 2,345,360	\$ -	\$ 3,500,000	\$ 13,340,000	\$ -
2018	\$ 58,756	\$ -	\$ -	\$ -	\$ -
2019	\$ 10,984,476	\$ -	\$ -	\$ -	\$ -
2020	\$ 689,813	\$ -	\$ -	\$ -	\$ -
2021	\$ 6,601	\$ -	\$ -	\$ -	\$ -

(a) The Annual Installment will be determined once the Improvement Area #1 Reimbursement Obligation Trigger Date has occurred.

(b) The Annual Installment will be determined once the Major Improvement Area Reimbursement Obligation Trigger Date and/or Future Improvement Area Reimbursement Obligation Trigger Date has occurred.

Exhibit G
Sources and Uses

	Improvement Area #1	Major Improvement Area	Total
SOURCES OF FUNDS			
Improvement Area #1 Bond Par	\$ -	\$ -	\$ -
Major Improvement Area Bond Par	-	-	-
Improvement Area #1 Reimbursement Obligation (a)	6,240,000	-	6,240,000
Major Improvement Area Reimbursement Obligation (a)	-	3,500,000	3,500,000
Future Improvement Area Reimbursement Obligation (a)		13,340,000	
Owner Contribution - Improvement Area #1 Improvements (b)	1,233,324	-	1,233,324
Owner Contribution - Major Improvements (b) (c)	1,479,544	1,125,494	2,605,038
Owner Contribution - Future Improvement Area Improvements (b)	-	5,170,311	5,170,311
	\$ 8,952,868	\$ 23,135,805	\$ 18,748,673
USES OF FUNDS			
Improvement Area #1 Improvements	\$ 7,226,937	\$ -	\$ 7,226,937
Future Improvement Area Improvements	-	18,510,311	18,510,311
Major Improvements	1,725,931	4,625,494	6,351,425
Debt Service Reserve Fund Requirement	-	-	-
Capitalized Interest	-	-	-
Underwriter Discount	-	-	-
Cost of Issuance	-	-	-
	\$ 8,952,868	\$ 23,135,805	\$ 32,088,673

Notes:

(a) Owner will construct the improvements and be reimbursed pursuant to the PID Reimbursement Agreement.

(b) This amount may increase or decrease if PID Bonds are issued to pay the Improvement Area #1 Reimbursement Obligation and/or the Major Improvement Area Reimbursement Obligation (due to issuance costs relating to the Additional Improvement Area #1 Bonds and/or Major Improvement Bonds and/or Future Improvement Area Bonds).

(c) \$2,605,038 of Major Improvements will be constructed between 2020 and 2023 and will be funded by the Owner.

Exhibit H
Improvement Area #1 Assessment Roll

<u>PARCEL</u>	<u>OUTSTANDING ASSESSMENT</u>	<u>ANNUAL INSTALLMENT DUE 1/31/2018</u>
IMPROVEMENT AREA #1 INITIAL PARCEL	\$ 6,240,000.00	\$ -

Exhibit I
Projected Improvement Area #1 Annual Installments

A projected schedule of Annual Installments will be determined once the Improvement Area #1 Reimbursement Obligation Trigger Date has occurred.

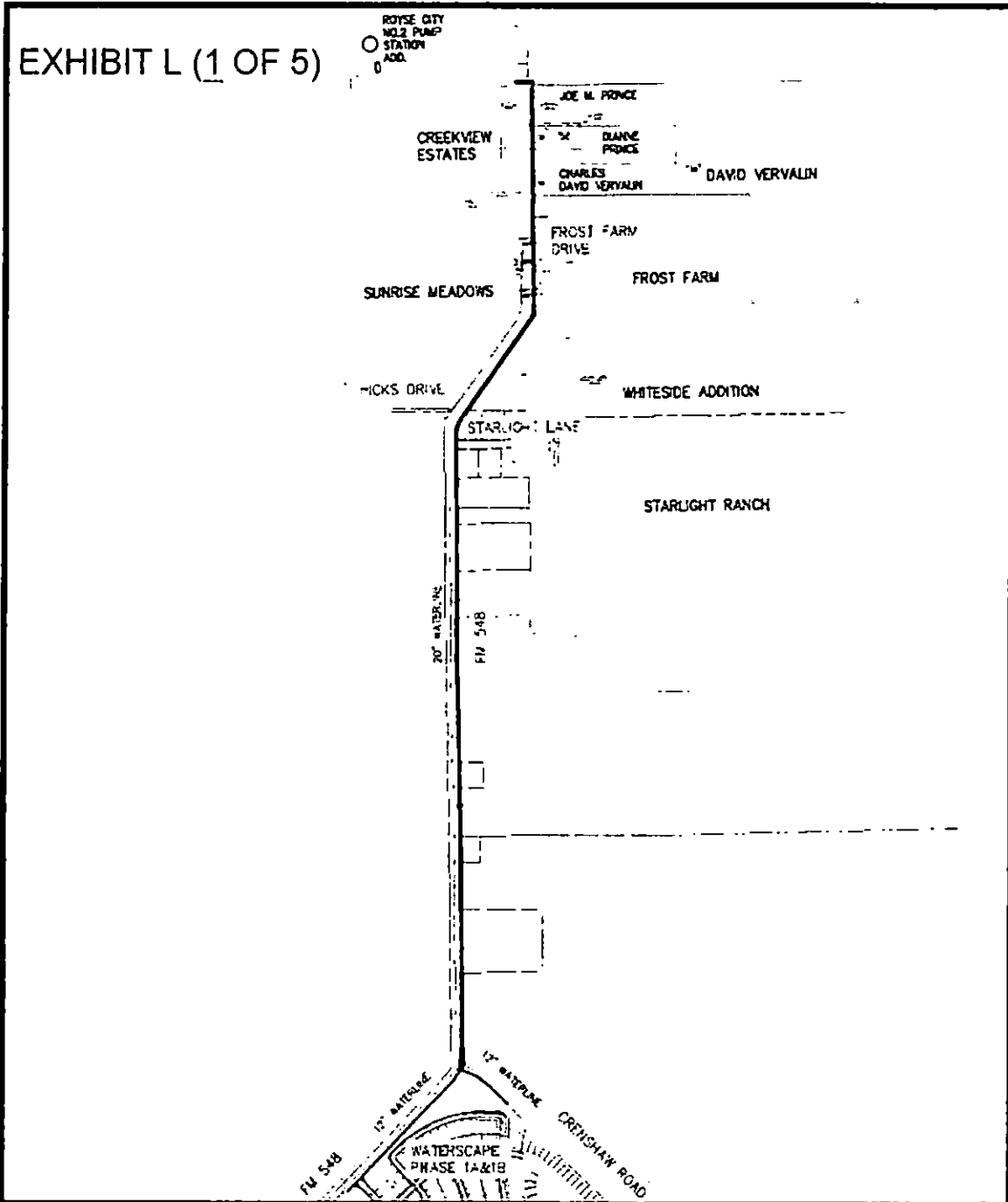
Exhibit J
Major Improvement Area Assessment Roll

MAJOR IMPROVEMENT AREA INITIAL PARCEL	OUTSTANDING ASSESSMENT	ANNUAL INSTALLMENT DUE 1/31/2018
Major Improvement Area Assessments	\$ 3,500,000.00	\$ -
Future Improvement Assessments	\$ 13,340,000.00	\$ -
Total Assessment	\$ 16,840,000.00	\$ -

Exhibit K
Projected Major Improvement Annual Installments

A projected schedule of Annual Installments will be determined once the Major Improvement Area Reimbursement Obligation Trigger Date and/or a Future Improvement Assessment Collection Trigger Date has occurred.

Exhibit L
Map Depicting Major Improvements



HUITT-ZOLIARS
 Huitt-Zoliars, Inc.
 1717 McKinney Avenue, Suite 1400
 Dallas, Texas 75202-1236
 Phone (214) 871-3311 Fax (214) 871-0757

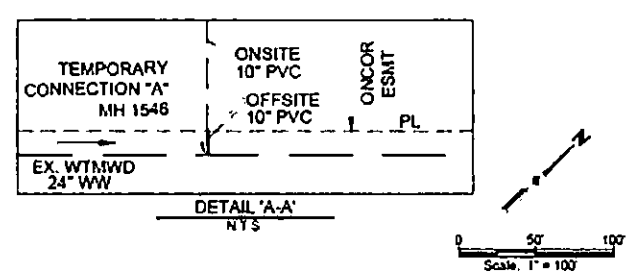
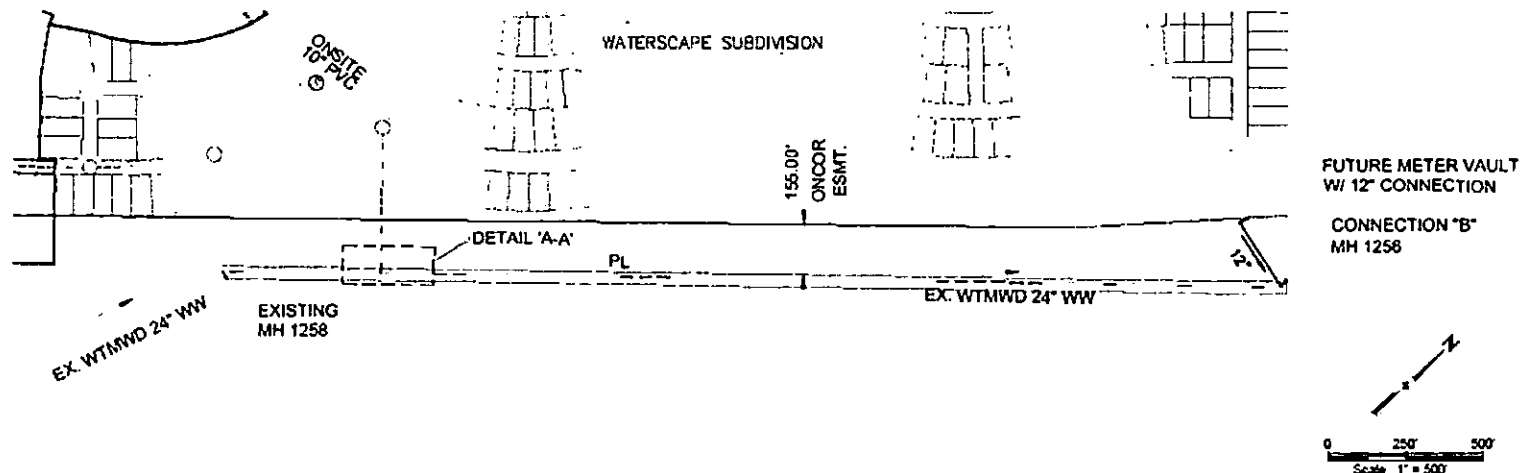
WATERSCAPE MAJOR IMPROVEMENTS
 WATER EXHIBIT 1

September 11, 2017



Exhibit L
Map Depicting Major Improvements

EXHIBIT L (2 OF 5)

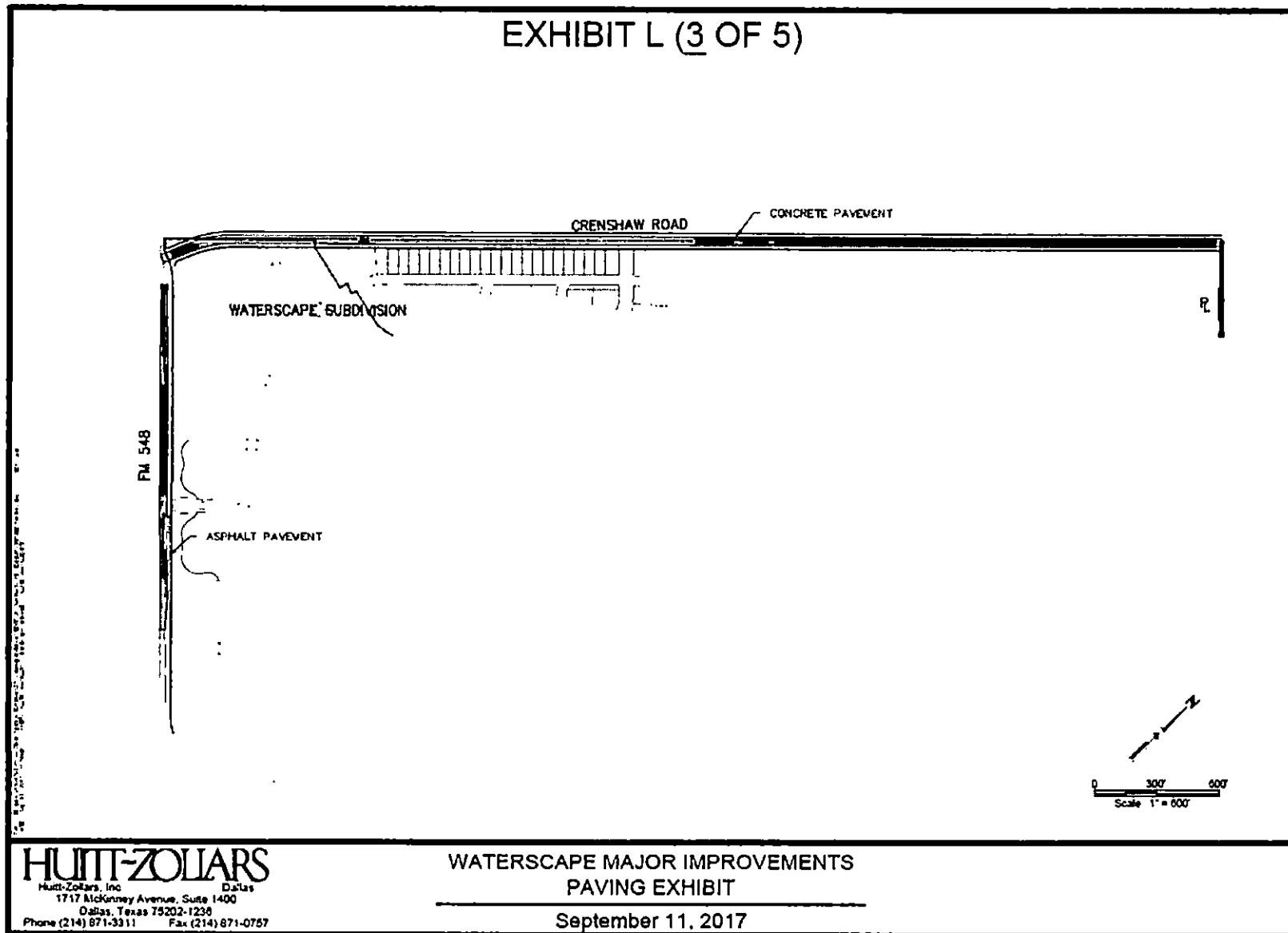


HUNT-ZOLIARS
 Hunt-Zoliars, Inc. Dallas
 1717 McKinney Avenue, Suite 1400
 Dallas, Texas 75202-1236
 Phone (214) 871-3311 Fax (214) 871-0757

WATERSCAPE MAJOR IMPROVEMENTS
 SANITARY SEWER EXHIBIT
 September 25, 2017

Exhibit L
Map Depicting Major Improvements

EXHIBIT L (3 OF 5)



HUTT-ZOLLARS
Hutt-Zollars, Inc. Dallas
1717 McKinney Avenue, Suite 1400
Dallas, Texas 75202-1238
Phone (214) 871-3311 Fax (214) 871-0757

WATERSCAPE MAJOR IMPROVEMENTS
PAVING EXHIBIT

September 11, 2017

Exhibit L
Map Depicting Major Improvements

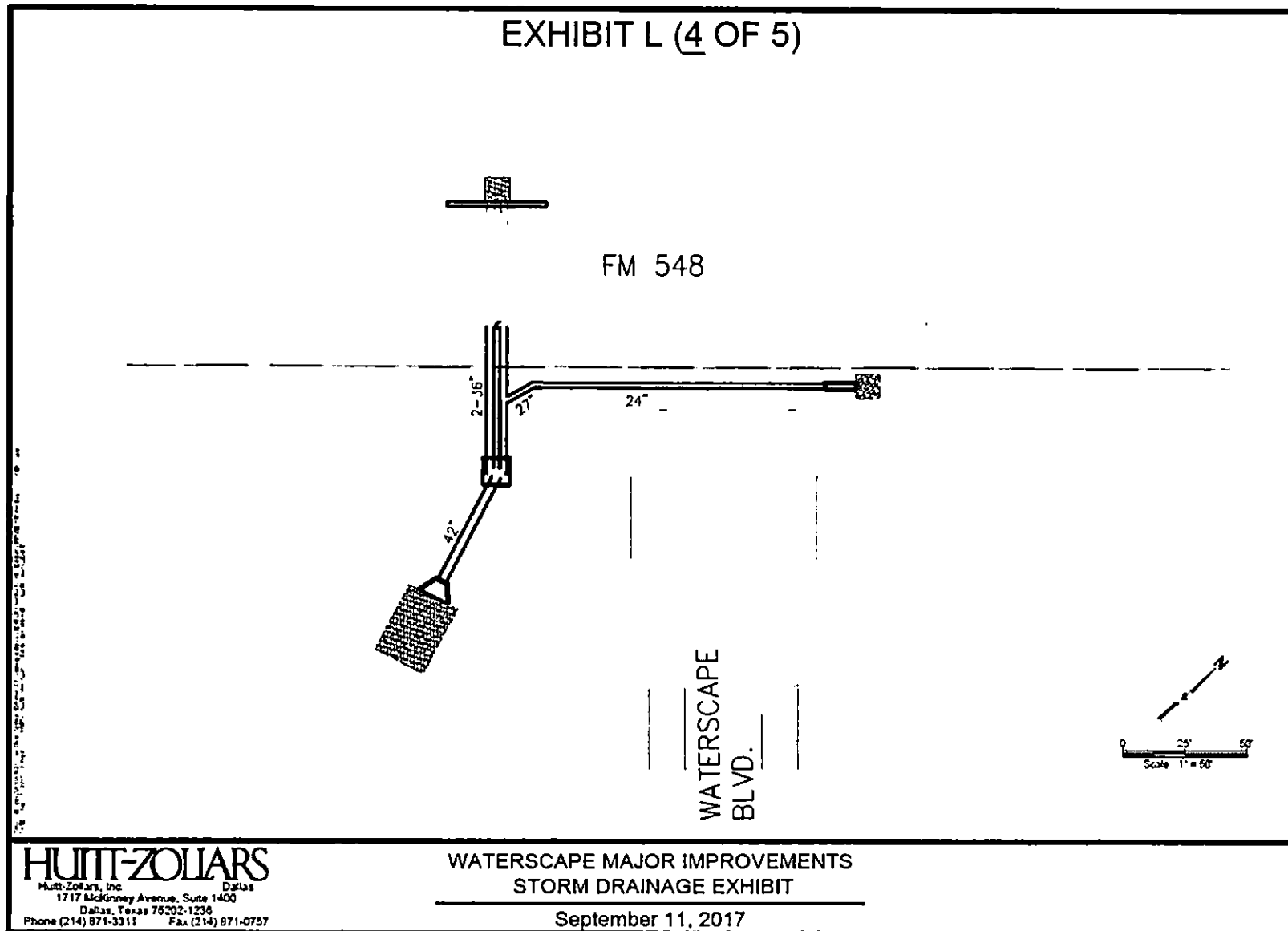
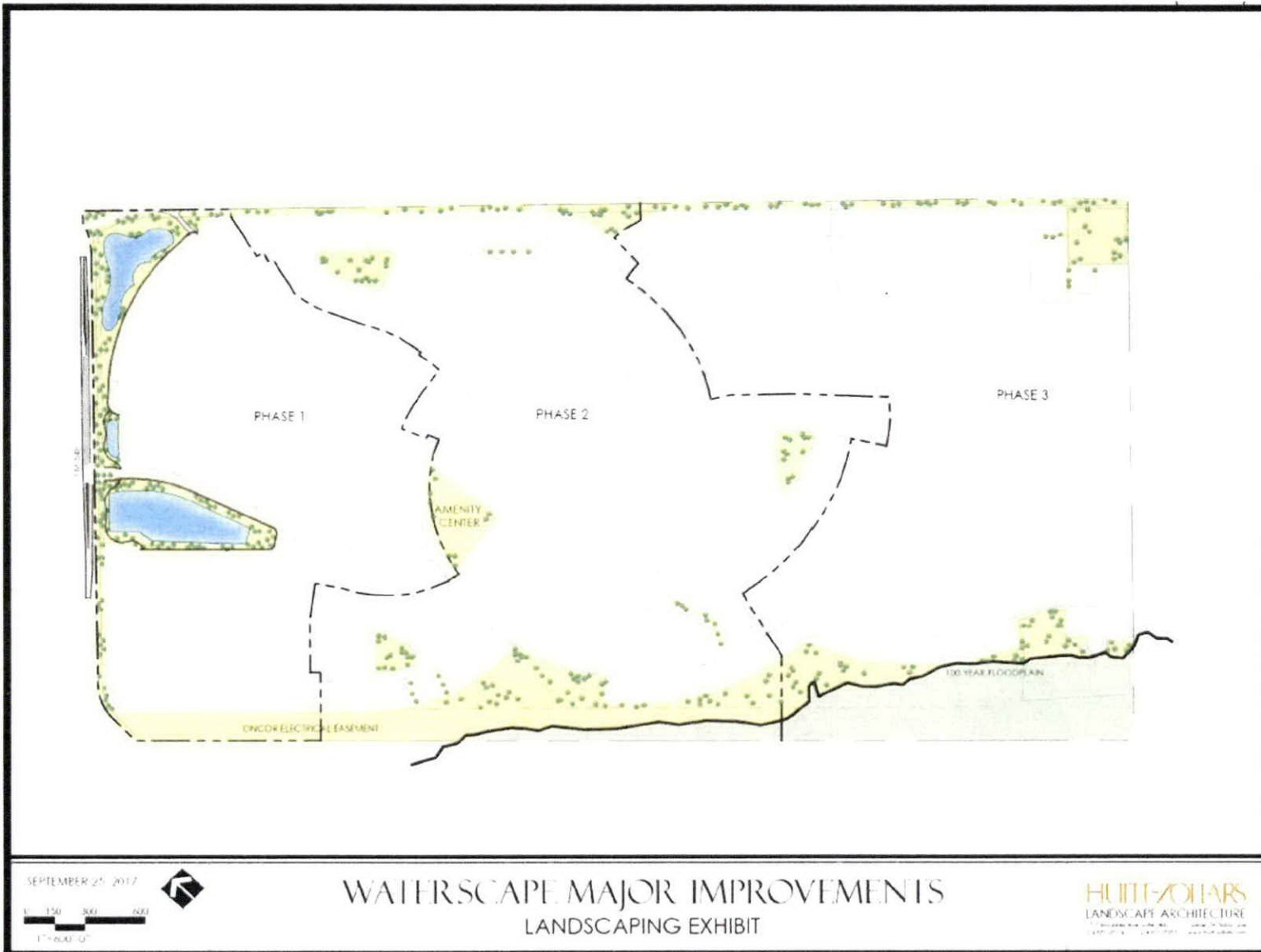


Exhibit L
Map Depicting Major Improvements



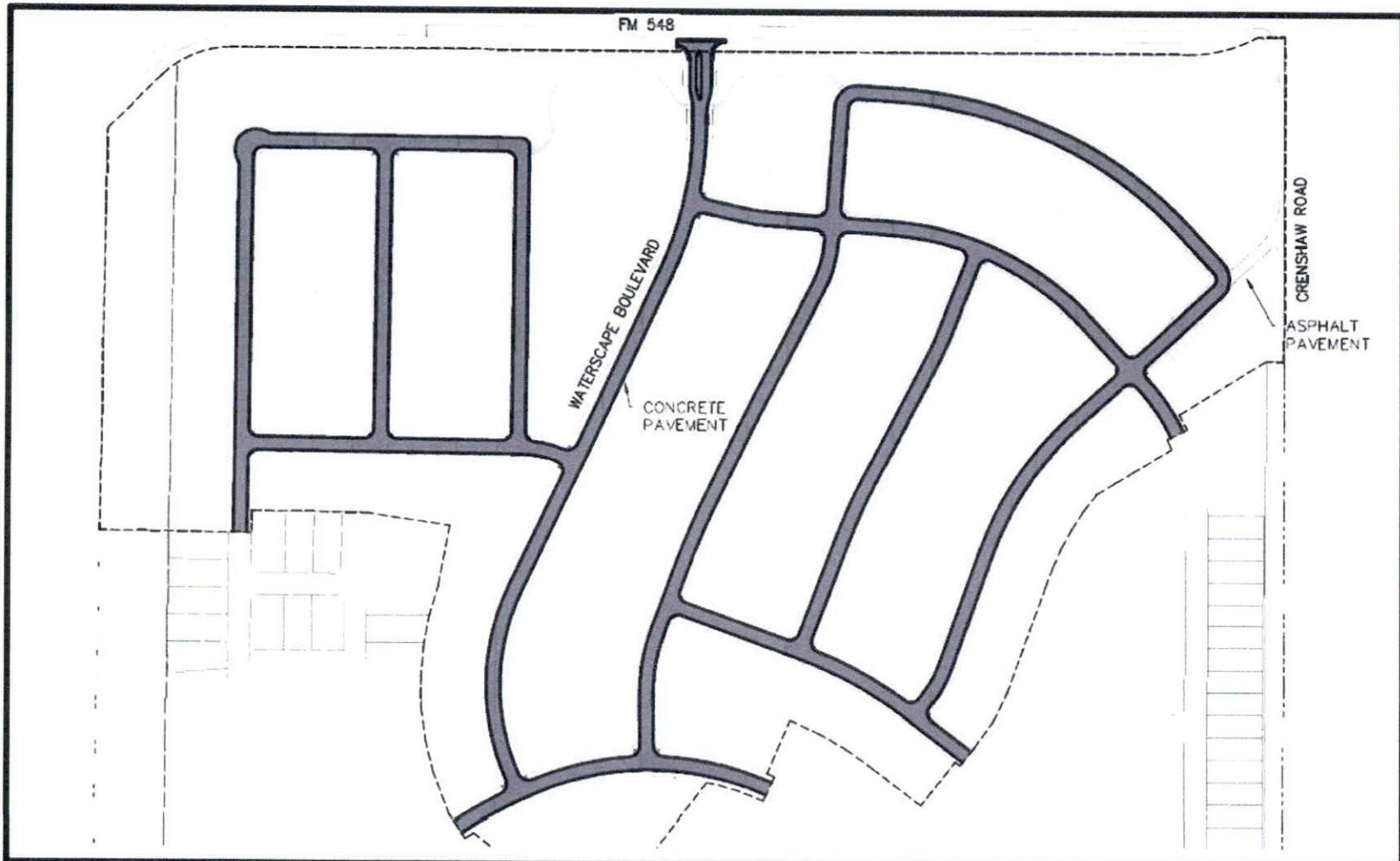
SEPTEMBER 25, 2017



WATERSCAPE MAJOR IMPROVEMENTS
LANDSCAPING EXHIBIT

HUNT-ZOLLARS
LANDSCAPE ARCHITECTURE

Exhibit M
Map Depicting Improvement Area #1 Improvements



HUITT-ZOLIARS
Huitt-Zoliars, Inc. Dallas
1717 McKinney Avenue, Suite 1400
Dallas, Texas 75202-1236
Phone (214) 671-3311 Fax (214) 671-0757

WATERSCAPE PHASE 1A&1B
ONSITE PAVING EXHIBIT

August 30, 2017



Exhibit M
 Map Depicting Improvement Area #1 Improvements

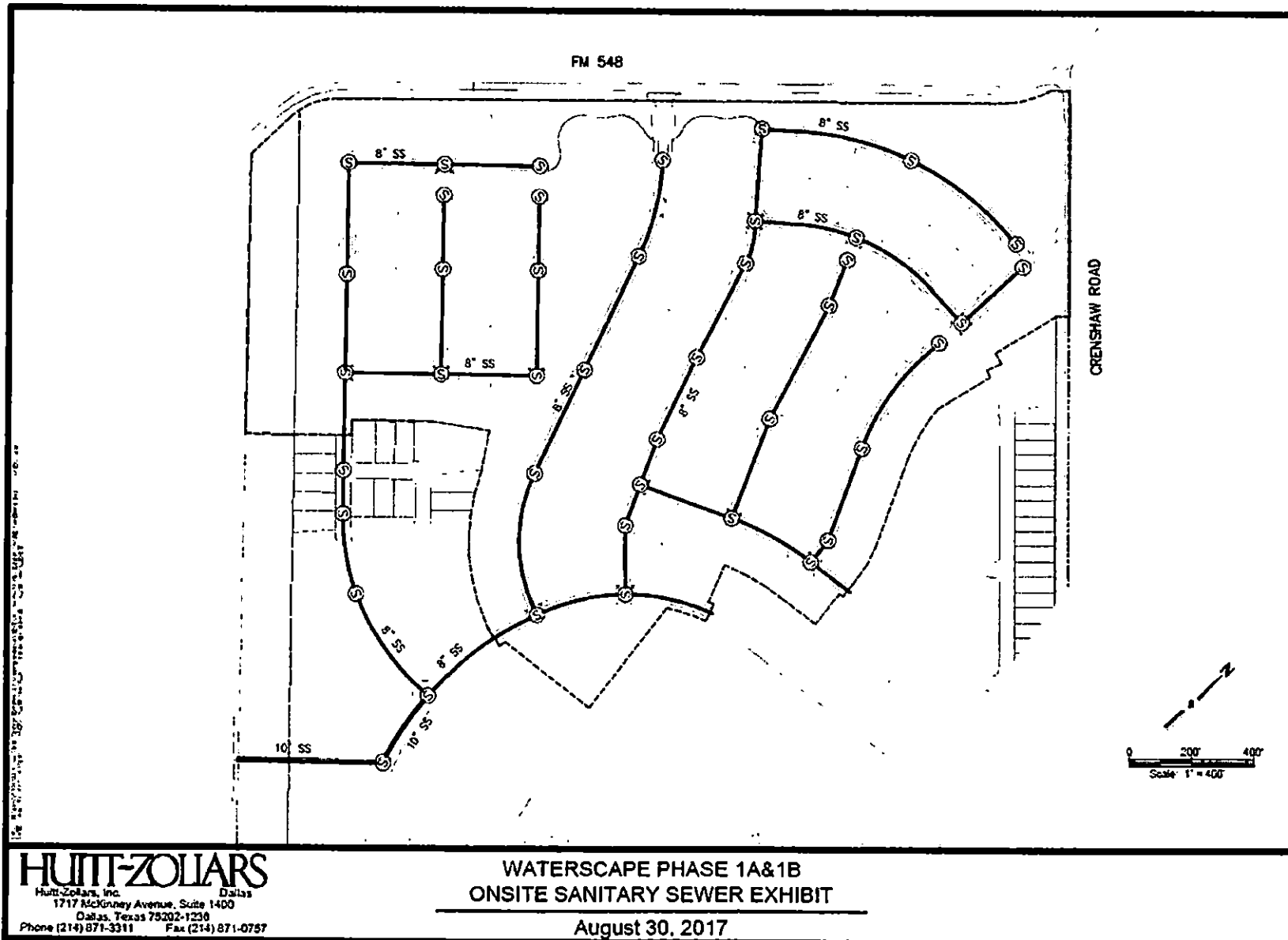


Exhibit M
Map Depicting Improvement Area #1 Improvements

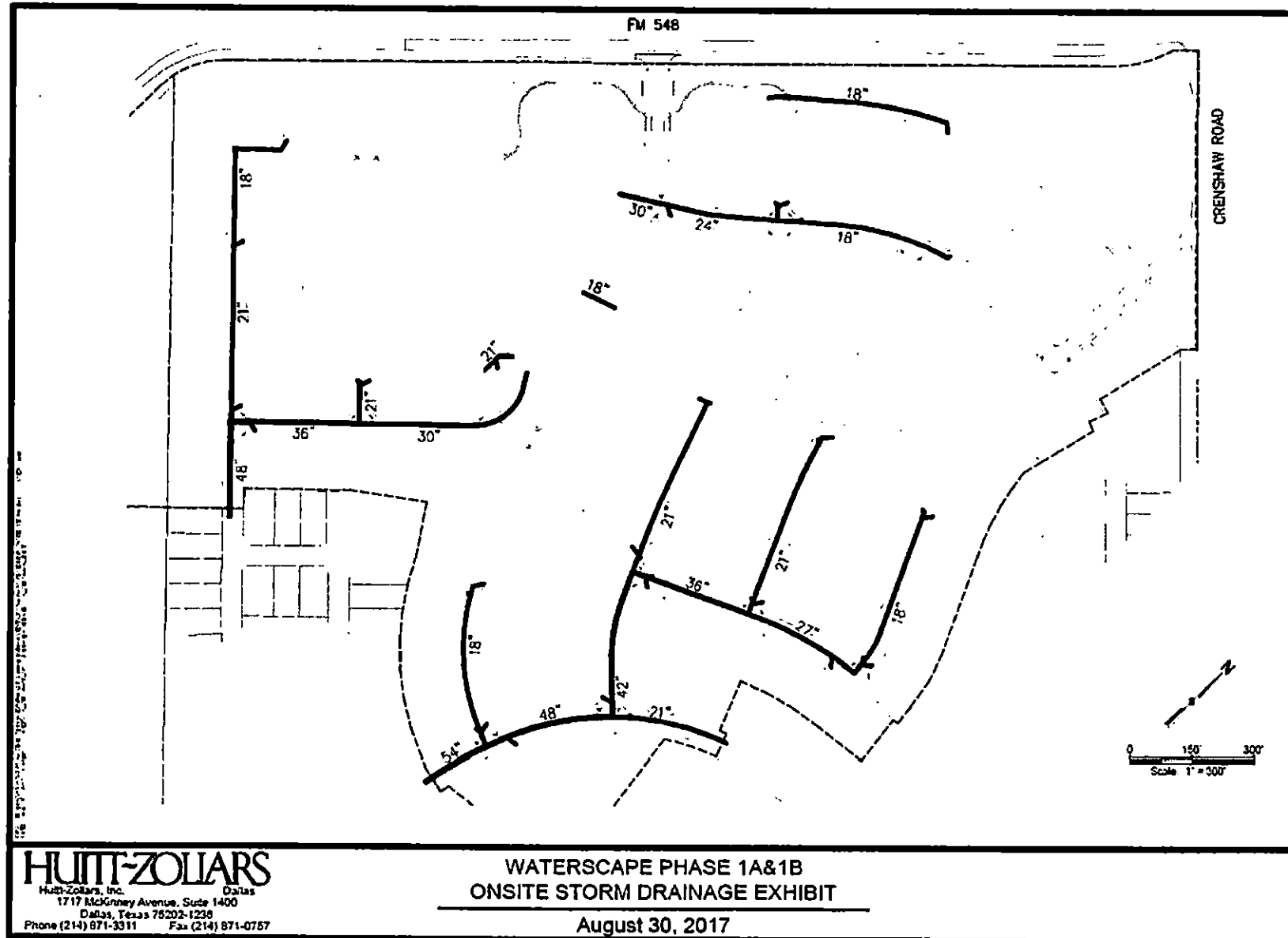
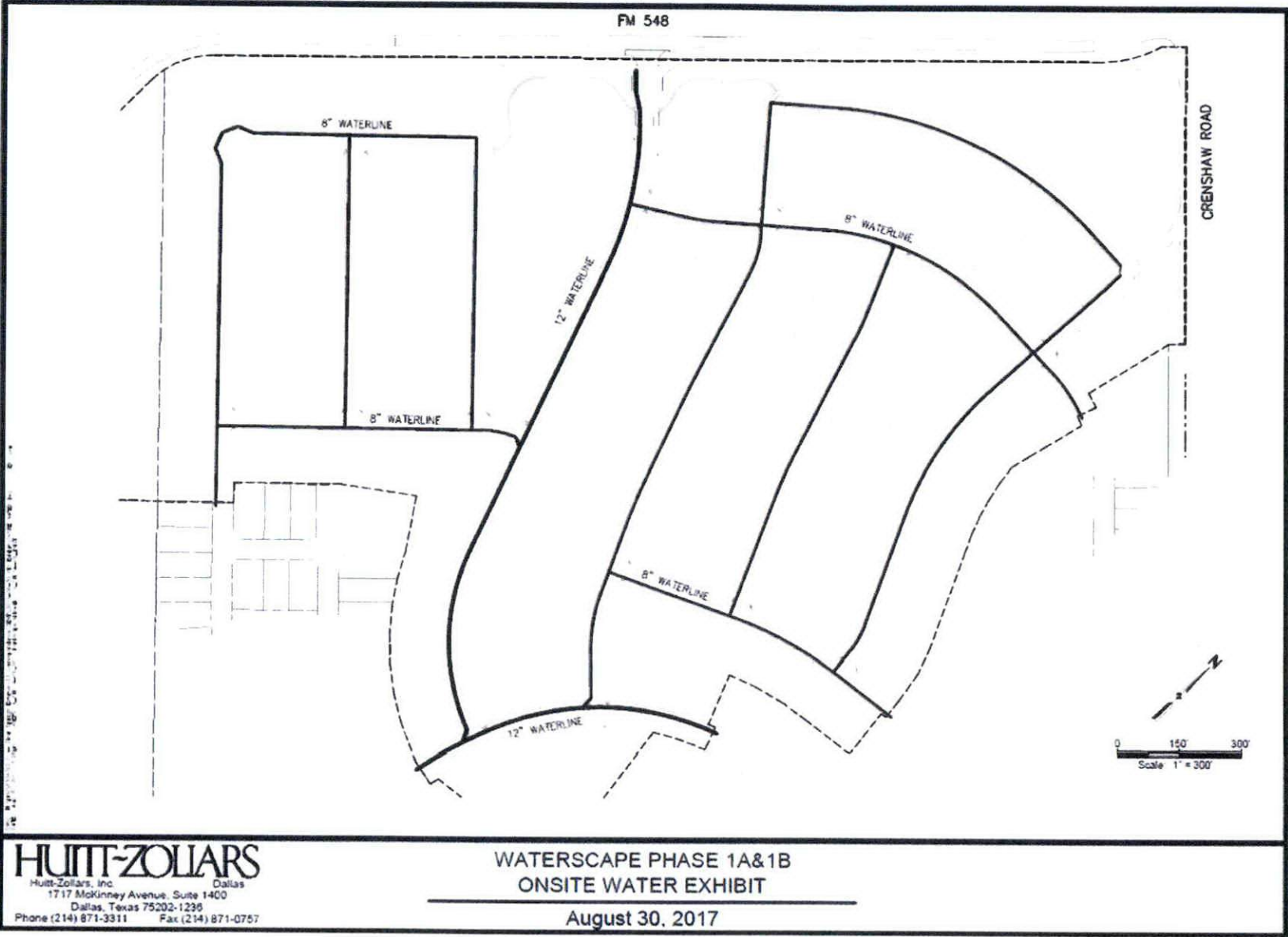


Exhibit M
Map Depicting Improvement Area #1 Improvements



HUNT-ZOLLARS
Hunt-Zollars, Inc. Dallas
1717 McKinney Avenue, Suite 1400
Dallas, Texas 75202-1236
Phone (214) 871-3311 Fax (214) 871-0757

WATERSCAPE PHASE 1A&1B
ONSITE WATER EXHIBIT

August 30, 2017

Filed and Recorded
Official Public Records
Shelli Miller, County Clerk
Rockwall County, Texas
11/20/2017 04:09:44 PM
\$290.00
20170000021647

COPY



Shelli Miller