

NEW ISSUE

NOT RATED

THE BONDS ARE INITIALLY OFFERED ONLY TO “ACCREDITED INVESTORS” (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933) AND “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933). SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

In the opinion of Bond Counsel to the City, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions on the date thereof, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on certain corporations.

\$16,828,000*

CITY OF FATE, TEXAS,

(a municipal corporation of the State of Texas located in Rockwall County)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

Dated Date: September 1, 2022

Interest to Accrue from Delivery Date

Due: August 15, as shown on the inside cover

The City of Fate, Texas, Special Assessment Revenue Bonds, Series 2022 (Williamsburg East Public Improvement District Improvement Area #2 Project) (the “Bonds”), are being issued by the City of Fate, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on each February 15 and August 15, commencing August 15, 2023*, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry-only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by Wilmington Trust, National Association, Dallas, Texas, as trustee (the “Trustee”), to Cede & Co. as the registered owner thereof. See “BOOK-ENTRY-ONLY SYSTEM.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance expected to be adopted by the City Council of the City (the “City Council”) on September 6, 2022, and an Indenture of Trust, dated as of September 1, 2022 (the “Indenture”), entered into by and between the City and the Trustee.

Proceeds of the Bonds will be used for the purpose of: (i) paying a portion of the Improvement Area #2 Project Costs, (ii) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (iii) paying Bond Issuance Costs (all capitalized terms as defined in the Indenture). See “IMPROVEMENT AREA #2 IMPROVEMENTS” and “APPENDIX B — Form of Indenture.” Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Pledged Revenues (as defined herein), consisting primarily of the Assessments (as defined herein) levied against assessed parcels in Improvement Area #2 of the Williamsburg East Public Improvement District (the “District”) in accordance with a Service and Assessment Plan (as defined herein) and other funds comprising the Trust Estate (as defined herein), all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See “SECURITY FOR THE BONDS.” The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption “DESCRIPTION OF THE BONDS — Redemption Provisions.”

The Bonds involve a significant degree of risk and are not suitable for all investors. See “BONDHOLDERS’ RISKS” and “SUITABILITY FOR INVESTMENT.” Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS.”

This cover page contains certain information for quick reference only. It is not a summary of the Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter (identified below), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by its City Attorney, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP and for the Developer by its counsel, Winstead PC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about September 29, 2022 (the “Delivery Date”).



* Preliminary; subject to change.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,
AND CUSIP NUMBERS***

CUSIP Prefix: _____ (a)

\$16,828,000*
CITY OF FATE, TEXAS,
(a municipal corporation of the State of Texas located in Rockwall County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

\$ _____ % Term Bonds, Due August 15, 20 __, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

\$ _____ % Term Bonds, Due August 15, 20 __, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

-
- (a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City's Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.
- (b) The Bonds are subject to redemption, in whole or in part, before their scheduled maturity, at the option of the City, on any date on or after _____, 20 __, such redemption date or dates to be fixed by the City, at the redemption price of 100% of principal amount thereof, plus accrued interest to the date of redemption, as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."
- (c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

* Preliminary; subject to change.

CITY OF FATE, TEXAS

CITY COUNCIL

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
David Billings Mayor	4 Years	May 2025	Retired
Allen Robbins Mayor Pro-Tem	3 Years	May 2025	Visual Effects Editor
John Brandt Deputy Mayor Pro-Tem	2 Years	May 2023	Business Owner
Heather Buegeler Councilmember	1 Year	May 2024	Business Owner
Lance Megyesi Councilmember	Newly Elected	May 2025	VP & CFO of a business
Jim DeLand Councilmember	1 Year	May 2024	Information Technology
Scott Kelley Councilmember	Newly Appointed	May 2025	Banking

CITY MANAGER

Michael Kovacs

CITY SECRETARY

Vickey Raduechel

FINANCE DIRECTOR

Raju Anthony

CITY ATTORNEY

Jonathan Thatcher

BOND COUNSEL

McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

FINANCIAL ADVISOR

Hilltop Securities Inc.
Fort Worth and Dallas, Texas

PID ADMINISTRATOR

P3 Works, LLC
Austin, Houston, and North Richland Hills, Texas

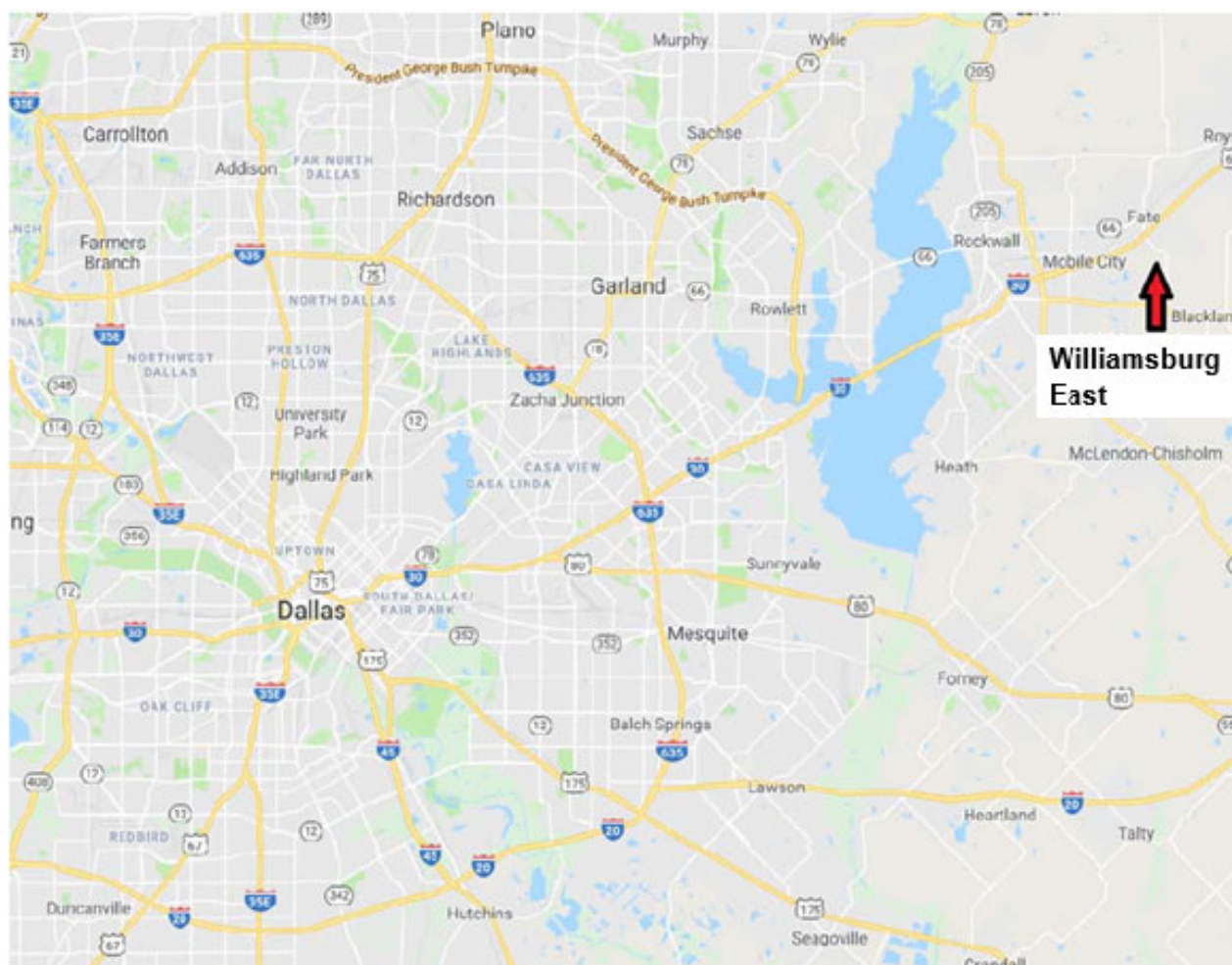
For additional information regarding the City, please contact:

Michael Kovacs
City Manager
City of Fate, Texas
P.O. Box 159
Fate, Texas 75132
(972) 771-4601

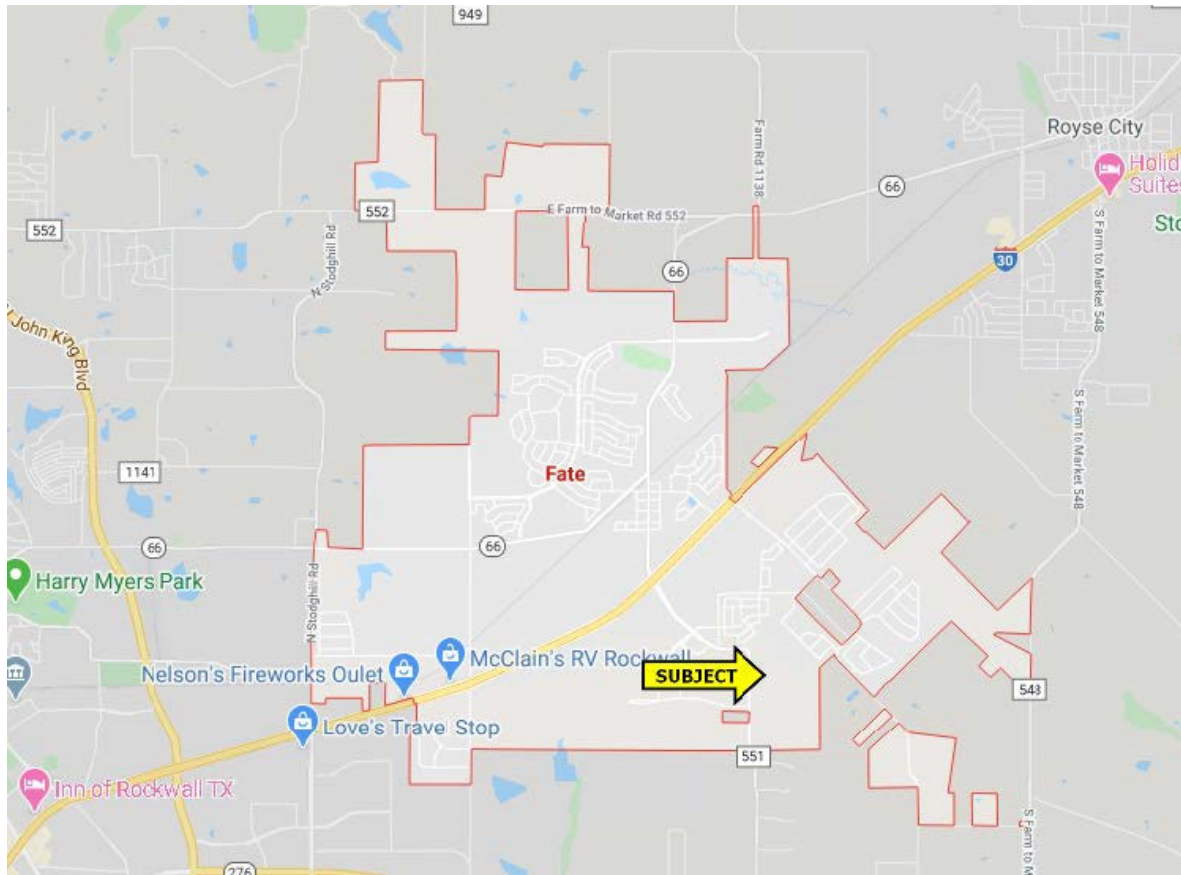
Nick Bulaich
Managing Director
Hilltop Securities Inc.
777 Main Street, Suite 1525
Fort Worth, Texas 76102
(817) 332-9710

Andre Ayala
Managing Director
Hilltop Securities Inc.
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Dallas, Texas 75201
(214) 953-4000

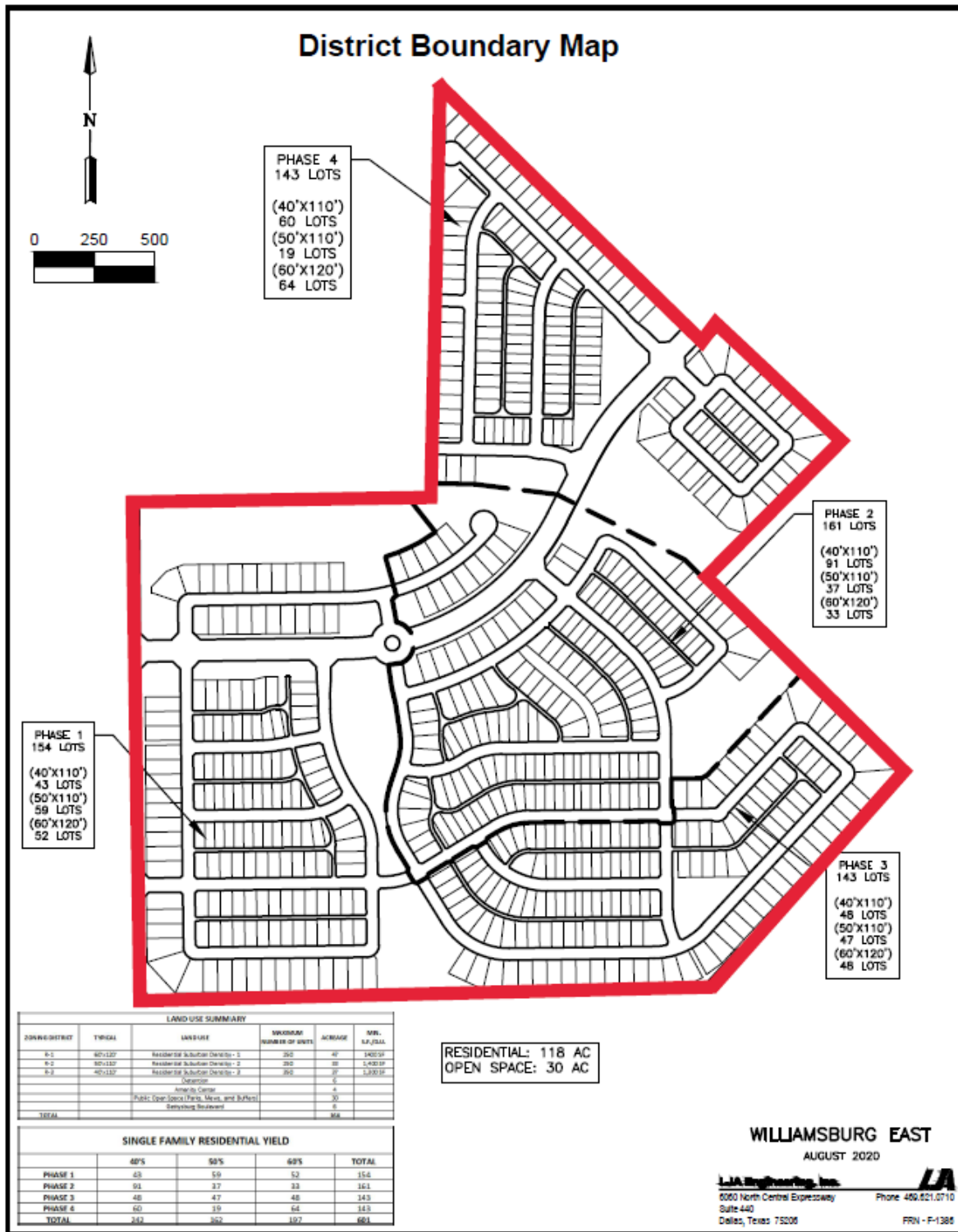
REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF THE DISTRICT



Date/Time : 8/3/2020 3:58 PM User Name : Michelle Thotta
Path/Name : n:\rbs-land\0085\400 land\402 exhibit\base layout.dwg

Improvement Area #2 Boundary Map



PHASE 1

PHASE 2

PHASE 3

PHASE 4

DETENTION BASIN

INLET BASIN

OUTLET BASIN

WATER PUMP STATION

MARGARET ST

GETTYSBURG BLVD.

PHASE 1 SUMMARY

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 1	20	20	30	100
PHASE 2	80	80	80	160
PHASE 3	80	80	80	160
PHASE 4	40	40	40	160
TOTAL	220	220	220	600

PHASE 2 SUMMARY

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 2	80	80	80	160
PHASE 3	80	80	80	160
PHASE 4	40	40	40	160
TOTAL	200	200	200	480

PHASE 3 SUMMARY

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 3	80	80	80	160
PHASE 4	40	40	40	160
TOTAL	120	120	120	320

PHASE 4 SUMMARY

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 4	40	40	40	160
TOTAL	40	40	40	160

PHASE 1 DETAIL

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 1	20	20	30	100
PHASE 2	80	80	80	160
PHASE 3	80	80	80	160
PHASE 4	40	40	40	160
TOTAL	220	220	220	600

PHASE 2 DETAIL

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 2	80	80	80	160
PHASE 3	80	80	80	160
PHASE 4	40	40	40	160
TOTAL	200	200	200	480

PHASE 3 DETAIL

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 3	80	80	80	160
PHASE 4	40	40	40	160
TOTAL	120	120	120	320

PHASE 4 DETAIL

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 4	40	40	40	160
TOTAL	40	40	40	160

PHASE 1 DETAIL

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 1	20	20	30	100
PHASE 2	80	80	80	160
PHASE 3	80	80	80	160
PHASE 4	40	40	40	160
TOTAL	220	220	220	600

PHASE 2 DETAIL

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 2	80	80	80	160
PHASE 3	80	80	80	160
PHASE 4	40	40	40	160
TOTAL	200	200	200	480

PHASE 3 DETAIL

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 3	80	80	80	160
PHASE 4	40	40	40	160
TOTAL	120	120	120	320

PHASE 4 DETAIL

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 4	40	40	40	160
TOTAL	40	40	40	160

PHASE 1 DETAIL

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 1	20	20	30	100
PHASE 2	80	80	80	160
PHASE 3	80	80	80	160
PHASE 4	40	40	40	160
TOTAL	220	220	220	600

PHASE 2 DETAIL

PHASE	ACRES	LOTS	APF	TOTAL
PHASE 2	80			

FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES AN “OFFICIAL STATEMENT” OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN “DEEMED FINAL” BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”), AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN. EACH PROSPECTIVE INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER “BONDHOLDERS’ RISKS” HEREIN. EACH INITIAL PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE DEVELOPER SINCE THE DATE HEREOF.

NONE OF THE CITY, THE UNDERWRITER OR THE DEVELOPER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21e OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT

OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

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TABLE OF CONTENTS

INTRODUCTION	1	ASSESSMENT DATA.....	31
PLAN OF FINANCE	2	Collection and Delinquency History of	
Development Plan	2	Assessments	31
Home Development within the District.....	3	THE CITY	32
Prior Bond Issuances	3	Background	32
The Bonds	4	City Government	32
LIMITATIONS APPLICABLE TO INITIAL		Status of City Utilities	32
PURCHASERS	4	THE DISTRICT	33
DESCRIPTION OF THE BONDS	5	General	33
General Description.....	5	Powers and Authority of the City	33
Redemption Provisions.....	6	THE IMPROVEMENT AREA #2	
BOOK-ENTRY-ONLY SYSTEM	7	IMPROVEMENTS.....	33
SECURITY FOR THE BONDS.....	9	General	33
General	9	Improvement Area #2 Improvements.....	33
Pledged Revenues.....	10	Bond Issuance Costs.....	34
Collection and Deposit of Assessments.....	11	Other Costs	34
Unconditional Levy of Assessments	11	Costs of Improvement Area #2 Projects.....	35
Perfected Security Interest.....	12	Ownership and Maintenance of	
Pledged Revenue Fund.....	12	Improvement Area #2	
Bond Fund.....	13	Improvements.....	35
Project Fund	13	THE DEVELOPMENT	36
Reserve Fund.....	14	Overview	36
Administrative Fund.....	16	Development Plan	36
Defeasance.....	16	Development in the District –	
Events of Default.....	17	Improvement Area # 1 (Phase 1)	
Remedies in Event of Default.....	17	and Phase 2 of Improvement Area	
Restriction on Owner’s Actions	18	# 2.....	37
Application of Revenues and Other		Development in the District –	
Moneys after Event of Default.....	18	Improvement Area # 2 (Phase 3	
Investment or Deposit of Funds.....	19	and Phase 4)	39
Against Encumbrances	19	Parkland Dedication	39
Other Obligations or Other Liens;		Gettysburg Road.....	40
Subordinate Lien Obligations;		Additional Road Improvements.....	40
Refunding Bonds.....	19	HOA Amenities	40
SOURCES AND USES OF FUNDS*	20	Zoning/Permitting	40
DEBT SERVICE REQUIREMENTS*	21	Education.....	40
OVERLAPPING TAXES AND DEBT.....	22	Environmental	41
ASSESSMENT PROCEDURES.....	25	Geotechnical Exploration	41
General	25	Utilities	41
Assessment Methodology.....	26	THE DEVELOPER	42
Collection and Enforcement of		General	42
Assessment Amounts	26	Description of the Phase 1-2 Developer	42
Assessment Amounts.....	28	Description of Fate 163, LP.....	42
Prepayment of Assessments	28	Description of Past and Current Projects	
Priority of Lien	30	of PMB	43
Foreclosure Proceedings.....	30	Executive Biography of Principals of	
O&M Assessment.....	30	the Developer	44
		History and Financing of the District	45

THE PID ADMINISTRATOR	46	Collateral Federal Income Tax	
APPRAISAL OF PROPERTY WITHIN		Consequences	60
IMPROVEMENT AREA #2	47	State, Local and Foreign Taxes	61
The Appraisal	47	Information Reporting and Backup	
BONDHOLDERS' RISKS	48	Withholding.....	61
Infectious Disease Outbreak.....	48	Future and Proposed Legislation	61
Risk from Weather Events.....	49	LEGAL MATTERS	61
Failure or Inability to Complete		Legal Proceedings	61
Proposed Development.....	49	Legal Opinions	61
Completion of the Improvement Area		Litigation — The City	62
#2 Improvements.....	50	Litigation — The Developer.....	62
Absorption Rate.....	50	SUITABILITY FOR INVESTMENT	62
Assessment Limitations.....	50	ENFORCEABILITY OF REMEDIES	63
Recent Changes in State Law Regarding		NO RATING	63
Public Improvement Districts.....	51	CONTINUING DISCLOSURE.....	63
Potential Future Changes in State Law		The City.....	63
Regarding Public Improvement		The City's Compliance with Prior	
Districts	51	Undertakings	63
Risks Related to the Current Real Estate		The Developer	63
Market	52	The Developer's Compliance with Prior	
Risks Related to Current Increase in		Undertakings	64
Costs of Building Materials.....	52	UNDERWRITING	64
Competition	52	REGISTRATION AND QUALIFICATION OF	
Loss of Tax Exemption	52	BONDS FOR SALE	64
Bankruptcy	53	LEGAL INVESTMENTS AND ELIGIBILITY TO	
Direct and Overlapping Indebtedness,		SECURE PUBLIC FUNDS IN TEXAS.....	64
Assessments and Taxes	53	INVESTMENTS	65
Depletion of Reserve Account of the		INFORMATION RELATING TO THE	
Reserve Fund.....	53	TRUSTEE.....	67
Hazardous Substances	53	SOURCES OF INFORMATION	67
Regulation	54	General	67
500-Year Flood Plain	54	Source of Certain Information	68
Bondholders' Remedies and		Experts.....	68
Bankruptcy	54	Updating of Limited Offering	
Judicial Foreclosures	55	Memorandum	68
No Acceleration.....	56	FORWARD-LOOKING STATEMENTS	68
Limited Secondary Market for the		AUTHORIZATION AND APPROVAL	69
Bonds.....	56	APPENDIX A	General Information
No Credit Rating	56		Regarding the City and
Bankruptcy Limitation to Bondholders'		APPENDIX B	Surrounding Area
Rights	56	APPENDIX C	Form of Indenture
Tax-Exempt Status of the Bonds	56		Form of Service and
Management and Ownership	57	APPENDIX D	Assessment Plan
General Risks of Real Estate Investment			Form of Opinion of Bond
and Development.....	57	APPENDIX E-1	Counsel
Use of Appraisal.....	58		Form of Disclosure Agreement
Availability of Utilities.....	58		of Issuer
Dependence upon the Developer.....	58		
TAX MATTERS	59		
Opinion.....	59		
Federal Income Tax Accounting			
Treatment of Original Issue			
Discount	59		

APPENDIX E-2	Form of Disclosure Agreement of Developer	APPENDIX G	Development Agreement
APPENDIX F	Form of IA#2 Reimbursement Agreement	APPENDIX H	Appraisal of the District

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$16,828,000*

CITY OF FATE, TEXAS,

(a municipal corporation of the State of Texas located in Rockwall County)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, the inside cover and the appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Fate, Texas (the “City”), of its \$16,828,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Williamsburg East Public Improvement District Improvement Area #2 Project) (the “Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”), AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BONDHOLDERS’ RISKS,” AND “SUITABILITY FOR INVESTMENT.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the “City Council”) on September 6, 2022 (the “Bond Ordinance”), and an Indenture of Trust, dated as of September 1, 2022 (the “Indenture”), expected to be entered into by and between the City and Wilmington Trust, National Association, Dallas, Texas, as trustee (the “Trustee”). The Bonds will be secured by a pledge of and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments (the “Assessments”) levied pursuant to a separate ordinance expected to be adopted by the City Council on September 6, 2022 (the “Assessment Ordinance”) against assessed parcels (the “Assessed Property”) located within Improvement Area #2 (as defined herein) of the Williamsburg East Public Improvement District (the “District”), all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Limited Offering Memorandum, except as otherwise noted in “ASSESSMENT PROCEDURES,” that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX B — Form of Indenture.”

Set forth herein are brief descriptions of the City, the District, the Developer (as defined herein), P3Works, LLC (the “PID Administrator”), the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Reimbursement Agreement (as defined herein), and the Development Agreement (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034, telephone number (214) 302-2246. The Form of Indenture appears in APPENDIX B and the Form of Service and Assessment Plan appears as APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein

** Preliminary; subject to change.*

and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Development Plan

The District consists of approximately 163.568 acres making up the master planned residential community known as “Edgewater” (the “Development”). On September 15, 2020, Fate 163 Land LP, a Texas limited partnership (“Fate 163”), purchased the land, with equity raised from outside investors, from Fate 551 LP for a long-term residential development project. On September 15, 2020, Fate 163 sold approximately 53.359 acres of land within the District to an affiliate, New Sheridan Dev Co Phase 1 LLC, a Texas limited liability company (“Dev Co Phase 1”, or the “Phase 1-2 Developer”), to be developed as the initial phase of the residential development within the District (“Phase 1” or “Improvement Area #1”). On February 23, 2022, Fate 163 conveyed approximately 41.250 acres of land within the District to the Phase 1-2 Developer to be developed as the second phase of the residential development within the District (“Phase 2”). The Phase 1-2 Developer obtained a loan to acquire and develop the land in Phase 1 and Phase 2. The remaining, approximately 68.959 acres of land within the District continues to be owned by Fate 163; however, it is anticipated that the remaining land will be conveyed to an affiliate developer that has yet to be formed (Fate 163, or if a development affiliate is formed, the “Phase 3-4 Developer” and together with the Phase 1-2 Developer, the “Developer”), to be developed into the final two phases of the District (“Phase 3” and “Phase 4,” and together with Phase 2, “Improvement Area #2”). The Developer is an affiliate of PMB Capital Investments, LP (“PMB”) and JTG Holdings, LLC, a Texas limited liability corporation (“JTG Holdings”) and was created by PMB for the purpose of managing and developing the property in the District. The Developer will oversee the development of the District. See “THE DEVELOPMENT — Overview” and “THE DEVELOPER — History and Financing of the District.”

It is anticipated that the District will be developed in four phases, which began with the construction of certain public improvements benefitting the entire District (the “Major Improvements”) and certain public improvements benefitting only Improvement Area #1 (the “Improvement Area #1 Improvements”). Development of the Major Improvements and the Improvement Area #1 Improvements commenced in November of 2020 and were completed in April of 2022. Construction of certain public improvements benefitting only Improvement Area #2 (the “Improvement Area #2 Improvements” and together with the Major Improvements and the Improvement Area #1 Improvements, the “Authorized Improvements”) commenced in March of 2022 and are expected to be completed in December of 2023. See “THE DEVELOPMENT.” The boundaries of the District are shown in the various maps on pages ii through vi.

The City and JTG Holdings entered into a development agreement (the “Development Agreement”), effective September 15, 2020. The Development Agreement was wholly assigned by JTG Holdings to the Phase 1-2 Developer by the Assignment of Development Agreement, effective as of September 15, 2020. It is anticipated that if and when the Phase 3-4 Developer is formed, the Development Agreement will be partially assigned to the Phase 3-4 Developer. Pursuant to the Development Agreement, the Phase 1-2 Developer dedicated approximately 16 acres of parkland to the City (the “Parkland”) in April of 2022. Improvements to the Parkland (the “Parkland Improvements”) are eligible to be financed through the District as Major Improvements. Pursuant to the Development Agreement, the Phase 1-2 Developer’s actual costs in connection with making the Parkland Improvements, to the extent they are not paid from the proceeds of the Improvement Area #1 Bonds or the Major Improvement Area Bonds (each as defined herein), will be credited against applicable park development fees. As approved by the City in the preliminary plat of the District, the Phase 1-2 Developer has agreed to construct the Gettysburg Road improvements (“Gettysburg Road”), which road is in the City’s Roadway Capital Improvement Plan and will benefit the entire District. The Development Agreement provides that the Phase 1-2 Developer (or applicable improvement area developer) is entitled to a dollar-for-dollar reimbursement from or credit against the like-kind impact fees for all cost associated with any construction of, contribution to or dedications of capital improvements, such as Gettysburg Road. In addition to the Authorized Improvements and Gettysburg Road, the Developer will construct the HOA Amenities (as defined herein). See “THE DEVELOPMENT — Development Plan – Parkland Dedication,” “— Gettysburg Road,” “— HOA Amenities” and “— Zoning and Permitting” and “APPENDIX G – Development Agreement.”

The Developer estimates the costs of the Improvement Area #2 Improvements, Bond Issuance Costs and the Administrative Fund Deposit (as defined herein) to be approximately \$16,828,000* (net of amounts to be funded by impact fees estimated to be \$3,324,751). As of August 1, 2022, the Developer has expended \$2,454,524 towards the amount of Improvement Area #2 Improvements. The balance of the costs of the Improvement Area #2 Improvements

will be funded by the Developer or without reimbursement by the City. See “THE IMPROVEMENT AREA #2 IMPROVEMENTS” and “THE DEVELOPER — History and Financing of the District.”

The City, the Phase 1-2 Developer and Fate 163 expect to enter into the Reimbursement Agreement - Williamsburg East Public Improvement District - Improvement Area #2 Project (the “IA#2 Reimbursement Agreement”), effective as of September 6, 2022, as may be amended and/or supplemented from time to time, which provides, in part, for the construction and maintenance of the Improvement Area #2 Improvements, the issuance of the Bonds, the payment or reimbursement of costs of the Improvement Area #2 Improvements, and other matters related thereto. The Developer is responsible for the payment of any actual costs of the Improvement Area #2 Improvements not paid from the proceeds of the Bonds, the Assessments or impact fees. See “SECURITY FOR THE BONDS,” “THE IMPROVEMENT AREA #2 IMPROVEMENTS,” “APPENDIX C — Form of Service and Assessment Plan” and “APPENDIX F — Form of Reimbursement Agreement.”

In accordance with the IA#2 Reimbursement Agreement, prior to the City’s adoption of the Bond Ordinance authorizing the issuance of the Bonds, Fate 163 and the Phase 1-2 Developer shall provide the City with evidence of financial security in the form of a letter from the project lender confirming that sufficient funds are available and reserved for completion of the Improvement Area #2 Improvements (or portion thereof) not otherwise funded by the Bonds (a “Funds Set Aside Letter”). If such evidence of financial security is not available, or if the Developer so elect, Developer may deposit into the Project Fund an amount equal to the remaining costs not funded by the Bonds necessary to pay Improvement Area #2 Project Costs. The Phase 1-2 Developer expects to provide a Funds Set Aside Letter. See “SECURITY FOR THE BONDS — Project Fund,” “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREA #2 IMPROVEMENTS,” “THE DEVELOPER — History and Financing of the District” and “APPENDIX F — Form of IA#2 Reimbursement Agreement.

Home Development within the District

The Development is planned to include 601 lots in the following three residential product types: 40’ lots, 50’ lots and 60’ lots, which will consist of detached single-family homes. Improvement Area #1 includes 154 single-family lots and Improvement Area #2 is expected to include 447 single-family lots (164 lots in Phase 2, 140 lots in Phase 3, and 143 lots in Phase 4). Between June and August of 2020, the Phase 1-2 Developer, has entered into lot purchase and sale agreements (each a “Lot Purchase Agreement” and collectively, the “Lot Purchase Agreements”) with Grand Acquisition, Inc., a Texas corporation (“Grand Homes”), Shaddock Homes, Ltd., a Texas limited partnership (“Shaddock Homes”), and UnionMain Homes, LLC, a Texas limited liability company (“UnionMain Homes” and, together with Shaddock Homes and Grand Homes, the “Homebuilders”) for all 154 single-family lots in Phase #1 and all 164 lots planned for Phase 2. The Homebuilders have collectively deposited \$2,988,900 in earnest money with \$809,388.49 being credited back for each lot closing in Phase 1 and Phase 2. As of August 1, 2022, the Homebuilders have closed on 83 lots in Improvement Area #1. As of August 1, 2022, construction in Phase 2 has commenced; however, no lots have been taken down. See “THE DEVELOPMENT — Development in the District – Improvement Area #1 (Phase 1) and Phase 2 of Improvement Area #2 – Homebuilders and Lot Purchase Agreements for Improvement Area #1 (Phase 1) and Phase 2 of Improvement Area #2.” Currently, none of the lots planned for Phase 3 or Phase 4 have been contracted for; however, the Lot Purchase Agreements contain a provision providing the Homebuilders a right of first offer granting the right to the Homebuilders to purchase a portion of the lots in any future phases of the District.

Prior Bond Issuances

In October of 2020, the City concurrently issued two series of bonds secured by special assessments levied on certain assessable properties within the District: (1) the City’s \$3,600,000 Special Assessment Revenue Bonds, Series 2020 (Williamsburg East Public Improvement District Major Improvement Area Project) (the “Major Improvement Area Bonds”), and (2) the City’s \$4,300,000 Special Assessment Revenue Bonds, Series 2020 (Williamsburg East Public Improvement District Improvement Area #1 Project) (the “Improvement Area #1 Bonds” and together with the Major Improvement Area Bonds, the “Prior Bonds”). The currently outstanding principal amounts of the Major Improvement Area Bonds and the Improvement Area #1 Bonds are \$3,600,000 and \$4,206,000, respectively.

The Major Improvement Area Bonds were issued, primarily, for the purpose of financing the costs of the Major Improvements allocable to the Major Improvement Area and are secured by assessments levied solely against property in the Major Improvement Area (the “Major Improvement Area Assessments”). Improvement Area #2 is located within the Major Improvement Area; therefore, the Assessed Property within Improvement Area #2 will be

subject to both Major Improvement Area Assessments and the Assessments. The indenture relating to the Major Improvement Area Bonds (the “MIA Indenture”) contains certain conditions precedent (the “Additional Obligations Test”) that must be satisfied prior to the issuance of Additional Obligations to finance the costs of internal infrastructure benefitting a Future Improvement Area, including Improvement Area #2. Improvement Area #2 is the final Improvement Area in the District.

The Improvement Area #1 Bonds were issued, primarily, for the purposes of financing certain costs of the internal infrastructure benefitting Improvement Area #1. The Improvement Area #1 Bonds are secured by assessments levied solely against assessable property in Improvement Area #1 (the “Improvement Area #1 Assessments”). **THE MAJOR IMPROVEMENT AREA ASSESSMENTS AND IMPROVEMENT AREA #1 ASSESSMENTS ARE NOT PLEDGED AS SECURITY FOR THE BONDS.**

The Bonds

Proceeds of the Bonds will be used for the purpose of: (i) paying a portion of the Improvement Area #2 Project Costs, (ii) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (iii) paying Bond Issuance Costs, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

The Bonds and the Prior Bonds are separate and distinct issues of securities secured by separate special assessments. Only the Bonds are offered pursuant to this Limited Offering Memorandum.

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate (defined herein), consisting primarily of Assessment Revenues (defined herein), all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

The Bonds shall never constitute an indebtedness or general obligation of the City, the State or any other political subdivision of the State, within the meaning of any Constitutional provision or statutory limitation whatsoever, but the Bonds are special and limited obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to “accredited investors” as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 and “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933. Each initial purchaser of the Bonds (each, an “Investor”) will be deemed to have acknowledged, represented and warranted to the City as follows:

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute the investment letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the investor may sell the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being

registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Area #2 Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid to the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.

8. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter (the “Delivery Date”) and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each February 15 and August 15, commencing August 15, 2023* (each, an “Interest Payment Date”), until maturity or prior redemption. Wilmington Trust, National Association, Dallas, Texas is the initial Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof (“Authorized Denominations”). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY-ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

Prior to the issuance of the Bonds, satisfactory evidence that the Additional Obligations Test has been satisfied will be submitted to the City, the City’s professional consultants and the Trustee, and the Bonds will be issued as Future Improvement Area Bonds (as defined in the MIA Indenture) pursuant to terms of the indenture authorizing the Major Improvement Area Bonds.

* Preliminary; subject to change.

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after August 15, 20__, such redemption date or dates to be fixed by the City, at the redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date of redemption (the “Redemption Price”).

Extraordinary Optional Redemption. In the event of a Prepayment, or if any other transfers are made into the Redemption Fund under the terms of the Indenture, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates or optional redemption date, in whole or in part, on any date, from amounts on deposit in the Redemption Fund, at the Redemption Price. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 15 in each of the years 20__, 20__, 20__ and 20__ (collectively, the “Term Bonds”), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

\$ <u>Term Bonds Maturing August 15, 20__</u>	
<u>Sinking Fund</u>	
<u>Redemption Date</u>	<u>Installment Amount</u>
August 15, 20__	\$
August 15, 20__	
August 15, 20__	
August 15, 20__ †	
† Stated Maturity	

\$ <u>Term Bonds Maturing August 15, 20__</u>	
<u>Sinking Fund</u>	
<u>Redemption Date</u>	<u>Installment Amount</u>
August 15, 20__	\$
August 15, 20__	
August 15, 20__	
August 15, 20__ †	
† Stated Maturity	

At least thirty (30) days prior to each sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select by lot a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided by the Indenture.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date, pursuant to the Indenture, shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (45) days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date, pursuant to the Indenture, shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in the Indenture or the extraordinary optional redemption provisions in the Indenture and not previously credited to a mandatory sinking fund redemption.

Partial Redemption. If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the principal

amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

If less than all of the Bonds are called for optional redemption, the Trustee shall rely on directions provided in a City Order in selecting the Bonds to be redeemed.

If less than all of the Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

Upon surrender of any Bond for redemption in part, the Trustee in accordance with the Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Notice of Redemption. Upon receipt of a City Order of redemption by the City to the Trustee, as described in the Indenture, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the redemption price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

The City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. Upon receipt of a City Order of such rescission from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed. Upon surrender of any Bond for redemption in part, the Trustee, in accordance with the provisions of the Indenture, shall authenticate and deliver in exchange thereof a Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners (as defined herein), or that they will do so on a timely basis or (3) DTC will serve and act in

the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. Thereafter, Bond certificates may be transferred and exchanged as described in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT, THE CITY'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SECURITY FOR THE BONDS

General

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE

EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE "APPENDIX B — FORM OF INDENTURE."

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds. Investors must read the entire Indenture to obtain information essential to the making of an informed investment decision. See "APPENDIX B — Form of Indenture."

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Assessments expected to be levied against the Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the preparation of an Amended and Restated Service and Assessment Plan (as updated, amended and supplemented from time to time, the "Service and Assessment Plan"), which describes the special benefit received by the Assessed Property, provides the basis and justification for the determination of special benefit on the Assessed Property, establishes the methodology for the levy of the Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated at least annually (each, an "Annual Service Plan Update") for the purpose of determining the annual budget for Authorized Improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners, the Developer, and end-users of Assessed Property within the District. See "APPENDIX C — Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of applicable law to finance the Improvement Area #2 Improvements by levying Assessments upon the Assessed Property. For a description of the assessment methodology and the amounts of Assessments anticipated to be levied in Improvement Area #2, see "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

Pursuant to the Indenture,

"Additional Interest" means the amount collected by application of the Additional Interest Rate.

"Additional Interest Rate" means the 0.50% additional interest charged on each Improvement Area #2 Assessment, pursuant to Section 372.018 of the PID Act.

"Annual Installment" means, with respect to each Parcel of Assessed Property, each annual payment of: (i) the principal of and interest on the Assessments as shown on the Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit G-2 to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan, (ii) Annual Collection Costs and (iii) the Additional Interest.

"Assessment Revenues" means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

"Pledged Revenues" means, collectively, the (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds.

See "SECURITY FOR THE BONDS — Pledged Revenue Fund," APPENDIX B — Form of Indenture" and "APPENDIX C — Form of Service and Assessment Plan."

Collection and Deposit of Assessments

The Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds are shown on the Assessment Roll. The Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of and interest on the Bonds, as and to the extent provided in the Service and Assessment Plan and the Indenture. See “SECURITY FOR THE BONDS — Pledged Revenue Fund.”

The Assessments assessed to pay debt service on the Bonds together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of an Assessment has been made payable in the Assessment Ordinance in each City fiscal year preceding the date of final maturity of the Bonds which, if collected, will be sufficient to pay debt service requirements attributable to the Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

A record of the Assessments on each Parcel, tract or lot which are to be collected in each year during the term of the Bonds is shown on the Assessment Roll. Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Amended and Restated Service and Assessment Plan) shall be deposited into the Pledged Revenue Fund, except that (i) amounts received as Prepayments shall be deposited into the Redemption Fund and (ii) the portions of the interest rate component of the Assessments that are allocated for deposit to the Delinquency and Prepayment Reserve Account shall be deposited to such account.

The portions of the Annual Installments of Assessments collected to pay Annual Collection Costs and Delinquent Collection Costs will be deposited in the Administrative Fund and shall not constitute Pledged Revenues and will not be a part of the Trust Estate.

Unconditional Levy of Assessments

The City will impose Assessments on the Assessed Property to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each fiscal year. The Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments for each lot within Improvement Area #2 began to accrue on the date specified in the Service and Assessment Plan and, prior to issuance of the Bonds, is calculated at a rate specified in the Assessment Ordinance. After issuance of the Bonds, Additional Interest on the Assessments for each lot within Improvement Area #2 will accrue at the rate 0.50% as specified in the Assessment Ordinance. The rate of Additional Interest may not exceed a rate that is 0.50% higher than the actual interest rate of the Bonds, pursuant to Section 372.018 of the PID Act. Each Annual Installment, including the interest on the unpaid amount of an Improvement Area #2 Assessment, shall be calculated annually and shall be due on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be due on October 1, 2022 and will be delinquent if not paid prior to February 1, 2023.

As authorized by Section 372.018(b) of the PID Act, the City will levy, assess and collect, each year while the Bonds are Outstanding and unpaid, an assessment to pay the annual costs incurred by the City in the administration and operation of Improvement Area #2 (the “Annual Collection Costs”). The portion of each Annual Installment of an Assessment used to pay Annual Collection Costs shall remain in effect each year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The amount collected to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance on or about October 1 of each year and shall be delinquent if not paid by February 1 of the following year. **Amounts collected for Annual Collection Costs are not part of the Trust Estate and will not secure repayment of the Bonds.**

There is no discount for the early payment of Assessments.

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien (the "Assessment Lien") against the Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein. The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS — Assessment Limitations."

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Assessments and such remaining Annual Installments (including interest) will continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Trust Estate will be valid and binding and fully perfected from and after the Delivery Date, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under the Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under the Indenture is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Pledged Revenue Fund

Pursuant to the Indenture, upon receipt thereof, and no later than February 15 of each year, beginning February 15, 2023, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with the Indenture. Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, the following amounts from the Pledged Revenue Fund to the following Accounts: (i) first, to the Bond Pledged Revenue Account, an amount sufficient to pay all debt service on the Bonds coming due in the immediately following Bond Year, and (ii) second, if necessary, to the Reserve Account, the amount required to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in the Indenture and, immediately following the initial deposit to the Pledged Revenue Fund, and prior to any other transfers or deposits being made under the Indenture, the Additional Interest shall be transferred to either the Reserve Account or the Delinquency and Prepayment Reserve Account, to the extent such transfer is necessary to replenish either the Reserve Account Requirement or the Delinquency and Prepayment Reserve Requirement. In the event such Accounts are fully funded, the Trustee shall begin transferring the Additional Interest to either (i) the Administrative Fund for the payment of Annual Collection Costs or (ii) the Redemption Fund to be used to redeem Bonds for an extraordinary optional redemption pursuant to the Indenture, as directed by the City pursuant to a City Order. In addition, in the event the City owes Rebatable Arbitrage to the United States Government, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer, the full amount of Rebatable Arbitrage owed by the City. If any Assessments and Annual Installments remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess Assessments and Annual Installments for any one or more of the following purposes: (i) pay Improvement Area #2 Project Costs, (ii) pay other costs permitted by the PID Act, or (iii) deposit such excess into the Redemption Fund to redeem Bonds as provided in Article IV of the Indenture. Along with each transfer to the Trustee, the City shall provide a certificate as to the Funds, Accounts and payments into which the amounts are to be deposited or paid.

From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account, an amount, taking into account any amounts then on deposit in such Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

If, after the foregoing transfers and any transfer from the Reserve Fund as provided in the Indenture, there are insufficient funds to make the payments described above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds in the same manner described in the Indenture.

Notwithstanding the foregoing, the Trustee shall deposit, within two Business Days after receipt thereof, Prepayments to the Pledged Revenue Fund and after such deposit shall transfer such Prepayments to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture.

The Trustee shall deposit, within two Business Days after receipt thereof, the Foreclosure Proceeds into the Pledged Revenue Fund and after such deposit shall transfer such Foreclosure Proceeds, as directed by the City pursuant to a City Order, first to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate (first, to replenish the Reserve Account Requirement and second, to replenish the Delinquency and Prepayment Reserve Requirement), and second, to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture.

After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in the first paragraph under this subheading, as directed by the City in a City Order.

Bond Fund

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account of the Bond Fund and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds. If amounts in the Principal and Interest Account are insufficient to pay the amounts due on the Bonds on an Interest Payment Date, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency pursuant to the Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account of the Bond Fund and transferred to the Paying Agent/Registrar.

Project Fund

Money on deposit in the Project Fund shall be used for the following purposes as specified in the Indenture: (i) paying a portion of the Improvement Area #2 Project Costs and (ii) paying certain Bond Issuance Costs. Except as provided in the Indenture, money on deposit in the Improvement Area #2 Bond Improvement Account shall only be used to pay Improvement Area #2 Project Costs.

Disbursements from the Costs of Issuance Account shall be made by the Trustee to pay specified portions of the Bond Issuance Costs pursuant to one or more City Orders. Disbursements from the Improvement Area #2 Bond Improvement Account to pay Improvement Area #2 Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. Each such City Order and/or Certificate for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Order and/or Certificate for Payment and the Trustee may rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein. For the form of Certificate for Payment see Exhibit A to "APPENDIX F — Form of IA#2 Reimbursement Agreement." Except as provided below, money on deposit in the Improvement Area #2 Bond Improvement Account of the Project Fund shall be used solely to pay Improvement Area #2 Project Costs.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #2 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #2 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more of the

Improvement Area #2 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #2 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #2 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Improvement Area #2 Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #2 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund or Account. Upon such transfers, the Improvement Area #2 Bond Improvement Account shall be closed.

In the event the City Representative files a City Order with the Trustee stating that all Improvement Area #2 Improvements have been completed and that all Improvement Area #2 Project Costs have been paid, or that any Improvement Area #2 Project Costs are not required to be paid from the Improvement Area #2 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Improvement Area #2 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to this Section if the Developer has submitted a Certificate for Payment to the City requesting payment from the Improvement Area #2 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment. Upon such transfers, the Improvement Area #2 Bond Improvement Account shall be closed.

Upon a determination by the City Representative that all Bond Issuance Costs have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Area #2 Bond Improvement Account and used to pay Improvement Area #2 Project Costs or, if no Improvement Area #2 Project Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Order filed with the Trustee, and the Costs of Issuance Account shall be closed.

Reserve Fund

General Provisions. Pursuant to the Indenture, a Reserve Account and a Delinquency and Prepayment Reserve Account will each be created within the Reserve Fund for the benefit of the Bonds and held by the Trustee.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first, from the Delinquency and Prepayment Reserve Account and second, from the Reserve Account to the Bond Fund the amounts necessary to cure such deficiency. In such event, notwithstanding anything to the contrary in the Indenture, the Additional Interest shall be used to replenish *first*, the Reserve Account and *second*, the Delinquency and Prepayment Reserve Account.

Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

At the final maturity of the Bonds, the amount on deposit in the Reserve Account and in the Delinquency and Prepayment Reserve Account shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds.

If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and the Redemption Fund is sufficient to pay the principal amount and interest due on all Outstanding Bonds on the next date the Bonds may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

Reserve Account Provisions. Pursuant to the Indenture, the Reserve Account will be funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds will be an amount equal to the least of: (i) Maximum Annual Debt Service on the Bonds, (ii) 125% of average Annual Debt Service on the Bonds, and (iii) 10% of the lesser of the par amount of the Outstanding Bonds or the proceeds of the Bonds; provided, however, that, at the option of the City, such amount may be recalculated on any Interest Payment Date or any date of redemption. As of the Delivery Date, the Reserve Account Requirement is \$_____. See "APPENDIX B - Form of Indenture."

Whenever, on any Interest Payment Date, or on any other date as directed by a City Order, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with the Indenture, unless within thirty (30) days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to the Rebate Fund to pay Rebataable Arbitrage, if necessary, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, (iii) to the Improvement Area #2 Bond Improvement Account to pay Improvement Area #2 Project Costs if such application and the expenditure of funds is expected to occur within three years of the Delivery Date, or (iv) to the Redemption Fund to be applied to the redemption of Bonds.

If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

In the event of an extraordinary optional redemption of Bonds resulting from funds being deposited into the Redemption Fund pursuant to any provision of the Indenture, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the funds on deposit in the Redemption Fund toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed the Trustee shall transfer an amount equal to the shortfall, or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of \$5,000, from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

Delinquency and Prepayment Reserve Requirement. Pursuant to the Indenture, on or before February 15, 2023, and on or before February 15 of each year thereafter, the Trustee shall transfer the Additional Interest from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At the time the Delinquency and Prepayment Reserve Requirement is fully accumulated in the Delinquency and Prepayment Reserve Account, the Trustee shall provide written notice thereof to the City, and thereafter, the Trustee shall begin transferring the Additional Interest to either (i) the Administrative Fund for the payment of Annual Collection Costs or (ii) the Redemption Fund to be used to redeem Bonds, as directed by the City pursuant to a City Order. In the event the Trustee does not receive a City Order directing the transfer of the Additional Interest to the Administrative Fund within forty-five (45) days of providing the foregoing notice to the City, the Trustee shall transfer the Additional Interest to the Redemption Fund to redeem Bonds and provide the City with written notification of such transfer. Notwithstanding the foregoing, if at any time the amount on deposit in the Delinquency and Prepayment Reserve Account falls below the Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated therein. In transferring the amounts pursuant to this paragraph, the Trustee may conclusively rely on a City Order (which shall be based on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan) unless and until it receives a City Order directing that a different amount be used. The Delinquency and Prepayment Reserve Requirement is 5.5% of the principal amount of the Outstanding Bonds. The Additional Interest shall continue to be collected and deposited pursuant to this paragraph until the Bonds are no longer Outstanding.

Whenever, on any Interest Payment Date, or on any other date as directed by a City Order, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund to be used to redeem Bonds pursuant to the extraordinary optional redemption provisions of the Indenture. In the event that the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within forty-five (45) days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds.

Administrative Fund

The City will create under the Indenture an Administrative Fund held by the Trustee. Periodically upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs. See “APPENDIX C — Form of Service and Assessment Plan.”

THE ADMINISTRATIVE FUND SHALL NOT BE PART OF THE TRUST ESTATE AND SHALL NOT BE SECURITY FOR THE BONDS.

Defeasance

Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and to no longer be deemed Outstanding within the meaning of the Indenture (a “Defeased Debt”), when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, or otherwise), either (i) shall have been made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities that mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the “PFIA”); and are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current State law, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an “Event of Default” under the Indenture:

- (i) The failure of the City to deposit to the Pledged Revenue Fund the portion of the Assessment Revenues required to be deposited to such Fund;
- (ii) The failure of the City to enforce the collection of the Assessments, including the prosecution of foreclosure proceedings;
- (iii) Default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture, other than a default under (iv) below, and the continuation thereof for a period of 90 days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which shall give such notice at the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than 180 days after such notice; and
- (iv) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within 30 days thereafter.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding under the Indenture shall proceed to protect and enforce the rights of the Owners under the Indenture by action seeking mandamus or by other suit, action, or special proceeding in equity or at law in any court of competent jurisdiction for any relief to the extent permitted by Applicable Laws including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and the Trustee shall not be liable to any Owner, or other Person, or the City by reason of the following selection, liquidation or sale.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate, and as may be required by law and apply the proceeds thereof in accordance with the Indenture. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has received prior notice in writing or of which the Trustee is deemed to have notice, (ii) such default has become an Event of Default and the Owners of not less than a majority of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee directing the Trustee to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in the Indenture, (iv) the Trustee has for 60 days after such prior written notice failed or refused to exercise the powers granted in the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the registered owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee as advised by counsel, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

Subject to provisions of the Indenture with respect to certain liabilities of the City, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Bonds.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys after Event of Default

All moneys, securities, funds, Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture during the continuance of an Event of Default, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

(i) FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and

(ii) SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due or Redemption Price and to the Owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners of the Bonds pursuant to the Indenture not later than 30 days after receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

In the event funds are not adequate to cure any of the Events of Default described above, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of the Indenture.

The restoration of the City to its prior position after any and all defaults have been cured, as provided above, shall not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture, other than the Reserve Fund, shall be invested by the Trustee in Investment Securities as directed by the City pursuant to a City Order filed with the Trustee; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Order filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days.

Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

Against Encumbrances

In the Indenture, the City covenants that other than (i) refunding bonds issued to refund all or a portion of the Outstanding Bonds that are payable from and secured by a parity lien with the Outstanding Bonds on the Pledged Revenues ("Refunding Bonds") or (ii) bonds, notes or other obligations secured in whole or in part by liens on the Pledged Revenues that are junior and subordinate to the lien on the Pledged Revenues securing payment of the Bonds ("Subordinate Lien Obligations"), for so long as any Bonds remain Outstanding hereunder, the City will not create any lien, encumbrance or charge upon the Trust Estate or issue any bonds, notes or other evidences of indebtedness secured by a pledge of or lien on the Trust Estate, except for the lien and pledge created for the security of the Bonds.

Other Obligations or Other Liens; Subordinate Lien Obligations; Refunding Bonds

The City reserves the right to issue obligations under other indentures, assessment ordinances, or other agreements which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues. The City shall not have the right to issue any bonds, notes or other obligations secured in whole or in part by liens on the Pledged Revenues that are senior to the lien on the Pledged Revenues securing payment of the Bonds.

The City reserves the right to issue Refunding Bonds and Subordinate Lien Obligations, and other than Refunding Bonds and Subordinate Lien Obligations, the City shall not (i) issue additional bonds, notes or other obligations secured by any pledge of or other lien or charge on the Pledged Revenues, (ii) create or voluntarily permit to be created any debt, lien or charge on the Trust Estate or (iii) do or omit to do or suffer to be done or omit to be done any matter or thing whatsoever whereby the lien of the Indenture or the priority hereof might or could be lost or impaired.

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SOURCES AND USES OF FUNDS*

The table that follows summarizes the expected sources and uses of proceeds of the Bonds:

Sources of Funds:

Principal Amount

\$

Total Sources

\$

Use of Funds:

Deposit to Improvement Area #2 Bond Improvement Account of Project Fund

\$

Deposit to Costs of Issuance Account of Project Fund

Deposit to Reserve Account of Reserve Fund

Deposit to Administrative Fund

Underwriter's Discount⁽¹⁾

Total Uses

\$

* To be updated and completed upon pricing.

⁽¹⁾ Includes Underwriter's Counsel fee of \$_____.

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DEBT SERVICE REQUIREMENTS*

The following table sets forth the anticipated debt service requirements for the Bonds:

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$	\$	\$
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
Total	\$	\$	\$

* To be updated and completed upon pricing.

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OVERLAPPING TAXES AND DEBT

The land within Improvement Area #2 lies within the corporate limits of the City. The land within Improvement Area #2 has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments. Additionally, the City may levy an operation and maintenance assessment not to exceed \$0.06 as tax rate equivalent, plus Annual Collection Costs (the “O&M Assessment”). In addition to the taxes, the Assessments and the O&M Assessment, the Developer anticipates that each owner of a single-family lot within Improvement Area #2 will pay an annual maintenance and operation fee and/or a property owners’ association fee, expected to be \$900 annually, to the Edgewater Homeowners’ Association (the “HOA”) to be formed by the Phase 1-2 Developer.

Improvement Area #2 is located within the City and Rockwall County – a portion of Improvement Area #2 is located within the Rockwall Independent School District (“Rockwall ISD”) and a portion of Improvement Area #2 is located within the Royse City Independent School District (“Royse City ISD”), each of which may levy ad valorem taxes upon land within Improvement Area #2 for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in Improvement Area #2.

Overlapping Taxes for Improvement Area #2 Residents in Rockwall ISD

Taxing Entity	2021 Tax Rate ⁽¹⁾
City of Fate ⁽²⁾	\$0.339872
Rockwall County	0.313100
Rockwall Independent School District	<u>1.273600</u>
Total Tax Rate/Levy	<u>\$1.926572</u>
Existing MIA Bonds Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽³⁾	\$0.112902
The Bonds Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽³⁾	0.537964
M&O Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽⁴⁾	<u>0.060000</u>
Total Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽⁵⁾	<u>\$0.710866</u>
Total Overlapping Tax Rate Equivalent/Levy	<u>\$2.637438</u>

⁽¹⁾ As reported by the Rockwall Central Appraisal District. Per \$100 taxable appraised value.

⁽²⁾ The City has adopted the Tax Year 2022 tax rate at \$0.293832 per \$100.

⁽³⁾ Derived from the Service and Assessment Plan. Based on Annual Installments due from January 31, 2024 to January 31, 2050 due to interest only payment in first year, and the Major Improvement Area Assessment being paid in full in 2050.

⁽⁴⁾ As set forth in the Development Agreement and the Service and Assessment Plan, the average Annual Installment of the O&M Assessments for each Lot within Improvement Area #2 as an equivalent tax rate may not exceed \$0.060000 per \$100 of taxable ad valorem property value. Payment of the O&M Assessment is subordinate to the payment of the Assessments securing Bonds.

⁽⁵⁾ As set forth in the Development Agreement, the anticipated average aggregate Annual Installment of assessments for each lot within the District as an equivalent tax rate may not exceed \$0.719344 per \$100 of taxable ad valorem property value (the “Max TRE”). See “ASSESSMENT PROCEDURES — Assessment Methodology – Estimated Value to Lien Analysis in Improvement Area #2,” “— Assessment Amounts” and “APPENDIX C — Form of Service and Assessment Plan.” *Preliminary; subject to change.*

Source: Rockwall Central Appraisal District, Appraisal, and the Service and Assessment Plan.

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Overlapping Taxes for Improvement Area #2 Residents in Royse City ISD

Taxing Entity	2021 Tax Rate ⁽¹⁾
City of Fate ⁽²⁾	\$0.339872
Rockwall County	0.313100
Royse City Independent School District	<u>1.460300</u>
Total Tax Rate/Levy	<u>\$2.113272</u>
Existing MIA Bonds Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽³⁾	\$0.112902
The Bonds Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽³⁾	0.537964
M&O Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽⁴⁾	<u>0.060000</u>
Total Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽⁵⁾	<u>\$0.710866</u>
Total Overlapping Tax Rate Equivalent/Levy	<u>\$2.824138</u>

⁽¹⁾ As reported by the Rockwall Central Appraisal District. Per \$100 taxable appraised value.

⁽²⁾ The City has adopted the Tax Year 2022 tax rate at \$0.293832 per \$100.

⁽³⁾ Derived from the Service and Assessment Plan. Based on Annual Installments due from January 31, 2024 to January 31, 2050 due to interest only payment in first year, and the Major Improvement Area Assessment being paid in full in 2050.

⁽⁴⁾ As set forth in the Development Agreement and the Service and Assessment Plan, the average Annual Installment of the O&M Assessments for each Lot within Improvement Area #2 as an equivalent tax rate may not exceed \$0.060000 per \$100 of taxable ad valorem property value, plus Annual Collection Costs. Payment of the O&M Assessment is subordinate to the payment of the Assessments securing Bonds.

⁽⁵⁾ As set forth in the Development Agreement, the anticipated average aggregate Annual Installment of assessments for each lot within the District as an equivalent tax rate may not exceed the Max TRE. See "ASSESSMENT PROCEDURES — Assessment Methodology — Estimated Value to Lien Analysis in Improvement Area #2," "— Assessment Amounts" and "APPENDIX C — Form of Service and Assessment Plan." *Preliminary; subject to change.*

Source: Rockwall Central Appraisal District, Appraisal, and the Service and Assessment Plan.

Projected Tax Statement for Improvement Area #2 Residents in Rockwall ISD

Taxing Entity	2021 Tax Rate	Tax Levy on \$475,000 40' Home	Tax Levy on \$550,000 50' Home	Tax Levy on \$625,000 60' Home
City of Fate ⁽¹⁾	\$0.339872	\$ 1,614.39	\$ 1,869.30	\$ 2,124.20
Rockwall County	0.313100	1,487.23	1,722.05	1,956.88
Rockwall Independent School District	<u>1.273600</u>	<u>6,049.60</u>	<u>7,004.80</u>	<u>7,960.00</u>
Total Tax Rate/Levy	<u>\$1.926572</u>	<u>\$ 9,151.22</u>	<u>\$10,596.15</u>	<u>\$12,041.08</u>
Existing MIA Bonds Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽²⁾	\$0.112902	\$ 536.29	\$ 620.96	\$705.64
The Bonds Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽²⁾	0.537964	2,555.33	2,968.80	3,362.27
M&O Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽³⁾	<u>0.060000</u>	<u>285.00</u>	<u>330.00</u>	<u>375.00</u>
Total Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽⁴⁾	<u>\$0.710866</u>	<u>\$ 3,376.61</u>	<u>\$ 3,909.76</u>	<u>\$ 4,422.91</u>
Total Overlapping Tax Rate Equivalent/Levy	<u>\$2.637438</u>	<u>\$12,527.83</u>	<u>\$14,505.91</u>	<u>\$16,483.99</u>

⁽¹⁾ The City has adopted the Tax Year 2022 tax rate at \$0.293832 per \$100.

⁽²⁾ Inclusive of principal and interest on the bonds, Additional Interest, and estimated Annual Collection Costs. Not to exceed \$0.659344 per \$100 valuation as per the Development Agreement.

⁽³⁾ As provided in the Development Agreement.

⁽⁴⁾ As set forth in the Development Agreement, the average aggregate Annual Installment of assessments for each Lot within the District as an equivalent tax rate may not exceed the Max TRE. See "ASSESSMENT PROCEDURES — Assessment Methodology — Estimated Value to Lien Analysis in Improvement Area #2," "— Assessment Amounts" and "APPENDIX C — Form of Service and Assessment Plan." *Preliminary; subject to change.*

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Projected Tax Statement for Improvement Area #2 Residents in Royse City ISD

Taxing Entity	2021 Tax Rate	Tax Levy on \$475,000 40' Home	Tax Levy on \$550,000 50' Home	Tax Levy on \$625,000 60' Home
City of Fate ⁽¹⁾	\$0.339872	\$ 1,614.39	\$ 1,869.30	\$ 2,124.20
Rockwall County	0.313100	1,487.23	1,722.05	1,956.88
Royse City Independent School District	1.460300	6,936.43	8,031.65	9,126.88
Total Tax Rate/Levy	<u>\$2.113272</u>	<u>\$10,038.04</u>	<u>\$11,623.00</u>	<u>\$13,207.95</u>
Existing MIA PID Bonds Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽²⁾	\$0.112902	\$ 536.29	\$ 620.96	\$705.64
The Bonds Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽²⁾	0.537964	2,555.33	2,958.80	3,362.27
M&O Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽³⁾	0.060000	285.00	330.00	375.00
Total Avg. Annual Installment as a Tax Rate Equivalent/Levy ⁽⁴⁾	<u>\$0.710866</u>	<u>\$ 3,376.61</u>	<u>\$ 3,909.76</u>	<u>\$ 4,442.91</u>
Total Overlapping Tax Rate Equivalent/Levy	<u>\$2.824138</u>	<u>\$13,414.66</u>	<u>\$15,532.76</u>	<u>\$17,650.86</u>

⁽¹⁾ The City has adopted the Tax Year 2022 tax rate at \$0.293832 per \$100.

⁽²⁾ Inclusive of principal and interest on the bonds, Additional Interest, and estimated Annual Collection Costs. Not to exceed \$0.659344 per \$100 valuation as per the Development Agreement.

⁽³⁾ As provided in the Development Agreement.

⁽⁴⁾ As set forth in the Development Agreement, the average aggregate Annual Installment of assessments for each Lot within the District as an equivalent tax rate may not exceed the Max TRE. See "ASSESSMENT PROCEDURES — Assessment Methodology — Estimated Value to Lien Analysis in Improvement Area #2," "— Assessment Amounts" and "APPENDIX C — Form of Service and Assessment Plan." Preliminary; subject to change.

As noted above, Improvement Area #2 includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Area #2, and City debt to be secured by the Assessments:

Overlapping Debt for Improvement Area #2 Residents in Rockwall ISD

Taxing or Assessing Entity	Total Outstanding Debt as of August 1, 2022	Estimated % Applicable ⁽¹⁾	Direct and Estimated Overlapping Debt ⁽¹⁾
The City (IA #2 Assessments)	\$ 9,486,926	100.00%	\$ 9,486,926
The City (MIA Assessments)	2,029,530	100.00	2,029,530
The City (Ad Valorem)	30,575,000	1.31	401,481
Rockwall County	132,010,000	0.16	208,721
Rockwall Independent School District	692,843,438	0.20	1,363,934
Total	<u>\$866,944,894</u>		<u>\$13,490,593</u>

* Preliminary; subject to change.

⁽¹⁾ Preliminary, subject to change. Based on the Appraisal "As Complete" value of Improvement Area #2 of the District and on the Tax Year 2021 Net Taxable Assessed Valuation for the taxing entities. The estimated value of Improvement Area #2 within Rockwall ISD is \$23,491,812.

Source: Municipal Advisory Council of Texas, the Service and Assessment Plan, the Rockwall Central Appraisal District.

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Overlapping Debt for Improvement Area #2 Residents in Royse City ISD

<u>Taxing or Assessing Entity</u>	<u>Total Outstanding Debt as of August 1, 2022</u>	<u>Estimated % Applicable⁽¹⁾</u>	<u>Direct and Estimated Overlapping Debt⁽¹⁾</u>
The City (IA #2 Assessments)	\$ 7,341,074	100.00%	\$ 7,341,074
The City (MIA Assessments)	1,570,470	100.00	1,570,470
The City (Ad Valorem)	30,575,000	1.02	310,670
Rockwall County	132,010,000	0.12	161,510
Royse City Independent School District	353,260,294	0.59	2,089,519
Total	\$524,756,838		\$11,473,243

* Preliminary; subject to change.

(1) Preliminary, subject to change. Based on the Appraisal "As Complete" value of Improvement Area #2 of the District and on the Tax Year 2021 Net Taxable Assessed Valuation for the taxing entities. The estimated value of Improvement Area #2 within Royse City ISD is \$18,178,188.

Source: Municipal Advisory Council of Texas, the Service and Assessment Plan, and the Rockwall, Hunt, and Collin appraisal districts.

If land is devoted principally to agricultural use, the landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land's agricultural value. Agricultural use includes production of crops or livestock. It also can include leaving the land idle for a government program or for normal crop or livestock rotation.

If land qualified for an agricultural valuation and the land use changes to a non-agricultural use, "rollback taxes" are assessed for each of the previous five years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land's agricultural value and the taxes that the landowner would have paid if the land had been taxed on a higher market value plus interest charged for each year from the date on which taxes would have been due. If the land use changes to a non-agricultural use on only a portion of a larger tract, the landowner can fence off the remaining land and maintain the agricultural valuation on the remaining land. In this scenario, the landowner would only be responsible for rollback taxes on that portion of the land where use changed and not the entire tract.

The property in Phase 3 and Phase 4 is currently subject to an agricultural valuation with respect to its ad valorem taxes. It is expected that rollback taxes will be paid by Fate 163 or purchasers from Fate 163 during development of Improvement Area #2 and prior to the purchase of parcels or lots by homeowners.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given in the Service and Assessment Plan. For purpose of this section "ASSESSMENT PROCEDURES," Improvement Area #2 Improvements means the improvements which only benefit the property located in Improvement Area #2. As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Area #2 Improvements through Assessments, it must adopt a resolution generally describing the Improvement Area #2 Improvements and the land within Improvement Area #2 to be subject to Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared for Improvement Area #2 (the "Assessment Roll"), which Assessment Roll shows the land within Improvement Area #2 to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll will be filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #2 Improvements and funding the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance on September 6, 2022, after which the Assessments will become legal, valid and binding liens upon the Assessed Property.

Under the PID Act, the costs of Improvement Area #2 Improvements may be assessed by the City against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Improvement Area #2 Improvements equals or exceeds the Assessments. The costs of the Improvement Area #2 Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Property similarly benefited. The allocation of benefits and assessments to the benefited land within the District is set forth in the Service

and Assessment Plan, which should be read in its entirety. See “APPENDIX C — Form of Service and Assessment Plan.”

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each Assessed Property as a result of the Improvement Area #2 Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #2 Improvements to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #2 Improvements are being funded with proceeds of the Bonds, which are payable from and secured by the Trust Estate consisting primarily of the Pledged Revenues, which include the Assessments.

As further set forth in the Service and Assessment Plan, the benefits received by the Improvement Area #2 Improvements are currently allocated 100% to Assessed Property by spreading the entire Assessment across all Assessed Property based on the ratio of the estimated build out value of each Parcel designated as Assessed Property to the estimated build out value of all Assessed Property. Currently, the Improvement Area #2 Initial Parcel is the only Parcel within Improvement Area #2, and as such, the Improvement Area #2 Initial Parcel is allocated 100% of the Improvement Area #2 Improvements.

The City has determined that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly situated within the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer, any other current owners of property within the District and all future owners within the District. See “APPENDIX C — Form of Service and Assessment Plan.” The table below shows the estimated value to lien analysis in Improvement Area #2.

Estimated Value to Lien Analysis in Improvement Area #2*

Lot Size	Number of Lots ⁽¹⁾	Base Lot Price ⁽²⁾	Estimated Base Home Price ⁽³⁾	Total Estimated Buildout Value ⁽³⁾	Estimated Improvement Area #2 Maximum Assessment Per Lot ⁽⁴⁾⁽⁵⁾	Estimated Ratio of Value of Base Lot Price to Improvement Area #2 Assessments ⁽⁵⁾	Estimated Ratio of Value of Home Price to Improvement Area #2 Assessments ⁽⁵⁾
40'	199	\$ 74,000	\$475,000	\$ 94,525,000	\$40,129.45	1.84 : 1	11.84 : 1
50'	103	\$ 90,000	\$550,000	\$ 56,650,000	\$46,465.67	1.94 : 1	11.84 : 1
60'	145	\$105,000	\$625,000	\$ 90,625,000	\$52,801.90	1.99 : 1	11.84 : 1
Total/Avg.	447			\$241,800,000	\$45,700.22	1.91 : 1	11.84 : 1

* Preliminary; subject to change.

(1) Based on the concept plan for the District. Derived from information in the Service and Assessment Plan.

(2) Based on the Appraisal, value conclusion date of June 30, 2023. See “APPRAISAL”

(3) Provided by the Developer based on comparable home prices in the area.

(4) Pursuant to the Service and Assessment Plan, the maximum assessment (includes the Assessment and the Major Improvement Area Assessment allocable to Improvement Area #2 and also referred to herein as the “Improvement Area #2 Maximum Assessment”) that can be levied on a Lot within Improvement Area #2 is the amount calculated pursuant to the assessment methodology described in Section V.A of, and shown in Exhibit I to, the Service and Assessment Plan and pursuant to the Development Agreement may not result in a tax rate equivalent that exceeds \$0.659344 per \$100 valuation. The Improvement Area #2 Maximum Assessment will be calculated at the time the respective final plat is recorded. Excludes O&M Assessment, which may not exceed \$0.06, plus Annual Collection Costs. See “OVERLAPPING TAXES AND DEBT — Overlapping Taxes” and “APPENDIX C — Form of Service and Assessment Plan.”

(5) The information in the table above is not reflective of the Additional Obligations Test required for the issuance of Future Improvement Area Bonds under the MIA Indenture. Using the Value to Lien Ratio (as defined in the MIA Indenture) required by the Additional Obligations Test, the Value to Lien Ratio for Improvement Area #2 is 2.04:1, thus satisfying the Additional Obligations Test (see “APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #2” and “APPENDIX H - Appraisal of the District”). Includes the Assessments and the Major Improvement Area Assessments allocable to Improvement Area #2.

Collection and Enforcement of Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as regular ad valorem taxes of the City. The Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney’s fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a

first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipal ad valorem taxes. See “BONDHOLDERS’ RISKS — Assessment Limitations” herein.

In the Indenture, the City will covenant to collect, or cause to be collected, Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, 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 a calculation of the Annual Installment for each Parcel. Assessments for Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

In the Indenture, the City will covenant, agree and warrant that, for so long as any Bonds are Outstanding, that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

To the extent permitted by law, notice of the Annual Installments will be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property.

The City will implement the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit C of the Disclosure Agreement of Issuer set forth in APPENDIX E-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Assessments.

The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs in connection with its covenants and agreements under the Indenture or otherwise other than with funds on deposit in the Administrative Fund.

Annual Installments will be paid to the City or its agent. Annual Installments are due when billed each year and become delinquent on February 1 of the following year. In the event Assessments are not timely paid, there are penalties and interest as set forth below:

<u>Date Payment</u>	<u>Cumulative</u>	<u>Cumulative</u>	
<u>Received</u>	<u>Penalty</u>	<u>Interest</u>	<u>Total</u>
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%
July	12%	6%	18%

After July, the penalty remains at 12%, and interest accrues at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney’s collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The Improvement Area #2 Maximum Assessment has been established by the methodology described in Section V.A of, and shown in Exhibit I to, the Service and Assessment Plan and will be calculated at the time a respective final plat is recorded. See “ASSESSMENT PROCEDURES — Assessment Methodology – Estimated Value to Lien Analysis in Improvement Area #2” above. See “OVERLAPPING TAXES AND DEBT — Overlapping Taxes” and “APPENDIX C — Form of Service and Assessment Plan.”

The Assessment Roll sets forth for each year the Annual Installment for each Parcel consisting of (i) the annual portion allocable to principal and interest on the Assessment for each Parcel, (ii) the Additional Interest and (iii) the component of the Annual Installment allocable to Annual Collection Costs. The Annual Installments may not exceed the amounts shown on the Assessment Roll. The Assessments will be levied against the Parcels comprising the Assessed Property as indicated on the Assessment Roll. See “APPENDIX C — Form of Service and Assessment Plan.”

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds, the Additional Interest and actual Annual Collection Costs (as provided for in the definition of such term).

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Parcels within the Assessed Property according to estimated buildout value, as permitted by the PID Act. As the existing Parcels are subsequently divided, the Assessments will be apportioned pro rata according to the estimated buildout value of the newly created Parcels. See “ASSESSMENT PROCEDURES — Assessment Methodology” and “APPENDIX C — Form of Service and Assessment Plan.”

The following table reflects the estimated allocation of Major Improvement Area Assessment previously levied and the Assessments to be levied and collected.

Estimated Allocation of Assessments in Improvement Area #2*

Lot Size	Number of Lots ⁽¹⁾	Estimated Buildout Value Per Lot ⁽²⁾	Estimated Improvement Area #2		Estimated Average Annual Installment per Lot ⁽⁵⁾	Equivalent Tax Rate per \$100 Assessed Value ⁽³⁾
			Maximum Assessment Per Lot ⁽³⁾⁽⁴⁾	Total Improvement Area #2 Assessment ⁽⁴⁾		
40'	199	\$475,000	\$40,129.45	\$7,985,759.72	\$3,091.61	\$0.65087
50'	103	\$550,000	\$46,465.67	\$4,785,964.43	\$3,579.76	\$0.65087
60'	145	\$625,000	\$52,801.90	\$7,656,275.85	\$4,067.91	\$0.65087
Total/Avg.⁽⁶⁾	447		\$45,700.22	\$20,428,000.00	\$3,520.79	\$0.65087

* Preliminary; subject to change.

(1) Based on the concept plan for the District. Derived from information in the Service and Assessment Plan.

(2) Provided by the Developer based on comparable home prices in the area. Derived from information in the Service and Assessment Plan.

(3) Pursuant to the Service and Assessment Plan, the Improvement Area #2 Maximum Assessment that can be levied on a Lot within Improvement Area #2 is the amount calculated pursuant to the assessment methodology described in Section V.A of, and shown in Exhibit I to, the Service and Assessment Plan and pursuant to the Development Agreement may not result in a tax rate equivalent that exceeds \$0.659344 per \$100 valuation. The Improvement Area #2 Maximum Assessment will be calculated at the time the respective final plat is recorded. Excludes O&M Assessment, which may not exceed \$0.06, plus Annual Collection Costs. See “OVERLAPPING TAXES AND DEBT — Overlapping Taxes” and “APPENDIX C — Form of Service and Assessment Plan.”

(4) Includes the Assessments and the Major Improvement Area Assessments allocable to Improvement Area #2.

(5) Derived from information in the Service and Assessment Plan. Based on Annual Installments due from January 31, 2024 to January 31, 2050 due to interest only payment in first year, and the Major Improvement Area Assessment being paid in full in 2050.

(6) Totals may not add due to rounding.

The Bonds are secured by a lien on and pledge of the Trust Estate consisting primarily of Pledged Revenues, including the Assessments. See “SECURITY FOR THE BONDS” and “APPENDIX C — Form of Service and Assessment Plan.”

Prepayment of Assessments

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any Assessed Property may voluntarily prepay (a “Prepayment”) all or part of any Assessment levied against any Lot or Parcel, together with

accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Assessments.

Mandatory Prepayment. If (i) Assessed Property is transferred to a person or entity that is exempt from payment of the Improvement Area #2 Assessment, or (ii) the owner of Assessed Property causes the Assessed Property to become Non-Benefited Property (as defined in the Service and Assessment Plan), the owner transferring the Assessed Property or causing the change in status shall pay to the PID Administrator the full amount of the Improvement Area #2 Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the transfer or change in status.

True-Up of Assessments if Improvement Area #2 Maximum Assessment Exceeded at Plat. Prior to the City approving a final subdivision plat for Improvement Area #2, the PID Administrator will certify that such plat will not cause the Assessment for any Lot within Improvement Area #2 to exceed the Improvement Area #2 Maximum Assessment. If the PID Administrator determines that the resulting Assessment for any Lot will exceed the Improvement Area #2 Maximum Assessment, then (1) the Assessment applicable to each Lot shall each be reduced to the Improvement Area #2 Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. See "OVERLAPPING TAXES AND DEBT — Overlapping Taxes," "ASSESSMENT PROCEDURES — Assessment Methodology – Estimated Value to Lien Analysis in Improvement Area #2" and "APPENDIX C — Form of Service and Assessment Plan."

Prepayment as a Result of an Eminent Domain Proceeding or Taking. If any portion of any Parcel of Assessed Property is taken from a landowner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Assessed Property that was taken or transferred (the "Taken Property") shall be reclassified as Non-Benefited Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the "Remaining Property") following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment.

In all instances the Assessment remaining on the Remaining Property shall not exceed the Maximum Assessment.

Notwithstanding the preceding paragraphs under this subsection, if the landowner notifies the City and the PID Administrator that the Taking prevents the Remaining Property from being developed as shown on a final plat, such landowner shall, upon receipt of the compensation for the Taken Property, be required to prepay the total amount of the Assessment levied against both the Taken Property and Remaining Property. The landowner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than is required to pay all debt service requirements on all outstanding PID Bonds.

Reduction of Assessments. If, as a result of cost savings or an Improvement Area #2 Project not being constructed, the Actual Costs of completed Improvement Area #2 Improvements are less than the Assessments, the Trustee shall apply amounts on deposit in the Project Fund that are not expected to be used for purposes of the Project

Fund to redeem outstanding Bonds. Excess Bond proceeds shall be deposited and used in accordance with the Indenture. The Assessments will not, however, be reduced to an amount less than the amount required to pay all debt service requirements on the Bonds.

Priority of Lien

The Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Assessment is paid and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any Assessed Property may pay the entire Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time.

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Assessments on homestead property (unless the lien associated with the Assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in State district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an Assessment will be subject to the lien established for remaining unpaid installments of the Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent installments of the Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase or make payment for the purchase of the delinquent Assessment on the corresponding Assessed Property.

In the Indenture, the City will covenant to take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption of the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See "APPENDIX B — Form of Indenture." See also "APPENDIX E-1 — Form of Disclosure Agreement of Issuer" for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If Pledged Revenues are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See "APPENDIX B — Form of Indenture" and "APPENDIX C — Form of Service and Assessment Plan."

O&M Assessment

In addition to the Assessments, the City imposed the O&M Assessment pursuant to the O&M Service and Assessment Plan to provide the O&M Services to the District and which will be levied annually on all Parcels of the Assessed Property. The O&M Assessment will initially be an amount that results in a tax rate equivalent equal to \$0.06 per \$100 of taxable ad valorem property value, plus Annual Collection Costs on property similarly benefited within the District, but in no event will the O&M Assessment be greater than the Operations and Maintenance Costs. The O&M Assessments have the lien priority specified in the PID Act. Pursuant to the PID Act, the O&M Assessment Lien is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property

may be enforced by the City Council. **The O&M Assessments are not security for the Bonds.** See “OVERLAPPING TAXES AND DEBT.”

ASSESSMENT DATA

Collection and Delinquency History of Assessments

Major Improvement Area Assessments. In October of 2020, the City levied the Major Improvement Area Assessments of the District, through the City Council’s adoption of an assessment ordinance and approval of the initial Service and Assessment Plan. Upon such adoption, the Major Improvement Area Assessments became legal, valid and binding liens upon the property against which the Major Improvement Area Assessments are made. The Annual Installments for the Major Improvement Area Assessments were billed beginning in January of 2021. Improvement Area #2 is located within the Major Improvement Area and, therefore, Assessed Property within Improvement Area #2 will be subject to both the Major Improvement Area Assessment and the Assessment. The following table shows the collection and delinquency history of the Major Improvement Area Assessments:

Collection and Delinquency of Major Improvement Area Assessments⁽¹⁾

Assessments Due 1/31	Annual Installments	Parcels Levied	Delinquent Amount as of 2/15	Delinquent Percentage as of 2/15	Delinquent Amount as of 8/15	Delinquent Percentage as of 8/15	Annual Installments Collected ⁽²⁾
2021	\$63,000.00	3	\$0.00	0.00%	\$0.00	0.00%	\$63,000.00
2022	\$63,000.00	3	\$0.00	0.00%	\$0.00	0.00%	\$63,000.00

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments (“Installment Payments”). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ Includes applicable prepayments and does not include penalties and interest.

THE COLLECTION AND DELINQUENCY HISTORY OF THE MAJOR IMPROVEMENT AREA ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE MAJOR IMPROVEMENT AREA ASSESSMENTS WILL MIRROR THIS COLLECTION HISTORY. THE MAJOR IMPROVEMENT AREA ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

Improvement Area #1 Special Assessments. In October of 2020, the City levied special assessments on assessable property in Improvement Area #1 of the District, through the City Council’s adoption of an assessment ordinance and approval of the initial Service and Assessment Plan. Upon such adoption, the Improvement Area #1 Assessments became legal, valid and binding liens upon the property against which the Improvement Area #1 Assessments are made. The annual installments for the Improvement Area #1 Assessments were billed beginning in January of 2021. The following table shows the collection and delinquency history of the Improvement Area #1 Assessments:

Collection and Delinquency of Improvement Area #1 Assessments⁽¹⁾

Assessments Due 1/31	Annual Installments	Parcels Levied	Delinquent Amount as of 3/1	Delinquent Percentage as of 3/1	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Annual Installments Collected ⁽²⁾
2021	\$66,500.00	1	\$0.00	0.00%	\$0.00	0.00%	\$66,500.00
2022	\$329,507.09	1	\$0.00	0.00%	\$0.00	0.00%	\$329,507.09

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments (“Installment Payments”). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ Includes applicable prepayments and does not include penalties and interest.

THE COLLECTION AND DELINQUENCY HISTORY OF THE IMPROVEMENT AREA #1 ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE IMPROVEMENT AREA #1 ASSESSMENTS WILL MIRROR

THIS COLLECTION HISTORY. IMPROVEMENT AREA #1 ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

Improvement Area #2 Assessments. The Improvement Area #2 Assessments are anticipated to be levied on September 6, 2022.

Improvement Area #2 Assessment Payers ⁽¹⁾

Owner Name	Number of Parcels/Lots	Assessments Levied	% of Total Assessments	MIA Assessments Levied	% of Total MIA Assessments
Dev Co Phase 1	1	\$ 6,293,437	37.40%	\$1,346,350	37.40%
Fate 163	2	\$10,534,563	62.60%	\$2,253,650	62.60%
Total	3	\$16,828,000	100.00%	\$3,600,000	100.00%

⁽¹⁾ The Assessments are preliminarily allocated pro rata based on acreage for billing purposes, and are subject to reallocation pursuant to Section VI of the Service and Assessment Plan.

THE CITY

Background

The City is primarily located in central Rockwall County and sits approximately 25 miles east of Dallas. Access to the City is provided by Interstate 30. The City covers approximately 12.06 square miles, including approximately 79 acres of parks. The City's 2000 census population was 602 and the City's 2010 census population was 6,357. The City's current population is estimated at 22,148, per utility billing accounts. General information regarding the City and the surrounding area can be found in "APPENDIX A — General Information Regarding the City and Surrounding Area."

City Government

The City incorporated in 1900. The City is a political subdivision and is a home rule municipality of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six (6) City Council members who are elected at-large for staggered three-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administrative officer.

The current members of the City Council and their respective expiration of terms of office and the principal administrators of the City are shown on page i hereof.

Status of City Utilities

The City will provide both water and wastewater service to the District, as explained under the subcaption "THE DEVELOPMENT – Utilities". The City is currently in negotiations with North Texas Municipal Water District ("NTMWD"), an entity the City currently contracts with to meet the City's water supply and sewage treatment and disposal needs, for the design and construction of a large water pump station and ground storage tank project. The engineering plan is being finalized and the City is awaiting permits from the Texas Commission of Environmental Quality (the "TCEQ"). The City anticipates beginning construction on the water pump station and ground storage tank project in the fourth quarter of 2022, with an expected completion date of April of 2024. The City is also working with its water partners and the City of Royse City to upgrade the current wastewater treatment plant from a 3 MGD plant to a 7 MGD plant, also expected to begin in the fourth quarter of 2022, with an expected completion date of March of 2026.

While, approximately 80 percent of the District is currently located in the water Certificate of Convenience and Necessity ("CCN") held by the Blackland Water Supply Corporation ("Blackland WSC"), Blackland WSC cannot serve the District due to inadequate capacity. Therefore, the City recently submitted a purchase and transfer agreement with Blackland WSC to the Public Utility Commission of Texas (the "PUC") for the acquisition of a new CCN to become the water service provider for the entire District. The City is currently awaiting approval of that request from the PUC.

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District includes approximately 163.568 acres and lies entirely within the corporate limits of the City. The City created the District by Resolution No. 2020-043 of the City adopted on July 6, 2020, which was amended in accordance with the PID Act by Resolution No. 2022-058 on August 15, 2022, to increase the estimated costs of the Authorized Improvements (collectively, the “Creation Resolution”). The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #2 Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property. The District is not a separate political subdivision of the State and is administered by the City Council. A map of the property within the District is included on page iii hereof.

Powers and Authority of the City

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, including Improvement Area #2, whether located within the City limits or the City’s extraterritorial jurisdiction. The PID Act provides that the City may levy and collect Assessments on property in Improvement Area #2, or portions thereof, payable in full or in periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Improvement Area #2 Improvements. See “THE IMPROVEMENT AREA #2 IMPROVEMENTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain roadway, water, sanitary sewer and storm sewer improvements within Improvement Area #2 comprising the Improvement Area #2 Improvements and to finance the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through the Pledged Revenues. See “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

THE IMPROVEMENT AREA #2 IMPROVEMENTS

General

The “Improvement Area #2 Projects” include (1) the Improvement Area #2 Improvements; (2) the first year’s Annual Collection Costs related to Improvement Area #2 Bonds; and (3) Bond Issuance Costs incurred in connection with the issuance of the Improvement Area #2 Bonds. A portion of the costs the Improvement Area #2 Improvements will be funded with proceeds of the Bonds. The balance of the costs of the Improvement Area #2 Improvements will be paid by Fate 163 or the Phase 1-2 Developer under the terms of the IA#2 Reimbursement Agreement and the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan.” The Improvement Area #2 Improvements will be dedicated to and maintained by the City, except for the trails and open space and the regional detention pond, which will be maintained by the HOA through a qualified management contract.

Improvement Area #2 Improvements

Improvement Area #2 Improvements. The Improvement Area #2 Improvements consist of the following Improvement Area #2 Improvements:

Street and Alley Paving. Improvements including subgrade stabilization, concrete and reinforcing steel for roadways and alleys, testing, handicapped ramps, and streetlights. 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 benefit to each Lot within Improvement Area #2. Street and Alley Paving further includes, if necessary, any TxDOT turn lanes or TxDOT improvements on FM 551 or other locations and the necessary infrastructure, requirements, permitting and other necessary work related to TxDOT.

Water. Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #2.

Sewer. Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2.

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, erosion control and necessary to provide storm drainage for all Lots within Improvement Area #2. Drainage infrastructure may further include clearing, pond excavation, soil testing, retaining walls, erosion control, piping of inbound and outbound drainage lines, and construction of outlet structures. Hardscape and landscape improvements, if any, including a boardwalk, pedestrian bridge, trails, re-vegetation, and fountains are also included. Furthermore, regional detention may require the following submittals and agency approvals: CLOMR, LOMR, USACE Jurisdictional Individual Permit, Cultural Resources Survey, Water Rights Permit, and Groundwater Availability Report.

Public Park Improvements. Improvements include all related earthwork, excavation, erosion control, retaining walls, signage, utility infrastructure, drainage infrastructure, lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the park are included. Public parking including all related earth work, erosion control, subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel, testing, ADA ramps, striping, drainage lines, curb cut driveways, and streetlights. Hardscape features such as the pavilion and walking trails are included as well. The public park improvements will provide benefit to all Lots within Improvement Area #2.

Soft Costs. Costs related to designing, constructing, installing, and financing the Improvement Area #2 Improvements, including land planning and design, City fees, engineering, soil testing, survey, construction management and contingency.

Bond Issuance Costs

Debt Service Reserve Fund. Equals the amount required under the Indenture in connection with the issuance of the Bonds.

Underwriter's Discount. Equals a percentage of the par amount of the Bonds plus a fee for underwriter's counsel.

Cost of Issuance. Includes costs of issuing the Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of the Bonds.

Other Costs

Initial Administrative Fund Deposit. Equals the amount necessary to fund the first year's Annual Collection Costs for the Bonds.

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Costs of Improvement Area #2 Projects

The following table reflects the expected total costs of the Improvement Area #2 Improvements, Bond Issuance Costs and the Initial Administrative Fund Deposit. A portion of the costs of the Improvement Area #2 Improvements are expected to be financed with proceeds of the Bonds.

	Total	Impact Fees	Private Costs	PID Eligible Costs	Improvement Area #1		Major Improvement Area		Improvement Area #2	
					%	Cost	%	Cost	%	Cost
<i>Private Improvements¹</i>										
Lot Excavation & Erosion Control	\$ 4,756,387	\$ -	\$ 4,756,387	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Lot Retaining Walls	2,171,435	-	2,171,435	-	0.00%	-	0.00%	-	0.00%	-
Amenity Center	2,000,000	-	2,000,000	-	0.00%	-	0.00%	-	0.00%	-
Entry Features	500,000	-	500,000	-	0.00%	-	0.00%	-	0.00%	-
Franchise Gas	480,800	-	480,800	-	0.00%	-	0.00%	-	0.00%	-
Development Fees	1,829,758	-	1,829,758	-	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 11,738,380</u>	<u>\$ -</u>	<u>\$ 11,738,380</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
<i>Improvement Area #1 Improvements</i>										
Street and Alley Paving	\$ 2,007,065	\$ -	\$ -	\$ 2,007,065	100.00%	\$ 2,007,065	0.00%	\$ -	0.00%	\$ -
Water	541,799	-	-	541,799	100.00%	541,799	0.00%	-	0.00%	-
Sewer	731,977	-	-	731,977	100.00%	731,977	0.00%	-	0.00%	-
Drainage	1,099,846	-	-	1,099,846	100.00%	1,099,846	0.00%	-	0.00%	-
Soft Costs	438,069	-	-	438,069	100.00%	438,069	0.00%	-	0.00%	-
	<u>\$ 4,818,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,818,756</u>		<u>\$ 4,818,756</u>		<u>\$ -</u>		<u>\$ -</u>
<i>Major Improvements²</i>										
Street	\$ 2,046,427	\$ 1,017,122	\$ -	\$ 1,029,305	26.10%	\$ 268,605	73.90%	\$ 760,700	0.00%	\$ -
Water	180,444	180,444	-	-	26.10%	-	73.90%	-	0.00%	-
Sewer	497,903	-	-	497,903	26.10%	129,932	73.90%	367,971	0.00%	-
Regional Detention	276,381	-	-	276,381	26.10%	72,124	73.90%	204,257	0.00%	-
Public Park Improvements	1,676,033	247,290	-	1,428,743	26.10%	372,842	73.90%	1,055,901	0.00%	-
Soft Costs	397,966	-	-	397,966	26.10%	103,852	73.90%	294,113	0.00%	-
	<u>\$ 5,075,153</u>	<u>\$ 1,444,856</u>	<u>\$ -</u>	<u>\$ 3,630,298</u>		<u>\$ 947,355</u>		<u>\$ 2,682,943</u>		<u>\$ -</u>
<i>Improvement Area #2 Improvements</i>										
Street and Alley Paving	\$ 7,404,464	\$ 1,727,285	\$ -	\$ 5,677,179	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 5,677,179
Water	1,968,086	182,069	-	1,786,017	0.00%	-	0.00%	-	100.00%	1,786,017
Sewer	2,296,068	-	-	2,296,068	0.00%	-	0.00%	-	100.00%	2,296,068
Drainage	2,683,087	-	-	2,683,087	0.00%	-	0.00%	-	100.00%	2,683,087
Public Park Improvements	1,415,397	1,415,397	-	-	0.00%	-	0.00%	-	100.00%	-
Soft Costs	1,774,553	-	-	1,774,553	0.00%	-	0.00%	-	100.00%	1,774,553
	<u>\$ 17,541,656</u>	<u>\$ 3,324,751</u>	<u>\$ -</u>	<u>\$ 14,216,904</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 14,216,904</u>
<i>Bond Issuance Costs</i>										
Reserve Fund	\$ 1,720,280	\$ -	\$ -	\$ 1,720,280		\$ 258,040		\$ 241,605		\$ 1,220,635
Capitalized Interest	431,079	-	-	431,079		130,321		300,758		-
Underwriter's Discount	741,840	-	-	741,840		129,000		108,000		504,840
Cost of Issuance	1,314,954	-	-	1,314,954		257,639		221,694		835,621
	<u>\$ 4,208,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,208,153</u>		<u>\$ 775,000</u>		<u>\$ 872,057</u>		<u>\$ 2,561,096</u>
<i>Other Costs</i>										
Deposit to Administrative Fund	\$ 140,000	\$ -	\$ -	\$ 140,000		\$ 45,000		\$ 45,000		\$ 50,000
	<u>\$ 140,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,000</u>		<u>\$ 45,000</u>		<u>\$ 45,000</u>		<u>\$ 50,000</u>
Total	\$ 43,522,098	\$ 4,769,607	\$ 11,738,380	\$ 27,014,110		\$ 6,586,111		\$ 3,600,000		\$ 16,828,000

Notes:

1) Private Improvements are not reimbursable to the Owner through PID Bonds or Assessments, and are required to bring District to finished Lot value.

2) Major Improvements were allocated to Improvement Area #1 and the Major Improvement Area based on Estimated Buildout Value, as shown in the Service and Assessment Plan.

The total costs of all of the Improvement Area #2 Improvements (net of amounts to be funded by impact fees), Bond Issuance Costs and the Administrative Fund Deposit is expected to be approximately \$16,828,000.* Impact fees in the amount of \$3,324,751 will be reimbursed to the Developer for a portion of the Authorized Improvements.

In accordance with the IA#2 Reimbursement Agreement, prior to the City's adoption of the Bond Ordinance authorizing the issuance of the Bonds, Fate 163 or the Phase 1-2 Developer shall deliver the Funds Set Aside Letter from its Lender, in which the Lender will confirm that sufficient funds are available and reserved for completion of the Improvement Area #2 Improvements (or portion thereof) not otherwise funded by the Bonds. If the Funds Set Aside Letter is not available, or if Fate 163 or the Phase 1-2 Developer so elects, Fate 163 or the Phase 1-2 Developer may deposit into the Project Fund an amount equal to the remaining costs not funded by the Bonds necessary to pay Improvement Area #2 Project Costs. See "SECURITY FOR THE BONDS — Project Fund," "SOURCES AND USES OF FUNDS," "THE IMPROVEMENT AREA #2 IMPROVEMENTS," "THE DEVELOPER — History and Financing of the District" and "APPENDIX F — Form of IA#2 Reimbursement Agreement.

Ownership and Maintenance of Improvement Area #2 Improvements

The Improvement Area #2 Improvements will be dedicated to and accepted by the City and will constitute a portion of the City's infrastructure improvements. The City will provide for the ongoing maintenance and repair of the Improvement Area #2 Improvements constructed and conveyed, as outlined in the Service and Assessment Plan

* Preliminary; subject to change.

and the O&M Service and Assessment Plan, except for trails and open space and the regional detention pond, which will be maintained by the HOA through a qualified management contract.

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

Overview

The Development is an approximately 163.568-acre project that sits just on the east side of FM 551 in Fate, Texas. Edgewater is a single-family residential development and is expected to consist of approximately 601 single-family detached homes. The Development will have open space, parks, walking trails and an amenity center all in a suburb of the Dallas. The Development is located approximately one mile southeast of Interstate Highway 30 and approximately 26 miles from Dallas. The City, located in the northeast region of the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (the “DFW MSA”), is poised for growth as the overall DFW MSA continues its growth trajectory. The Development is within the corporate limits of the City.

On the west side of FM 551 and adjacent to the District sits the existing Williamsburg development (“Williamsburg”) which consists of approximately 1,500 single family homes (either built, in construction or yet to be developed). Williamsburg contains approximately 437 acres located within the corporate limits of the City. To finance a portion of the public improvements benefiting Williamsburg, the City created Williamsburg Public Improvement District No. 1 and Williamsburg Public Improvement District No. 2. The Developer is not the developer of Williamsburg nor are assessments levied by the City on land within Williamsburg security for the Bonds.

Development Plan

Major Improvements and Improvement Area #1 Improvements. The development of the District commenced in 2020 with the concurrent development of Improvement Area #1 Improvements and the Major Improvements. Improvement Area #1 contains approximately 53.359 acres and consists of the first phase (Phase 1) of 154 single-family residential units. The Developer completed the Improvement Area #1 Improvements and Major Improvements in April of 2022.

Improvement Area #2 Improvements. Improvement Area #2 contains approximately 110.209 acres and will consist of the remaining three phases of residential units – Phase 2, Phase 3, and Phase 4, as well as over four acres of detention/open spaces and an additional detention pond of approximately three acres. Construction in Phase 2 commenced in March of 2022 and is expected be complete in May of 2023. As of August 1, 2022, the Developer has spent approximately \$2,454,524 towards the construction of Improvement Area #2 Improvements in Phase 2. Construction of Phase 3 and Phase 4 is expected to occur concurrently and is expected to commence in January of 2023 and be complete by March of 2024.

Single-Family Lot Development. The Development is planned to include the following three residential product types: 40’ x 110’ lots, 50’ x 110’ lots, and 60’ x 120’ lots. The following table shows the expected number and type of lots within each improvement area of the District.

<u>Expected Single-Family Lots within the Development</u>			
Lot Size	Improvement Area #1⁽¹⁾	Improvement Area #2	Total number of Lots
40’	43	199	242
50’	59	103	162
60’	52	145	197
Total	154	447	601

⁽¹⁾ Includes six model homes.

Each Homebuilder has two model lots, on which they have built one model home per product type it will acquire, for a total of six model homes in the District. The Homebuilders began construction on model homes in the fourth quarter of 2021 and they are currently being furnished and staffed.

The Developer's current expectations regarding buildout of the single-family lots and expected final sale dates are shown in the following tables.

Expected Buildout of Single-Family Lots within the Development⁽¹⁾

Improvement Area	Phase	Number of Lots	Actual/Expected Infrastructure Completion Date	Actual/Expected Initial Sale Date of Single-Family Lots to Homebuilders	Expected Final Sale Date of Single-Family Lots to Homebuilders
1	1	154	April 2022	April 2022	April 2023
2	2	164	May 2023	June 2023	September 2024
2	3	140	March 2024	April 2024	July 2025
2	4	143	March 2024	April 2024	July 2025
Total		601			

⁽¹⁾ These projections regarding final buildout and final sale dates were provided by the Developer. Expected buildout and final sale date projections in the Appraisal may vary.

Development in the District – Improvement Area # 1 (Phase 1) and Phase 2 of Improvement Area # 2

Homebuilders and Lot Purchase Agreements for Improvement Area #1 (Phase 1) and Phase 2 of Improvement Area #2. The Phase 1-2 Developer has entered into Lot Purchase Agreements with the Homebuilders for all 154 single-family lots within Phase 1 and all 164 single-family lots within Phase 2. The following table provides the projected number of lots on which the foregoing Homebuilders plan to construct homes within Phase 1 and Phase 2, pursuant to the Lot Purchase Agreements.

Lot Purchase Agreements for Improvement Area #1 (Phase 1) and Phase 2 of Improvement Area #2

Improvement Area	Phase	Lot Size	Shaddock Homes	Grand Homes	UnionMain Homes	Total
1	1	40'	21	-	22	43
1	1	50'	30	29	-	59
1	1	60'	-	26	26	52
	Phase 1	Total	51	55	48	154
2	2	40'	45	-	46	91
2	2	50'	18	19	-	37
2	2	60'	-	18	18	36
	Phase 2	Total	63	37	64	164

Pursuant to Grand Homes' Lot Purchase Agreement, effective June 23, 2020, Grand Homes was required to complete the construction of one fully furnished and staffed model home within 180 days of the initial take down of lots (the "Grand Homes IA#1 Initial Closing"). The Grand Homes IA#1 Initial Closing occurred on May 12, 2022. Construction on the Grand Homes' model home began in late 2021 and was completed, furnished, and staffed as of June of 2022. Grand Homes purchased an additional model lot in Improvement Area #1 on May 12, 2022. Beginning on May 12, 2022, Grand Homes began being obligated to take down at least twelve lots, six-50' lots and six-60' lots, within ten days, and then (ii) at least twelve lots, six-50' lots and six-60' lots, and if fewer than six lots remained available of a lot type, Grand Homes was to purchase more than six of the other lot type, every 90 days thereafter, until all lots under contract had been taken down. The Grand Homes Lot Purchase Agreement provides substantial completion of the lots in Phase 1 is to occur within 20 months after the later of (i) the release of the earnest money or (ii) the acquisition of the Phase 1 land (the "Phase 1 Outside Completion Date"). The Grand Homes Phase 1 Outside Completion Date was on May 31, 2022. As of August 1, 2022, 24 lots have been taken down in Phase 1. The Grand Homes Lot Purchase Agreement provides substantial completion of the lots in Phase 2 is to occur within 26 months after the Phase 1 Outside Completion Date, or June 19, 2024 (the "Phase 2 Outside Completion Date"). As of August 1, 2022, construction in Phase 2 has commenced; however, no lots have been taken down by Grand Homes.

Pursuant to Shaddock Homes' Lot Purchase Agreement, effective July 31, 2020, Shaddock Homes was required to complete the construction of two fully furnished and staffed model homes (one for each lot type initially purchased) within 180 days of the initial take down of lots (the "Shaddock Homes IA#1 Initial Closing") and will purchase one model lot for each lot type at least 15 days prior to the Shaddock Homes IA#1 Initial Closing. The

Shaddock Homes IA#1 Initial Closing occurred on May 4, 2022. Construction of the Shaddock Homes' model homes began in late 2021 and was completed, furnished, and staffed as of June of 2022. Beginning on May 4, 2022, Shaddock Homes began being obligated to take down at least twelve lots, six-40' lots and six-50' Lots, within ten days and then (ii) at least twelve lots, six-40' lots and six-50' lots and if fewer than six were available of a lot type, Shaddock Homes would purchase more than six of the other lot type, every 90 days thereafter, until all lots under contract had been taken down. The Shaddock Homes Lot Purchase Agreement provides substantial completion of the lots in Phase 1 is to occur within 20 months after the release of the earnest money (the "Phase 1 Outside Completion Date"). The Shaddock Homes Phase 1 Outside Completion Date was on May 31, 2022. As of August 1, 2022, 14 lots have been taken down in Phase 1. The Shaddock Homes Lot Purchase Agreement provides substantial completion of the lots in Phase 2 is to occur no later than 18 months after the IA#1 Initial Closing (the "Phase 2 Outside Completion Date"). As of August 1, 2022, construction in Phase 2 has commenced; however, no lots have been taken down by Shaddock Homes.

Pursuant to UnionMain Homes' Lot Purchase Agreement, effective August 12, 2020, UnionMain Homes was required to complete the construction of one fully furnished and staffed model home within 180 days of the initial take down of lots (the "UnionMain Homes IA#1 Initial Closing"). The UnionMain Homes IA#1 Initial Closing occurred on May 9, 2022. Construction on the UnionMain Homes model home began in late 2021 and was completed, furnished, and staffed as of June of 2022. Beginning on May 9, 2022, UnionMain Homes began being obligated to take down at least twelve lots, six-50' lots and six-60' Lots, within ten days, and then (ii) at least twelve lots, six-50' lots and six-60' lots, and if fewer than six lots remained available of a lot type, UnionMain Homes was to purchase more than six of the other lot type, every 90 days thereafter, until all lots under contract had been taken down. The UnionMain Homes Lot Purchase Agreement provides substantial completion of the lots in Phase 1 is to occur within 20 months after the later of (i) the release of the earnest money or (ii) the acquisition of the Phase 1 land (the "Phase 1 Outside Completion Date"). The UnionMain Homes Phase 1 Outside Completion Date was on May 31, 2022. As of August 1, 2022, 45 lots have been taken down in Phase 1. The UnionMain Homes Lot Purchase Agreement provides substantial completion of the lots in Phase 2 is to occur within 26 months after the Phase 1 Outside Completion Date, or June 9, 2024 (the "Phase 2 Outside Completion Date"). As of August 1, 2022, construction in Phase 2 has commenced; however, no lots have been taken down by UnionMain Homes.

Buildout and Sale Schedule of Lots within Improvement Area #1 (Phase 1). The anticipated schedule for sale of single-family lots to the Homebuilders by Lot size in Improvement Area #1 (Phase 1), pursuant to the Lot Purchase Agreements, is shown in the following table.

**Expected Sale of Single-Family Lots to Homebuilders by
Lot Size in Improvement Area #1 (Phase 1)⁽¹⁾**

Expected Sale Date to Homebuilder	40' Lot	50' Lot	60' Lot	Total Lots
2022	43	38	46	127
2023	0	21	6	27
Total	43	59	52	154

⁽¹⁾ These projections regarding expected absorption were provided by the Phase 1-2 Developer. Absorption projections in the Appraisal may vary. Numbers include model homes.

Lot and home prices within Improvement Area #1 (Phase 1). The Phase 1-2 Developer's current expectations regarding lot and home prices in Phase 1 are as follows:

Single-Family Lot and Home Prices in Improvement Area #1 (Phase 1)

Lot Size	Quantity	Base Lot Price ⁽¹⁾	Estimated Base Home Price ⁽²⁾
40'	43	\$54,000	\$280,000
50'	59	\$67,500	\$325,000
60'	52	\$81,000	\$350,000
Total	154		

⁽¹⁾ Estimated base lot prices are based on the actual base lot prices in the Lot Purchase Agreements, without application of the lot price escalator.

⁽²⁾ Estimated base home prices have been provided by the Phase 1-2 Developer.

Status of Single-Family Lot and Home Construction in Improvement Area #1 (Phase 1)⁽¹⁾

Lot Size	Total No. of Lots	Completed Lots	Homebuilder Contracted Lots	Lots with Homes Under Construction	Lots with Completed Homes ⁽²⁾	Lots sold to Homeowners
40'	43	43	43	6	2	0
50'	59	59	59	6	2	0
60'	52	52	52	6	2	0
Total	154	154	154	18	6	0

⁽¹⁾ As of August 1, 2022.

⁽²⁾ Includes model homes.

Buildout and Sale Schedule of Lots within Phase 2 of Improvement Area #2. The anticipated schedule for sale of single-family lots to the Homebuilders by Lot size in Phase 2 of Improvement Area #2, pursuant to the Lot Purchase Agreements, is shown in the following table.

Expected Sale of Single-Family Lots to Homebuilders by Lot Size in Phase 2 of Improvement Area #2⁽¹⁾

Expected Sale Date to Homebuilder	40' Lot	50' Lot	60' Lot	Total Lots
2023	36	36	36	108
2024	55	1		56
Total	91	37	36	164

⁽¹⁾ These projections regarding expected absorption were provided by the Phase 1-2 Developer. Absorption projections in the Appraisal may vary. Numbers include model homes.

Lot and home prices within Phase 2 of Improvement Area #2. The Phase 1-2 Developer's current expectations regarding lot and home prices in Phase 2 are as follows:

Single-Family Lot and Home Prices in Phase 2 of Improvement Area #2

Lot Size	Quantity	Base Lot Price ⁽¹⁾	Estimated Base Home Price ⁽²⁾
40'	91	\$54,000	\$475,000
50'	37	\$67,500	\$550,000
60'	36	\$81,000	\$625,000
Total	164		

⁽¹⁾ Estimated base lot prices are based on the actual base lot prices in the Lot Purchase Agreements, without application of the lot price escalator.

⁽²⁾ Estimated base home prices have been provided by the Phase 1-2 Developer.

Development in the District – Improvement Area # 2 (Phase 3 and Phase 4)

Phase 3 is expected to contain 140 lots and Phase 4 is expected to contain 143 lots, for a total of 283 single-family lots. Currently, none of the lots planned for Phase 3 or Phase 4 have been contracted for; however, the Lot Purchase Agreements require the Phase 1-2 Developer provide the Homebuilders with written notice of intent to sell future lots, including material terms of the sale and an offer letter to purchase lots, to provide Homebuilders the first offer to purchase a portion of the lots in any future phases of the District. The Homebuilders will have ten days from receipt of the offer to execute the offer and purchase lots. It is expected that the Homebuilders will enter into lot purchase agreements with the owner of the Phase 3 and Phase 4 lots to purchase all of the single-family lots in Phase 3 and Phase 4 and to construct homes in Phase 3 and Phase 4, similar to the Lot Purchase Agreements. It is anticipated that construction in Phase 3 and Phase 4 will commence in January of 2023 and will be complete in March of 2024.

Parkland Dedication

Pursuant to the Development Agreement, the Phase 1-2 Developer dedicated approximately 16 acres of Parkland in April of 2022. Pursuant to the Development Agreement, the Phase 1-2 Developer's actual costs in connection with making the Parkland Improvements, including without limitation grading, landscaping, retaining

walls, fencing lights and hardscape, were and will continue to be credited against applicable park development fees. The Parkland Improvements constructed within Phase 1 have been completed at the approximate cost of \$1,050,867.

Gettysburg Road

As approved by the City in the preliminary plat of the District, the Phase 1-2 Developer has agreed to construct Gettysburg Road, which road is in the City's Roadway Capital Improvement Plan and will benefit the entire District. The Development Agreement provides that the Phase 1-2 Developer (or applicable improvement area developer) is entitled to a dollar-for-dollar reimbursement from or credit against the like-kind impact fee for all cost associated with any construction of, contribution to or dedications of capital improvements, not financed through the District, such as Gettysburg Road. Gettysburg Road improvements include subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, sidewalks and streetlights. All related earthwork, excavation, erosion control, retaining walls, signage, dry utility infrastructure, drainage infrastructure, street lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the right-of-way- are also included in the Gettysburg Road improvements. The construction of this road shall benefit the entire District; however, it will not be financed with Bond proceeds. The development of Gettysburg Road is a pre-negotiated aspect of the Development Agreement and shall be paid for using funds from the Phase 1-2 Developer and impact fee credits or reimbursement from the City of Fate. Gettysburg Road, as well as the waterline being built along with Gettysburg Road, will be completed in phases along with the development of the Phases in the District. The Phase 1-2 Developer completed construction of the first phase of Gettysburg Road, leading up to the Amenity Center lot, in April of 2022. The second phase of Gettysburg Road, running along Phase 2, will be completed with Phase 2 and is expected to be completed in May of 2024. The final phase of Gettysburg Road will be constructed with Phase 3 and is expected to begin in January of 2023 and be completed by March of 2024.

Additional Road Improvements

The City required a traffic impact analysis ("TIA") to be performed. The TIA requested two turn-lanes be constructed on FM 551 near the entrance of the District at Gettysburg Road. The Phase 1-2 Developer constructed one of the requested turn-lanes, turning onto Gettysburg Road, in Phase 1. The second request turn-lane will be constructed with the commencement of construction of Phase 3, once approximately 318 lots are delivered and will turn into the Development south of Gettysburg Road at Bassett Hall Road.

While not directly related to the Development, the City is also working with Rockwall County and regional transportation authorities to address the development of additional road infrastructure in the area surrounding the Development.

HOA Amenities

The Phase 1-2 Developer has begun construction of the "HOA Amenities," expected to consist of, among other things, (i) an amenity center sitting on approximately one acre of land, swimming pools, playground, outdoor open space, a pavilion, and barbeque grills (collectively, the "Amenity Center") and (ii) dedicated bike lanes, a connected trail system, multiple open spaces, and parks throughout the District. The Phase 1-2 Developer anticipates that the HOA Amenities will cost approximately \$2 million to construct. Construction of the HOA Amenities began in June of 2022 and are expected to be complete in December of 2022. The Amenity Center will be located within Improvement Area #1 and will be available to all single-family residents within the District. All HOA Amenities will be owned, operated and maintained by the Homeowners' Association.

Zoning/Permitting

The District is currently zoned under the PDD Ordinance adopted by the City Council on January 26, 2020. The PDD Ordinance allows certain residential uses and establishes guidelines pertaining to purpose, height, area and setbacks. Because the District lies within the city limits of the City, the City's zoning and subdivision regulations control the aspects of development not specifically set forth in the PDD Ordinance.

Education

Rockwall ISD. The majority of the Development is located in Rockwall ISD. Rockwall ISD encompasses 74.48 square miles and claims a tri-county boundary: Rockwall, Collin, and Hunt Counties. Rockwall ISD operates four elementary schools, two intermediate schools, one middle school and two high schools. Shannon Elementary

School, which is approximately 5 miles from the District, Maurine Cain Middle School, which is approximately 9 miles from the District, and Rockwall Heath High School, which is approximately 11 miles from the District, are expected to serve residents in the District.

GreatSchools.org rated Shannon Elementary School, Maurine Cain Middle School and Rockwall Heath High School “above average.” According to the Texas Education Agency annual report cards, Shannon Elementary was rated as “A” Maurine Cain Middle School was rated as a “B,” and Rockwall Heath High School and Rockwall ISD were rated as “A.” (The categories for public school districts and public schools are A, B, C, D or F.)

Royse City ISD. Approximately, 40 acres of the District, which includes approximately 195 proposed lots on the very east side of the District are located in Royse City Independent School District. Royse City ISD operates a Pre-K childhood learning center, six elementary schools, two middle schools, and a high school. Harry H. Herndon Elementary is approximately one-and-a-half miles from the District; Bobby Summers Middle School is approximately two-and-a-half miles from the District; and Royse City High School is approximately eight miles from the District, are expected to serve residents in the District.

GreatSchools.org rated Royse City High School as “average.” According to the Texas Education Agency annual report cards, Harry H. Herndon Elementary School was rated as “A,” Bobby Summers Middle School was rated as “B,” and Royse City High School was rated as “B.” (The categories for public school districts and public schools are A, B, C, D or F.)

Environmental

Site Evaluation. A Phase One Environmental Site Assessment of the property within the District (the “Phase One ESA”) was completed on February 19, 2020. Based on the information presented in the Phase One ESA, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site.

Endangered Species. According to the website for the United States Fish and Wildlife Service, the whooping crane is an endangered species in Rockwall County. The Phase 1-2 Developer is not aware of any endangered or threatened species located on District property.

Geotechnical Exploration

A preliminary geotechnical exploration report covering the property in the District (the “Geotech”) was completed on February 28, 2020. The Geotech indicated high-plasticity clay soils underlain by high-plasticity marly clay soils. The Geotech made certain recommendations to prevent post construction movement of slab-on-grade foundations but recommended that more detailed subgrade improvement recommendations can be provided in the final geotechnical exploration report based on additional test boring and actual lot grading information. The pavement and utility structures should be designed and constructed in accordance with City standards. The Phase 1-2 Developer intends to follow the recommendations made in the preliminary Geotech but does not intend to request a final geotechnical exploration report.

Utilities

Water and Wastewater. The City will provide both water and wastewater service to the District. The City contracts with the NTMWD to meet the City’s water supply and sewage treatment and disposal needs. NTMWD is the City’s wholesale water provider and the City is the retail provider. The City also owns various facilities including storage and pump facilities, water distribution and sewage collection lines, meters, valves, and other facilities necessary to provide water and sewer service to its customers. The City then charges its customers such rates that are sufficient to pay the City’s obligations to NTMWD and to pay for the maintenance, operation, and improvement of the City’s water and sewer facilities. While the City plans to begin construction of a large water pump station, ground storage tank project, and plans to upgrade the current wastewater treatment plant from a 3 MGD plant to a 7 MGD plant, the City’s current water distribution system and wastewater collection and treatment system have sufficient capacity to provide water and wastewater service to the Development. Additionally, the City is currently in compliance with TCEQ rules concerning water and wastewater capacity. As of July 31, 2022, the City’s water distribution system consists of 78 miles of mains serving 7,725 customers. The City’s total average daily output is 1.5 million gallons per day in non-peak months (October-June) and 2.7 million gallons per day in peak months (July-September).

Additional Utilities. The Developer anticipates additional utilities to be provided by: (1) Telecom – AT&T, Suddenlink, or Peoples Fibercom; (2) Electric – Oncor or Farmers Electric Cooperative; and (3) Natural Gas – Atmos.

THE DEVELOPER

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as internet, gas and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of revenue bonds, such as the Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation to a municipality to develop the property which it owns in a development. Furthermore, there is no restriction on a developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of the Phase 1-2 Developer

The Phase 1-2 Developer is an affiliate of PMB and JTG Holdings and was created by PMB for the purpose of managing and developing the property in the District. The Phase 1-2 Developer (and the Phase 3-4 Developer, if and when formed) will oversee the development of the District. The Phase 1-2 Developer is a nominally capitalized limited company, the primary asset of which is unsold property within the District. The Phase 1-2 Developer will have no source of funds with which to pay Assessments or taxes levied by the City or any other taxing entity other than funds resulting from the sale of property within Improvement Area #2, funds advanced to the Phase 1-2 Developer by an affiliated party, or financing under the Loan, as described under the caption "History and Financing of the District." The Phase 1-2 Developer's ability to make full and timely payments of Assessments or taxes will directly affect the City's ability to meet its obligation to make payments on the Bonds. See "BONDHOLDERS' RISKS — Dependence Upon the Developer."

The manager of the Phase 1-2 Developer is New Sheridan Dev Co Manager, LLC, a Texas limited liability company (the "Developer Manager"). The members of the Developer Manager are Maple NSDC Manager LLC, an affiliate of PMB (50%), and Pandora 551, LLC, a Texas limited liability company ("Pandora 551") (50%). PMB is a privately held real estate investment and development company based in Dallas, TX. The principals – Peter Pincoffs, Matt Mildren, and Taylor Baird – have over 40 years of combined real estate and capital markets experience including the development of over 7,000 residential lots and over \$800 million in direct real estate acquisitions. Currently, PMB controls and manages development projects entitled for more than 15,000 residential lots in the DFW area. In addition, PMB Lending has committed almost \$50 million in non-recourse construction financing to third-party residential lot developers in major Texas markets.

Description of Fate 163, LP

The land within Phase 3 and Phase 4 is currently owned by Fate 163. Fate 163 is a land holding entity and does not intend to develop the land within Phase 3 and Phase 4. The general partner of Fate 163 is Fate 163 GP LLC, a Texas limited liability company ("Fate 163 GP"). The members of Fate 163 GP are Pandora 551 (50% and managing member) and PMB Fate 163 LLC, a Texas limited liability company. The primary asset of Fate 163 is the unsold land within Phase 3 and Phase 4 of the District. Fate 163 will have no source of funds with which to pay any Assessments or taxes levied by the City or any other taxing entity other than funds resulting from the sale of property within Phase 3 and Phase 4 and equity raised from outside investors. Fate 163's ability to make full and timely payments of any Assessments or taxes will directly affect the City's ability to meet its obligation to make payments on the Bonds.

Description of Past and Current Projects of PMB

PMB's expertise and experience is wide-ranging and includes land entitlement, construction management, development financing, district formation, district management, project accounting and fee development. Of the total lots currently controlled by PMB, over 90% are within the boundaries of a Municipal Utility District, Water Control and Improvement District, Freshwater Supply District, or Public Improvement District. The following is a brief sampling of past and current development projects of PMB and its related entities:

Name	Location	Description	Completion
The Station	Sachse, TX	A mixed-use community consisting of 224 single family attached & detached homes within phase 1, 300 units of multi-Family, and 15,000+ SF of retail. The Station resides in a Public Improvement District. Currently under development is Phase 2 Multi-family of 297 units, 18,000sf of phase 2 retail, an additional 49 single-family detached homes, 66,000 square feet of medical office, 199 units of age-targeted multi-family.	Phase 1 – August 2020 15k sq. ft. Retail – August 2021
Wildcat Ranch	Crandall, TX	A multi-phase single family project that will consist of over 3,000 lots at full buildout. Currently, 1,199 lots have been delivered, Phase 4 (548 Lots) is currently under construction. Wildcat Ranch resides in a Fresh Water Supply District	Phase 1A (168 Lots) – September 2019 Phase 1B (202 Lots) – October 2020 Phase 2 (357 Lots) – March 2020 Phase 3 (472 Lots) – December 2021
Woodcreek	Fate, TX	Woodcreek is one of the top selling master planned communities in the country. It was ranked 32 nd top selling master planned community by RCLCO through mid-year 2020. In total, Woodcreek will consist of over 4,000 lots and is nearing the final phases of development. The development resides in multiple Municipal Utility Districts. The final two phases, 9B and 9D2 (241 lots) have reached substantial completion as of Q2 2022.	Full Buildout Est. – 2023
Ventana	Fort Worth, TX	Ventana is a multi-phase single family development currently under construction in Phase 5. In total, Ventana will consist of over 1,000 lots.	Phase 1 (201 Lots) – June 2017 Phase 2 (192 Lots) – May 2019
Reunion & Bluestem	Fort Worth, TX	Reunion & Bluestem reside in Northwest Fort Worth, along 287 & 114 in Rhome and Newark, Tx. The projects are in a Water Control and Improvement District. In total, between Reunion & Bluestem, the project will consist of over 12,000 single-family lots and multi-family and industrial. The first two phases, consisting of over 549 lots will be delivered in Q2 & Q3 of 2022.	Full Buildout Est. 2035+
River Ridge	Crandall, TX	River Ridge is a 255-acre masterplan community residing in Crandall, Tx just south of Wildcat Ranch. The project will consist of approximately 1,000 lots at full buildout. The first phase is currently under construction. The project resides in a public improvement district and a TIRZ.	Full Buildout Est. 2025

Executive Biography of Principals of the Developer

Taylor Baird. Taylor Baird is a Founder and Managing Partner of PMB. As a Managing Partner, Mr. Baird is responsible for strategic leadership, business planning, investor relations and accounting/finance oversight. Since its inception in 2013, Mr. Baird has taken an active role in project management, government approvals, acquisitions, dispositions, and managing banking relationships. Prior to founding PMB, Taylor spent 6 years at J.P. Morgan in the Corporate & Investment Bank. While at J.P. Morgan, Mr. Baird worked in the firm's Consumer & Retail coverage group in Dallas. During his tenure at J.P. Morgan, Taylor worked on over 50 M&A, debt and equity capital transactions representing \$30+ billion.

Education/Qualifications: Mr. Baird holds a bachelor's degree in Finance and Accounting and a Master's in Accountancy from the University of Texas at Austin.

Matt Mildren. Matt Mildren is a Founder and Managing Partner of PMB. As a Managing Partner, Mr. Mildren is responsible for strategic leadership, business planning and business development. During his tenure at PMB, Mr. Mildren has taken an active role project management, district formation and operations, government approvals, acquisitions, and managing builder relationships. Prior to joining PMB, Mr. Mildren was a development partner at Provident Realty. Mr. Mildren has developed over 5,000 residential lots throughout the United States and has created or managed numerous Municipal Utility Districts, Fresh Water Supply Districts and Public Improvement Districts. Mr. Mildren was responsible for the acquisition and development of over \$250 million in real estate projects which included several large retail centers in California and Colorado that were purchased in partnership with The Kroenke Group.

Education/Qualifications: Mr. Mildren holds a bachelor's degree in Finance from the University of Oklahoma.

Peter Pincoffs. Peter Pincoffs is a Founder and Managing Partner of PMB. As a Managing Partner, Mr. Pincoffs is responsible for strategic leadership, investor relations, business development and business planning. Since inception, Mr. Pincoffs has taken an active role in project management, acquisitions, capital raising, and managing builder relationships. Prior to founding PMB, Mr. Pincoffs was a Director in the Southwest Region at Hines. Mr. Pincoffs has developed over 3,000 residential lots in Texas, created and managed multiple Public Improvement Districts, and has actively participated in over \$750 million of commercial real estate acquisitions and development projects.

Education/Qualifications: Mr. Pincoffs holds a bachelor's degree in History from the University of Texas at Austin and a Master's in Real Estate Finance and Construction Management from the University of Denver.

Tim Gehan. Tim Gehan was the President & CEO of Gehan Homes, Ltd., a Texas limited partnership with a 25-year history of building high-quality production homes. Mr. Gehan led the expansion of Gehan Homes from a start-up builder into a Top 30 homebuilder, where they were closing on average 1,400+ per year. He grew the Gehan Homes Dallas operations into additional large, high-growth markets including Houston in 1997, Austin in 2001 and San Antonio in 2007. Mr. Gehan personally led the company's first expansion outside of Texas by establishing operations in Phoenix, Arizona in 2012. Mr. Gehan was responsible for \$490 Million Dollars in revenue in 2015. Mr. Gehan was responsible for the formation and start-up of a Mortgage and Title companies, which handle a majority of all Gehan Homes transactions. Mr. Gehan is a second-generation homebuilder, who together with his father and brothers started Gehan Homes in 1991.

Education/Qualifications: Mr. Gehan was a practicing corporate attorney. He has a J.D. from Texas Tech School of Law and maintains his membership with the State Bar of Texas.

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History and Financing of the District

Summary of At-Risk Entities and Investments in the District Subordinate to the Assessment Lien. In order to finance the acquisition land within Improvement Area #2 and the development of the District, the Phase 1-2 Developer, Fate 163 and certain third parties, including the Homebuilders, have expended equity or extended promissory notes that are secured by a lien on some or all of the real property within the District, including the Improvement Area #2, that are subordinate to the lien associated with the Assessments securing the Bonds. A list of the entities with at-risk capital whose position or lien is subordinate to that of the Assessments is listed in the following table and more fully described in the subheadings below.

Summary of Entities with At-Risk Capital Subordinate to the Lien Securing the Bonds⁽¹⁾

At Risk Entity	Funding Type	Funding Purpose	Security	Position to Assessment Lien	Initial Amount	Outstanding Balance ⁽²⁾
The American National Bank of Texas, N.A.	Promissory Note ⁽³⁾	Phase 1 Acquisition and Development Loan	Lien on Real Property within the District	Subordinate	\$10,096,000	\$2,676,083.47
The American National Bank of Texas, N.A.	Promissory Note ⁽⁴⁾	Phase 2 Acquisition and Development Loan	Lien on Real Property within Phase 1 of the District	Subordinate	\$6,179,000	\$1,809,675.97
Shaddock	Cash	Single-Family Lot Earnest Money	Lien on Contracted Single-Family Phases 1 and 2 Lots	Subordinate	\$ 959,850 ⁽⁵⁾	\$ 834,262.16
Grand Homes	Cash	Single-Family Lot Earnest Money	Lien on Contracted Single-Family Phases 1 and 2 Lots	Subordinate	\$1,000,350 ⁽⁵⁾	\$733,590.00
UnionMain Homes	Cash	Single-Family Lot Earnest Money	Lien on Contracted Single-Family Phases 1 and 2 Lots	Subordinate	\$1,028,700 ⁽⁵⁾	\$611,659.35
Total Outstanding Balance of Equity and Loan/Notes Secured by a Subordinate Lien Against Real Property within the District as of August 1, 2022:						\$6,665,270.95

⁽¹⁾ Table does not include Fate 163 equity. Due to a confidentiality agreement contained in the land acquisition agreements, Fate 163 cannot disclose the purchase price for the land within the District.

⁽²⁾ As of August 1, 2022.

⁽³⁾ Pursuant to the Phase 1 Acquisition and Development Loan, upon meeting certain conditions thereunder, The American National Bank of Texas will make advances to the Phases 1-2 Developer up to and not exceeding \$10,096,000. As of August 1, 2022, the Developer has received advances totaling \$8,214,242. The Phase 1 Acquisition and Development Loan is not intended, in whole or in part, to be “revolving” in nature and expressly provides that no principal amount repaid by the Phase 1-2 Developer may be reborrowed by the Phase 1-2 Developer. The Phase 1 Acquisition and Development Loan is secured by a lien on all of the real property within Improvement Area #1 of the District, and the improvements thereon owned by the Phase 1-2 Developer and a guaranty from Fate 163, secured by a lien on all of the real property in the Major Improvement Area of the District.

⁽⁴⁾ Pursuant the Phase 2 Acquisition and Development Loan, the American National Bank of Texas will make advances to the Phase 1-2 Developer up to and not exceeding \$6,179,000. As of August 1, 2022, the Phase 1-2 Developer has received advances totaling \$1,809,675.94. The Phase 2 Acquisition and Development Loan is not intended, in whole or in part, to be “revolving” in nature and expressly provides that no principal amount repaid by the Phase 1-2 Developer may be reborrowed by the Phase 1-2 Developer. The Phase 2 Acquisition and Development Loan is secured by a lien on all of the real property within Phase 2 of Improvement Area #2 of the District, and the improvements thereon owned by the Phase 1-2 Developer and a guaranty from Fate 163, secured by a lien on all of the real property in Phase 3 and Phase 4 of Improvement Area #2 of the District.

⁽⁵⁾ Represents earnest money for lots within Improvement Area #1 (Phase 1) and Phase 2 of Improvement Area #2.

The Property Acquisition by Fate 163. Fate 163 was formed on August 19, 2020 for the purpose, among other things, of acquiring the property within the District. Fate 163 acquired the property from Fate 551, LP on September 15, 2020. In order to finance the purchase price of the property within the District, Fate 163 raised equity from outside investors. Due to a confidentiality agreement contained in the land acquisition agreements, Fate 163 cannot disclose the purchase price for the land within the District. On September 15, 2020, Fate 163 sold the land within Phase 1 to Dev Co Phase 1. On February 28, 2022, Fate 163 sold the land within Phase 2 to Dev Co Phase 1. Fate 163 continues to own the land within Phase 3 and Phase 4 of the District, subject to Dev Co Phase 1's option to purchase and right to develop. The land in Phase 3 and Phase 4 continues to be owned by Fate 163, but it is anticipated that such land will be conveyed to an affiliate developer that has yet to be formed.

The Property Acquisition and Development Financing.

Improvement Area #1 (Phase 1). To finance a portion of the purchase price of Improvement Area #1 (Phase 1) and the development of the property within Improvement Area #1, the Phase 1-2 Developer obtained a loan in the amount of \$10,096,000 from The American National Bank of Texas, NA, pursuant to a promissory note dated September 15, 2020 (the "Phase 1 Acquisition and Development Loan"), which is secured by, among other things, a lien on all of the real property within Improvement Area #1 of the District and the improvements thereon owned by the Phase 1-2 Developer and a guaranty from Fate 163, secured by a lien on all of the real property in the Major Improvement Area of the District. The Phase 1-2 Developer may request advances under the Phase 1 Acquisition and Development Loan; however, the Phase 1 Acquisition and Development Loan is not a revolving loan. The Phase 1 Acquisition and Development Loan bears interest at the prime rate plus 0.25% and has a maturity date of September 15, 2023.

Phase 2 of Improvement Area #2. To finance a portion of the purchase price of Phase 2 of Improvement Area #2 and the development of the property within Phase 2 of Improvement Area #2, the Phase 1-2 Developer obtained a loan in the amount of \$6,179,000 from The American National Bank of Texas, NA, pursuant to a promissory note dated February 23, 2022 (the "Phase 2 Acquisition and Development Loan"), which is secured by, among other things, a lien on all of the real property within Phase 2 of Improvement Area #2 of the District, and the improvements thereon owned by the Phase 1-2 Developer and a guaranty from Fate 163, secured by a lien on all of the real property in the Phase 2 and Phase 3 of the District. The Phase 1-2 Developer may request advances under the Phase 2 Acquisition and Development Loan; however, the Phase 2 Acquisition and Development Loan is not a revolving loan. The Phase 2 Acquisition and Development Loan bears interest at the prime rate plus 0.25% and has a maturity date of February 23, 2025.

The PID Act provides that the Assessment Lien is a first and prior lien against the Assessed Property and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the Bonds, The American National Bank of Texas, N.A., has agreed to consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the Phase 2 Acquisition and Development Loan to the assessment liens on property within Phase 2 of Improvement Area #2 securing payment of the Assessments. As a result, the lien on the property within Phase 2 of Improvement Area #2 securing the Assessments will have priority over any liens on the property within Phase 2 of Improvement Area #2 securing the Phase 2 Acquisition and Development Loan.

THE PID ADMINISTRATOR

The following information has been provided by the PID Administrator. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

The City has selected P3Works, LLC as the initial PID Administrator. The City has entered into an agreement with the PID Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The PID Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The PID Administrator is a consulting firm focused on providing district services relating to the formation and administration of public improvement districts, and has offices in Austin, Houston, and North Richland Hills, Texas.

The PID Administrator's duties will include:

- Preparation of the annual update to the Service and Assessment Plan;

- Preparation of assessment rolls for county billing and collection;
- Establishing and maintaining a database of all County Parcel IDs within the District;
- Trust account analysis and reconciliation;
- Property owner inquiries;
- Determination of prepayment amounts;
- Preparation and review of disclosure notices with Dissemination Agent; and
- Review of Developer draw requests for reimbursement of public improvement costs.

APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #2

The Appraisal

General. Integra Realty Resources – Dallas (the “Appraiser”) prepared an appraisal report (the “Appraisal”) for the City and the Underwriter dated July 7, 2022 (the “Report Date”), based upon a physical inspection of the District conducted on June 28, 2022 (the “Physical Inspection Date”). The Appraiser assessed each of the phases and assigned a value based on its expected completion date and assigned a date of value as of that date (each, a “Date of Value”).

The Appraisal was prepared at the request of the City and the Underwriter. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX H and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See “APPENDIX H — Appraisal of the District.”

Value Estimates. The Appraiser estimated the prospective market value at completion of the fee simple interest in the tracts of land comprising Improvement Area #2 under certain hypothetical conditions. The Appraisal does not reflect the value of the District or Improvement Area #2 as if sold to a single purchaser in a single transaction. The hypothetical conditions include the assumption that all of the Improvement Area #2 Improvements and Gettysburg Road have been completed in accordance with plans and specifications as of the Date of Value. See “THE IMPROVEMENT AREA #2 IMPROVEMENTS” and “THE DEVELOPMENT — Development Plan.” The Appraisal does not reflect the as-is condition of the District or Improvement Area #2. See “APPENDIX H — Appraisal of the District.”

The value estimate for the Assessed Property within Phase 2, using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal as of the Phase 2 Date of Value of June 30, 2023, is \$14,440,000*. The value estimate for the Assessed Property within Phase 3, using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal as of the Phase 3 Date of Value of February 29, 2024, is \$13,460,000. The value estimate for the Assessed Property within Phase 4, using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal as of the Phase 4 Date of Value of February 29, 2024, is \$13,770,000. Accordingly, combined value estimate for the Assessed Property within Improvement Area #2, using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, is \$41,670,000.

None of the City, the Developer nor the Underwriter makes any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions.

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* The Appraisal assumes 302 lots in Phase 1 and Phase 2. In 2020, the Homebuilders contracted for an estimated 302 lots in Phase 1 and Phase 2; however, as development progressed, Phase 1 and Phase 2 now contain 318 lots. Currently, all 318 lots are under contract with a homebuilder.

BONDHOLDERS' RISKS

Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #2 to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #2, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the property within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such property.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District should proceed more slowly than expected and the Phase 1-2 Developer or Fate 163 is unable to pay the Assessments, only the value of the Assessed Property, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #2. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the City or the City's Financial Advisor that a market for the Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Bonds.

The City has not applied for or received a rating on the Bonds. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so.

Infectious Disease Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States. On March 13, 2020, the President of the United States declared the Pandemic a national emergency and the Governor of Texas (the

“Governor”) declared a state of disaster for all counties in the State in response to the Pandemic. Under State law, the proclamation of a state of disaster by the Governor may not continue for more than 30 days unless renewed. The Governor has renewed his declaration monthly, most recently on August 20, 2022. On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued a number of executive orders relating to COVID-19 preparedness, mitigation and phased reopening of the State. On March 2, 2021, the Governor issued Executive Order GA-34, which, among other things, removed any COVID-19-related operating limits for any business or other establishment and ended the State-wide mask mandate. Most recently, on July 29, 2021, the Governor issued Executive Order GA-38, which, among other things, maintains that there are no COVID-19 related operating limits for any business or establishment and that no person may be required by any jurisdiction to wear or mandate the wearing of a face covering. The Governor’s order also maintains, in providing or obtaining services, every person (including individuals, businesses, and other legal entities) should use good-faith efforts and available resources to follow the minimum standard health protocols. Executive Order GA-38 remains in place until amended, rescinded, or superseded by the Governor. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. The State may be particularly at risk from any global slowdown, given the prevalence of international trade in the State and the risk of contraction in the oil and gas industry and spillover effects into other industries.

Such adverse economic conditions, if they continue, may reduce or negatively affect economic conditions in the City and lead to unemployment for property owners within the District or may otherwise have a negative impact on the sale of parcels, lots or homes within the District. The Bonds are secured primarily by Assessments levied on benefited property within the District.

The City continues to monitor the spread of COVID-19 and is working with local, State, and national agencies to address the potential impact of the Pandemic upon the City. None of the City, the Financial Advisor, the Underwriter or the Phase 1-2 Developer can predict the impact the Pandemic may have on the City, the financial and operating condition of the Phase 1-2 Developer, the projected buildout schedule, home prices and buildout values or an investment in the Bonds.

Risk from Weather Events

All of the State, including the City, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, heavy rains and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It is impossible to predict whether similar events will occur in the future and the impact they may have on the City, including land within the District.

Failure or Inability to Complete Proposed Development

Proposed development within the District (including the foregoing) may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development or existence of environmental concerns with such land. See “Availability of Utilities” and “Hazardous Substances” below. Land development within the District could also be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. (Any approvals needed in the future for the Development must come from the City.) There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. A slowdown of the development process and the related absorption rate within the

Development because of any or all of the foregoing could affect adversely land values. THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE PHASE 1-2 DEVELOPER, FATE 163, AND ANY SUBSEQUENT OWNERS TO PAY THE ASSESSMENTS WHEN DUE. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH OWNERS TO PAY THE ASSESSMENTS AND COULD GREATLY REDUCE THE VALUE OF PROPERTY WITHIN THE DISTRICT IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. In that event, there could be a default in the payment of the Bonds.

Completion of the Improvement Area #2 Improvements

The construction of some of the Improvement Area #2 Improvements that are necessary for the successful development of the Development are not yet complete. The cost and time for completion of all of such improvements is uncertain and may be affected by changes in national, regional and local and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer. If cost overruns result in delay of construction, or if other delays are experienced, the Developer may be unable to complete timely all of such necessary improvements.

Absorption Rate

There can be no assurance that the Developer will be able to achieve its anticipated absorption rates. Failure to achieve the absorption rate estimates will adversely affect the estimated value of the Development, could impair the economic viability of the Development and could reduce the ability or desire of property owners to pay the Assessments.

Assessment Limitations

Annual Installments of Assessments are billed to property owners of Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as set forth under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in Improvement Area #2, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy" herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #2, any Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, Section 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment

payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code Section 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. **However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property.** It is unclear under State law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights had been claimed. Furthermore, neither the Phase 1-2 Developer nor Fate 163 is eligible to claim homestead rights. Consequently, there are and can be no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #2 OF THE DISTRICT.

Recent Changes in State Law Regarding Public Improvement Districts

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract of purchase and sale. If the Developer or homebuilders within the District do not provide the required notice and prospective purchasers of property within the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney’s fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney’s fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property should be paid. On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the Developer or homebuilders within the District do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers are attached as Appendix B-1, B-2, B-3, B-4, B-5 and B-6 to the Service and Assessment Plan. See “Appendix C — Form of Service and Assessment Plan.”

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend

changes to the PID Act relating to oversight of bonds secured by special assessments, including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 87th Legislative Session of the State ended on May 31, 2021, without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. The Governor called three special legislative sessions, which all concluded without any legislation being introduced or passed related to the oversight of bonds secured by assessments. It is impossible to predict what bills may be introduced during upcoming legislative sessions and, if passed, the impact that any future legislation will or may have on the security for the Bonds.

Risks Related to the Current Real Estate Market

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot and home sales within Improvement Area #2. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Current Increase in Costs of Building Materials

As a result of the Pandemic, low supply and demand and the ongoing trade war, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. The Developer is responsible for the construction of the Public Improvements. The Developer expects to finance a portion of the costs of the Improvement Area #2 Improvements from proceeds of the Bonds. If the Actual Costs of the Improvement Area #2 Improvements are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Improvement Area #2 Improvements or pay the Assessments when due. If the costs of material continue to increase, it may affect the ability of the homebuilders to construct homes within the District. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District.

Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will ever commence or be completed in accordance with the Developer's expectations. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. For more information on competitive projects, see "APPENDIX H — Appraisal of the District – Property Analysis – Highest and Best Use."

Loss of Tax Exemption

The Indenture will contain covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted

cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Bankruptcy

The payment of Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Improvement Area #2 to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of Improvement Area #2 currently impose ad valorem taxes on the property within Improvement Area #2 and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #2. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Assessments.

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within Improvement Area #2 to pay the Assessments when due could result in the rapid, total depletion of the Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture will provide that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS — Reserve Account of the Reserve Fund" herein.

Hazardous Substances

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not take into account the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within the District has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel that is realizable upon a delinquency.

See “THE DEVELOPMENT — Environmental” for discussion of the Phase One ESA performed on property within the District.

Regulation

Development within the District may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

500-Year Flood Plain

No lands within the District are currently located within an official FEMA 500-year flood plain, as shown on the current Federal Emergency Management Agency’s Flood Insurance Rate Map Community Panel No. 48397C055L, Rockwall County, Texas dated September 26, 2008 (the “Floodplain”).

Additionally, FEMA will from time to time revise its Flood Insurance Rate Maps. None of the City, the Underwriter, or the Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such revisions may result in homes that are currently outside of the 100-year flood plain from being included in the 500-year or 100-year flood plain in the future, or whether extreme flooding events may exceed the Flood Plain.

Bondholders’ Remedies and Bankruptcy

Upon the happening and continuance of any of the Events of Default described in the Indenture, the Trustee may, and at the written direction of the Owners of a Quarter in Interest of the Bonds and its receipt of indemnity satisfactory to it shall, proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City shall be limited in recovery to the assets of the Trust Estate, including the Pledged Revenues.

The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City’s obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See “BONDHOLDERS’ RISKS — Bankruptcy Limitation to Bondholders’ Rights” herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Assessments, or delinquent ad valorem taxes, against such property owner.

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) (“*Tooke*”) that a waiver of sovereign immunity must be provided for by statute in “clear and unambiguous” language. In so ruling, the Court declared that statutory language such as “sue and be sued”, in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the “Local Government Immunity Waiver Act”), which, according to the Court, waives “immunity from suit for contract claims against most local governmental entities in certain

circumstances.” The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) (“Wasson”), the Texas Supreme Court (the “Court”) addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that “a city’s proprietary functions are not done pursuant to the ‘will of the people’” and protecting such municipalities “via the [S]tate’s immunity is not an efficient way to ensure efficient allocation of [S]tate resources.” While the Court recognized that the distinction between governmental and proprietary functions is not clear, the Wasson opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed Wasson for a second time and issued an opinion on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state’s immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City’s sovereign immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by State courts. In general, State courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. State courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Area #2 available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See “OVERLAPPING TAXES AND DEBT.” Collection of delinquent taxes, assessments and Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers’ right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

The Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of Improvement Area #2 subject to the Assessments, existing real estate and financial market conditions and other factors.

No Credit Rating

The City has not applied for or received a rating on the Bonds. Even if a credit rating had been sought for the Bonds, it is not anticipated that such a rating would have been investment grade. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under State law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) Annual Collection Costs are paid in full, (5) all regulatory or electoral approvals required under State law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt.

Tax-Exempt Status of the Bonds

The Indenture contains covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or State level, may adversely affect the tax-exempt status of interest on the Bonds under federal or State law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

As further described in "TAX MATTERS" below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its

application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. In the past, the IRS has announced audit efforts focused in part on "developer-driven bond transactions," including certain tax increment financings and certain assessment bond transactions. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit. If an audit of the Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

Management and Ownership

The management and ownership of the Developer and related property owners could change in the future. Purchasers of the Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer or new officers in management positions may not have comparable experience in projects comparable to the Development.

General Risks of Real Estate Investment and Development

The Developer has the right to modify or change its plan for development of the District, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed. No defined "true-up" agreement has been entered into between the City and Developer, nor is there a requirement that future developers enter into such an agreement. There can be no assurance, in the event the Developer or a subsequent developer modifies or changes its plan for development that the necessary revisions to the Service and Assessment Plan will be made, or if made will provide the necessary assessment revenues required to pay debt service on Bonds. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of the Developer and homebuilders to develop lots and sell single-family residential homes within the District may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market and other factors beyond the control of the owner of the single-family residential lots. In the event that a large number of single-family projects are constructed outside of the District, and compete with the Development, the demand for residential housing within the District could be reduced, thereby adversely affecting the continued development of the Development, or its attraction to businesses and residents.

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, including the schedule for and/or the costs of the Improvement Area #2 Improvements and Gettysburg Road, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond

the control of the Developer. Furthermore, the operating revenues of the Developer may be materially adversely affected if specific conditions in the Lot Purchase Agreement are not met. Failure to meet the Lot Purchase Agreements conditions allows the Homebuilders to terminate its obligation to purchase land from the Developer. See “THE DEVELOPMENT — Development of Improvement Area #2 –Lot Purchase Agreements Improvement Area #2 and Improvement Area #2.”

The Development cannot be initiated or completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of each phase of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer and any subsequent owners to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within the District in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Use of Appraisal

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in an appraisal is based on various assumptions of future expectations and while the appraiser’s forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District, including Improvement Area #2.

In performing its analyses, an appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the Appraiser’s, Underwriter’s and City’s control, as well as to certain factual matters. Furthermore, the Appraiser’s analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation.

For information regarding COVID-19’s impact on the Appraiser’s valuations, see “APPENDIX H — Appraisal of the District – COVID-19 Impact on Current Variations.”

Availability of Utilities

The progress of development within the District is also dependent upon the City providing an adequate supply of water and sufficient capacity for the collection and treatment of wastewater. If the City fails to supply water and wastewater services to the property within the District, the Development of the land in the District could be adversely affected. See “THE DEVELOPMENT — Utilities.”

Dependence upon the Developer

The Developer currently has the obligation for payment of 100% of the total Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The sole assets of the Developer are land within the District, related permits and development rights and minor operating accounts. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing Improvement Area #2 Improvements. See "THE IMPROVEMENT AREA #2 IMPROVEMENTS." There can be no assurances given as to the financial ability of the Developer to complete the Improvement Area #2 Improvements or any other improvements.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See "APPENDIX D — Form of Opinion of Bond Counsel."

In rendering its opinion, Bond Counsel to the City will rely upon (a) certain information and representations of the City, including information and representations contained in the City's federal tax certificate, and (b) covenants of the City contained in the Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the City to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the City is conditioned on compliance by the City with such requirements, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under existing law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with

respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

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

Under existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

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

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued

at an original issue discount, the “revised issue price” (i.e., the issue price plus accrued original issue discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner’s social security number or other taxpayer identification number (“TIN”), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient’s federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General of the State to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

McCall, Parkhurst & Horton L.L.P. serves as Bond Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as Underwriter’s Counsel. The legal fees paid to Bond Counsel and Underwriter’s Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of the State, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal of and interest thereon, are payable from and secured by a pledge of and lien on the Pledged Revenues. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption “TAX MATTERS.” A copy of the opinion of Bond Counsel is attached hereto as “APPENDIX D — Form of Opinion of Bond Counsel.”

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds herein under the captions or subcaptions “PLAN OF FINANCE — The Bonds,” “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology,” “Assessment Amounts” and “O&M Assessment”), “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS — Legal Proceedings” (first paragraph only), “LEGAL MATTERS — Legal Opinions,” “CONTINUING DISCLOSURE — The City,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS,” and “APPENDIX B — Form of Indenture” and such firm is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

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

Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer or any of its affiliates wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its managing member, or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Service and Assessment Plan, or the IA#2 Reimbursement Agreement, or otherwise described in this Limited Offering Memorandum or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”).

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by governmental immunity, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery, and by general principles of equity that permit the exercise of judicial discretion.

NO RATING

No application for a rating on the Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the Bonds had application been made.

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the SEC (the “Rule”), the City, the PID Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent (in such capacity, the “Dissemination Agent”), will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Issuer”), for the benefit of the owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Issuer, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E-1 — Form of Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the Disclosure Agreement of Issuer. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of Issuer. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of Issuer or from any statement made pursuant to the Disclosure Agreement of Issuer.

The City’s Compliance with Prior Undertakings

During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

The Developer

Pursuant to the Rule, the Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Developer”), for the benefit of the owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Developer, certain information regarding the Development and the Improvement Area #2 Improvements (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX E-2 — Form of Disclosure Agreement of Developer.” Under certain circumstances, the failure of the Developer or the PID Administrator to comply with its obligations under the Disclosure Agreement of Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Developer would

allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The Developer has agreed to provide (i) certain updated information to the PID Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Disclosure Agreement of Developer. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of Developer. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of Developer or from any statement made pursuant to the Disclosure Agreement of Developer.

The Developer's Compliance with Prior Undertakings

The Developer is not a party to any other continuing disclosure agreements.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Bonds from the City at a purchase price of \$_____ (the par amount of the Bonds, less a reoffering discount of \$_____ less an underwriting discount of \$_____). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

Additionally, there are no assurances that if a secondary market for the Bonds were to develop, that it will not be disrupted by events including, but not limited to, the current pandemic associated with the COVID-19 virus. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes. See "BONDHOLDERS' RISKS — Infectious Disease Outbreak" herein.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of 1933 in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "NO RATING" above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

INVESTMENTS

The City invests its funds in investments authorized by State law in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change.

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City's custodian of the banking deposits issued for the City's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above or clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity

of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than “AAA” or “AAAm” or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than ten (10) years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than “A” or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City’s name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted “Investment Strategy Statement” that specifically addresses each fund’s investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, the City’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived.” At least quarterly the City’s investment officers must submit an investment report to the City Council detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest City funds without express written authority from the City Council.

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the

respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than ninety (90) days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than fifteen percent (15%) of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

The City has appointed Wilmington Trust, National Association, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at <https://www.umb.com/>. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City or the Developer described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Developer, the Development and the Improvement Area #2 Improvements generally and, in particular, the information included in the maps on pages (ii), (iii), (iv) and (v) and in the sections captioned “PLAN OF FINANCE — Development Plan,” “— Home Development within the District” and “— Additional Indebtedness,” “THE IMPROVEMENT AREA #2 IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #2 Improvements and the Development), “LEGAL MATTERS — Litigation — The Developer,” and “CONTINUING DISCLOSURE — The Developer” and “— The Developer’s Compliance with Prior Undertakings” has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of assessment allocation/methodology and district administration.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by Integra Realty Resources – Dallas and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property. Integra Realty Resources – Dallas has consented to the inclusion of the Appraisal herein.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the City’s obligations hereunder will extend for an additional period of time (but not more than ninety (90) days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21e of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “anticipate,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

AUTHORIZATION AND APPROVAL

The City Council will approve the form and content of this Preliminary Limited Offering Memorandum and the use thereof by the Underwriter in connection with the marketing and sale of the Bonds.

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

Location and History. The City is primarily residential located in Central Rockwall County. The City maintains approximately 79 acres of parks including the newly completed Smith Family Park and another 1 acre park located in old town near City Hall. Smith Park includes a pavilion, athletic facility, playground and a walking/jogging path. The Old City Park includes a playground and gazebo. Future upgrades, to include a walking/jogging path are underway. Downtown park work is underway, which includes complete reconstruction of Barnes and the associated parking lot near Sauce & Wine. The City issued \$3.25M parks bond in January 2021 for the south side park and \$15M for the road construction in July 2021. The City also continues to work with developers to assure continued growth.

The City was incorporated in 1900 and current has a population estimated at 22,148 based on City of Fate, Utility Billing data as of September 30, 2021. By a vote of the citizens of Fate in November 2008 a Home Rule Charter was established. The City now operates under a Manager/Council form of government.

The City's major operations include fire protection, building inspection, finance, parks, public works, refuge services and general administrative services. In addition, the City owns and operates a water and sewer system.

Economy. Fate has begun its transition from a bedroom community to a complete community with the addition of new commercial districts and businesses relocating to the city's downtown and I-30 areas. This is due to Fate's explosive population growth (with nearly 6,600 rooftops) and completed build of the 66,000 square foot FRESH by Brookshires grocery store and commercial planned development along I-30 and Memorial. Along with FRESH, the city has also attracted Starbucks, Jersey Mike's, Heartland Dental, Great Clips, Aria Nail Bar, and Taco Bell. Further, the city has advanced development for the 238-acre tract between I-30 and SH-66 via a voter approved road bond for needed infrastructure and has conducted internal reviews of updated concept plans for the region.

The City has also activated previously stagnant lots throughout downtown to begin generating ground lease revenue and sales tax. This "Food Haul" project has created the opportunity for four Food and Beverage businesses to begin fostering roots within the community as all tenants are interested in owning their own establishments. The city also welcomed six new businesses into existing buildings along Fate Main Place. Additionally, Fate's downtown has undergone phase one of a three-phased park renovation project and issued building permits for four additional three-story mixed-use buildings and one sit down restaurant due to the leadership and investment of the Municipal Development District (MDD) and City Council. Despite Fate's commercial growth, a good percentage of residents continue to commute to other areas of Rockwall County and the Metroplex, such as Dallas or Plano. However, due to the pandemic, many are given the choice to work from home. This retainage of daytime population has positive implications for economic growth within the City.

Residential construction demand from the Metroplex has continued to accelerate due to the pandemic resulting in thousands of zoned and platted lots, enabled with previously awarded special tax districts such as Public Improvement Districts and Municipal Utility Districts. The City issued 673 single-family permits and 10 commercial permits in the fiscal year 2021. The city also has 7,197 active water accounts; an 11% increase from last fiscal year.

The Dallas-Fort Worth-Arlington area continues to hold its position as one of the strongest Metroplex economies in the nation. Relocations to the region include headquarter moves for Fortune 500 and Forbes Top Private companies such as Golden Living, Fluor, Comerica, and AT&T. These companies are more recently joined by well-known industry leaders like Toyota, McKesson, NTT Data, Jacobs, and CBRE. During the same period, companies including Amazon; Bed, Bath & Beyond; BMW; Galderma; and General Motors have expanded into distribution, logistics, and manufacturing centers. Meanwhile, corporations including 7-Eleven, American Airlines, Liberty Mutual, State Farm, FedEx, and Mr. Cooper (formerly Nationstar Mortgage) have expanded into new corporate office space. Other key factors such as low vacancies in commercial spaces, higher lease rates, accelerated redevelopment, increase in home prices, new college graduates, and lower local unemployment than the national rate, all point to favorable conditions for a continued bolstered economy. Dallas-Fort Worth-Arlington economic growth has picked up significantly during the third quarter of 2021 and continued to grow in 2022.

The current trend in land prices and available land closest to the urban core is causing retail and commercial development to expand the boundary of the urban fringes. Fate's proximity to Dallas and the oversaturated market within its neighbor cities, as well as its updated comprehensive plan and thorough analysis of its existing unified

development ordinance analysis for simpler processes, has created a great opportunity for businesses to locate along the I30 corridor within Fate (as demonstrated by the aforementioned relocations). Barring any national or local catastrophe, Fate is poised for at least a decade of strong economic growth. Even with a looming economic recession, property taxes, common sense building policies, and detailed attention to local investment will aid in Fate's economic resiliency.

Education. Served by Royse City Independent School District and Rockwall Independent School District.

Transportation. Interstate 30 ("I-30") runs through the City.

Major Employers in the City

<u>Major Business</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Royse City ISD	School District	271
Rockwall ISD	School District	92
City of Fate	Municipality	66
Highview Learning Center	Childcare	38
American Bobtail	Transportation	32
USA Erosion Inc.	Construction	30
Spiral X LLC	Equipment	20
Texaco Resin Distribution	Distribution	19
MACCO	Automobile	15
Mona Lisa Pizza	Restaurant	15
Trak-time	Industrial/Transportation	15

Source: City Fiscal Year 2021 ACFR

Historical Employment in Rockwall County

	<u>Average Annual⁽¹⁾</u>				
	<u>2022⁽²⁾</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Civilian Labor Force	59,522	56,678	54,262	52,083	50,929
Total Employed	57,509	54,240	51,050	50,482	49,296
Total Unemployed	2,013	2,438	3,212	1,601	1,633
Unemployment Rate	3.4%	4.3%	5.9%	3.1%	3.2%

⁽¹⁾ The COVID-19 Pandemic has negatively affected travel, commerce, employment rates and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. See "BONDHOLDERS' RISKS — Infectious Disease Outbreak."

⁽²⁾ Data through July 2022.

Source: Texas Labor Market Information.

Median Household Income

Rockwall County is more affluent than the Dallas-Fort Worth Metropolitan Area ("Dallas MSA"). Median household income for Rockwall County and the Dallas MSA is shown below.

	<u>Median Household Income – 2022</u>
Rockwall County	\$111,396
Dallas MSA	\$ 80,687
Comparison of Rockwall County to Dallas MSA	+38.1%

Source: The Appraisal

Education and Age

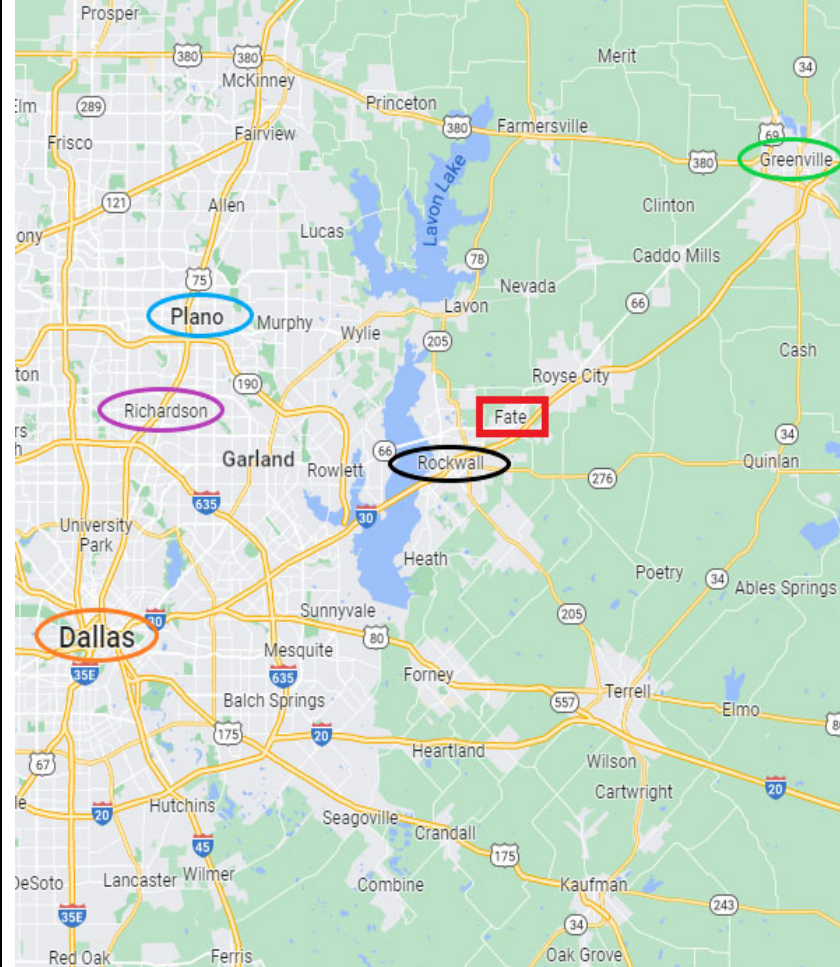
Residents of Rockwall County have a higher level of educational attainment than those of the Dallas MSA. An estimated 41% of Rockwall County residents are college graduates with four-year degrees, versus 34% of Dallas MSA residents. People in Rockwall County are older than their Dallas MSA counterparts. The median age for Rockwall County is 38 years, while the median age for the Dallas MSA is 36 years.

DALLAS-FORT WORTH-ARLINGTON MSA - REGIONAL EMPLOYMENT

Surrounding Economic Activity

The major employers of municipalities surrounding the City are set forth in the table below

City of Rockwall		City of Greenville		City of Dallas	
Approximately 6 miles from the City		Approximately 25 miles from the City		Approximately 29 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
Rockwall ISD	1,944	L-3 Communications	6,500	Dallas ISD	22,621
L-3 Harris Technologies	700	McKesson	500	City of Dallas	13,000
Texas Health Presbyterian Hospital	611	Solvay	350	AT&T Inc.	10,990
Pegasus Foods	650	Masonite Corp.	250	Medical City Dallas	10,800
Channell Commercial	380	Innovation First	225	Parkland Health & Hosp. System	10,577
Wal-Mart Superstore	350	Weatherford International	225	Texas Instruments Inc.	9,800
Rockwall County	344	Raytheon	200	Dallas County Community College	8,230
City of Rockwall	303	West Rock	130	Methodist Dallas Med Ctr	7,114
Texas Star Express	275	Omnisys	115	Dallas County	6,500
Karat by Lollipup USA	260	CNH Global	90	Children's Health	6,355



City of Plano	
Approximately 30 miles from the City	
Employer	Employees
Capital One Finance	5,023
JP Morgan Chase	4,988
Toyota Motor North America, Inc.	3,815
Liberty Mutual Insurance Company	2,652
Ericsson	2,545
AT&T Foundry	2,500
PepsiCo	1,881
NTT Data, Inc.	1,794
Frito-Lay	1,712
FedEx Office	1,186

City of Richardson	
Approximately 34 miles from the City	
Employer	Employees
State Farm Insurance	9,000
Richardson ISD	5,961
University of Texas at Dallas	3,911
Blue Cross Blue Shield of Texas	3,100
Genpact	2,500
Geico	2,400
Raytheon	2,200
RealPage	2,100
Cisco Systems	2,000
Texas Instruments	1,800

Source: Municipal Advisory Council of Texas

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APPENDIX B
FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF FATE, TEXAS

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee**

DATED AS OF SEPTEMBER 1, 2022

SECURING

\$_____

**CITY OF FATE, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)**

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION	5
Section 1.1. Definitions.....	5
Section 1.2. Findings.....	12
Section 1.3. Table of Contents, Titles and Headings.....	13
Section 1.4. Interpretation.....	13
ARTICLE II THE BONDS.....	13
Section 2.1. Security for the Bonds.	13
Section 2.2. Limited Obligations.	14
Section 2.3. Authorization for Indenture.	14
Section 2.4. Contract with Owners and Trustee.	14
ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS	14
Section 3.1. Authorization.	14
Section 3.2. Date, Denomination, Maturities, Numbers and Interest.	14
Section 3.3. Conditions Precedent to Delivery of Bonds.....	15
Section 3.4. Medium, Method and Place of Payment.....	16
Section 3.5. Execution and Registration of Bonds.	17
Section 3.6. Ownership.....	17
Section 3.7. Registration, Transfer and Exchange.....	18
Section 3.8. Cancellation.	19
Section 3.9. Temporary Bonds.....	19
Section 3.10. Replacement Bonds.	19
Section 3.11. Book-Entry Only System.....	20
Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.....	21
Section 3.13. Payments to Cede & Co.....	21
ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY	22
Section 4.1. Limitation on Redemption	22
Section 4.2. Mandatory Sinking Fund Redemption.....	22
Section 4.3. Optional Redemption.....	23
Section 4.4. Extraordinary Optional Redemption.....	24
Section 4.5. Partial Redemption.....	24
Section 4.6. Notice of Redemption to Owners.	24
Section 4.7. Payment Upon Redemption	25
Section 4.8. Effect of Redemption.....	25
ARTICLE V FORM OF THE BONDS	25
Section 5.1. Form Generally	25
Section 5.2. Form of the Bonds.	26
Section 5.3. CUSIP Registration.....	34

Section 5.4. Legal Opinion.	34
ARTICLE VI FUNDS AND ACCOUNTS	34
Section 6.1. Establishment of Funds and Accounts	34
Section 6.2. Initial Deposits to Funds and Accounts	36
Section 6.3. Pledged Revenue Fund	36
Section 6.4. Bond Fund.....	37
Section 6.5. Project Fund	38
Section 6.6. Redemption Fund	39
Section 6.7. Reserve Fund	39
Section 6.8. Rebate Fund: Rebatable Arbitrage.....	41
Section 6.9. Administrative Fund.	42
Section 6.10. Investment of Funds.....	42
Section 6.11. Security of Funds	42
ARTICLE VII COVENANTS	44
Section 7.1. Confirmation of Assessments.	44
Section 7.2. Collection and Enforcement of Assessments.....	44
Section 7.3. Against Encumbrances.....	45
Section 7.4. Records, Accounts, Accounting Reports.	45
Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.....	45
ARTICLE VIII LIABILITY OF CITY	48
Section 8.1. Liability of City.....	48
ARTICLE IX THE TRUSTEE	49
Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent.	49
Section 9.2. Trustee Entitled to Indemnity.	49
Section 9.3. Responsibilities of the Trustee.....	50
Section 9.4. Property Held in Trust.	52
Section 9.5. Trustee Protected in Relying on Certain Documents.....	52
Section 9.6. Compensation.	53
Section 9.7. Permitted Acts.....	54
Section 9.8. Resignation of Trustee.	54
Section 9.9. Removal of Trustee.....	54
Section 9.10. Successor Trustee.....	55
Section 9.11. Transfer of Rights and Property to Successor Trustee.....	56
Section 9.12. Merger, Conversion or Consolidation of Trustee.	56
Section 9.13. Trustee To File Continuation Statements.	56
Section 9.14. Accounts, Periodic Reports and Certificates.	57
Section 9.15. Construction of Indenture.	57
ARTICLE X MODIFICATION OR AMENDMENT OF THIS INDENTURE	57
Section 10.1. Amendments Permitted.....	57
Section 10.2. Owners' Meetings.....	58
Section 10.3. Procedure for Amendment with Written Consent of Owners.....	58
Section 10.4. Procedure for Amendment Not Requiring Owner Consent.....	58

Section 10.5. Effect of Supplemental Indenture.	59
Section 10.6. Endorsement or Replacement of Bonds Issued After Amendments.	59
Section 10.7. Amendatory Endorsement of Bonds.	60
Section 10.8. Waiver of Default.	60
Section 10.9. Execution of Supplemental Indenture.	60
ARTICLE XI DEFAULT AND REMEDIES.	60
Section 11.1. Events of Default.	60
Section 11.2. Immediate Remedies for Default.	61
Section 11.3. Restriction on Owner’s Action.	62
Section 11.4. Application of Revenues and Other Moneys After Default.	63
Section 11.5. Effect of Waiver.	64
Section 11.6. Evidence of Ownership of Bonds.	64
Section 11.7. No Acceleration.	64
Section 11.8. Mailing of Notice.	64
Section 11.9. Exclusion of Bonds.	65
ARTICLE XII GENERAL COVENANTS AND REPRESENTATIONS.	65
Section 12.1. Representations as to Pledged Revenues.	65
Section 12.2. General.	65
ARTICLE XIII SPECIAL COVENANTS.	65
Section 13.1. Further Assurances; Due Performance.	65
Section 13.2. Other Obligations or Other Liens; Subordinate Lien Obligations; Refunding Bonds.	66
Section 13.3. Books of Record.	66
ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THIS INDENTURE.	66
Section 14.1. Trust Irrevocable.	66
Section 14.2. Satisfaction of Indenture.	66
Section 14.3. Bonds Deemed Paid.	67
ARTICLE XV MISCELLANEOUS.	68
Section 15.1. Benefits of Indenture Limited to Parties.	68
Section 15.2. Successor is Deemed Included in All References to Predecessor.	68
Section 15.3. Execution of Documents and Proof of Ownership by Owners.	68
Section 15.4. No Waiver of Personal Liability.	68
Section 15.5. Notices to and Demands on City and Trustee.	69
Section 15.6. Partial Invalidity.	69
Section 15.7. Applicable Laws.	69
Section 15.8. Payment on Business Day.	70
Section 15.9. Counterparts.	70
Section 15.10. Reimbursement Agreement.	70
Section 15.11. No Boycott of Israel; No Terrorist Organization.	70

INDENTURE OF TRUST

THIS INDENTURE, dated as of September 1, 2022, is by and between the CITY OF FATE, TEXAS (the “City”), and Wilmington Trust, National Association, Dallas, Texas, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, on May 14, 2020, a petition (the “Petition”) was submitted and filed with the City Secretary of the City (the “City Secretary”) pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “PID Act”), requesting the creation of a public improvement district located within the corporate limits of the City to be known as “Williamsburg East Public Improvement District” (the “District”); and

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

WHEREAS, after due notice, on July 6, 2020, the City Council of the City (the “City Council”) (i) opened, held and closed the public hearing on the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the PID Act, (ii) made the findings required by Section 372.009(b) of the PID Act and (iii) adopted Resolution No. R-2020-043 (the “Creation Resolution”) authorizing the creation of the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of the Creation Resolution, the City published notice of its authorization of the District in a newspaper of general circulation in the City; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after the date of publication of such notice; and

WHEREAS, on July 13, 2022, a second petition (the “Amended Petition”) was submitted and filed with the City Secretary pursuant to the PID Act, requesting an amendment to the Creation Resolution to increase the estimated costs of the Authorized Improvements described in the Amended Petition; and

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

WHEREAS, after due notice, on August 15, 2022, the City Council (i) opened, held and closed the public hearing on the advisability of the improvement projects and services described in the Amended Petition as required by Section 372.009 of the PID Act and (ii) made the findings required by Section 372.009(b) of the PID Act and adopted Resolution No. _____ (the “Amended Creation Resolution”), authorizing an increase in the estimated costs of the Authorized Improvements in the District, in accordance with its finding as to the advisability of the Authorized Improvements and the increase in the costs related to the Authorized Improvements; and

WHEREAS, not later than the seventh day after the date the City Council adopted the Amended Creation Resolution, the City Secretary filed a copy of the Amended Creation Resolution with the Rockwall County Clerk; and

WHEREAS, no written protests of the District or the Amended Creation Resolution from any owners of record of property within the District were filed with the City Secretary within 20 days after the date of publication of such notice; and

WHEREAS, pursuant to Section 372.016(b) of the PID Act, the City published notice of a public hearing (the “Assessment Hearing”) in a newspaper of general circulation in the City to consider the proposed “Assessment Roll” and the “Service and Assessment Plan” and the levy of the “Assessments” on property in Improvement Area #2 and, pursuant to Section 372.016(c) of the PID Act, the City mailed notice of the Assessment Hearing to consider the proposed Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in Improvement Area #2 to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the Assessment Hearing on September 6, 2022, 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 Service and Assessment Plan, the Assessment Roll, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Improvement Area #2 Project Costs, 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, at the Assessment Hearing, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the Improvement Area #2 Project Costs, the Assessment Roll, or the levy of the Assessments; and

WHEREAS, the City Council closed the Assessment Hearing and, after considering all written and documentary evidence presented at the Assessment Hearing, including all written comments and statements filed with the City, at the meeting held on September 6, 2022, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Assessment Roll and levied the Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Improvement

Area #2 Project Costs, (ii) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (iii) paying Bond Issuance Costs; and

WHEREAS, the City has previously issued its \$3,600,000 “City of Fate, Texas, Special Assessment Revenue Bonds, Series 2020 (Williamsburg East Public Improvement District Major Improvement Area Project)”, dated October 15, 2020 (the “Major Improvement Bonds”) pursuant to that certain Indenture of Trust, dated October 15, 2020, between the City and the Trustee (the “Major Improvement Indenture”); and

WHEREAS, Section 13.2(e) of the Major Improvement Indenture authorizes the City to issue Future Improvement Area Bonds (as defined in the Major Improvement Indenture) to finance the costs of Future Improvement Area Improvements (as defined in the Major Improvement Indenture) as the development proceeds, so long as the conditions set forth in paragraphs (1) through (5) of such subsection are met, which conditions have been met; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be designated “City of Fate, Texas, Special Assessment Revenue Bonds, Series 2022 (Williamsburg East Public Improvement District Improvement Area #2 Project)” (the “Bonds”), such Bonds being payable solely from the Trust Estate and for the purposes set forth in this preamble; and

WHEREAS, the Bonds are being issued as Future Improvement Area Bonds pursuant to Section 13.2(e) of the Major Improvement Indenture and are secured by and payable from a lien on and pledge of the Trust Estate; and

WHEREAS, the Trustee has agreed to accept the trusts herein created upon the terms set forth in this Indenture;

NOW, THEREFORE, the City, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN, and DELIVER to the Trustee for the benefit of the Owners, a security interest in all of the moneys, rights and properties described in the Granting Clauses hereof, as follows (collectively, the “Trust Estate”):

FIRST GRANTING CLAUSE

The Pledged Revenues, as herein defined, including all moneys and investments held in the Pledged Funds, including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

SECOND GRANTING CLAUSE

Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the City or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof; and

THIRD GRANTING CLAUSE

Any and all proceeds of the foregoing property and proceeds from the investment of the foregoing property;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors or assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants and conditions of this Indenture;

PROVIDED, HOWEVER, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on the Bonds at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect; and

IN ADDITION, the Bonds are special, limited obligations of the City payable solely from the Trust Estate, as and to the extent provided in this Indenture. The Bonds do not give rise to a charge against the general credit or taxing powers of the City and are not payable except as provided in this Indenture. Notwithstanding anything to the contrary herein, the Owners of the Bonds shall never have the right to demand payment thereof out of any funds of the City other than the Trust Estate. The City shall have no legal or moral obligation to pay for the Bonds out of any funds of the City other than the Trust Estate.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Indenture, the following terms shall have the meanings specified below:

“*Account*”, in the singular, means any of the accounts established pursuant to Section 6.1 of this Indenture, and “*Accounts*”, in the plural, means, collectively, all of the accounts established pursuant to Section 6.1 of this Indenture.

“*Actual Costs*” shall have the meaning given to such term in the Service and Assessment Plan.

“*Additional Interest*” means the amount collected by application of the Additional Interest Rate.

“*Additional Interest Rate*” means the 0.50% additional interest charged on the Assessments pursuant to Section 372.018 of the PID Act.

“*Administrative Fund*” means that Fund established by Section 6.1 of this Indenture and administered pursuant to Section 6.9 of this Indenture.

“*Administrator*” means the City or independent firm designated by the City who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District.

“*Annual Collection Costs*” means the actual or budgeted costs and expenses related specifically to Improvement Area #2, including costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors and other consultants engaged by the City; (4) calculating, collecting and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming the Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with the Service and Assessment Plan, the PID Act and this Indenture, including the City’s continuing disclosure requirements; and (9) the paying agent/registrar and the Trustee in connection with the Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“*Annual Debt Service*” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

“Annual Installment” means, with respect to each Parcel of Assessed Property, each annual payment of: (i) the principal of and interest on the Assessments as shown on the Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit G-2 to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan, (ii) Annual Collection Costs and (iii) the Additional Interest.

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Applicable Laws” means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State or of the United States of America, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

“Assessed Property” means the property located in the District that benefits from the Improvement Area #2 Improvements, and is defined as the “Improvement Area #2 Assessed Property” in the Service and Assessment Plan.

“Assessment Ordinance” means the ordinance adopted by the City Council on September 6, 2022, as may be amended or supplemented, that levied the Assessments on the Assessed Property.

“Assessment Revenues” means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

“Assessment Roll” means the “Improvement Area #2 Assessment Roll” (as Service and Assessment Plan, which document is attached to the Service and Assessment Plan as Exhibit G-1, as updated, modified or amended from time to time.

“Assessments” means an assessment levied against Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #2 Improvements, and is defined as “Improvement Area #2 Assessment” in the Service and Assessment Plan.

“Attorney General” means the Attorney General of the State.

“Authorized Denomination” means \$100,000 and any integral multiple of \$1,000 in excess thereof. Except as authorized under Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. Notwithstanding the foregoing, Authorized Denominations shall also include Bonds issued in \$1,000 in principal amount and integral multiples of \$1,000 in the following instances: (A) any Bonds or any portion thereof that have been redeemed in part or (B) any Bonds or any portion thereof that have been defeased in part.

“Authorized Improvements” means those improvements authorized by Section 372.003 of the PID Act, including those described in the Service and Assessment Plan.

“*Bond*” means any of the Bonds.

“*Bond Counsel*” means McCall, Parkhurst & Horton L.L.P. or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“*Bond Fund*” means the Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.4 of this Indenture.

“*Bond Issuance Costs*” means the costs associated with issuing the Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General and any other cost or expense incurred by the City directly associated with the issuance of the Bonds.

“*Bond Ordinance*” means the ordinance adopted by the City Council on September 6, 2022, authorizing the issuance of the Bonds pursuant to this Indenture.

“*Bond Pledged Revenue Account*” means the Account in the Pledged Revenue Fund established pursuant to Section 6.1 of this Indenture.

“*Bond Year*” means the one-year period beginning on August 16 in each year and ending on August 15 in the following year.

“*Bonds*” means the City’s bonds authorized to be issued by Section 3.1 of this Indenture entitled “City of Fate, Texas, Special Assessment Revenue Bonds, Series 2022 (Williamsburg East Public Improvement District Improvement Area #2 Project)” and, in the event the City issues Refunding Bonds pursuant to Section 13.2 hereof, the term “Bonds” shall include such Refunding Bonds.

“*Business Day*” means any day other than a Saturday, Sunday or legal holiday in the State observed as such by the City or the Trustee or any national holiday observed by the Trustee.

“*Certificate for Payment*” means, with respect to payment or reimbursement of Improvement Area #2 Project Costs, a certificate substantially in the form of **Exhibit A** attached to the Reimbursement Agreement and executed by a Person approved by the City Representative that is delivered to the City Representative and the Trustee specifying the amount of work performed and the Improvement Area #2 Project Costs thereof, and requesting payment for such Improvement Area #2 Project Costs from money on deposit in the Improvement Area #2 Bond Improvement Account as further described in the Reimbursement Agreement and Section 6.5 of this Indenture.

“*City Order*” means written instructions by the City, executed by a City Representative.

“*City Representative*” means that official or agent of the City authorized by the City Council to undertake the action referenced herein.

“*Code*” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

“*Comptroller*” means the Comptroller of Public Accounts of the State.

“*Costs of Issuance Account*” means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

“*Defeasance Securities*” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

“*Delinquency and Prepayment Reserve Account*” means the reserve account established by Section 6.1 of this Indenture to be administered by the City and segregated from other funds of the City.

“*Delinquency and Prepayment Reserve Requirement*” means an amount equal to ___% of the principal amount of the Outstanding Bonds to be funded from the Additional Interest deposited to the Pledged Revenue Fund and transferred to the Delinquency and Prepayment Reserve Account.

“*Delinquent Collection Costs*” means costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under the Service and Assessment Plan, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“*Delivery Date*” means September 29, 2022, which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

“*Designated Payment/Transfer Office*” means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office designated by the Paying Agent/Registrar, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“*Developer*” means collectively, New Sheridan Dev Co Phase 1 LLC, a Texas limited liability company and Fate 163 Land LP, a Texas limited partnership, and any successor thereto.

“*DTC*” means The Depository Trust Company of New York, New York, or any successor securities depository.

“*DTC Participant*” means brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Foreclosure Proceeds” means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Assessments against any Assessed Property, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

“Fund”, in the singular, means any of the funds established pursuant to Section 6.1 of this Indenture, and *“Funds”*, in the plural, means, collectively, all of the funds established pursuant to Section 6.1 of this Indenture.

“Improvement Area #2” means the property within the boundaries of the District generally shown on Exhibit A-4 to the Service and Assessment Plan and as specifically described by metes and bounds in Exhibit L-4 to the Service and Assessment Plan.

“Improvement Area #2 Bond Improvement Account” means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

“Improvement Area #2 Improvements” means the Authorized Improvements which only benefit the property located in Improvement Area #2 and are described in Section III.C. and Exhibit H-3 to the Service and Assessment Plan.

“Improvement Area #2 Project Costs” means the Actual Costs of the Improvement Area #2 Improvements, as such amounts are set forth in the Service and Assessment Plan.

“Indenture” means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

“Independent Financial Consultant” means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

“Initial Bonds” means the Initial Bond(s) authorized by Section 5.2 of this Indenture.

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on February 15 and August 15 of each year, commencing August 15, 2023.

“Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Government Code, as amended, which investments are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Outstanding” means, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under this Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in Article IV of this Indenture, (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Section 3.10 of this Indenture and (iv) Bond alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Indenture.

“Owner” means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.11 of this Indenture.

“Parcel” or *“Parcels”* means a parcel or parcels within the District identified by either a tax map identification number assigned by the Rockwall Central Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of Rockwall County.

“Paying Agent/Registrar” means, initially, the Trustee, or any successor thereto as provided in this Indenture.

“Person” or *“Persons”* means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Pledged Funds” means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund and the Redemption Fund.

“Pledged Revenue Fund” means that Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.3 of this Indenture.

“Pledged Revenues” means, collectively, the (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds.

“Prepayment” means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

“Principal and Interest Account” means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

“Project Fund” means that Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.5 of this Indenture.

“Purchaser” means the initial purchaser of the Bonds.

“Rebatable Arbitrage” means rebatable arbitrage as defined in Section 1.148-3 of the Treasury Regulations.

“Rebate Fund” means that Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.8 of this Indenture.

“Record Date” means the close of business on the last Business Day of the month next preceding an Interest Payment Date.

“Redemption Fund” means that Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.6 of this Indenture.

“Redemption Price”, when used with respect to any Bond or portion thereof that has been called for redemption, means the principal amount of such Bond or portion thereof plus accrued and unpaid interest on such Bond to the date fixed for redemption.

“Refunding Bonds” means bonds issued to refund all or any portion of any Outstanding Bonds that are payable from and secured by a parity lien on the Pledged Revenues, and such Refunding Bonds and any Bonds that remain Outstanding following the issuance of such Refunding Bonds shall be equally and ratably secured by a parity lien on the Pledged Revenues in all respects, all as more specifically described in the indenture authorizing such Refunding Bonds.

“Register” means the register specified in Article III of this Indenture.

“Reimbursement Agreement” means the [Reimbursement Agreement - Williamsburg East Public Improvement District - Improvement Area #2 Project] by and between the City and the Developer, dated September 6, 2022, as may be amended and/or supplemented from time to time, which provides, in part, for the construction and maintenance of the Improvement Area #2 Improvements, the issuance of the Bonds, the payment or reimbursement of costs of the Improvement Area #2 Improvements not paid from the Project Fund, and other matters related thereto.

“Reserve Account” means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

“Reserve Account Requirement” means the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of the date of issuance, and (iii) 10% of the lesser of the par amount of the Outstanding Bonds or the proceeds of the Bonds; provided, however, that, at the option of the City, such amount may be recalculated on any Interest Payment Date or any date of redemption. As of the Delivery Date, the Reserve Account Requirement is \$_____.

“*Reserve Fund*” means that Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.7 of this Indenture.

“*Reserve Fund Obligations*” means cash or Investment Securities.

“*Service and Assessment Plan*” means the document, including the Assessment Roll, which is attached to the Assessment Ordinance, as may be updated, amended and supplemented from time to time.

“*Sinking Fund Installment*” means the amount of money to redeem or pay at maturity the principal of a Stated Maturity of Bonds payable from such installments at the times and in the amounts provided in Section 4.2 of this Indenture.

“*Special Record Date*” has the meaning set forth in in the form of Bond included in Section 5.2 of this Indenture.

“*State*” means the State of Texas.

“*Stated Maturity*” means the date the Bonds, or any portion of the Bonds, as applicable, are scheduled to mature without regard to any redemption or Prepayment.

“*Subordinate Lien Obligations*” means bonds, notes or other obligations secured in whole or in part by liens on the Pledged Revenues that are junior and subordinate to the lien on the Pledged Revenues securing payment of the Bonds.

“*Supplemental Indenture*” means an indenture which has been duly executed by the Trustee and a City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

“*Treasury Regulations*” shall have the meaning assigned to such term in Section 7.5(c) of this Indenture.

“*Trust Estate*” means the Trust Estate described in the granting clauses of this Indenture.

“*Trustee*” means Wilmington Trust, National Association, Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX of this Indenture, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

“*Value of Investment Securities*” means the lower of the cost of or the market value of Investment Securities.

Section 1.2. **Findings.**

The declarations, determinations and findings declared, made and found in the preamble to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(c) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

(d) This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds.

(a) The Bonds, as to both principal and interest, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

(b) The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Delivery Date, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under this Indenture is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, then in order to preserve to the Owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues; and the Bonds shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council. The City has ascertained, and it is hereby determined and declared, that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful and/or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and/or convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds and to prescribe the rights of the Owners, and the rights and duties of the City and the Trustee.

(b) In consideration of the purchase and acceptance of any or all of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the Owners, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act. The Bonds shall be issued in the aggregate principal amount of \$_____ for the purpose of (i) paying a portion of the Improvement Area #2 Project Costs, (ii) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (iii) paying Bond Issuance Costs.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated September 1, 2022 and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Delivery Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below, or on a date of earlier redemption, or otherwise provided for. Such interest shall be payable semiannually on February 15 and August 15 of each year, commencing August 15, 2023, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on August 15 in the years and in the principal amounts and shall bear interest at the rates set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
20__ ***	***	***
20__ ***	***	***
20__ ***	***	***
20__		

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 5.2.

Section 3.3. **Conditions Precedent to Delivery of Bonds.**

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Reimbursement Agreement with all executed amendments thereto;
- (d) a copy of this Indenture executed by the Trustee and the City;
- (e) an executed City Order directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee;
- (f) an executed Signature and No-Litigation Certificate;

- (g) an executed opinion of Bond Counsel;
- (h) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate; and
- (i) copies of the continuing disclosure agreements relating to the Bonds entered into with the Developer and the City, respectively.

Section 3.4. Medium, Method and Place of Payment.

- (a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.
- (b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date or Special Record Date, as applicable.
- (c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.
- (d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.
- (e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.
- (f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor (or, in the absence of the Mayor, the Mayor Pro Tem) and City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered on the Delivery Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Delivery Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond is overdue, and none of the City, the Trustee or the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.7. Registration, Transfer and Exchange.

(a) So long as any Bond remains Outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such transferred Bond is delivered.

(e) Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within

forty-five (45) calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond called for redemption in part.

Section 3.8. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall dispose of cancelled Bonds in accordance with its record retention policies.

Section 3.9. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Indenture.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the City shall issue and the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a

replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.11. Book-Entry-Only System.

(a) The Bonds shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the blanket issuer letter of representations from the City to DTC. On the Delivery Date, the definitive Bonds shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in

the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the Owner at the close of business on the Record Date or Special Record Date, as applicable, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the blanket issuer letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. **Limitation on Redemption.**

The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article IV.

Section 4.2. **Mandatory Sinking Fund Redemption.**

(a) The Bonds maturing on August 15 in each of the years 20__, 20__, 20__ and 20__ (collectively, the “Term Bonds”), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing August 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__*	

Term Bonds Maturing August 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__*	

Term Bonds Maturing August 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__*	

Term Bonds Maturing August 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__*	

* Stated maturity.

(b) At least thirty (30) days prior to each sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (c) and (d) of this Section 4.2, the Trustee shall select by lot a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (45) days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after August 15, 20__, such redemption date or dates to be fixed by the City, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

In the event of a Prepayment, or if any other transfers are made into the Redemption Fund under the terms of this Indenture, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates or optional redemption date specified in Section

4.3 hereof, in whole or in part, on any date, from amounts on deposit in the Redemption Fund, at the Redemption Price.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4 hereof, Bonds shall be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the principal amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

(b) If less than all of the Bonds are called for optional redemption pursuant to Section 4.3 hereof, the Trustee shall rely on directions provided in a City Order in selecting the Bonds to be redeemed.

(c) If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

(d) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Section 4.6. Notice of Redemption to Owners.

(a) Upon receipt of a City Order of redemption by the City to the Trustee, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. Upon receipt of a City Order of such rescission from the City, the Trustee

shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.6 of this Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the Redemption Price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General may be typewritten and photocopied or otherwise reproduced.

Section 5.2. **Form of the Bonds.**

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$ _____

CITY OF FATE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(WILLIAMSBURG EAST PUBLIC IMPROVEMENT
DISTRICT IMPROVEMENT AREA #2 PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DELIVERY DATE</u>	<u>CUSIP NUMBER</u>
_____%	August 15, 20__	September 29, 2022	_____

The City of Fate, Texas (the “City”), for value received, hereby promises to pay, solely from the Trust Estate, to

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Delivery Date, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing August 15, 2023.

Capitalized terms appearing herein that are defined terms in the Indenture (defined below) have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Wilmington, Delaware (the “*Designated Payment/Transfer Office*”), of Wilmington Trust, National Association, as trustee and paying agent/registrar (the “*Trustee*”), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the “Record Date,” which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (a “*Special Record Date*”) will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the “*Bonds*”), dated September 1, 2022, and issued in the aggregate principal amount of \$_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of September 1, 2022 (the “*Indenture*”), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Improvement Area #2 Project Costs, (ii) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (iii) paying Bond Issuance Costs.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

In the Indenture, the City has reserved the right to issue Refunding Bonds payable from and secured by a lien on and pledge of the sources described above on a parity with this Bond.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in denominations of \$100,000 and any multiple of \$1,000 in excess thereof (“*Authorized Denominations*”). Except to the extent permitted by the Indenture, the City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than \$100,000, and any attempt to do so will be void and of no effect. Notwithstanding the foregoing, (A) if necessary to effectuate or as a result of the partial redemption of any Bond, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000 may be authorized, or (B) the Bonds or any portion thereof is defeased, the Bonds or portion thereof defeased may be authorized in denominations of \$1,000 or any integral multiple thereof.

The Bonds maturing on August 15 in each of the years 20__, 20__, 20__ and 20__ (collectively, “Term Bonds”), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption (the “*Redemption Price*”) from moneys available for such purpose in the Principal and Interest Account pursuant to Article VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing August 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__*	

Term Bonds Maturing August 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__*	

Term Bonds Maturing August 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
August 15, 20__	
August 15, 20__	

August 15, 20__
 August 15, 20__
 August 15, 20__
 August 15, 20__
 August 15, 20__
 August 15, 20__
 August 15, 20__
 August 15, 20__*

Term Bonds Maturing August 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__*	

* Stated maturity.

At least thirty (30) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select by lot a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to the Indenture shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (45) days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after August 15, 20__, such redemption date or dates

to be fixed by the City, at the Redemption Price (“*Optional Redemption*”).

The Bonds are subject to extraordinary optional redemption prior to maturity, in whole or in part, on any date, at the Redemption Price from amounts on deposit in the Redemption Fund, as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture (“*Extraordinary Optional Redemption*”).

If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the principal amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

If less than all of the Bonds are called for Optional Redemption, the Trustee shall rely on directions provided in a City Order in selecting the Bonds to be redeemed.

If less than all of the Bonds are called for Extraordinary Optional Redemption, the Bonds to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The City has the right to rescind any optional redemption or extraordinary optional redemption described in the Indenture by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any

predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within forty-five (45) calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond called for redemption in part.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, ROCKWALL COUNTY, TEXAS, OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

It is hereby certified and recited that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary of the City, and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Bond.

City Secretary

(City Seal)

Mayor

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
THE STATE OF TEXAS §

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

WILMINGTON TRUST,
NATIONAL ASSOCIATION,
as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including zip code, of Transferee.)

(Social Security or other identifying number: _____) the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed by:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this section, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) the Initial Bond shall be numbered T-1; and

(iii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on August 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
20__ ***	***	***
20__ ***	***	***
20__ ***	***	***
20__		“

Section 5.3. **CUSIP Registration.**

The City may secure identification numbers through CUSIP Global Services, managed by S&P Global Markets Intelligence on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. Except as authorized under Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers. Notwithstanding the foregoing, (A) if necessary to effectuate or as a result of the partial redemption of any Bond, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000 may be authorized, or (B) the Bonds or any portion thereof is defeased, the Bonds or portion thereof defeased may be authorized in denominations of \$1,000 or any integral multiple thereof, and CUSIP numbers may be assigned to such denominations in each of the foregoing instances.

Section 5.4. **Legal Opinion.**

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. **Establishment of Funds and Accounts.**

(a) Creation of Funds. The following Funds are hereby created and established under this Indenture:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;

- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund; and
- (vii) Administrative Fund.

(b) Creation of Accounts.

Fund: (i) The following Account is hereby created and established under the Bond

(A) Principal and Interest Account.

Reserve Fund: (ii) The following Accounts are hereby created and established under the

(A) Reserve Account; and

(B) Delinquency and Prepayment Reserve Account.

Project Fund: (iii) The following Accounts are hereby created and established under the

(A) Improvement Area #2 Bond Improvement Account; and

(B) Costs of Issuance Account.

Pledged Revenue Fund: (iv) The following Account is hereby created and established under the

(A) Bond Pledged Revenue Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the Reserve Account: \$____, which is equal to the initial Reserve Account Requirement;
- (ii) to the Costs of Issuance Account: \$____;
- (iii) to the Administrative Fund: \$____; and
- (iv) to the Improvement Area #2 Bond Improvement Account: \$_____.

Section 6.3. Pledged Revenue Fund.

(a) Upon receipt thereof, and no later than February 15 of each year, beginning February 15, 2023, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with Section 6.9 hereof. Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, the following amounts from the Pledged Revenue Fund to the following Accounts: (i) first, to the Bond Pledged Revenue Account, an amount sufficient to pay all debt service on the Bonds coming due in the immediately following Bond Year, and (ii) second, if necessary, to the Reserve Account, the amount required to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in Section 6.7 hereof and, immediately following the initial deposit to the Pledged Revenue Fund, and prior to any other transfers or deposits being made under this Section 6.3(a), the Additional Interest shall be transferred to the Funds and Accounts as prescribed by Sections 6.7(a) and 6.7(f) hereof. In addition, in the event the City owes Rebtable Arbitrage to the United States Government pursuant to Section 6.8 hereof, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer under this Section 6.3(a), the full amount of Rebtable Arbitrage owed by the City, as further described in Section 6.10(f) hereof. If any Assessments and Annual Installments remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess Assessments and Annual Installments for any one or more of the following purposes: (i) pay Improvement Area #2 Project Costs, (ii) pay other costs permitted by the PID Act, or (iii) deposit such excess into the Redemption Fund to redeem Bonds as provided in Article IV hereof. Along with each transfer to the Trustee, the City shall provide a certificate as to the Funds, Accounts and payments into which the amounts are to be deposited or paid.

(b) From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account, an amount, taking into account any amounts then on deposit in such Principal and Interest Account, such that

the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds in the same manner described in Section 11.4(a) herein.

(d) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit, within two Business Days after receipt thereof, Prepayments to the Pledged Revenue Fund and after such deposit shall transfer such Prepayments to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 of this Indenture.

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit, within two Business Days after receipt thereof, the Foreclosure Proceeds into the Pledged Revenue Fund and after such deposit shall transfer such Foreclosure Proceeds, as directed by the City pursuant to a City Order, first to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate (first, to replenish the Reserve Account Requirement and second, to replenish the Delinquency and Prepayment Reserve Requirement), and second, to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 of this Indenture.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in Section 6.3(a) hereof, as directed by the City in a City Order.

Section 6.4. **Bond Fund.**

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency pursuant to Section 6.7(f) of this Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 of this Indenture, there are insufficient funds to make the payments provided in paragraph (a) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in clauses (i) and (iii) (excluding the portion of the Bond Issuance Costs deposited into the Reserve Account) of Section 3.1 of this Indenture. Except as provided in Section 6.5(c), (e) and (f), money on deposit in the Improvement Area #2 Bond Improvement Account shall only be used to pay Improvement Area #2 Project Costs.

(b) Disbursements from the Costs of Issuance Account shall be made by the Trustee to pay specified portions of the Bond Issuance Costs pursuant to one or more City Orders. Disbursements from the Improvement Area #2 Bond Improvement Account to pay Improvement Area #2 Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. Each such City Order and/or Certificate for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Order and/or Certificate for Payment and the Trustee may rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #2 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #2 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #2 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #2 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #2 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Improvement Area #2 Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #2 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund or Account. Upon such transfers, the Improvement Area #2 Bond Improvement Account shall be closed.

(d) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(e) In the event the City Representative files a City Order with the Trustee stating that all Improvement Area #2 Improvements have been completed and that all Improvement Area #2 Project Costs have been paid, or that any Improvement Area #2 Project Costs are not required to be paid from the Improvement Area #2 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Improvement Area #2 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to this Section if the Developer has submitted a Certificate for Payment to the City requesting payment from the Improvement Area #2 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment or

amounts under a Certificate for Payment are still in dispute. Upon such transfers, the Improvement Area #2 Bond Improvement Account shall be closed.

(f) Upon a determination by the City Representative that all Bond Issuance Costs have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Area #2 Bond Improvement Account and used to pay Improvement Area #2 Project Costs or, if no Improvement Area #2 Project Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Order filed with the Trustee, and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee, pursuant to a City Order, shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 hereof on the dates specified for redemption as provided in Sections 4.3 and 4.4 hereof. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV hereof.

Section 6.7. Reserve Fund.

(a) The City agrees with the Owners of the Bonds to accumulate and, when accumulated, maintain in the Reserve Account an amount equal to not less than the Reserve Account Requirement. Amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purposes set forth in this Indenture. In addition, on or before February 15, 2023, and on or before February 15 of each year thereafter, the Trustee shall transfer the Additional Interest from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At the time the Delinquency and Prepayment Reserve Requirement is fully accumulated in the Delinquency and Prepayment Reserve Account, the Trustee shall provide written notice thereof to the City, and thereafter, the Trustee shall begin transferring the Additional Interest to either (i) the Administrative Fund for the payment of Annual Collection Costs or (ii) the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 hereof, as directed by the City pursuant to a City Order. In the event the Trustee does not receive a City Order directing the transfer of the Additional Interest to the Administrative Fund within forty-five (45) days of providing the foregoing notice to the City, the Trustee shall transfer the Additional Interest to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof and provide the City with written notification of such transfer. Notwithstanding the foregoing, if at any time the amount on deposit in the Delinquency and Prepayment Reserve Account falls below the Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated therein. In transferring the amounts pursuant to this Section, the Trustee may conclusively rely on a City Order (which shall be based on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan) unless and until it receives a City Order directing that a different amount be used. The Additional Interest shall continue to be collected and deposited pursuant to this Section 6.7 until the Bonds are no longer Outstanding.

(b) Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(c) In the event of an extraordinary optional redemption of Bonds resulting from funds being deposited into the Redemption Fund pursuant to any provision of this Indenture, the Trustee, pursuant to a City Order, shall transfer from the Reserve Account to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the funds on deposit in the Redemption Fund toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed pursuant to this Section 6.7(c), the Trustee shall transfer an amount equal to the shortfall, or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of \$1,000, from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(d) If on any Interest Payment Date, or on any other date as directed by a City Order, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess and shall transfer such excess to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within thirty (30) days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, (iii) to the Improvement Area #2 Bond Improvement Account to pay Improvement Area #2 Project Costs if such application and the expenditure of funds is expected to occur within three years of the Delivery Date, or (iv) to the Redemption Fund to be applied to the redemption of Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date as directed by a City Order, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 hereof. In the event the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within forty-five (45) days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with this Section.

(f) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall

transfer first from the Delinquency and Prepayment Reserve Account and second from the Reserve Account to the Bond Fund the amounts necessary to cure such deficiency. In such event, notwithstanding anything to the contrary in Section 6.7(a) above, the Additional Interest shall be used to replenish first, the Reserve Account and second, the Delinquency and Prepayment Reserve Account.

(g) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Delinquency and Prepayment Reserve Account shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds.

(h) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(i) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and interest due on all Outstanding Bonds on the next Interest Payment Date or date on which the Bonds may be optionally redeemed by the City at the Redemption Price, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate, as further set forth in a City Order sent to the Trustee. The Trustee may conclusively rely on such City Order as set forth in this Section and shall not be responsible for any loss or liability resulting from the investment of funds under this Section, but only so long as the Trustee follows such City Order in all respects.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and shall not be liable or responsible if it follows the written instructions contained in the City Order and shall not be required to take any action under this Section in the absence of instructions from the City.

(d) The first calculation to determine whether Rebatable Arbitrage is owed to the United States Government (each, a "Rebate Calculation") will be done on the date that is five years from the Delivery Date, and each subsequent Rebate Calculation will be done, at a minimum, (i) on the same date every five years thereafter and (ii) on the date the Bonds have been paid in full, either as a result of maturity or prior redemption. The City shall provide the Trustee with a City Order in connection with each Rebate Calculation made pursuant to this

Section, and each City Order shall include a copy of the Rebate Calculation and shall state whether or not the City owes Rebatable Arbitrage to the United States Government.

(e) In the event it is found, after a Rebate Calculation has been done pursuant to this Section, that the City owes Rebatable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Order, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatable Arbitrage owed by the City. Such City Order shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the funds shall be transferred. If the final Rebate Calculation shows that the City owes Rebatable Arbitrage to the United States Government, and there are insufficient funds in the Pledged Funds to pay such Rebatable Arbitrage, the Trustee shall notify the City of such insufficiency, and the City shall transfer to the Trustee an amount equal to such insufficiency for deposit into the Rebate Fund within five (5) Business Days of receiving notice from the Trustee.

(f) If, on any date a Rebate Calculation is done, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a City Order, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.9. Administrative Fund.

(a) Periodically upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan, and other funds directed by this Indenture to be deposited therein.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account, other than the Reserve Fund, shall be invested by the Trustee in Investment Securities as directed by the City pursuant to a City Order filed with the Trustee; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Order filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Order shall be a certification, upon which the Trustee may conclusively rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be

invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee is hereby directed to invest and re-invest cash balances in the **Wilmington U.S. Government Money Market Fund – Select Share Class CUSIP No. 97181C704**, and only so long as the money required to be expended from any Fund will be available at the proper time or times.

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities as directed pursuant to a City Order.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments or whether investments comply with Section 6.10(a) above. The Parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after a Rebate Calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebateable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Order, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the

Rebatable Arbitrage owed by the City. The City Order shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. Security of Funds.

All Funds heretofore created or reaffirmed, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Indenture.

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the Assessed Property from which the Assessment Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding and amounts are due to the Developer under the Reimbursement Agreement, the City covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments.

(b) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of, the City to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

(c) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding particular Assessed Property.

(d) The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs or Annual Collection Costs in connection with its covenants and agreements under this Section or otherwise other than funds on deposit in the Administrative Fund.

Section 7.3. Against Encumbrances.

Other than Refunding Bonds or Subordinate Lien Obligations issued pursuant to Section 13.2 hereof, for so long as any Bonds remain Outstanding hereunder, the City shall not create any lien, encumbrance or charge upon the Trust Estate or issue any bonds, notes or other evidences of indebtedness secured by a pledge of or lien on the Trust Estate, except for the lien and pledge created for the security of the Bonds.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any Bonds are Outstanding and amounts are due to the Developer under the Reimbursement Agreement, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and holder or holders of any Bonds or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than thirty (30) days after the City receives such request.

Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.

(a) The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Indenture or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a

reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Bonds being treated as “private activity bonds” within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of three (3) years or less or, in the case of a refunding bond, for a period of ninety (90) days or less until such proceeds are needed for the purpose for which the Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than ninety (90) days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the Delivery Date) an amount that is at least equal to 90 percent of the “Excess Earnings,” within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than sixty (60) days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) In order to facilitate compliance with the above covenant (a)(9), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including

without limitation the registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term “proceeds” includes “disposition proceeds” as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor and the City Manager to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Improvement Area #2 Project Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Improvement Area #2 Improvements are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than sixty (60) days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. **Liability of City.**

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds, and, except for the Trust Estate, no City taxes, fees or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

(c) In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

(d) No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (collectively, the “*Bond Documents*”), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City’s failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents

or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds agree.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and with respect to the Bonds.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified, to the extent permitted by law, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event

shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers (provided such payment or transfer is prior to an Event of Default) when required hereunder, or to deliver any notice when required hereunder. To the extent permitted by law and during the occurrence of an Event of Default, the Trustee shall be entitled to indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers as Trustee, and in such case the Trustee may make transfers from the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue Fund, to pay all fees, costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) any loss suffered in connection with any investment of funds in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs. No implied covenants or obligations shall be read into this Indenture against the Trustee. The Trustee is not responsible for the terms or any agreement to which it is not a party and is not responsible for determining compliance with the terms of any document to which it is not a party. The Trustee is not responsible for nor have any duty to monitor the performance or any action of any other person or entity. In any event, the Trustee shall not be liable for any amount in excess of the value of the Trust Estate.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Improvement Area #2 Improvements. The Trustee shall not be liable

with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(d) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, and the discharge of this Indenture.

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys, or receivers, and shall not be responsible for any misconduct or negligence on the part of any agent, attorney, or receiver appointed or chosen by it with due care, and the Trustee shall be entitled to rely and act upon the opinion or advice of counsel, who may be counsel to the City, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of counsel.

(g) The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds) or for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

(h) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application of any Bonds or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

(i) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least a majority of the aggregate principal amount of Bonds then Outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default.

(j) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility it being understood that Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances.

Section 9.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. Trustee Protected in Relying on Certain Documents.

(a) The Trustee may request and conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, direction, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant that the Trustee shall in good faith reasonably believe to be qualified in relation to the subject matter or is selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into, and shall not be deemed to have knowledge of, any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel selected by the Trustee with due care that is nationally recognized in the field of municipal bond law, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Order, unless other evidence in respect thereof be hereby specifically prescribed. Such City Order shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative. The Trustee shall be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Order

shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

(c) The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13.

(d) In the event that any portion of the Trust Estate shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Trust Estate, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 9.6. Compensation.

(a) The City hereby agrees to compensate the Trustee, from the amount collected each year for Annual Collection Costs and in the manner set forth in this section, for the Trustee's services as Trustee and as Paying Agent/Registrar; provided, however, notwithstanding anything herein to the contrary, the aggregate value of this Indenture and the compensation paid to the Trustee under this Indenture does not and shall not exceed the dollar limitation set forth in Section 2274.002(a)(2) of the Texas Government Code. The Trustee hereby agrees that the fees it is to be paid for any fiscal year will not cause the aggregate compensation received by the Trustee pursuant to the terms of this Indenture to exceed the limitation set forth in Section 2274.002(a)(2).

(b) The Trustee hereby agrees to submit to the City and/or the Administrator an annual report, no later than six (6) months after each Bond Year, beginning with the Bond Year ending August 15, 2023, setting forth (i) the amount of fees the Trustee has received pursuant to the terms of this Indenture for the preceding Bond Year and (ii) the cumulative amount of fees paid to the Trustee pursuant to the terms of the Indenture to the date of the annual report. The Trustee hereby authorizes the City to include such information as a part of the City's continuing disclosure obligation in connection with the Bonds and to confirm compliance with the provisions of this Indenture and for no other purpose.

(c) Unless otherwise provided by contract with the Trustee, the Trustee, at the written direction of the City, shall transfer from the Administrative Fund, the previously determined and agreed upon, reasonable compensation for all services rendered by the Trustee hereunder, including its services as Paying Agent/Registrar and extraordinary services rendered, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, all pursuant to a City Order and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Order, and the Trustee

shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the Trustee has reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee shall make such payment from lawfully available funds in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient then from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder. The right of the Trustee to fees, expense, and indemnification, to the extent permitted by law, shall survive the release, discharge, and satisfaction of the Indenture.

(d) In the event that the Trustee renders any service not contemplated in this Indenture, or if any material controversy arises hereunder, or the Trustee is made a party to any litigation pertaining to this Indenture or the subject matter hereof, then the Trustee shall be compensated for such extraordinary services and any services or work performed by Trustee in connection with any delay, controversy, litigation or event, and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event, unless any such events are the result of the Trustee's negligence or willful misconduct.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority of the Bonds. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be liable for any permissive actions taken except as a consequence of its own negligence or misconduct.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than thirty (30) days' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time on thirty (30) days' advance written notice to the Trustee by (i) the Owners of at least a majority in aggregate Outstanding principal amount of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so

long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% in aggregate Outstanding principal amount of the Bonds.

Section 9.10. Successor Trustee.

(a) If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least a majority in aggregate Outstanding principal amount of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

(e) Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee and each of the Owners of the Bonds.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and, upon the receipt of payment of its outstanding charges, shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Trustee To File Continuation Statements.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Trust Estate provided herein, and such pledge is, under current law, valid, effective and perfected. If necessary, the Trustee shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC; provided unless the Trustee is otherwise notified by the City, the Trustee may conclusively rely upon the initial filing statements delivered to it in filing any continuation statements hereunder. The Trustee is not responsible for the initial filing of any financing statements.

Section 9.14. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

Section 9.15. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of not less than a majority in aggregate of the principal amount of the Bonds then Outstanding, and the City's approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the principal of or interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of and interest on any Bond, without the express consent of the Owner of such Bond, (ii) permit the creation by the City of any pledge or lien upon the Trust Estate, or any portion thereof, superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except for the issuance of Refunding Bonds or as otherwise permitted by Applicable Laws or this Indenture), or (iii) reduce the percentage of Owners of the Bonds required for the amendment hereof. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law, and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to set forth additional provisions, if deemed necessary or advisable, in connection with the issuance of Refunding Bonds permitted under the terms of this Indenture; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds. In such event the City is authorized to fix the time and place of said meeting, to provide for the giving of notice thereof, and to fix and adopt reasonable rules and regulations for the conduct of said meeting; provided, however, that the same may not conflict with the terms of this Indenture. Without limiting the generality of the immediately preceding sentence, such rules and regulations may not reduce the percentage of Owners of Bonds required for the amendment of this Indenture as provided herein.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture, a notice shall have been mailed as hereinafter in this Section provided, and the City has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner

hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. Procedure for Amendment Not Requiring Owner Consent.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. The City shall direct the Trustee to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, mailed by first class mail to each Owner of Bonds, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds as of the date of such execution and delivery.

Section 10.5. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.6. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action,

shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.7. Amendatory Endorsement of Bonds.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.8. Waiver of Default.

With the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. Execution of Supplemental Indenture.

(a) In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(b) No such amendment shall modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of qualified counsel addressed and delivered to the Trustee stating that (i) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (ii) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds, and (iii) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit to the Pledged Revenue Fund the portion of the Assessment Revenues required to be deposited to such Fund pursuant to Section 6.3(a) hereof;

(ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2 hereof;

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and which shall give such notice at the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice; and

(iv) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

The Trustee shall not be charged with knowledge of (a) any events or other information, or (b) any default under this Indenture or any other agreement unless a responsible officer of the Trustee shall have actual knowledge thereof.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding hereunder shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable

to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate, and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing as provided in Section 11.1, (ii) such default has become an Event of Default and the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee as advised by its counsel, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or

on the date fixed for redemption or the obligation of the City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

(c) In case the Trustee or any Owners shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds, Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs, and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due or Redemption Price and to the Owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners pursuant to this Section 11.4 not later than thirty (30) days after receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Full compliance with any provision in this Article for the mailing of a notice or other document to Owners shall be deemed to have occurred if the notice is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate is and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. General.

The City shall do and perform or cause to be done and performed all reasonable acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying,

transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Other Obligations or Other Liens; Subordinate Lien Obligations; Refunding Bonds.

(a) The City reserves the right to issue obligations under other indentures, assessment ordinances, or other agreements which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues. The City shall not have the right to issue any bonds, notes or other obligations secured in whole or in part by liens on the Pledged Revenues that are senior to the lien on the Pledged Revenues securing payment of the Bonds.

(b) The City reserves the right to issue Refunding Bonds and Subordinate Lien Obligations, and other than Refunding Bonds and Subordinate Lien Obligations, the City shall not (i) issue additional bonds, notes or other obligations secured by any pledge of or other lien or charge on the Pledged Revenues, (ii) create or voluntarily permit to be created any debt, lien or charge on the Trust Estate or (iii) do or omit to do or suffer to be done or omit to be done any matter or thing whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired.

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the City, which relate to the Trust Estate and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THIS INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. **Bonds Deemed Paid.**

(a) Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a “*Defeased Debt*”), and particularly this Article XIV, when payment of the principal of such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities that mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds and shall not be part of the Trust Estate. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

(c) Until all Defeased Debt shall have become due and payable, the Trustee and the Paying Agent/Registrar each shall perform the services of Trustee and Paying Agent/Registrar for such Defeased Debt the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Indenture.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. No Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City

City of Fate, Texas
1900 CD Boren Parkway
Fate, Texas 75087
Attn: City Manager
Telephone: (972) 771-4601

If to the Trustee, initially also acting in
the capacity of Paying Agent/Registrar

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248
Attn: Dayna Smith
Telephone: (972) 383-3154

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Owner of a Bond notice of the redemption or defeasance of all Bonds Outstanding.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that anyone or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State applicable to contracts made and performed in the State. Venue and exclusive jurisdiction for any action to enforce or construe this Indenture shall be a state court of competent jurisdiction in Rockwall County, Texas.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original. The City and the Trustee agree that electronic signatures to this Indenture may be regarded as original signatures.

Section 15.10. Reimbursement Agreement.

The City and the Developer may amend and supplement the Reimbursement Agreement from time to time without the consent or approval of the Owners or the Trustee.

Section 15.11. No Boycott of the State of Israel; No Terrorist Organization.

(a) The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Indenture is a contract for goods or services, will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(b) The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2271.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

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IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF FATE, TEXAS

By: _____
Mayor

Attest:

City Secretary

(City Seal)

City Signature Page to Indenture of Trust

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

Trustee Signature Page to Indenture of Trust

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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Williamsburg East Public Improvement District

PRELIMINARY AMENDED AND RESTATED SERVICE AND
ASSESSMENT PLAN

AUGUST 15, 2022



AUSTIN, TX | NORTH RICHLAND HILLS, TX

TABLE OF CONTENTS

Table of Contents	1
Introduction	3
Section I: Definitions	5
Section II: The District	14
Section III: Authorized Improvements, Bond Issuance Costs and Other Costs	14
Section IV: Service Plan	19
Section V: Assessment Plan	19
Section VI: Terms of the Assessments	24
Section VII: Assessment Roll	30
Section VIII: Additional Provisions	30
Exhibits	33
Appendices	34
Exhibit A-1 – Map of the District	35
Exhibit A-2 – Improvement Area #1 Final Plat	36
Exhibit A-3 – Map of the Major Improvement Area	38
Exhibit A-4 – Map of Improvement Area #2	39
Exhibit A-5 – Lot Type Classification Map	40
Exhibit B – Authorized Improvements	41
Exhibit C – Service Plan	42
Exhibit D – Sources and Uses of Funds	43
Exhibit E-1 – Improvement Area #1 Assessment Roll	44
Exhibit E-2 – Improvement Area #1 Annual Installments	45
Exhibit F-1 – Major Improvement Area Assessment Roll	46
Exhibit F-2 – Major Improvement Area Annual Installments	47
Exhibit G-1 – Improvement Area #2 Assessment Roll	48
Exhibit G-2 – Improvement Area #2 Annual Installments	49
Exhibit H-1 – Map of Improvement Area #1 Improvements	50
Exhibit H-2 – Map of Major Improvements	51
Exhibit H-3 – Map of Improvement Area #2 Improvements	54
Exhibit I – Maximum Assessment and Tax Rate Equivalent	55
Exhibit J – Form of Notice of Assessment Termination	56

Exhibit K-1 – Debt Service Schedule for the Improvement Area #1 Bonds.....	60
Exhibit K-2 – Debt Service Schedule for the Major Improvement Area Bonds	63
Exhibit K-3 – Debt Service Schedule for the Improvement Area #2 Bonds	66
Exhibit L-1 – District Legal Description	67
Exhibit L-2 – Improvement Area #1 Legal Description	70
Exhibit L-3 – Major Improvement Area Legal Description.....	73
Exhibit L-4 – Improvement Area #2 Legal Description	79
Appendix A-1 – Improvement Area #1 Engineer’s Report	86
Appendix A-2 – Improvement Area #2 Engineer’s Report	150
Appendix B-1 – Lot Type 1 Buyer Disclosure	151
Appendix B-2 – Lot Type 2 Buyer Disclosure	157
Appendix B-3 – Lot Type 3 Buyer Disclosure	163
Appendix B-4 – Lot Type 4 Buyer Disclosure	169
Appendix B-5 – Lot Type 5 Buyer Disclosure	175
Appendix B-6 – Lot Type 6 Buyer Disclosure	181

INTRODUCTION

Capitalized terms used in this Amended and Restated Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Amended and Restated Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section,” an “Exhibit,” or an “Appendix” shall be a reference to a Section of this Amended and Restated Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this Amended and Restated Service and Assessment Plan for all purposes.

On July 6, 2020, the City Council of the City of Fate, Texas passed and approved Resolution No. 2020-043 (the “Creation Resolution”) authorizing the establishment of Williamsburg East Public Improvement District in accordance with Chapter 372, Texas Local Government Code, which authorization was effective upon publication as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 163.568 acres located within the corporate limits of the City, as described by the legal description on **Exhibit L-1** and depicted on **Exhibit A-1**.

On October 19, 2020, the City Council approved the Service and Assessment Plan for the District by adopting Ordinance No. O-2020-029, which approved the levy of Assessments for Assessed Property within the District and approved the Improvement Area #1 Assessment Roll and Major Improvement Area Assessment Roll.

On July 6, 2021, the City Council approved the 2021 Annual Service Plan Update for the District by adopting Ordinance No. O-2021-023, which updated the Improvement Area #1 Assessment Roll and the Major Improvement Area Assessment Roll for 2021.

On August 15, 2022, the City Council of the City passed and approved Resolution No. R_____, amending the Creation Resolution to increase the estimated costs of the Authorized Improvements for the Williamsburg East Public Improvement District.

On September 6, 2022, the City Council approved this Amended and Restated Service and Assessment Plan for the District by adopting Ordinance No. O-2022-____, which serves to amend and restate the Service and Assessment Plan, in its entirety for the purposes of (1) levying the Improvement Area #2 Assessments, (2) issuing the Improvement Area #2 Bonds, and (3) updating the Improvement Area #1 Assessment Roll, Major Improvement Area Assessment Roll, and Improvement Area #2 Assessment Roll.

The PID Act requires a service plan must (i) cover a period of at least five years; (ii) define the annual indebtedness and projected cost of the Authorized Improvements; and (iii) include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV** and the notice form is attached as **Appendix B**.

The PID Act requires that the Service Plan include an Assessment Plan that assesses the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City Council. The Assessment against each Parcel must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to the Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Improvement Area #1 Assessment Roll, Major Improvement Area Assessment Roll, and Improvement Area #2 Assessment Roll is included as **Exhibit E-1**, **Exhibit F-1**, and **Exhibit G-1**, respectively.

SECTION I: DEFINITIONS

“2020 Assessment Ordinance” means Ordinance No. O-2020-029, adopted by the City Council on October 19, 2020, in accordance with the PID Act, that levied (i) the Improvement Area #1 Assessment on the Improvement Area #1 Assessed Property and (ii) the Major Improvement Area Assessment on the Major Improvement Area Assessed Property.

“2022 Assessment Ordinance” means Ordinance No. O-2022-____, adopted by the City Council on September 6, 2022, in accordance with the PID Act, that levied the Improvement Area #2 Assessment on the Improvement Area #2 Assessed Property.

“Actual Costs” mean with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner, including : (1) the costs incurred by or on behalf of the Owner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) construction management fees; (4) the costs incurred by or on behalf of the Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (5) all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction, or implementation of the Authorized Improvements; (6) all related permitting and public approval expenses, architectural, engineering, and consulting fees, and governmental fees and charges.

“Additional Interest” means the amount collected by application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% additional interest rate that may be charged on Assessments pursuant to Section 372.018 of the PID Act.

“Administrator” means the City or independent firm designated by the City who shall have the responsibilities provided in this Amended and Restated Service and Assessment Plan, the Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

“Amended and Restated Service and Assessment Plan” means this Williamsburg East Public Improvement District Amended and Restated Service and Assessment Plan, which replaces in its entirety the Service and Assessment Plan, as updated, amended, or supplemented from time to time.

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this Amended and Restated Service and Assessment Plan, the PID Act, and any Indenture, with respect to the PID Bonds, including the City’s continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment on the Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Annual Service Plan Update” means an update to this Amended and Restated Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

“Assessment” means an assessment levied against Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

“Assessment Ordinance” means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on Assessed Property within the District, as shown on any Assessment Roll.

“Assessment Plan” means the methodology employed to assess the Actual Costs of the Authorized Improvements against the Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements, more specifically described in **Section V**.

“Assessment Roll” means any assessment roll for the Assessed Property within the District, including the Improvement Area #1 Assessment Roll, Major Improvement Area Assessment Roll, and Improvement Area #2 Assessment Roll as updated, modified or amended from time to time

in accordance with the procedures set forth herein and in the PID Act, including in any Annual Service Plan Update.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, as depicted on **Exhibit H-1**, **Exhibit H-2**, and **Exhibit H-3**, and described in **Section III.A**, **Section III.B**, and **Section III.C**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of any series of PID Bonds.

“City” means the City of Fate, Texas.

“City Council” means the governing body of the City.

“County” means Rockwall County, Texas.

“Delinquent Collection Costs” mean costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Amended and Restated Service and Assessment Plan, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“District” means the Williamsburg East Public Improvement District, containing approximately 163.568 acres located within the corporate limits of the City and more specifically described in **Exhibit L-1** and depicted on **Exhibit A-1**.

“District Formation Costs” means the costs associated with forming the District, including but not limited to attorney’s fees, and any other cost or expense incurred by the City directly associated with the establishment of the District.

“Engineer’s Report” means a report provided by a licensed professional engineer that identifies the Authorized Improvements, including their costs, location, and benefit, and is attached hereto as **Appendix A-1** for Improvement Area #1 and the Major Improvement Area, and **Appendix A-2** for Improvement Area #2.

“Estimated Buildout Value” means the estimated buildout value of an Assessed Property, and shall be determined by the Administrator and confirmed by the City Council, by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions,

historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors in the judgment of the City and the Administrator, that may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit I**.

“Improvement Area #1” means approximately 53.443 acres located within the District, more specifically described in **Exhibit L-2** and depicted on **Exhibit A-2**.

“Improvement Area #1 Annual Installment” means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Improvement Area #1 Assessed Property” means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

“Improvement Area #1 Assessment” means an Assessment levied against Improvement Area #1 Assessed Property and imposed pursuant to the 2020 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

“Improvement Area #1 Assessment Roll” means the Assessment Roll for the Improvement Area #1 Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included in this Amended and Restated Service and Assessment Plan as **Exhibit E-1**.

“Improvement Area #1 Bonds” means those certain “City of Fate, Texas, Special Assessment Revenue Bonds, Series 2020 (Williamsburg East Public Improvement District Improvement Area #1 Project).”

“Improvement Area #1 Improvements” means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property, as further described in **Section III.A.** and depicted on **Exhibit H-1**.

“Improvement Area #1 Projects” means collectively: (1) the pro rata portion of the Major Improvements allocable to Improvement Area #1; (2) the Improvement Area #1 Improvements; (3) the first year’s Annual Collection Costs related to the Improvement Area #1 Bonds; and (4) and Bond Issuance Costs incurred in connection with the issuance of the Improvement Area #1 Bonds.

“Improvement Area #2” means approximately 110.209 acres located within the District, more specifically described in **Exhibit L-4** and depicted on **Exhibit A-4**.

“Improvement Area #2 Annual Installment” means the Annual Installment of the Improvement Area #2 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Improvement Area #2 Assessed Property” means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied.

“Improvement Area #2 Assessment” means an Assessment levied against Improvement Area #2 Assessed Property and imposed pursuant the 2022 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

“Improvement Area #2 Assessment Roll” means the Assessment Roll for the Improvement Area #2 Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #2 Assessment Roll is included in this Amended and Restated Service and Assessment Plan as **Exhibit G-1**.

“Improvement Area #2 Bonds” means those certain “City of Fate, Texas, Special Assessment Revenue Bonds, Series 2022 (Williamsburg East Public Improvement District Improvement Area #2 Project).”

“Improvement Area #2 Improvements” means the Authorized Improvements which only benefit the Improvement Area #2 Assessed Property, as further described in **Section III.C** and depicted on **Exhibit H-3**.

“Improvement Area #2 Initial Parcel” means all of the Improvement Area #2 Assessed Property against which the entire Improvement Area #2 Assessment is levied, as shown on the Improvement Area #2 Assessment Roll.

“Improvement Area #2 Projects” means collectively: (1) the Improvement Area #2 Improvements; (2) the first year’s Annual Collection Costs related to Improvement Area #2 Bonds; and (3) and Bond Issuance Costs incurred in connection with the issuance of the Improvement Area #2 Bonds.

“Indenture” means an Indenture of Trust entered into in connection with the issuance of each series of PID Bonds, as amended from time to time, between the City and the Trustee setting

forth terms and conditions related to a series of PID Bonds.

“Lot” means for any portion of the District 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 subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. lot size, home product, Estimated Buildout Value, 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 calculated by the Administrator and confirmed by the City Council.

“Lot Type 1” means a Lot within Improvement Area #1 marketed to homebuilders as a 40’ residential Lot.

“Lot Type 2” means a Lot within Improvement Area #1 marketed to homebuilders as a 50’ residential Lot.

“Lot Type 3” means a Lot within Improvement Area #1 marketed to homebuilders as a 60’ residential Lot.

“Lot Type 4” means a Lot within Improvement Area #2 marketed to homebuilders as a 40’ residential Lot.

“Lot Type 5” means a Lot within Improvement Area #2 marketed to homebuilders as a 50’ residential Lot.

“Lot Type 6” means a Lot within Improvement Area #2 marketed to homebuilders as a 60’ residential Lot.

“Major Improvement Area” means approximately 110.209 acres located within the District, and more specifically described in **Exhibit L-3** and depicted on **Exhibit A-3**. The Major Improvement Area includes all of the District save and except Improvement Area #1, and is coterminous with Improvement Area #2.

“Major Improvement Area Annual Installment” means the Annual Installment of the Major Improvement Area Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Major Improvement Area Assessed Property” means any Parcel within the Major Improvement Area against which a Major Improvement Area Assessment is levied.

“Major Improvement Area Assessment” means an Assessment levied against Major Improvement Area Assessed Property and imposed pursuant to the 2020 Assessment Ordinance and the provisions herein, as shown on the Major Improvement Area Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

“Major Improvement Area Assessment Roll” means the Assessment Roll for the Major Improvement Area Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Updates. The Major Improvement Area Assessment Roll is included in this Amended and Restated Service and Assessment Plan as **Exhibit F-1**.

“Major Improvement Area Bonds” means those certain “City of Fate, Texas, Special Assessment Revenue Bonds, Series 2020 (Williamsburg East Public Improvement District Major Improvement Area Project).”

“Major Improvement Area Initial Parcel” means all of the Major Improvement Area Assessed Property against which the entire Major Improvement Area Assessment is levied, as shown on the Major Improvement Area Assessment Roll.

“Major Improvement Area Projects” means, collectively, (1) the pro rata portion of the Major Improvements allocable to the Major Improvement Area; (2) the first year’s Annual Collection Costs related to the Major Improvement Area Bonds; and (3) Bond Issuance Costs incurred in connection with the issuance of the Major Improvement Area Bonds.

“Major Improvements” means those Authorized Improvements that confer special benefit to all the Assessed Property within the District, and as further described in **Section III.B.** and depicted on **Exhibit H-2**.

“Maximum Assessment” means, for each Lot Type, an amount that will not exceed the amounts shown as the Maximum Assessment by Lot Type on **Exhibit I**. In the event any final plat creates a new Lot Type that differs from what is shown on **Exhibit I**, this Amended and Restated Service and Assessment Plan will be updated to reflect the new Lot Type, and the Maximum Assessment for the new Lot Type created by the final plat shall be an amount that is calculated by the Administrator and approved by the City, based on the desire to maintain a competitive, equivalent tax rate of the Annual Installments.

“Maximum Equivalent Tax Rate” means, for each Lot Type, \$0.65397 per \$100 of Estimated Buildout Value as shown on **Exhibit I**.

“Non-Benefitted Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

“Notice of Assessment Termination” means a document that shall be recorded in the County’s real property records evidencing the termination of an Assessment, a form of which is attached as **Exhibit J**.

“Owner(s)” means New Sheridan Dev Co Phase 1 LLC and Fate 163 Land, LP and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transfer to end users.

“Parcel” or **“Parcels”** means a specific property within the District identified by either a tax map identification number assigned by the Rockwall Central Appraisal District for real property tax purposes, 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.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“PID Bonds” means any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

“Prepayment” means the payment of all or a portion of an Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

“Prepayment Costs” means interest, including Additional Interest and Annual Collection Costs to the date of Prepayment.

“Private Improvements” means improvements required to be constructed by the Owner that are non-reimbursable to the Owner. Private Improvements are not Authorized Improvements and Assessments will not be levied in connection therewith.

“Service and Assessment Plan” means the Williamsburg East Public Improvement District Amended and Restated Service and Assessment Plan approved on October 19, 2020, by Ordinance No. O-2020-029, which is to be replaced in its entirety by this Amended and Restated Service and Assessment Plan.

“Service Plan” means the plan described in **Section IV** which covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements.

“Trustee” means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 163.568 contiguous acres located within the corporate limits of the City, as more particularly described by the legal description on **Exhibit L-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 601 single-family homes.

Improvement Area #1 includes approximately 53.443 contiguous acres located within the corporate limits of the City, as more particularly described by the legal description on **Exhibit L-2** and depicted on **Exhibit A-2**. Development of Improvement Area #1 includes 154 single-family homes (43 single-family homes that are Lot Type 1, 59 single-family homes that are Lot Type 2, and 52 single-family homes that are Lot Type 3).

The Major Improvement Area includes approximately 110.209 contiguous acres located within the corporate limits of the City, as more particularly described by the legal description on **Exhibit L-3** and depicted on **Exhibit A-3**. The Major Improvement Area is coterminous with Improvement Area #2.

Improvement Area #2 includes approximately 110.209 contiguous acres located within the corporate limits of the City, as more particularly described by the legal description on **Exhibit L-4** and depicted on **Exhibit A-4**. Development of the Improvement Area #2 is anticipated to include approximately 447 single-family homes (199 single-family homes that are Lot Type 4, 103 single-family homes that are Lot Type 5, and 145 single-family homes that are Lot Type 6).

SECTION III: AUTHORIZED IMPROVEMENTS, BOND ISSUANCE COSTS AND OTHER COSTS

The City, 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 Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City, except for trails and open space, which will be maintained by a homeowner's association pursuant to a qualified management contract with the City. The Budget for the Authorized Improvements is shown on **Exhibit B**.

A. Improvement Area #1 Improvements

- *Street and Alley Paving*

Improvements including subgrade stabilization, concrete and reinforcing steel for

roadways and alleys, testing, handicapped ramps, and streetlights. 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 benefit to each Lot within Improvement Area #1.

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

- *Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

- *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, erosion control and necessary to provide storm drainage for all Lots within Improvement Area #1.

- *Soft Costs*

Costs related to designing, constructing, installing, and financing the Improvement Area #1 Improvements, including land planning and design, City fees, engineering, soil testing, survey, construction management and contingency.

B. Major Improvements

- *Street*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, TX-DOT improvements, and streetlights. 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 benefit to each Lot within the District.

- *Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District.

- *Regional Detention*

Improvements include clearing, pond excavation, soil testing, retaining walls, erosion control, piping of inbound and outbound drainage lines, and construction of outlet structures. Hardscape and landscape improvements including a boardwalk, pedestrian bridge, trails, re-vegetation, and fountains are also included. Furthermore, the regional detention will require the following submittals and agency approvals: CLOMR, LOMR, USACE Jurisdictional Individual Permit, Cultural Resources Survey, Water Rights Permit, and Groundwater Availability Report. The regional detention will provide benefit to all Lots within the District.

- *Public Park Improvements*

Improvements include all related earthwork, excavation, erosion control, retaining walls, signage, utility infrastructure, drainage infrastructure, lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the park and included. Public parking including all related earth work, erosion control, subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel, testing, ADA ramps, striping, drainage lines, curb cut driveways, and streetlights. Hardscape features such as the pavilion and walking trails are included as well. The public park improvements will provide benefit to all Lots within the District.

- *Soft Costs*

Costs related to designing, constructing, installing, and financing the Major Improvements, including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, and District Formation Costs.

C. Improvement Area #2 Improvements

- *Street and Alley Paving*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways and alleys, testing, handicapped ramps, and streetlights. 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 benefit to each Lot within Improvement Area #2. Street and Alley Paving further includes, if necessary, any TxDOT turn lanes or TxDOT improvements on FM 551 or other locations and the necessary infrastructure, requirements, permitting and other necessary work related to TxDOT.

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #2.

- *Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2.

- *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, erosion control and necessary to provide storm drainage for all Lots within Improvement Area #2. Drainage infrastructure may further include clearing, pond excavation, soil testing, retaining walls, erosion control, piping of inbound and outbound drainage lines, and construction of outlet structures. Hardscape and landscape improvements, if any, including a boardwalk, pedestrian bridge, trails, re-vegetation, and fountains are also included. Furthermore, regional detention may require the following submittals and agency approvals: CLOMR, LOMR, USACE Jurisdictional Individual Permit, Cultural Resources Survey, Water Rights Permit, and Groundwater Availability Report.

- *Public Park Improvements*

Improvements include all related earthwork, excavation, erosion control, retaining walls, signage, utility infrastructure, drainage infrastructure, lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the park are included. Public parking including

all related earth work, erosion control, subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel, testing, ADA ramps, striping, drainage lines, curb cut driveways, and streetlights. Hardscape features such as the pavilion and walking trails are included as well. The public park improvements will provide benefit to all Lots within Improvement Area #2.

- *Soft Costs*

Costs related to designing, constructing, installing, and financing the Improvement Area #2 Improvements, including land planning and design, City fees, engineering, soil testing, survey, construction management and contingency.

D. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount required under an applicable Indenture in connection with the issuance of a series of PID Bonds.

- *Capitalized Interest*

Equals the capitalized interest payments on a series of PID Bonds as reflected in an applicable Indenture.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds plus a fee for underwriter's counsel.

- *Cost of Issuance*

Includes costs of issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of PID Bonds.

E. Other Costs

- *Initial Administrative Fund Deposit*

Equals the amount necessary to fund the first year's Annual Collection Costs for a particular series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also required to include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the initial Service Plan for the District. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B**.

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Amended and Restated 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, developers, and end-users of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity, and 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 the following:

- The costs of the Major Improvements were allocated to each Parcel in the District pro rata based on Estimated Buildout Value of all Parcels.
- The costs of the Major Improvement Area Projects were allocated to each Parcel within the Major Improvement Area based upon the ratio of the Estimated Buildout Value of each Parcel designated as Major Improvement Area Assessed Property to the Estimated Buildout Value of all Major Improvement Area Assessed Property. Currently, the Major Improvement Area Initial Parcel is the only Parcel within the Major Improvement Area, and as such, the Major Improvement Area Initial Parcel is allocated 100% of the Major Improvement Area Projects.
- The costs of the Improvement Area #1 Projects were allocated to each Parcel within Improvement Area #1 based upon the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property.
- The costs of the Improvement Area #2 Projects shall be allocated to each Parcel within Improvement Area #2 based upon the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #2 Assessed Property to the Estimated Buildout Value of all Improvement Area #2 Assessed Property. Currently, the Improvement Area #2 Initial Parcel is the only Parcel within Improvement Area #2, and as such, the Improvement Area #2 Initial Parcel is allocated 100% of the Improvement Area #2 Projects.

B. Assessments

The Improvement Area #1 Assessment was levied on the Improvement Area #1 Assessed Property in the amount shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit E-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit E-2**.

The Major Improvement Area Assessment was levied on the Major Improvement Area Initial Parcel in the amount shown on the Major Improvement Area Assessment Roll, attached hereto as **Exhibit F-1**. The projected Major Improvement Area Annual Installments are shown on **Exhibit F-2**. Upon division or subdivision of the Major Improvement Area Initial Parcel, the Major Improvement Area Assessment will be reallocated pursuant to **Section VI**.

The Improvement Area #2 Assessment will be levied on the Improvement Area #2 Initial Parcel in the amount shown on the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit G-1**. The projected Improvement Area #2 Annual Installments are shown on **Exhibit G-2**. Upon division or subdivision of the Improvement Area #2 Initial Parcel, the Improvement Area #2 Assessment will be reallocated pursuant to **Section VI**.

The Maximum Assessment for each Lot Type is shown on **Exhibit I**. In no case will the Assessment for Lots classified as Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, or Lot Type 6 exceed the corresponding Maximum Assessment for each Lot Type classification.

An annual Operations and Maintenance Assessment shall be levied on property similarly benefited within the District using any methodology that results in the imposition of equal shares of the Operations and Maintenance Assessment on property similarly benefited. The Operations and Maintenance Assessment are described in a separate Operations and Maintenance Amended and Restated Service and Assessment Plan, and shall be collected in an amount sufficient to pay the estimated costs of the operations and maintenance of the Authorized Improvements, but in no case shall the Operations and Maintenance Assessment exceed an equivalent tax rate of \$0.06 per one hundred dollars (\$100.00) of taxable ad valorem property value, plus Annual Collection Costs, on property similarly benefited within the District.

C. 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 City staff and by third-party consultants retained by the City, has found and determined:

- *Improvement Area #1*
 - The costs of the Improvement Area #1 Projects equal \$6,586,111 as shown on **Exhibit B**; and
 - 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
 - With the adoption of the 2020 Assessment Ordinance, the Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Projects, which equaled \$4,300,000; and
 - The special benefit ($\geq \$6,586,111$) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Projects is equal to or greater than the

amount of the Improvement Area #1 Assessment (\$4,300,000) levied on the Improvement Area #1 Assessed Property for the Improvement Area #1 Projects; and

- At the time the City Council approved the Service and Assessment Plan, the Owner owned 100% of the Improvement Area #1 Assessed Property. The Owner 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 Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2020 Assessment Ordinance; (2) the Service and Assessment Plan and the 2020 Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Assessed Property.
- *Major Improvement Area*
 - The costs of the Major Improvement Area Projects equal \$3,600,000 as shown on **Exhibit B**; and
 - The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Projects equal to or greater than the Actual Cost of the Major Improvement Area Projects; and
 - With the adoption of the 2020 Assessment Ordinance, the Major Improvement Area Initial Parcel was allocated 100% of the Major Improvement Area Assessment levied for the Major Improvement Area Projects, which equals \$3,600,000; and
 - The special benefit (\geq \$3,600,000) received by the Major Improvement Area Initial Parcel from the Major Improvement Area Projects is equal to or greater than the amount of the Major Improvement Area Assessment (\$3,600,000) levied on the Major Improvement Area Initial Parcel for the Major Improvement Area Projects; and
 - At the time the City Council approved the Service and Assessment Plan, the Owner owned 100% of the Major Improvement Area Initial Parcel. The Owner acknowledged that the Major Improvement Area Projects confer a special benefit on the Major Improvement Area Initial Parcel and consented to the imposition of the Major Improvement Area Assessment to pay for the Actual Costs associated

therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and in the 2020 Assessment Ordinance; (2) the Service and Assessment Plan and the 2020 Assessment Ordinance; and (3) the levying of the Major Improvement Area Assessment on the Major Improvement Area Initial Parcel.

- *Improvement Area #2*

- The costs of the Improvement Area #2 Projects equal \$16,828,000 as shown on **Exhibit B**; and
- The Improvement Area #2 Assessed Property receives special benefit from the Improvement Area #2 Projects equal to or greater than the Actual Cost of the Improvement Area #2 Projects; and
- The Improvement Area #2 Initial Parcel will be allocated 100% of the Improvement Area #2 Assessment levied for the Improvement Area #2 Projects, which equals \$16,828,000 as shown on the Improvement Area #2 Assessment Roll attached hereto as **Exhibit G-1**; and
- The special benefit (\geq \$16,828,000) received by the Improvement Area #2 Initial Parcel from the Improvement Area #2 Projects is equal to or greater than the amount of the Improvement Area #2 Assessment (\$16,828,000) levied on the Improvement Area #2 Initial Parcel for the Improvement Area #2 Projects; and
- At the time the City Council approved this Amended and Restated Service and Assessment Plan, the Owner owned 100% of the Improvement Area #2 Initial Parcel. The Owner acknowledged that the Improvement Area #2 Projects confer a special benefit on the Improvement Area #2 Initial Parcel and consented to the imposition of the Improvement Area #2 Assessment to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein in and the 2022 Assessment Ordinance; (2) this Amended and Restated Service and Assessment Plan and the 2022 Assessment Ordinance; and (3) the levying of the Improvement Area #2 Assessment on the Improvement Area #2 Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments securing each respective series of PID Bonds may exceed the interest rate on each respective series of PID Bonds by the Additional Interest Rate. To the extent required by any Indenture, Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

Any reallocation of Assessments as described in this **Section VI** shall be considered an administrative action of the City and will not be subject to the notice or public hearing requirements under the PID Act.

A. Reallocation of Assessments

1. 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 the terms have the following meanings:

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 Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed

Property, as provided by the Owner, homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The calculation as confirmed by the City Council shall be conclusive and binding.

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 the next Annual Service Plan Update and approved by the City Council.

2. 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 Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

- A = the Assessment for the newly subdivided Lot
- B = the Assessment for the Parcel prior to subdivision
- C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type
- D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefitted Property
- E = the number of newly subdivided 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 Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot. The calculation as confirmed by the City Council shall be conclusive and binding.

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 the next Annual Service Plan Update and approved by the City Council.

3. Upon Consolidation

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 immediately following such consolidation. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C.**

B. Mandatory Prepayment of Assessments

If an 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 City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer. If the owner of an 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. Following payment of the foregoing costs in full, the City shall provide the Owner with a recordable “Notice of PID Assessment Termination,” a form of which is attached hereto as **Exhibit J.**

C. True-Up of Assessments if Maximum Assessment Exceeded at Plat

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City’s approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts.

D. Reduction of Assessments

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 Assessments shall be reduced on a pro-rata basis such that the sum of the resulting reduced Assessments for all affected Assessed Properties equals the reduced Actual Costs. Excess PID Bond proceeds shall be deposited and used in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the amount required to pay all debt service requirements on all outstanding PID Bonds.

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

The owner of any Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council for review and approval 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."

If an Assessment is prepaid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit E-2** shows the estimated Improvement Area #1 Annual Installments, **Exhibit F-2** shows the estimated Major Improvement Area Annual Installments, and **Exhibit G-2** shows the estimated

Improvement Area #2 Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the filing of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the property as shown by Rockwall Central Appraisal District for each tax identification number.

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 updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid for by each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable 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 PID Act and in the same manner as ad valorem taxes for the City. To the extent permitted by the PID Act or other applicable law, the City Council may provide for other means of collecting Annual Installments, but in no case shall the City take any action, or fail to take any action, that would cause it to be in default under any Indenture. Assessments shall have the lien priority specified in the PID Act.

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 any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID 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."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the PID Bonds shall be due when billed and shall be delinquent if not paid prior to February 1, 2023.

Failure of an owner to receive an invoice for an Annual Installment on the property tax bill shall not relieve the owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs. The City may provide for other means of collecting the Annual Installments to the extent permitted by the PID Act.

G. Prepayment as a Result of an Eminent Domain Proceeding or Taking

If any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Assessed Property that was taken or transferred (the "Taken Property") shall be reclassified as Non-Benefitted Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the "Remaining Property") following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner will remain liable to pay in Annual Installments, or payable as otherwise provided by this Amended and Restated Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment.

In all instances the Assessment remaining on the Remaining Property shall not exceed the Maximum Assessment.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres of Remaining Property shall be subject to the \$100 Assessment (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a

Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to \$90.

Notwithstanding the previous paragraphs in this subsection, if the owner notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Assessment on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount is required to pay all outstanding debt service requirements on all outstanding PID Bonds.

SECTION VII: ASSESSMENT ROLL

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

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

The Improvement Area #2 Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #2 Assessment Roll and Improvement Area #2 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 Amended and Restated Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive

remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner, the Administrator shall provide a written response to the City Council and the owner within 30 days after receipt of such written notice of error. The City Council shall consider the owner notice of error and the Administrator's response at a public meeting, and within 30 days after closing such meeting, the City Council shall make a final determination as to whether 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 PID Act, this Amended and Restated Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as 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 Amended and Restated Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Amended and Restated Service and Assessment Plan 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 Amended and Restated Service and Assessment Plan.

C. Administration and Interpretation

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

D. Filing Requirements

Within seven days of approval by the City Council, the City Secretary shall file and record the executed 2022 Assessment Ordinance, including all exhibits and appendices thereto, in the real property records of the County. In addition, the City Secretary shall similarly file in the real

property records of the County each ordinance approving an Annual Service Plan Update, including all attachments thereto, with each such filing to occur within seven days of the date each respective Annual Service Plan Update is approved by the City Council.

E. Severability

If any provision of this Amended and Restated Service and Assessment Plan 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.

EXHIBITS

The following Exhibits are attached to and made a part of this Amended and Restated Service and Assessment Plan for all purposes:

Exhibit A-1	Map of the District
Exhibit A-2	Improvement Area #1 Final Plat
Exhibit A-3	Map of the Major Improvement Area
Exhibit A-4	Map of Improvement Area #2
Exhibit A-5	Lot Type Classification Map
Exhibit B	Authorized Improvements
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E-1	Improvement Area #1 Assessment Roll
Exhibit E-2	Improvement Area #1 Annual Installments
Exhibit F-1	Major Improvement Area Assessment Roll
Exhibit F-2	Major Improvement Area Annual Installments
Exhibit G-1	Improvement Area #2 Assessment Roll
Exhibit G-2	Improvement Area #2 Annual Installments
Exhibit H-1	Maps of Improvement Area #1 Improvements
Exhibit H-2	Maps of Major Improvements
Exhibit H-3	Maps of Improvement Area #2 Improvements
Exhibit I	Maximum Assessment and Tax Rate Equivalent
Exhibit J	Form of Notice of Assessment Termination
Exhibit K-1	Debt Service Schedule for the Improvement Area #1 Bonds
Exhibit K-2	Debt Service Schedule for the Major Improvement Area Bonds
Exhibit K-3	Debt Service Schedule for the Improvement Area #2 Bonds
Exhibit L-1	District Legal Description
Exhibit L-2	Improvement Area #1 Legal Description
Exhibit L-3	Major Improvement Area Legal Description
Exhibit L-4	Improvement Area #2 Legal Description

APPENDICES

The following Appendices are attached to and made a part of this Amended and Restated Service and Assessment Plan for all purposes:

Appendix A-1 Improvement Area #1 Engineer's Report

Appendix A-2 Improvement Area #2 Engineer's Report

Appendix B-1 Lot Type 1 Buyer Disclosure

Appendix B-2 Lot Type 2 Buyer Disclosure

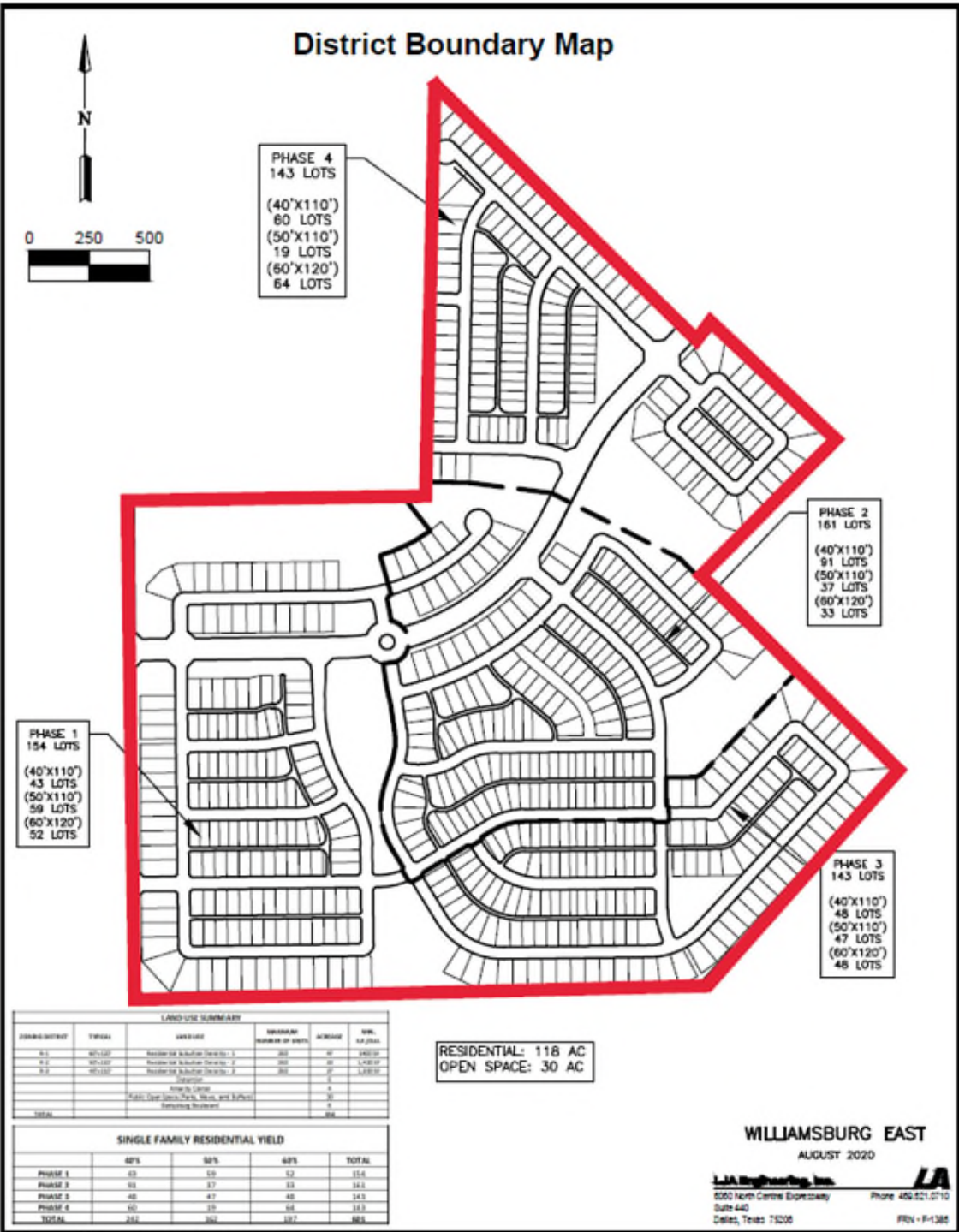
Appendix B-3 Lot Type 3 Buyer Disclosure

Appendix B-4 Lot Type 4 Buyer Disclosure

Appendix B-5 Lot Type 5 Buyer Disclosure

Appendix B-6 Lot Type 6 Buyer Disclosure

EXHIBIT A-1 – MAP OF THE DISTRICT





150000, the two-dimensional standard deviation is 100000, and the standard deviation is 100000.

EXHIBIT A-3 – MAP OF THE MAJOR IMPROVEMENT AREA

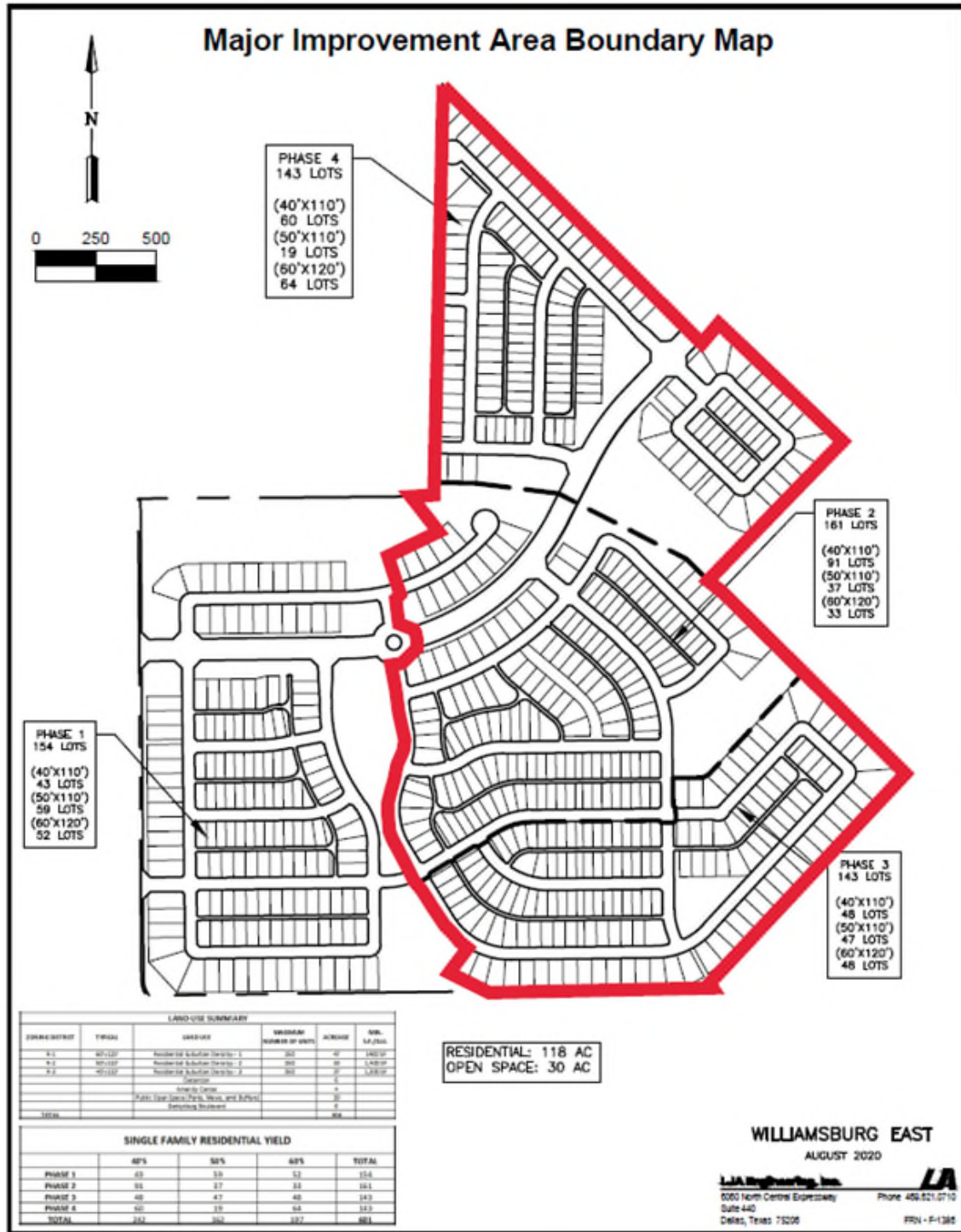


EXHIBIT A-4 – MAP OF IMPROVEMENT AREA #2



EXHIBIT A-5 – LOT TYPE CLASSIFICATION MAP



EXHIBIT B – AUTHORIZED IMPROVEMENTS

	Total	Impact Fees	Private Costs	PID Eligible Costs	Improvement Area #1		Major Improvement Area		Improvement Area #2	
					%	Cost	%	Cost	%	Cost
<i>Private Improvements¹</i>										
Lot Excavation & Erosion Control	\$ 4,756,387	\$ -	\$ 4,756,387	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Lot Retaining Walls	2,171,435	-	2,171,435	-	0.00%	-	0.00%	-	0.00%	-
Amenity Center	2,000,000	-	2,000,000	-	0.00%	-	0.00%	-	0.00%	-
Entry Features	500,000	-	500,000	-	0.00%	-	0.00%	-	0.00%	-
Franchise Gas	480,800	-	480,800	-	0.00%	-	0.00%	-	0.00%	-
Development Fees	1,829,758	-	1,829,758	-	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 11,738,380</u>	<u>\$ -</u>	<u>\$ 11,738,380</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
<i>Improvement Area #1 Improvements</i>										
Street and Alley Paving	\$ 2,007,065	\$ -	\$ -	\$ 2,007,065	100.00%	\$ 2,007,065	0.00%	\$ -	0.00%	\$ -
Water	541,799	-	-	541,799	100.00%	541,799	0.00%	-	0.00%	-
Sewer	731,977	-	-	731,977	100.00%	731,977	0.00%	-	0.00%	-
Drainage	1,099,846	-	-	1,099,846	100.00%	1,099,846	0.00%	-	0.00%	-
Soft Costs	438,069	-	-	438,069	100.00%	438,069	0.00%	-	0.00%	-
	<u>\$ 4,818,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,818,756</u>		<u>\$ 4,818,756</u>		<u>\$ -</u>		<u>\$ -</u>
<i>Major Improvements²</i>										
Street	\$ 2,046,427	\$ 1,017,122	\$ -	\$ 1,029,305	26.10%	\$ 268,605	73.90%	\$ 760,700	0.00%	\$ -
Water	180,444	180,444	-	-	26.10%	-	73.90%	-	0.00%	-
Sewer	497,903	-	-	497,903	26.10%	129,932	73.90%	367,971	0.00%	-
Regional Detention	276,381	-	-	276,381	26.10%	72,124	73.90%	204,257	0.00%	-
Public Park Improvements	1,676,033	247,290	-	1,428,743	26.10%	372,842	73.90%	1,055,901	0.00%	-
Soft Costs	397,966	-	-	397,966	26.10%	103,852	73.90%	294,113	0.00%	-
	<u>\$ 5,075,153</u>	<u>\$ 1,444,856</u>	<u>\$ -</u>	<u>\$ 3,630,298</u>		<u>\$ 947,355</u>		<u>\$ 2,682,943</u>		<u>\$ -</u>
<i>Improvement Area #2 Improvements</i>										
Street and Alley Paving	\$ 7,404,464	\$ 1,727,285	\$ -	\$ 5,677,179	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 5,677,179
Water	1,968,086	182,069	-	1,786,017	0.00%	-	0.00%	-	100.00%	1,786,017
Sewer	2,296,068	-	-	2,296,068	0.00%	-	0.00%	-	100.00%	2,296,068
Drainage	2,683,087	-	-	2,683,087	0.00%	-	0.00%	-	100.00%	2,683,087
Public Park Improvements	1,415,397	1,415,397	-	-	0.00%	-	0.00%	-	100.00%	-
Soft Costs	1,774,553	-	-	1,774,553	0.00%	-	0.00%	-	100.00%	1,774,553
	<u>\$ 17,541,656</u>	<u>\$ 3,324,751</u>	<u>\$ -</u>	<u>\$ 14,216,904</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 14,216,904</u>
<i>Bond Issuance Costs</i>										
Reserve Fund	\$ 1,720,280	\$ -	\$ -	\$ 1,720,280		\$ 258,040		\$ 241,605		\$ 1,220,635
Capitalized Interest	431,079	-	-	431,079		130,321		300,758		-
Underwriter's Discount	741,840	-	-	741,840		129,000		108,000		504,840
Cost of Issuance	1,314,954	-	-	1,314,954		257,639		221,694		835,621
	<u>\$ 4,208,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,208,153</u>		<u>\$ 775,000</u>		<u>\$ 872,057</u>		<u>\$ 2,561,096</u>
<i>Other Costs</i>										
Deposit to Administrative Fund	\$ 140,000	\$ -	\$ -	\$ 140,000		\$ 45,000		\$ 45,000		\$ 50,000
	<u>\$ 140,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,000</u>		<u>\$ 45,000</u>		<u>\$ 45,000</u>		<u>\$ 50,000</u>
Total	\$ 43,522,098	\$ 4,769,607	\$ 11,738,380	\$ 27,014,110		\$ 6,586,111		\$ 3,600,000		\$ 16,828,000

Notes:

1) Private Improvements are not reimbursable to the Owner through PID Bonds or Assessments, and are required to bring District to finished Lot value.

2) Major Improvements were allocated to Improvement Area #1 and the Major Improvement Area based on Estimated Buildout Value, as shown in the Service and Assessment Plan.

EXHIBIT C – SERVICE PLAN

Improvement Area #1						
Annual Installments Due	1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027	
Principal	\$ 96,000.00	\$ 98,000.00	\$ 100,000.00	\$ 102,000.00	\$ 105,000.00	
Interest	161,572.50	159,052.50	156,480.00	153,855.00	150,412.50	
(1)	\$ 257,572.50	\$ 257,052.50	\$ 256,480.00	\$ 255,855.00	\$ 255,412.50	
Additional Interest	(2) \$ 21,030.00	\$ 20,550.00	\$ 20,060.00	\$ 19,560.00	\$ 19,050.00	
Annual Collection Costs	(3) \$ 23,923.77	\$ 24,402.25	\$ 24,890.29	\$ 25,388.10	\$ 25,895.86	
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 302,526.27	\$ 302,004.75	\$ 301,430.29	\$ 300,803.10	\$ 300,358.36

Major Improvement Area						
Annual Installments Due	1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027	
Principal	\$ 74,000.00	\$ 76,000.00	\$ 79,000.00	\$ 82,000.00	\$ 84,000.00	
Interest	167,605.00	164,552.50	161,417.50	158,158.76	154,776.26	
(1)	\$ 241,605.00	\$ 240,552.50	\$ 240,417.50	\$ 240,158.76	\$ 238,776.26	
Additional Interest	(2) \$ 18,000.00	\$ 17,630.00	\$ 17,250.00	\$ 16,855.00	\$ 16,445.00	
Annual Collection Costs	(3) \$ 21,901.30	\$ 22,339.33	\$ 22,786.11	\$ 23,241.83	\$ 23,706.67	
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 281,506.30	\$ 280,521.83	\$ 280,453.61	\$ 280,255.59	\$ 278,927.93

Improvement Area #2						
Annual Installments Due	1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027	
Principal	\$ -	\$ 233,000.00	\$ 246,000.00	\$ 260,000.00	\$ 276,000.00	
Interest	812,418.44	925,540.00	912,725.00	899,195.00	884,895.00	
(1)	\$ 812,418.44	\$ 1,158,540.00	\$ 1,158,725.00	\$ 1,159,195.00	\$ 1,160,895.00	
Additional Interest	(2) \$ 84,140.00	\$ 84,140.00	\$ 82,975.00	\$ 81,745.00	\$ 80,445.00	
Annual Collection Costs	(3) \$ 47,824.93	\$ 48,781.43	\$ 49,757.06	\$ 50,752.20	\$ 51,767.24	
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 944,383.37	\$ 1,291,461.43	\$ 1,291,457.06	\$ 1,291,692.20	\$ 1,293,107.24

EXHIBIT D – SOURCES AND USES OF FUNDS

	Private	Improvement Area #1	Major Improvement Area	Improvement Area #2
Sources of Funds				
Improvement Area #1 Bonds	\$ -	\$ 4,300,000	\$ -	\$ -
Major Improvement Area Bonds	-	-	3,600,000	-
Improvement Area #2 Bonds	-	-	-	16,828,000
Owner Contribution ¹	-	2,286,111	-	-
Owner Contribution - Private Improvements ²	11,738,380	-	-	-
Impact Fees ³	-	377,047	1,067,809	3,324,751
Total Sources	\$ 11,738,380	\$ 6,963,157	\$ 4,667,808	\$ 20,152,751
Uses of Funds				
Improvement Area #1 Improvements	\$ -	\$ 4,818,756	\$ -	\$ -
Major Improvements	-	1,324,402	3,750,751	-
Improvement Area #2 Improvements	-	-	-	17,541,656
Private Improvements	11,738,380	-	-	-
	\$ 11,738,380	\$ 6,143,157	\$ 3,750,751	\$ 17,541,656
<i>Bond Issuance Costs</i>				
Reserve Fund	\$ -	\$ 258,040	\$ 241,605	\$ 1,220,635
Capitalized Interest	-	130,321	300,758	-
Underwriter's Discount	-	129,000	108,000	504,840
Cost of Issuance	-	257,639	221,694	835,621
	\$ -	\$ 775,000	\$ 872,057	\$ 2,561,096
<i>Other Costs</i>				
Deposit to Administrative Fund	\$ -	\$ 45,000	\$ 45,000	\$ 50,000
	\$ -	\$ 45,000	\$ 45,000	\$ 50,000
Total Uses	\$ 11,738,380	\$ 6,963,157	\$ 4,667,808	\$ 20,152,751

Notes:

- 1) Not reimbursable to Owner.
- 2) Owner contribution for Private Improvements is non-reimbursable, and the Owner will not deposit cash with the City for private costs.
- 3) City impact fees shall be used to reimburse the Owner for a portion of the Authorized Improvements. See **Exhibit B** for details.

EXHIBIT E-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Improvement Area #1 ^[a]		
Property ID	Outstanding Assessment	Annual Installment Due 1/31/2023 ^[b]
107335	\$ 4,206,000.00	\$ 302,526.27
Total	\$ 4,206,000.00	\$ 302,526.27

Notes:

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

[b] The Annual Installment covers the period August 15, 2022 to August 14, 2023 and is due by January 31, 2023.

EXHIBIT E-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest	Additional Interest	Annual Collection Costs	Total Annual Installment
2023	\$ 96,000.00	\$ 161,572.50	\$ 21,030.00	\$ 23,923.77	\$ 302,526.27
2024	\$ 98,000.00	\$ 159,052.50	\$ 20,550.00	\$ 24,402.25	\$ 302,004.75
2025	\$ 100,000.00	\$ 156,480.00	\$ 20,060.00	\$ 24,890.29	\$ 301,430.29
2026	\$ 102,000.00	\$ 153,855.00	\$ 19,560.00	\$ 25,388.10	\$ 300,803.10
2027	\$ 105,000.00	\$ 150,412.50	\$ 19,050.00	\$ 25,895.86	\$ 300,358.36
2028	\$ 108,000.00	\$ 146,868.76	\$ 18,525.00	\$ 26,413.78	\$ 299,807.54
2029	\$ 111,000.00	\$ 143,223.76	\$ 17,985.00	\$ 26,942.05	\$ 299,150.81
2030	\$ 115,000.00	\$ 139,477.50	\$ 17,430.00	\$ 27,480.89	\$ 299,388.39
2031	\$ 118,000.00	\$ 135,596.26	\$ 16,855.00	\$ 28,030.51	\$ 298,481.77
2032	\$ 122,000.00	\$ 131,023.76	\$ 16,265.00	\$ 28,591.12	\$ 297,879.88
2033	\$ 126,000.00	\$ 126,296.26	\$ 15,655.00	\$ 29,162.94	\$ 297,114.20
2034	\$ 131,000.00	\$ 121,413.76	\$ 15,025.00	\$ 29,746.20	\$ 297,184.96
2035	\$ 135,000.00	\$ 116,337.50	\$ 14,370.00	\$ 30,341.12	\$ 296,048.62
2036	\$ 140,000.00	\$ 111,106.26	\$ 13,695.00	\$ 30,947.95	\$ 295,749.21
2037	\$ 145,000.00	\$ 105,681.26	\$ 12,995.00	\$ 31,566.91	\$ 295,243.17
2038	\$ 150,000.00	\$ 100,062.50	\$ 12,270.00	\$ 32,198.24	\$ 294,530.74
2039	\$ 155,000.00	\$ 94,250.00	\$ 11,520.00	\$ 32,842.21	\$ 293,612.21
2040	\$ 161,000.00	\$ 88,243.76	\$ 10,745.00	\$ 33,499.05	\$ 293,487.81
2041	\$ 167,000.00	\$ 82,005.00	\$ 9,940.00	\$ 34,169.03	\$ 293,114.03
2042	\$ 173,000.00	\$ 75,116.26	\$ 9,105.00	\$ 34,852.42	\$ 292,073.68
2043	\$ 180,000.00	\$ 67,980.00	\$ 8,240.00	\$ 35,549.46	\$ 291,769.46
2044	\$ 186,000.00	\$ 60,555.00	\$ 7,340.00	\$ 36,260.45	\$ 290,155.45
2045	\$ 194,000.00	\$ 52,882.50	\$ 6,410.00	\$ 36,985.66	\$ 290,278.16
2046	\$ 201,000.00	\$ 44,880.00	\$ 5,440.00	\$ 37,725.38	\$ 289,045.38
2047	\$ 209,000.00	\$ 36,588.76	\$ 4,435.00	\$ 38,479.88	\$ 288,503.64
2048	\$ 217,000.00	\$ 27,967.50	\$ 3,390.00	\$ 39,249.48	\$ 287,606.98
2049	\$ 226,000.00	\$ 19,016.26	\$ 2,305.00	\$ 40,034.47	\$ 287,355.73
2050	\$ 235,000.00	\$ 9,693.76	\$ 1,175.00	\$ 40,835.16	\$ 286,703.92
Total	\$ 4,206,000.00	\$ 2,817,638.88	\$ 351,365.00	\$ 886,404.63	\$ 8,261,408.51

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT F-1 – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Property ID ^[b]	Major Improvement Area ^[a]	
	Outstanding Assessment	Annual Installment Due 1/31/2023 ^[c]
11912	\$ 2,843,486.35	\$ 222,349.81
73541	\$ 240,534.23	\$ 18,808.86
73543	\$ 515,979.42	\$ 40,347.63
Total	\$ 3,600,000.00	\$ 281,506.30

Notes:

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

[b] For billing purposes, the outstanding Assessment and Annual Installment will be allocated to each Property ID pro rata based on acreage.

[c] The Annual Installment covers the period August 15, 2022 to August 14, 2023 and is due by January 31, 2023.

EXHIBIT F-2 – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest	Additional Interest	Annual Collection Costs	Total Annual Installment
2023	\$ 74,000.00	\$ 167,605.00	\$ 18,000.00	\$ 21,901.30	\$ 281,506.30
2024	\$ 76,000.00	\$ 164,552.50	\$ 17,630.00	\$ 22,339.33	\$ 280,521.83
2025	\$ 79,000.00	\$ 161,417.50	\$ 17,250.00	\$ 22,786.11	\$ 280,453.61
2026	\$ 82,000.00	\$ 158,158.76	\$ 16,855.00	\$ 23,241.83	\$ 280,255.59
2027	\$ 84,000.00	\$ 154,776.26	\$ 16,445.00	\$ 23,706.67	\$ 278,927.93
2028	\$ 87,000.00	\$ 151,311.26	\$ 16,025.00	\$ 24,180.80	\$ 278,517.06
2029	\$ 90,000.00	\$ 147,722.50	\$ 15,590.00	\$ 24,664.42	\$ 277,976.92
2030	\$ 93,000.00	\$ 144,010.00	\$ 15,140.00	\$ 25,157.71	\$ 277,307.71
2031	\$ 97,000.00	\$ 140,173.76	\$ 14,675.00	\$ 25,660.86	\$ 277,509.62
2032	\$ 100,000.00	\$ 135,687.50	\$ 14,190.00	\$ 26,174.08	\$ 276,051.58
2033	\$ 104,000.00	\$ 131,062.50	\$ 13,690.00	\$ 26,697.56	\$ 275,450.06
2034	\$ 109,000.00	\$ 126,252.50	\$ 13,170.00	\$ 27,231.51	\$ 275,654.01
2035	\$ 113,000.00	\$ 121,211.26	\$ 12,625.00	\$ 27,776.14	\$ 274,612.40
2036	\$ 118,000.00	\$ 115,985.00	\$ 12,060.00	\$ 28,331.67	\$ 274,376.67
2037	\$ 123,000.00	\$ 110,527.50	\$ 11,470.00	\$ 28,898.30	\$ 273,895.80
2038	\$ 128,000.00	\$ 104,838.76	\$ 10,855.00	\$ 29,476.27	\$ 273,170.03
2039	\$ 133,000.00	\$ 98,918.76	\$ 10,215.00	\$ 30,065.79	\$ 272,199.55
2040	\$ 138,000.00	\$ 92,767.50	\$ 9,550.00	\$ 30,667.11	\$ 270,984.61
2041	\$ 144,000.00	\$ 86,385.00	\$ 8,860.00	\$ 31,280.45	\$ 270,525.45
2042	\$ 151,000.00	\$ 79,365.00	\$ 8,140.00	\$ 31,906.06	\$ 270,411.06
2043	\$ 157,000.00	\$ 72,003.76	\$ 7,385.00	\$ 32,544.18	\$ 268,932.94
2044	\$ 164,000.00	\$ 64,350.00	\$ 6,600.00	\$ 33,195.06	\$ 268,145.06
2045	\$ 172,000.00	\$ 56,355.00	\$ 5,780.00	\$ 33,858.96	\$ 267,993.96
2046	\$ 180,000.00	\$ 47,970.00	\$ 4,920.00	\$ 34,536.14	\$ 267,426.14
2047	\$ 188,000.00	\$ 39,195.00	\$ 4,020.00	\$ 35,226.87	\$ 266,441.87
2048	\$ 196,000.00	\$ 30,030.00	\$ 3,080.00	\$ 35,931.40	\$ 265,041.40
2049	\$ 205,000.00	\$ 20,475.00	\$ 2,100.00	\$ 36,650.03	\$ 264,225.03
2050	\$ 215,000.00	\$ 10,481.26	\$ 1,075.00	\$ 37,383.03	\$ 263,939.29
Total	\$ 3,600,000.00	\$ 2,933,588.84	\$ 307,395.00	\$ 811,469.67	\$ 7,652,453.51

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 – IMPROVEMENT AREA #2 ASSESSMENT ROLL

		Improvement Area #2 ^[a]	
Property ID ^[b]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 ^[c]
11912	Improvement Area #2 Initial Parcel	\$ 13,291,718.98	\$ 745,928.12
73541	Improvement Area #2 Initial Parcel	\$ 1,124,363.89	\$ 63,099.03
73543	Improvement Area #2 Initial Parcel	\$ 2,411,917.13	\$ 135,356.22
Total		\$ 16,828,000.00	\$ 944,383.37

Notes:

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

[b] For billing purposes, the outstanding Assessment and Annual Installment will be allocated to each Property ID pro rata based on acreage.

[c] The Annual Installment covers the period August 15, 2022 to August 14, 2023 and is due by January 31, 2023.

EXHIBIT G-2 – IMPROVEMENT AREA #2 ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest ²	Additional Interest	Annual Collection Costs	Total Annual Installment ¹
2023	\$ -	\$ 812,418.44	\$ 84,140.00	\$ 47,824.93	\$ 944,383.37
2024	\$ 233,000.00	\$ 925,540.00	\$ 84,140.00	\$ 48,781.43	\$ 1,291,461.43
2025	\$ 246,000.00	\$ 912,725.00	\$ 82,975.00	\$ 49,757.06	\$ 1,291,457.06
2026	\$ 260,000.00	\$ 899,195.00	\$ 81,745.00	\$ 50,752.20	\$ 1,291,692.20
2027	\$ 276,000.00	\$ 884,895.00	\$ 80,445.00	\$ 51,767.24	\$ 1,293,107.24
2028	\$ 293,000.00	\$ 869,715.00	\$ 79,065.00	\$ 52,802.59	\$ 1,294,582.59
2029	\$ 310,000.00	\$ 853,600.00	\$ 77,600.00	\$ 53,858.64	\$ 1,295,058.64
2030	\$ 328,000.00	\$ 836,550.00	\$ 76,050.00	\$ 54,935.81	\$ 1,295,535.81
2031	\$ 347,000.00	\$ 818,510.00	\$ 74,410.00	\$ 56,034.53	\$ 1,295,954.53
2032	\$ 368,000.00	\$ 799,425.00	\$ 72,675.00	\$ 57,155.22	\$ 1,297,255.22
2033	\$ 389,000.00	\$ 779,185.00	\$ 70,835.00	\$ 58,298.32	\$ 1,297,318.32
2034	\$ 412,000.00	\$ 757,790.00	\$ 68,890.00	\$ 59,464.29	\$ 1,298,144.29
2035	\$ 436,000.00	\$ 735,130.00	\$ 66,830.00	\$ 60,653.58	\$ 1,298,613.58
2036	\$ 462,000.00	\$ 711,150.00	\$ 64,650.00	\$ 61,866.65	\$ 1,299,666.65
2037	\$ 489,000.00	\$ 685,740.00	\$ 62,340.00	\$ 63,103.98	\$ 1,300,183.98
2038	\$ 518,000.00	\$ 658,845.00	\$ 59,895.00	\$ 64,366.06	\$ 1,301,106.06
2039	\$ 548,000.00	\$ 630,355.00	\$ 57,305.00	\$ 65,653.38	\$ 1,301,313.38
2040	\$ 581,000.00	\$ 600,215.00	\$ 54,565.00	\$ 66,966.45	\$ 1,302,746.45
2041	\$ 615,000.00	\$ 568,260.00	\$ 51,660.00	\$ 68,305.78	\$ 1,303,225.78
2042	\$ 651,000.00	\$ 534,435.00	\$ 48,585.00	\$ 69,671.89	\$ 1,303,691.89
2043	\$ 691,000.00	\$ 498,630.00	\$ 45,330.00	\$ 71,065.33	\$ 1,306,025.33
2044	\$ 732,000.00	\$ 460,625.00	\$ 41,875.00	\$ 72,486.64	\$ 1,306,986.64
2045	\$ 774,000.00	\$ 420,365.00	\$ 38,215.00	\$ 73,936.37	\$ 1,306,516.37
2046	\$ 820,000.00	\$ 377,795.00	\$ 34,345.00	\$ 75,415.10	\$ 1,307,555.10
2047	\$ 869,000.00	\$ 332,695.00	\$ 30,245.00	\$ 76,923.40	\$ 1,308,863.40
2048	\$ 921,000.00	\$ 284,900.00	\$ 25,900.00	\$ 78,461.87	\$ 1,310,261.87
2049	\$ 976,000.00	\$ 234,245.00	\$ 21,295.00	\$ 80,031.10	\$ 1,311,571.10
2050	\$ 1,033,000.00	\$ 180,565.00	\$ 16,415.00	\$ 81,631.73	\$ 1,311,611.73
2051	\$ 1,093,000.00	\$ 123,750.00	\$ 11,250.00	\$ 83,264.36	\$ 1,311,264.36
2052	\$ 1,157,000.00	\$ 63,635.00	\$ 5,785.00	\$ 84,929.65	\$ 1,311,349.65
Total	\$ 16,828,000.00	\$ 18,250,883.44	\$ 1,669,455.00	\$ 1,940,165.55	\$ 38,688,503.99

Notes:

- 1) The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.
- 2) Interest preliminarily calculated at 5.50% for illustrative purposes only.

EXHIBIT H-1 – MAP OF IMPROVEMENT AREA #1 IMPROVEMENTS

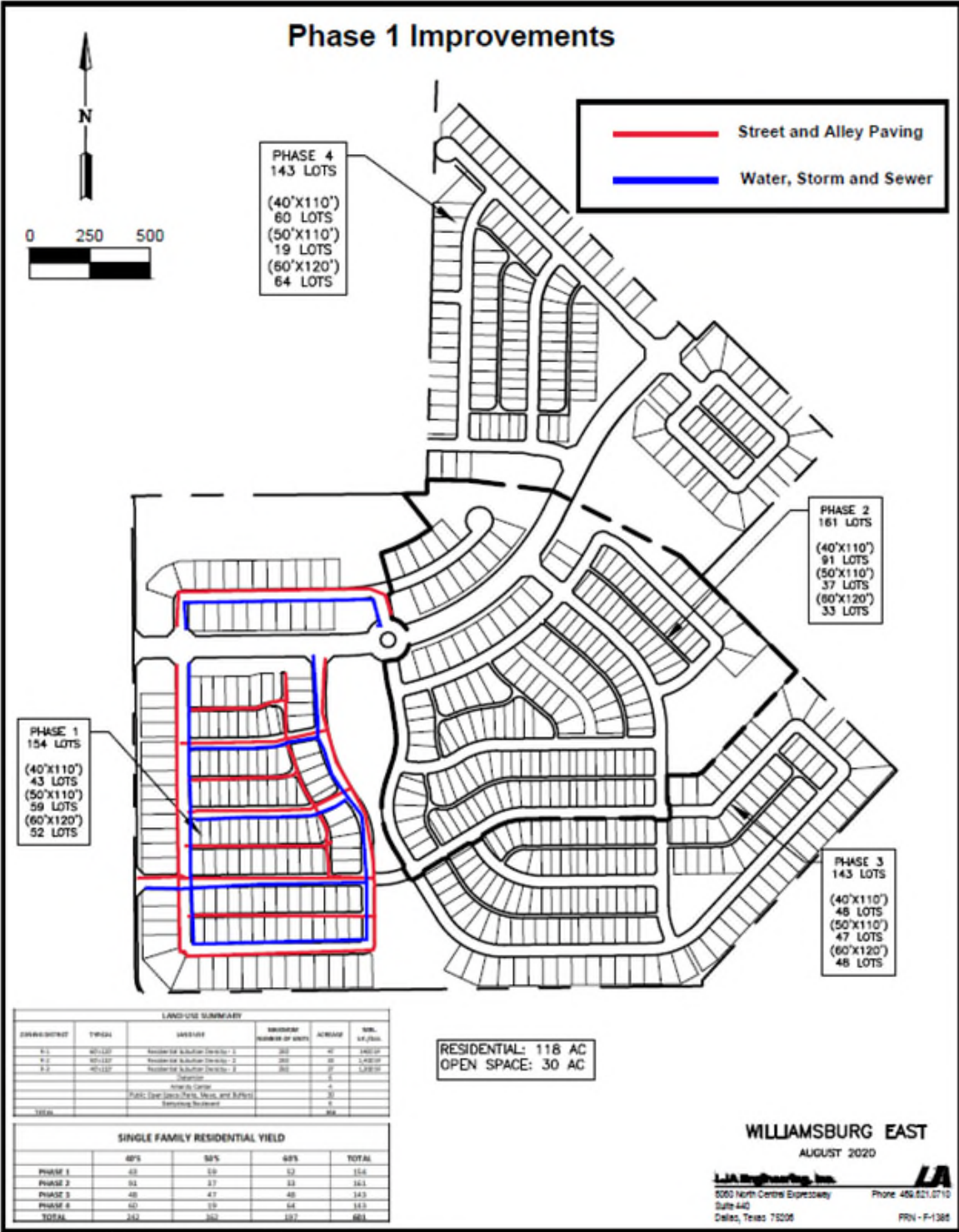


EXHIBIT H-2 – MAP OF MAJOR IMPROVEMENTS



Edgewater Amenity & Open Space Location



Edgewater Phase 1

Includes

- Parking ★
- Pool/Pavilion/Deck ●
- Open Lawn/Green Space ▲
- Playground ⬡



EXHIBIT H-3 – MAP OF IMPROVEMENT AREA #2 IMPROVEMENTS

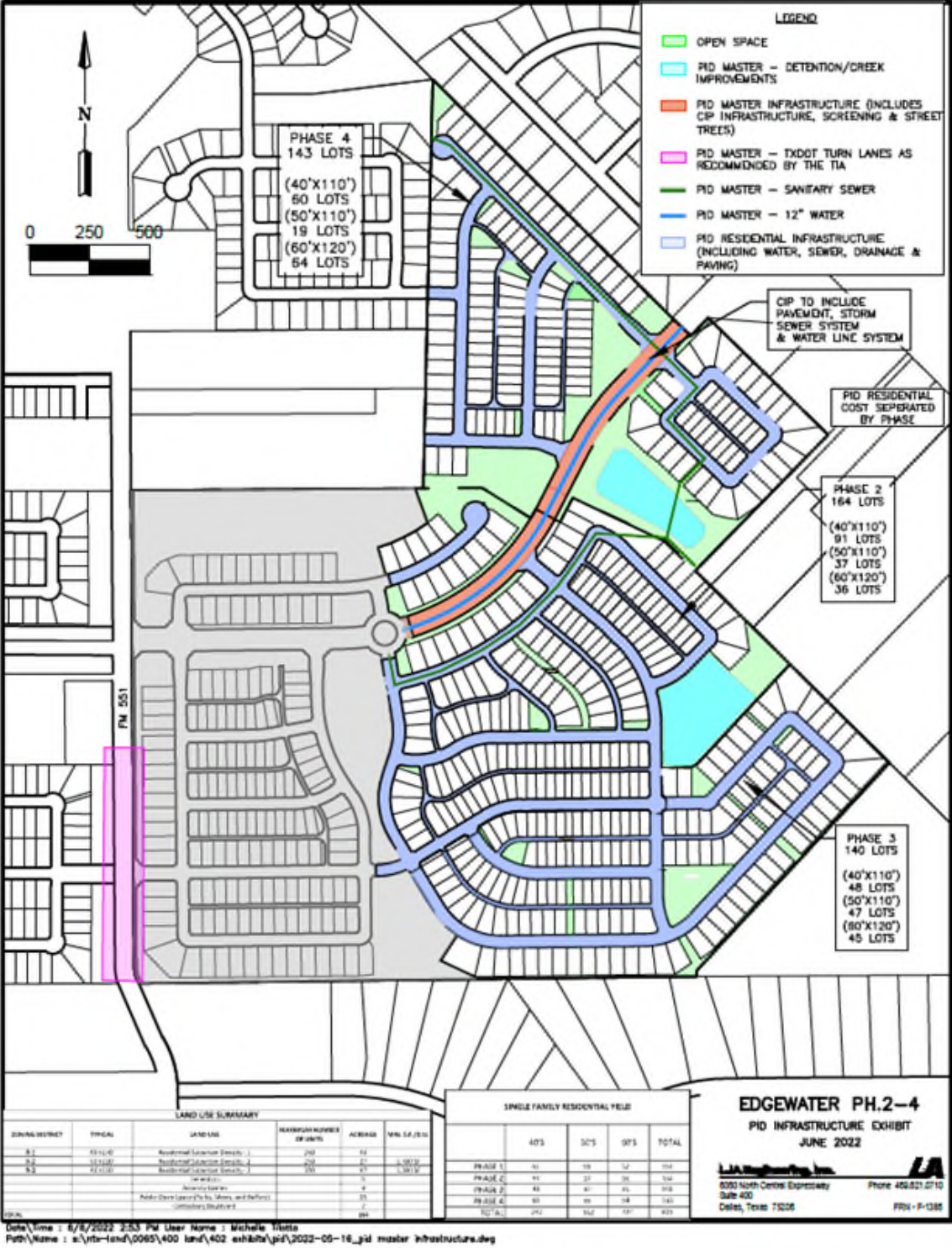


EXHIBIT I – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

				Improvement Area #1 Bonds		Major Improvement Area Bonds		Improvement Area #2 Bonds		Total				
Lot Type	Units ¹	Estimated Buildout Value per Unit ¹	Total Estimated Buildout Value	Assessment	Per Unit	Assessment	Per Unit	Assessment	Per Unit	Maximum Assessment	Maximum Assessment per Unit	Average Annual Installment	Average Annual Installment Per Unit	PID Tax Rate Equivalent ²
<i>Improvement Area #1</i>														
Lot Type 1 (40' Lot)	43	\$ 280,000	\$ 12,040,000	\$ 1,047,698	\$ 24,365	\$ -	\$ -	\$ -	\$ -	\$ 1,047,698	\$ 24,365	\$ 79,268	\$ 1,843	\$ 0.6584
Lot Type 2 (50' Lot)	59	\$ 325,000	\$ 19,175,000	\$ 1,668,572	\$ 28,281	\$ -	\$ -	\$ -	\$ -	\$ 1,668,572	\$ 28,281	\$ 126,242	\$ 2,140	\$ 0.6584
Lot Type 3 (60' Lot)	52	\$ 350,000	\$ 18,200,000	\$ 1,583,730	\$ 30,456	\$ -	\$ -	\$ -	\$ -	\$ 1,583,730	\$ 30,456	\$ 119,823	\$ 2,304	\$ 0.6584
Improvement Area #1 Total	154		\$ 49,415,000	\$ 4,300,000		\$ -		\$ -		\$ 4,300,000		\$ 325,333		
<i>Improvement Area #2</i>														
Lot Type 4 (40' Lot)	199	\$ 475,000	\$ 94,525,000	\$ -	\$ -	\$ 1,407,320	\$ 7,072	\$ 6,578,440	\$ 33,057	\$ 7,985,760	\$ 40,129	\$ 615,231	\$ 3,092	\$ 0.6509
Lot Type 5 (50' Lot)	103	\$ 550,000	\$ 56,650,000	\$ -	\$ -	\$ 843,424	\$ 8,189	\$ 3,942,540	\$ 38,277	\$ 4,785,964	\$ 46,466	\$ 368,716	\$ 3,580	\$ 0.6509
Lot Type 6 (60' Lot)	145	\$ 625,000	\$ 90,625,000	\$ -	\$ -	\$ 1,349,256	\$ 9,305	\$ 6,307,020	\$ 43,497	\$ 7,656,276	\$ 52,802	\$ 589,848	\$ 4,068	\$ 0.6509
Improvement Area #2 Total	447		\$ 241,800,000	\$ -		\$ 3,600,000		\$ 16,828,000		\$ 20,428,000		\$ 1,573,795		

Notes:

- 1) Source: Owner. Preliminary and subject to change.
- 2) Excludes Operations and Maintenance Assessment, which shall not exceed \$0.06, plus Annual Collection Costs.

EXHIBIT J – FORM OF NOTICE OF ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Rockwall County Clerk's Office
Honorable [County Clerk Name]
Rockwall County Courts Building
1111 E Yellowjacket Lane, Suite 100
Rockwall, TX 75087

Re: City of Fate Lien Release Documents for Filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Fate is requesting to be filed in your office. Lien release for [insert legal description] created by Document/Instrument No. [Plat]. Please forward copies of the filed documents below:

City of Fate
Attn: [City Secretary]
1900 CD Boren Pkwy
Fate, TX 75087

Please contact me if you have any questions or need additional information.

Sincerely,

[Signature]

P3Works, LLC
P: (817) 393-0353
admin@p3-works.com

AFTER RECORDING RETURN TO:

**[City Secretary Name]
1900 CD Boren Pkwy
Fate, TX 75087**

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

**STATE OF TEXAS §
KNOW ALL MEN BY THESE PRESENTS: §
COUNTY OF ROCKWALL §**

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Fate, Texas.

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of Fate, Texas (hereinafter referred to as the "City"), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the City; and

WHEREAS, on July 6, 2020, the City Council for the City, approved Resolution No. R-2020-043 (the "Creation Resolution"), creating the Williamsburg East Public Improvement District; and

WHEREAS, the Williamsburg East Public Improvement District consists of approximately 163.568 contiguous acres within the corporate limits of the City; and

WHEREAS, on or about October 19, 2020, the City Council approved Ordinance No. O-2020-029 (the "2020 Assessment Ordinance") approving a service and assessment plan and assessment roll for the Williamsburg East Public Improvement District; and

WHEREAS, on August 15, 2022, the City Council for the City approved Resolution No. R_____, amending the Creation Resolution to increase the estimated costs of the public improvements for the Williamsburg East Public Improvement District; and

WHEREAS, on or about September 6, 2022, the City Council approved Ordinance No. O-2022-____, (the "2022 Assessment Ordinance" and, together with the 2020 Assessment Ordinance, the "Assessment Ordinance") approving an amended and restated approving a service and assessment plan and assessment roll for the Williamsburg East Public Improvement District; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") for the following property:

[legal description], a subdivision in Rockwall County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Rockwall County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property owners of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Rockwall County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the ____ day of _____, 20__.

CITY OF FATE, TEXAS,

By: _____
[Manager Name], City Manager

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on the ____ day of _____, 20__, by [Manager Name], City Manager for the City of Fate, Texas, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT K-1 – DEBT SERVICE SCHEDULE FOR THE IMPROVEMENT AREA #1 BONDS



BOND DEBT SERVICE

City of Fate, Texas
Special Assessment Revenue Bonds, Series 2020
Williamsburg East Public Improvement District
Improvement Area #1 Project
Callable on 8/15/2028 @ par
Underwriter: FMSbonds, Inc.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021			48,300.67	48,300.67	
08/15/2021			82,020.00	82,020.00	
09/30/2021					130,320.67
02/15/2022			82,020.00	82,020.00	
08/15/2022	94,000	2.625%	82,020.00	176,020.00	
09/30/2022					258,040.00
02/15/2023			80,786.25	80,786.25	
08/15/2023	96,000	2.625%	80,786.25	176,786.25	
09/30/2023					257,572.50
02/15/2024			79,526.25	79,526.25	
08/15/2024	98,000	2.625%	79,526.25	177,526.25	
09/30/2024					257,052.50
02/15/2025			78,240.00	78,240.00	
08/15/2025	100,000	2.625%	78,240.00	178,240.00	
09/30/2025					256,480.00
02/15/2026			76,927.50	76,927.50	
08/15/2026	102,000	3.375%	76,927.50	178,927.50	
09/30/2026					255,855.00
02/15/2027			75,206.25	75,206.25	
08/15/2027	105,000	3.375%	75,206.25	180,206.25	
09/30/2027					255,412.50
02/15/2028			73,434.38	73,434.38	
08/15/2028	108,000	3.375%	73,434.38	181,434.38	
09/30/2028					254,868.76
02/15/2029			71,611.88	71,611.88	
08/15/2029	111,000	3.375%	71,611.88	182,611.88	
09/30/2029					254,223.76
02/15/2030			69,738.75	69,738.75	
08/15/2030	115,000	3.375%	69,738.75	184,738.75	
09/30/2030					254,477.50
02/15/2031			67,798.13	67,798.13	
08/15/2031	118,000	3.875%	67,798.13	185,798.13	
09/30/2031					253,596.26
02/15/2032			65,511.88	65,511.88	
08/15/2032	122,000	3.875%	65,511.88	187,511.88	
09/30/2032					253,023.76
02/15/2033			63,148.13	63,148.13	
08/15/2033	126,000	3.875%	63,148.13	189,148.13	
09/30/2033					252,296.26
02/15/2034			60,706.88	60,706.88	
08/15/2034	131,000	3.875%	60,706.88	191,706.88	
09/30/2034					252,413.76

BOND DEBT SERVICE

City of Fate, Texas
Special Assessment Revenue Bonds, Series 2020
Williamsburg East Public Improvement District
Improvement Area #1 Project
Callable on 8/15/2028 @ par
Underwriter: FMSbonds, Inc.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2035			58,168.75	58,168.75	
08/15/2035	135,000	3.875%	58,168.75	193,168.75	
09/30/2035					251,337.50
02/15/2036			55,553.13	55,553.13	
08/15/2036	140,000	3.875%	55,553.13	195,553.13	
09/30/2036					251,106.26
02/15/2037			52,840.63	52,840.63	
08/15/2037	145,000	3.875%	52,840.63	197,840.63	
09/30/2037					250,681.26
02/15/2038			50,031.25	50,031.25	
08/15/2038	150,000	3.875%	50,031.25	200,031.25	
09/30/2038					250,062.50
02/15/2039			47,125.00	47,125.00	
08/15/2039	155,000	3.875%	47,125.00	202,125.00	
09/30/2039					249,250.00
02/15/2040			44,121.88	44,121.88	
08/15/2040	161,000	3.875%	44,121.88	205,121.88	
09/30/2040					249,243.76
02/15/2041			41,002.50	41,002.50	
08/15/2041	167,000	4.125%	41,002.50	208,002.50	
09/30/2041					249,005.00
02/15/2042			37,558.13	37,558.13	
08/15/2042	173,000	4.125%	37,558.13	210,558.13	
09/30/2042					248,116.26
02/15/2043			33,990.00	33,990.00	
08/15/2043	180,000	4.125%	33,990.00	213,990.00	
09/30/2043					247,980.00
02/15/2044			30,277.50	30,277.50	
08/15/2044	186,000	4.125%	30,277.50	216,277.50	
09/30/2044					246,555.00
02/15/2045			26,441.25	26,441.25	
08/15/2045	194,000	4.125%	26,441.25	220,441.25	
09/30/2045					246,882.50
02/15/2046			22,440.00	22,440.00	
08/15/2046	201,000	4.125%	22,440.00	223,440.00	
09/30/2046					245,880.00
02/15/2047			18,294.38	18,294.38	
08/15/2047	209,000	4.125%	18,294.38	227,294.38	
09/30/2047					245,588.76
02/15/2048			13,983.75	13,983.75	
08/15/2048	217,000	4.125%	13,983.75	230,983.75	
09/30/2048					244,967.50

BOND DEBT SERVICE

City of Fate, Texas
Special Assessment Revenue Bonds, Series 2020
Williamsburg East Public Improvement District
Improvement Area #1 Project
Callable on 8/15/2028 @ par
Underwriter: FMSbonds, Inc.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2049			9,508.13	9,508.13	
08/15/2049	226,000	4.125%	9,508.13	235,508.13	
09/30/2049					245,016.26
02/15/2050			4,846.88	4,846.88	
08/15/2050	235,000	4.125%	4,846.88	239,846.88	
09/30/2050					244,693.76
	4,300,000		3,111,999.55	7,411,999.55	7,411,999.55

Note: FINAL NUMBERS

EXHIBIT K-2 – DEBT SERVICE SCHEDULE FOR THE MAJOR IMPROVEMENT AREA BONDS



BOND DEBT SERVICE

City of Fate, Texas
Special Assessment Revenue Bonds, Series 2020
Williamsburg East Public Improvement District
Major Improvement Area Project
Callable on 8/15/2028 @ par
Underwriter: FMSbonds, Inc.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021			49,350.36	49,350.36	
08/15/2021			83,802.50	83,802.50	
09/30/2021					133,152.86
02/15/2022			83,802.50	83,802.50	
08/15/2022			83,802.50	83,802.50	
09/30/2022					167,605.00
02/15/2023			83,802.50	83,802.50	
08/15/2023	74,000	4.125%	83,802.50	157,802.50	
09/30/2023					241,605.00
02/15/2024			82,276.25	82,276.25	
08/15/2024	76,000	4.125%	82,276.25	158,276.25	
09/30/2024					240,552.50
02/15/2025			80,708.75	80,708.75	
08/15/2025	79,000	4.125%	80,708.75	159,708.75	
09/30/2025					240,417.50
02/15/2026			79,079.38	79,079.38	
08/15/2026	82,000	4.125%	79,079.38	161,079.38	
09/30/2026					240,158.76
02/15/2027			77,388.13	77,388.13	
08/15/2027	84,000	4.125%	77,388.13	161,388.13	
09/30/2027					238,776.26
02/15/2028			75,655.63	75,655.63	
08/15/2028	87,000	4.125%	75,655.63	162,655.63	
09/30/2028					238,311.26
02/15/2029			73,861.25	73,861.25	
08/15/2029	90,000	4.125%	73,861.25	163,861.25	
09/30/2029					237,722.50
02/15/2030			72,005.00	72,005.00	
08/15/2030	93,000	4.125%	72,005.00	165,005.00	
09/30/2030					237,010.00
02/15/2031			70,086.88	70,086.88	
08/15/2031	97,000	4.625%	70,086.88	167,086.88	
09/30/2031					237,173.76
02/15/2032			67,843.75	67,843.75	
08/15/2032	100,000	4.625%	67,843.75	167,843.75	
09/30/2032					235,687.50
02/15/2033			65,531.25	65,531.25	
08/15/2033	104,000	4.625%	65,531.25	169,531.25	
09/30/2033					235,062.50
02/15/2034			63,126.25	63,126.25	
08/15/2034	109,000	4.625%	63,126.25	172,126.25	
09/30/2034					235,252.50

BOND DEBT SERVICE

City of Fate, Texas
Special Assessment Revenue Bonds, Series 2020
Williamsburg East Public Improvement District
Major Improvement Area Project
Callable on 8/15/2028 @ par
Underwriter: FMSbonds, Inc.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2035			60,605.63	60,605.63	
08/15/2035	113,000	4.625%	60,605.63	173,605.63	
09/30/2035					234,211.26
02/15/2036			57,992.50	57,992.50	
08/15/2036	118,000	4.625%	57,992.50	175,992.50	
09/30/2036					233,985.00
02/15/2037			55,263.75	55,263.75	
08/15/2037	123,000	4.625%	55,263.75	178,263.75	
09/30/2037					233,527.50
02/15/2038			52,419.38	52,419.38	
08/15/2038	128,000	4.625%	52,419.38	180,419.38	
09/30/2038					232,838.76
02/15/2039			49,459.38	49,459.38	
08/15/2039	133,000	4.625%	49,459.38	182,459.38	
09/30/2039					231,918.76
02/15/2040			46,383.75	46,383.75	
08/15/2040	138,000	4.625%	46,383.75	184,383.75	
09/30/2040					230,767.50
02/15/2041			43,192.50	43,192.50	
08/15/2041	144,000	4.875%	43,192.50	187,192.50	
09/30/2041					230,385.00
02/15/2042			39,682.50	39,682.50	
08/15/2042	151,000	4.875%	39,682.50	190,682.50	
09/30/2042					230,365.00
02/15/2043			36,001.88	36,001.88	
08/15/2043	157,000	4.875%	36,001.88	193,001.88	
09/30/2043					229,003.76
02/15/2044			32,175.00	32,175.00	
08/15/2044	164,000	4.875%	32,175.00	196,175.00	
09/30/2044					228,350.00
02/15/2045			28,177.50	28,177.50	
08/15/2045	172,000	4.875%	28,177.50	200,177.50	
09/30/2045					228,355.00
02/15/2046			23,985.00	23,985.00	
08/15/2046	180,000	4.875%	23,985.00	203,985.00	
09/30/2046					227,970.00
02/15/2047			19,597.50	19,597.50	
08/15/2047	188,000	4.875%	19,597.50	207,597.50	
09/30/2047					227,195.00
02/15/2048			15,015.00	15,015.00	
08/15/2048	196,000	4.875%	15,015.00	211,015.00	
09/30/2048					226,030.00

BOND DEBT SERVICE

City of Fate, Texas
Special Assessment Revenue Bonds, Series 2020
Williamsburg East Public Improvement District
Major Improvement Area Project
Callable on 8/15/2028 @ par
Underwriter: FMSbonds, Inc.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2049			10,237.50	10,237.50	
08/15/2049	205,000	4.875%	10,237.50	215,237.50	
09/30/2049					225,475.00
02/15/2050			5,240.63	5,240.63	
08/15/2050	215,000	4.875%	5,240.63	220,240.63	
09/30/2050					225,481.26
	3,600,000		3,234,346.70	6,834,346.70	6,834,346.70

Note: FINAL NUMBERS

EXHIBIT K-3 DEBT SERVICE SCHEDULE FOR THE IMPROVEMENT AREA #2 BONDS

[To be updated after pricing.]

EXHIBIT L-1 – DISTRICT LEGAL DESCRIPTION

District Legal Description

163.568 ACRES

BEING A 163.568 ACRE TRACT OF LAND SITUATED IN THE J.B. MERCHANT SURVEY, ABSTRACT NO. 159 AND THE J. THOMPSON SURVEY, ABSTRACT NO. 210, CITY OF FATE, ROCKWALL COUNTY, TEXAS, AND BEING ALL OF A 141.0 ACRE TRACT OF LAND CONVEYED TO FATE 551, LP, AS RECORDED IN VOLUME 3713, PAGE 79, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, ALL OF A 7.324 ACRE TRACT OF LAND, CONVEYED TO FATE 551, LP, AS RECORDED IN COUNTY CLERK'S FILE NO. 2008-00393658, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, AND ALL OF A 15.711 ACRE TRACT OF LAND, CONVEYED TO FATE 551, LP, AS RECORDED IN COUNTY CLERK'S FILE NO. 2008-00393719, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS. SAID 163.568 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DALLAS CORS ARP (PID-DF8984) AND COLLIN CORS ARP

(PID-DF8982), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD WITH CAP STAMPED "JDJR" FOUND FOR THE NORTH CORNER OF SAID 141.0 ACRE TRACT AND THE COMMON MOST EASTERLY NORTHEAST CORNER OF CHAMBERLAIN CROSSING, PHASE 6, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN COUNTY CLERK'S FILE NO. 20170000011834, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID POINT ALSO BEING ON THE SOUTHWEST LINE OF MELODY RANCH, PHASE II, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN CABINET F, SLIDE 49, PLAT RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 45 DEGREES 34 MINUTES 24 SECONDS EAST, ALONG THE NORTHEAST LINE OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTHWEST LINE OF SAID MELODY RANCH, PHASE II, PASSING AT A DISTANCE OF 550.37 FEET A 1/2" IRON ROD FOUND, AND CONTINUING A TOTAL DISTANCE OF 1411.65 FEET TO A 1/2" IRON ROD FOUND FOR AN ANGLE POINT ON THE NORTHEAST LINE OF SAID 141.0 ACRE TRACT, THE COMMON SOUTH CORNER OF SAID MELODY RANCH, PHASE II, AND THE COMMON WEST CORNER OF A TRACT OF LAND CONVEYED TO RONALD L. AND BEVERLY F. KELLEY, AS RECORDED IN VOLUME 722, PAGE 137, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING PART OF LOT 1 OF WINDY HILL ESTATES, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN CABINET C, SLIDE 155, MAP RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 46 DEGREES 42 MINUTES 00 SECONDS EAST, CONTINUING ALONG THE NORTHEAST LINE OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTHWEST LINE OF SAID KELLEY TRACT, A DISTANCE OF 108.73 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 141.0 ACRE TRACT, THE COMMON SOUTH CORNER OF SAID KELLEY TRACT, AND THE COMMON NORTHWEST CORNER OF AFORESAID 7.324 ACRE TRACT;

THENCE, NORTH 43 DEGREES 58 MINUTES 10 SECONDS EAST, ALONG THE NORTHWEST LINE OF SAID 7.324 ACRE TRACT AND A COMMON SOUTHEAST LINE OF SAID KELLEY TRACT, A DISTANCE OF 104.89 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTH CORNER OF SAID 7.324 ACRE TRACT, A COMMON SOUTH CORNER OF SAID KELLEY TRACT, AND A NORTHWEST CORNER OF THE REMAINDER OF A 12.30 ACRE TRACT OF LAND CONVEYED TO AZMI DISI, AS RECORDED IN COUNTY CLERK'S FILE NO. 2011-00455625, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING PARTS OF LOT 1 AND 2 OF SAID WINDY HILL ESTATES;

THENCE, SOUTH 46 DEGREES 09 MINUTES 12 SECONDS EAST, ALONG THE NORTHEAST LINE OF SAID 7.324 ACRE TRACT, A DISTANCE OF 699.74 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE EAST CORNER OF SAID 7.324 ACRE TRACT, SAID POINT BEING ON THE SOUTHEAST LINE OF SAID 12.30 ACRE TRACT AND THE COMMON NORTHWEST LINE OF A 4.694 ACRE TRACT OF LAND CONVEYED TO GRADY AND

SHIRLEY WILLIAMS, AS RECORDED IN COUNTY CLERK'S FILE NO. 2008-00407839, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING PART OF LOT 3 OF SAID WINDY HILL ESTATES;

THENCE, SOUTH 43 DEGREES 50 MINUTES 47 SECONDS WEST, ALONG THE SOUTHEAST LINE OF SAID 7.324 ACRE TRACT AND THE COMMON NORTHWEST LINE OF SAID 4.694 ACRE TRACT, A DISTANCE OF 794.03 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "U.S.A. INC." FOUND FOR THE SOUTH CORNER OF SAID 7.324 ACRE TRACT AND THE COMMON WEST CORNER OF SAID 4.694 ACRE TRACT, SAID POINT BEING ON THE NORTHEAST LINE OF AFORESAID 15.711 ACRE TRACT;

THENCE, SOUTH 45 DEGREES 44 MINUTES 56 SECONDS EAST, ALONG THE NORTHEAST LINE OF SAID 15.711 ACRE TRACT AND THE COMMON SOUTHWEST LINE OF SAID 4.694 ACRE TRACT, PASSING AT A DISTANCE OF 335.71 FEET A 1/2" IRON ROD FOUND FOR THE SOUTH CORNER OF SAID 4.694 ACRE TRACT AND THE COMMON WEST CORNER OF A 13.00 ACRE TRACT OF LAND CONVEYED TO STEVE M. BOYD, AS RECORDED IN COUNTY CLERK'S FILE NO. 2011-00449355, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING LOT 4 OF SAID WINDY HILL ESTATES, CONTINUING ALONG SAID NORTHEAST LINE AND COMMON SOUTHWEST LINE OF SAID BOYD TRACT, PASSING AT A DISTANCE OF 770.37 FEET A 1/2" IRON ROD FOUND FOR THE SOUTH CORNER OF SAID BOYD TRACT AND THE COMMON WEST CORNER OF A 13.00 ACRE TRACT OF LAND CONVEYED TO TOMAS JIMENEZ AND MARIA ELENA JIMENEZ, AS RECORDED IN COUNTY CLERK'S FILE NO. 20150000003027, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING LOT 5 OF SAID WINDY HILL ESTATES, CONTINUING ALONG SAID NORTHEAST LINE AND COMMON SOUTHWEST LINE OF SAID JIMENEZ TRACT, A TOTAL DISTANCE OF 1141.50 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE EAST CORNER OF SAID 15.711 ACRE TRACT, SAID POINT BEING ON A NORTHEAST LINE OF THE REMAINDER OF A 33.59 ACRE TRACT OF LAND CONVEYED TO TREVER NELSON AND WIFE, ROBIN NELSON, AS RECORDED IN VOLUME 2042, PAGE 164, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 42 DEGREES 20 MINUTES 00 SECONDS WEST, ALONG THE SOUTHEAST LINE OF SAID 15.711 ACRE TRACT, A DISTANCE OF 1186.70 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTH CORNER OF SAID 15.711 ACRE TRACT, SAID POINT BEING ON THE EAST LINE OF AFORESAID 141.0 ACRE TRACT;

THENCE, SOUTH 00 DEGREES 53 MINUTES 09 SECONDS EAST, ALONG SAID EAST LINE, A DISTANCE OF 23.03 FEET TO A CONCRETE MONUMENT FOUND FOR THE SOUTHEAST CORNER OF SAID 141.0 ACRE TRACT, SAID POINT BEING ON THE NORTH LINE OF SMITH ACRES, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN CABINET B, PAGE 107, PLAT RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 88 DEGREES 49 MINUTES 06 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 141.0 ACRE TRACT AND THE COMMON NORTH LINE OF SAID SMITH ACRES, PASSING AT A DISTANCE OF 1527.65 FEET A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID SMITH ACRES AND THE COMMON NORTHEAST CORNER OF A 6.892 ACRE TRACT OF LAND CONVEYED TO MARIO VILLEGAS AND MARIA VILLEGAS, AS RECORDED IN COUNTY CLERK'S FILE NO. 2012-00470706, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, AND CONTINUING ALONG SAID SOUTH LINE AND ALONG THE COMMON NORTH LINE OF SAID 6.892 ACRE TRACT A TOTAL DISTANCE OF 2329.94 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTHWEST CORNER OF SAID 141.0 ACRE TRACT AND THE COMMON NORTHWEST CORNER OF SAID 6.892 ACRE TRACT, SAID POINT ALSO BEING ON THE EAST RIGHT-OF-WAY LINE OF FARM-TO-MARKET ROAD NO. 551 (A VARIABLE WIDTH RIGHT-OF-WAY), AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 32 DEGREES 56 MINUTES 34 SECONDS, A RADIUS OF 125.11 FEET, AND A LONG CHORD THAT BEARS NORTH 17 DEGREES 19 MINUTES 36 SECONDS WEST, A DISTANCE OF 70.95 FEET;

THENCE, ALONG A WEST LINE OF SAID 141.0 ACRE TRACT AND SAID EAST RIGHT-OF-WAY LINE, THE FOLLOWING COURSES AND DISTANCES:

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 71.94 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 00 DEGREES 50 MINUTES 04 SECONDS WEST, A DISTANCE OF 1785.43 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 01 DEGREES 13 MINUTES 55 SECONDS WEST, A DISTANCE OF 207.62 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "RSCI RPLS 5034" FOUND FOR AN EXTERIOR ELL CORNER OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTHWEST CORNER OF A 9.43 ACRE TRACT OF LAND CONVEYED TO BEVERLY RAGER, AS RECORDED IN VOLUME 3259, PAGE 20, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, NORTH 89 DEGREES 05 MINUTES 28 SECONDS EAST, ALONG A NORTH LINE OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTH LINE OF SAID 9.43 ACRE TRACT, A DISTANCE OF 1222.31 FEET TO A 1/2" IRON ROD FOUND FOR AN INTERIOR ELL CORNER OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF SAID 9.43 ACRE TRACT, FROM WHICH A 1/2" IRON ROD FOUND BEARS NORTH 26 DEGREES 21 MINUTES 10 SECONDS EAST, A DISTANCE OF 24.76 FEET;

THENCE, NORTH 00 DEGREES 51 MINUTES 01 SECONDS EAST, ALONG A WEST LINE OF SAID 141.0 ACRE TRACT, THE COMMON EAST LINE OF SAID 9.43 ACRE TRACT, THE COMMON EAST LINE OF A 6.983 ACRE TRACT OF LAND CONVEYED TO GEORGE ANDREA, AS RECORDED IN COUNTY CLERK'S FILE NO. 2014000017338, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, AND THE COMMON EAST LINE OF AFORESAID CHAMBERLAIN CROSSING, PHASE 6, PASSING AT A DISTANCE OF 1220.02 FEET A 5/8" IRON ROD WITH CAP STAMPED "CBI" FOUND, AND CONTINUING ALONG SAID COMMON LINE A TOTAL DISTANCE OF 1709.75 FEET TO THE POINT OF BEGINNING AND CONTAINING A CALCULATED AREA OF 163.568 ACRES, OR 7,125,032 SQUARE FEET OF LAND.

EXHIBIT L-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

Improvement Area 1 Legal Description 53.443 ACRES

BEING A 53.443 ACRE TRACT OF LAND SITUATED IN THE J.B. MERCHANT SURVEY, ABSTRACT NO. 159, CITY OF FATE, ROCKWALL COUNTY, TEXAS, AND BEING PART OF A 140.0 ACRE TRACT OF LAND CONVEYED TO FATE 551, LP, AS RECORDED IN VOLUME 3713, PAGE 79, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS. SAID 53.443 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DALLAS CORS ARP (PID-DF8984) AND COLLIN CORS ARP (PID-DF8982), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD WITH CAP STAMPED "RSCI RPLS 5034" FOUND FOR THE WESTERN MOST NORTHWEST CORNER OF SAID 140.0 ACRE TRACT, AND THE COMMON SOUTHWEST CORNER OF A 9.43 ACRE TRACT OF LAND CONVEYED TO BEVERLY RAGER, AS RECORDED IN VOLUME 3259, PAGE 20, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS. SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF FARM TO MARKET ROAD NO. 551, (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE, NORTH 89 DEGREES 05 MINUTES 28 SECONDS EAST, ALONG THE NORTH LINE OF SAID 140.0 ACRE TRACT AND THE COMMON SOUTH LINE OF SAID 9.43 ACRE TRACT, A DISTANCE OF 1187.05 FEET TO A POINT FOR CORNER, FROM WHICH A 1/2" IRON ROD FOUND FOR AN INTERIOR ELL CORNER OF SAID 140.0 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF SAID 9.43 ACRE TRACT BEARS, NORTH 89 DEGREES 05 MINUTES 28 SECONDS EAST, A DISTANCE OF 35.26 FEET;

THENCE, OVER AND ACROSS SAID 140.0 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 20 DEGREES 31 MINUTES 50 SECONDS EAST, A DISTANCE OF 153.26 FEET TO A POINT FOR CORNER;

SOUTH 55 DEGREES 24 MINUTES 12 SECONDS WEST, A DISTANCE OF 58.17 FEET TO A POINT FOR CORNER;

SOUTH 60 DEGREES 35 MINUTES 18 SECONDS WEST, A DISTANCE OF 58.17 FEET TO A POINT FOR CORNER;

SOUTH 65 DEGREES 46 MINUTES 25 SECONDS WEST, A DISTANCE OF 58.17 FEET TO A POINT FOR CORNER;

SOUTH 70 DEGREES 57 MINUTES 31 SECONDS WEST, A DISTANCE OF 58.17 FEET TO A POINT FOR CORNER;

SOUTH 16 DEGREES 26 MINUTES 56 SECONDS EAST, A DISTANCE OF 171.00 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 00 DEGREES 45 MINUTES 37 SECONDS, A RADIUS OF 814.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 73 DEGREES 55 MINUTES 53 SECONDS WEST, A DISTANCE OF 10.80 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 10.80 FEET TO A POINT FOR CORNER;

SOUTH 30 DEGREES 53 MINUTES 44 SECONDS WEST, A DISTANCE OF 14.44 FEET TO A POINT FOR CORNER;

SOUTH 12 DEGREES 52 MINUTES 21 SECONDS EAST, A DISTANCE OF 6.68 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 03 DEGREES 38 MINUTES 53 SECONDS, A RADIUS OF 1030.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 11 DEGREES 02 MINUTES 54 SECONDS EAST, A DISTANCE OF 65.57 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 65.58 FEET TO A POINT FOR CORNER;

SOUTH 09 DEGREES 13 MINUTES 27 SECONDS EAST, A DISTANCE OF 21.57 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 35 DEGREES 07 MINUTES 32 SECONDS, A RADIUS OF 90.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 62 DEGREES 11 MINUTES 25 SECONDS EAST, A DISTANCE OF 54.32 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 55.18 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 01 DEGREE 11 MINUTES 33 SECONDS, A RADIUS OF 955.00 FEET, AND A LONG CHORD THAT BEARS NORTH 72 DEGREES 27 MINUTES 52 SECONDS EAST, A DISTANCE OF 19.88 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 19.88 FEET TO A POINT FOR CORNER;

SOUTH 17 DEGREES 31 MINUTES 55 SECONDS EAST, A DISTANCE OF 90.00 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 01 DEGREE 20 MINUTES 32 SECONDS, A RADIUS OF 1045.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 72 DEGREES 35 MINUTES 27 SECONDS WEST, A DISTANCE OF 24.48 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 24.48 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 45 DEGREES 52 MINUTES 54 SECONDS, A RADIUS OF 90.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 38 DEGREES 21 MINUTES 49 SECONDS WEST, A DISTANCE OF 70.16 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 72.07 FEET TO A POINT FOR CORNER;

SOUTH 09 DEGREES 13 MINUTES 27 SECONDS EAST, A DISTANCE OF 10.00 FEET TO A POINT FOR CORNER;

SOUTH 80 DEGREES 46 MINUTES 33 SECONDS WEST, A DISTANCE OF 60.00 FEET TO A POINT FOR CORNER;

SOUTH 09 DEGREES 13 MINUTES 27 SECONDS EAST, A DISTANCE OF 84.63 FEET TO A POINT FOR CORNER;

SOUTH 13 DEGREES 17 MINUTES 01 SECOND EAST, A DISTANCE OF 70.63 FEET TO A POINT FOR CORNER;

SOUTH 09 DEGREES 13 MINUTES 27 SECONDS EAST, A DISTANCE OF 117.55 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 26 DEGREES 56 MINUTES 38 SECONDS, A RADIUS OF 275.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 04 DEGREES 14 MINUTES 52 SECONDS WEST, A DISTANCE OF 128.13 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 129.32 FEET TO A POINT FOR CORNER;

SOUTH 17 DEGREES 43 MINUTES 11 SECONDS WEST, A DISTANCE OF 99.33 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 49 DEGREES 34

MINUTES 00 SECONDS, A RADIUS OF 325.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 07 DEGREES 03 MINUTES 49 SECONDS EAST, A DISTANCE OF 272.47 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 281.16 FEET TO A POINT FOR CORNER;

SOUTH 31 DEGREES 50 MINUTES 49 SECONDS EAST, A DISTANCE OF 86.88 FEET TO A POINT FOR CORNER;

SOUTH 17 DEGREES 21 MINUTES 16 SECONDS WEST, A DISTANCE OF 13.07 FEET TO A POINT FOR CORNER;

SOUTH 31 DEGREES 48 MINUTES 44 SECONDS EAST, A DISTANCE OF 50.58 FEET TO A POINT FOR CORNER;

SOUTH 73 DEGREES 17 MINUTES 40 SECONDS EAST, A DISTANCE OF 14.99 FEET TO A POINT FOR CORNER;

SOUTH 31 DEGREES 50 MINUTES 49 SECONDS EAST, A DISTANCE OF 192.55 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 25 DEGREES 28 MINUTES 31 SECONDS, A RADIUS OF 325.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 44 DEGREES 35 MINUTES 04 SECONDS EAST, A DISTANCE OF 143.32 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 144.50 FEET TO A POINT FOR CORNER;

SOUTH 32 DEGREES 40 MINUTES 41 SECONDS WEST, A DISTANCE OF 127.76 FEET TO A POINT FOR CORNER;

SOUTH 65 DEGREES 14 MINUTES 20 SECONDS EAST, A DISTANCE OF 157.78 FEET TO A POINT FOR CORNER;

SOUTH 01 DEGREE 10 MINUTES 54 SECONDS EAST, A DISTANCE OF 10.00 FEET TO A POINT FOR CORNER ON THE SOUTH LINE OF SAID 140.0 ACRE TRACT AND THE COMMON NORTH LINE OF SMITH ACRES, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN CABINET B PAGE 107, PLAT RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 88 DEGREES 49 MINUTES 06 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 140.0 ACRE TRACT AND THE COMMON NORTH LINE OF SAID SMITH ACRES, PASSING AT A DISTANCE OF 600.22 FEET, A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID SMITH ACRES AND THE COMMON NORTHEAST CORNER OF A 6.892 ACRE TRACT OF LAND CONVEYED TO MARIO VILLEGAS AND MARIA VILLEGAS, AS RECORDED IN COUNTY CLERK'S FILE NO. 2012-00470706, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, AND CONTINUING ALONG SAID SOUTH LINE AND THE COMMON NORTH LINE OF SAID 6.892 ACRE TRACT, IN ALL A TOTAL DISTANCE OF 1402.57 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTHWEST CORNER OF SAID 140.0 ACRE TRACT AND THE COMMON NORTHWEST CORNER OF SAID 6.892 ACRE TRACT. SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF AFORESAID FARM TO MARKET ROAD NO. 551, AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 32 DEGREES 56 MINUTES 34 SECONDS, A RADIUS OF 125.11 FEET, AND A LONG CHORD THAT BEARS NORTH 17 DEGREES 19 MINUTES 36 SECONDS WEST, A DISTANCE OF 70.95 FEET;

THENCE, ALONG THE WEST LINE OF SAID 140.0 ACRE TRACT AND THE COMMON EAST RIGHT-OF-WAY LINE, THE FOLLOWING COURSES AND DISTANCES:

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 71.94 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 50 MINUTES 04 SECONDS WEST, A DISTANCE OF 1785.43 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 01 DEGREE 13 MINUTES 55 SECONDS WEST, A DISTANCE OF 207.62 FEET TO THE POINT OF BEGINNING AND CONTAINING A CALCULATED AREA OF 2,327,994 SQUARE FEET OR 53.443 ACRES OF LAND.

EXHIBIT L-3 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION

Major Improvement Area Legal Description

District Legal Description

163.568 ACRES

BEING A 163.568 ACRE TRACT OF LAND SITUATED IN THE J.B. MERCHANT SURVEY, ABSTRACT NO. 159 AND THE J. THOMPSON SURVEY, ABSTRACT NO. 210, CITY OF FATE, ROCKWALL COUNTY, TEXAS, AND BEING ALL OF A 141.0 ACRE TRACT OF LAND CONVEYED TO FATE 551, LP, AS RECORDED IN VOLUME 3713, PAGE 79, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, ALL OF A 7.324 ACRE TRACT OF LAND, CONVEYED TO FATE 551, LP, AS RECORDED IN COUNTY CLERK'S FILE NO. 2008-00393658, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, AND ALL OF A 15.711 ACRE TRACT OF LAND, CONVEYED TO FATE 551, LP, AS RECORDED IN COUNTY CLERK'S FILE NO. 2008-00393719, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS. SAID 163.568 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DALLAS CORS ARP (PID-DF8984) AND COLLIN CORS ARP

(PID-DF8982), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD WITH CAP STAMPED "JDJR" FOUND FOR THE NORTH CORNER OF SAID 141.0 ACRE TRACT AND THE COMMON MOST EASTERLY NORTHEAST CORNER OF CHAMBERLAIN CROSSING, PHASE 6, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN COUNTY CLERK'S FILE NO. 20170000011834, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID POINT ALSO BEING ON THE SOUTHWEST LINE OF MELODY RANCH, PHASE II, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN CABINET F, SLIDE 49, PLAT RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 45 DEGREES 34 MINUTES 24 SECONDS EAST, ALONG THE NORTHEAST LINE OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTHWEST LINE OF SAID MELODY RANCH, PHASE II, PASSING AT A DISTANCE OF 550.37 FEET A 1/2" IRON ROD FOUND, AND CONTINUING A TOTAL DISTANCE OF 1411.65 FEET TO A 1/2" IRON ROD FOUND FOR AN ANGLE POINT ON THE NORTHEAST LINE OF SAID 141.0 ACRE TRACT, THE COMMON SOUTH CORNER OF SAID MELODY RANCH, PHASE II, AND THE COMMON WEST CORNER OF A TRACT OF LAND CONVEYED TO RONALD L. AND BEVERLY F. KELLEY, AS RECORDED IN VOLUME 722, PAGE 137, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING PART OF LOT 1 OF WINDY HILL ESTATES, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN CABINET C, SLIDE 155, MAP RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 46 DEGREES 42 MINUTES 00 SECONDS EAST, CONTINUING ALONG THE NORTHEAST LINE OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTHWEST LINE OF SAID KELLEY TRACT, A DISTANCE OF 108.73 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 141.0 ACRE TRACT, THE COMMON SOUTH CORNER OF SAID KELLEY TRACT, AND THE COMMON NORTHWEST CORNER OF AFORESAID 7.324 ACRE TRACT;

THENCE, NORTH 43 DEGREES 58 MINUTES 10 SECONDS EAST, ALONG THE NORTHWEST LINE OF SAID 7.324 ACRE TRACT AND A COMMON SOUTHEAST LINE OF SAID KELLEY TRACT, A DISTANCE OF 104.89 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTH CORNER OF SAID 7.324 ACRE TRACT, A COMMON SOUTH CORNER OF SAID KELLEY TRACT, AND A NORTHWEST CORNER OF THE REMAINDER OF A 12.30 ACRE TRACT OF LAND CONVEYED TO AZMI DISI, AS RECORDED IN COUNTY CLERK'S FILE NO. 2011-00455625, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING PARTS OF LOT 1 AND 2 OF SAID WINDY HILL ESTATES;

THENCE, SOUTH 46 DEGREES 09 MINUTES 12 SECONDS EAST, ALONG THE NORTHEAST LINE OF SAID 7.324 ACRE TRACT, A DISTANCE OF 699.74 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE EAST CORNER OF SAID 7.324 ACRE TRACT, SAID POINT BEING ON THE SOUTHEAST LINE OF SAID 12.30

ACRE TRACT AND THE COMMON NORTHWEST LINE OF A 4.694 ACRE TRACT OF LAND CONVEYED TO GRADY AND SHIRLEY WILLIAMS, AS RECORDED IN COUNTY CLERK'S FILE NO. 2008-00407839, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING PART OF LOT 3 OF SAID WINDY HILL ESTATES;

THENCE, SOUTH 43 DEGREES 50 MINUTES 47 SECONDS WEST, ALONG THE SOUTHEAST LINE OF SAID 7.324 ACRE TRACT AND THE COMMON NORTHWEST LINE OF SAID 4.694 ACRE TRACT, A DISTANCE OF 794.03 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "U.S.A. INC." FOUND FOR THE SOUTH CORNER OF SAID 7.324 ACRE TRACT AND THE COMMON WEST CORNER OF SAID 4.694 ACRE TRACT, SAID POINT BEING ON THE NORTHEAST LINE OF AFORESAID 15.711 ACRE TRACT;

THENCE, SOUTH 45 DEGREES 44 MINUTES 56 SECONDS EAST, ALONG THE NORTHEAST LINE OF SAID 15.711 ACRE TRACT AND THE COMMON SOUTHWEST LINE OF SAID 4.694 ACRE TRACT, PASSING AT A DISTANCE OF 335.71 FEET A 1/2" IRON ROD FOUND FOR THE SOUTH CORNER OF SAID 4.694 ACRE TRACT AND THE COMMON WEST CORNER OF A 13.00 ACRE TRACT OF LAND CONVEYED TO STEVE M. BOYD, AS RECORDED IN COUNTY CLERK'S FILE NO. 2011-00449355, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING LOT 4 OF SAID WINDY HILL ESTATES, CONTINUING ALONG SAID NORTHEAST LINE AND COMMON SOUTHWEST LINE OF SAID BOYD TRACT, PASSING AT A DISTANCE OF 770.37 FEET A 1/2" IRON ROD FOUND FOR THE SOUTH CORNER OF SAID BOYD TRACT AND THE COMMON WEST CORNER OF A 13.00 ACRE TRACT OF LAND CONVEYED TO TOMAS JIMENEZ AND MARIA ELENA JIMENEZ, AS RECORDED IN COUNTY CLERK'S FILE NO. 20150000003027, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING LOT 5 OF SAID WINDY HILL ESTATES, CONTINUING ALONG SAID NORTHEAST LINE AND COMMON SOUTHWEST LINE OF SAID JIMENEZ TRACT, A TOTAL DISTANCE OF 1141.50 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE EAST CORNER OF SAID 15.711 ACRE TRACT, SAID POINT BEING ON A NORTHEAST LINE OF THE REMAINDER OF A 33.59 ACRE TRACT OF LAND CONVEYED TO TREVER NELSON AND WIFE, ROBIN NELSON, AS RECORDED IN VOLUME 2042, PAGE 164, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 42 DEGREES 20 MINUTES 00 SECONDS WEST, ALONG THE SOUTHEAST LINE OF SAID 15.711 ACRE TRACT, A DISTANCE OF 1186.70 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTH CORNER OF SAID 15.711 ACRE TRACT, SAID POINT BEING ON THE EAST LINE OF AFORESAID 141.0 ACRE TRACT;

THENCE, SOUTH 00 DEGREES 53 MINUTES 09 SECONDS EAST, ALONG SAID EAST LINE, A DISTANCE OF 23.03 FEET TO A CONCRETE MONUMENT FOUND FOR THE SOUTHEAST CORNER OF SAID 141.0 ACRE TRACT, SAID POINT BEING ON THE NORTH LINE OF SMITH ACRES, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN CABINET B, PAGE 107, PLAT RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 88 DEGREES 49 MINUTES 06 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 141.0 ACRE TRACT AND THE COMMON NORTH LINE OF SAID SMITH ACRES, PASSING AT A DISTANCE OF 1527.65 FEET A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID SMITH ACRES AND THE COMMON NORTHEAST CORNER OF A 6.892 ACRE TRACT OF LAND CONVEYED TO MARIO VILLEGAS AND MARIA VILLEGAS, AS RECORDED IN COUNTY CLERK'S FILE NO. 2012-00470706, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, AND CONTINUING ALONG SAID SOUTH LINE AND ALONG THE COMMON NORTH LINE OF SAID 6.892 ACRE TRACT A TOTAL DISTANCE OF 2329.94 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTHWEST CORNER OF SAID 141.0 ACRE TRACT AND THE COMMON NORTHWEST CORNER OF SAID 6.892 ACRE TRACT, SAID POINT ALSO BEING ON THE EAST RIGHT-OF-WAY LINE OF FARM-TO-MARKET ROAD NO. 551 (A VARIABLE WIDTH RIGHT-OF-WAY), AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 32 DEGREES 56 MINUTES 34 SECONDS, A RADIUS OF 125.11 FEET, AND A LONG CHORD THAT BEARS NORTH 17 DEGREES 19 MINUTES 36 SECONDS WEST, A DISTANCE OF 70.95 FEET;

THENCE, ALONG A WEST LINE OF SAID 141.0 ACRE TRACT AND SAID EAST RIGHT-OF-WAY LINE, THE FOLLOWING COURSES AND DISTANCES:

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 71.94 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 00 DEGREES 50 MINUTES 04 SECONDS WEST, A DISTANCE OF 1785.43 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 01 DEGREES 13 MINUTES 55 SECONDS WEST, A DISTANCE OF 207.62 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "RSCI RPLS 5034" FOUND FOR AN EXTERIOR ELL CORNER OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTHWEST CORNER OF A 9.43 ACRE TRACT OF LAND CONVEYED TO BEVERLY RAGER, AS RECORDED IN VOLUME 3259, PAGE 20, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, NORTH 89 DEGREES 05 MINUTES 28 SECONDS EAST, ALONG A NORTH LINE OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTH LINE OF SAID 9.43 ACRE TRACT, A DISTANCE OF 1222.31 FEET TO A 1/2" IRON ROD FOUND FOR AN INTERIOR ELL CORNER OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF SAID 9.43 ACRE TRACT, FROM WHICH A 1/2" IRON ROD FOUND BEARS NORTH 26 DEGREES 21 MINUTES 10 SECONDS EAST, A DISTANCE OF 24.76 FEET;

THENCE, NORTH 00 DEGREES 51 MINUTES 01 SECONDS EAST, ALONG A WEST LINE OF SAID 141.0 ACRE TRACT, THE COMMON EAST LINE OF SAID 9.43 ACRE TRACT, THE COMMON EAST LINE OF A 6.983 ACRE TRACT OF LAND CONVEYED TO GEORGE ANDREA, AS RECORDED IN COUNTY CLERK'S FILE NO. 2014000017338, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, AND THE COMMON EAST LINE OF AFORESAID CHAMBERLAIN CROSSING, PHASE 6, PASSING AT A DISTANCE OF 1220.02 FEET A 5/8" IRON ROD WITH CAP STAMPED "CBI" FOUND, AND CONTINUING ALONG SAID COMMON LINE A TOTAL DISTANCE OF 1709.75 FEET TO THE POINT OF BEGINNING AND CONTAINING A CALCULATED AREA OF 163.568 ACRES, OR 7,125,032 SQUARE FEET OF LAND

SAVE AND EXCEPT:

**Improvement Area 1 Legal Description
53.443 ACRES**

BEING A 53.443 ACRE TRACT OF LAND SITUATED IN THE J.B. MERCHANT SURVEY, ABSTRACT NO. 159, CITY OF FATE, ROCKWALL COUNTY, TEXAS, AND BEING PART OF A 140.0 ACRE TRACT OF LAND CONVEYED TO FATE 551, LP, AS RECORDED IN VOLUME 3713, PAGE 79, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS. SAID 53.443 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DALLAS CORS ARP (PID-DF8984) AND COLLIN CORS ARP (PID-DF8982), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD WITH CAP STAMPED "RSCI RPLS 5034" FOUND FOR THE WESTERN MOST NORTHWEST CORNER OF SAID 140.0 ACRE TRACT, AND THE COMMON SOUTHWEST CORNER OF A 9.43 ACRE TRACT OF LAND CONVEYED TO BEVERLY RAGER, AS RECORDED IN VOLUME 3259, PAGE 20, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS. SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF FARM TO MARKET ROAD NO. 551, (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE, NORTH 89 DEGREES 05 MINUTES 28 SECONDS EAST, ALONG THE NORTH LINE OF SAID 140.0 ACRE TRACT AND THE COMMON SOUTH LINE OF SAID 9.43 ACRE TRACT, A DISTANCE OF 1187.05 FEET TO A POINT FOR CORNER, FROM WHICH A 1/2" IRON ROD FOUND FOR AN INTERIOR ELL CORNER OF SAID 140.0 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF SAID 9.43 ACRE TRACT BEARS, NORTH 89 DEGREES 05 MINUTES 28 SECONDS EAST, A DISTANCE OF 35.26 FEET;

THENCE, OVER AND ACROSS SAID 140.0 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 20 DEGREES 31 MINUTES 50 SECONDS EAST, A DISTANCE OF 153.26 FEET TO A POINT FOR CORNER;

SOUTH 55 DEGREES 24 MINUTES 12 SECONDS WEST, A DISTANCE OF 58.17 FEET TO A POINT FOR CORNER;

SOUTH 60 DEGREES 35 MINUTES 18 SECONDS WEST, A DISTANCE OF 58.17 FEET TO A POINT FOR CORNER;

SOUTH 65 DEGREES 46 MINUTES 25 SECONDS WEST, A DISTANCE OF 58.17 FEET TO A POINT FOR CORNER;

SOUTH 70 DEGREES 57 MINUTES 31 SECONDS WEST, A DISTANCE OF 58.17 FEET TO A POINT FOR CORNER;

SOUTH 16 DEGREES 26 MINUTES 56 SECONDS EAST, A DISTANCE OF 171.00 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 00 DEGREES 45 MINUTES 37 SECONDS, A RADIUS OF 814.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 73 DEGREES 55 MINUTES 53 SECONDS WEST, A DISTANCE OF 10.80 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 10.80 FEET TO A POINT FOR CORNER;

SOUTH 30 DEGREES 53 MINUTES 44 SECONDS WEST, A DISTANCE OF 14.44 FEET TO A POINT FOR CORNER;

SOUTH 12 DEGREES 52 MINUTES 21 SECONDS EAST, A DISTANCE OF 6.68 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 03 DEGREES 38 MINUTES 53 SECONDS, A RADIUS OF 1030.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 11 DEGREES 02 MINUTES 54 SECONDS EAST, A DISTANCE OF 65.57 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 65.58 FEET TO A POINT FOR CORNER;

SOUTH 09 DEGREES 13 MINUTES 27 SECONDS EAST, A DISTANCE OF 21.57 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 35 DEGREES 07 MINUTES 32 SECONDS, A RADIUS OF 90.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 62 DEGREES 11 MINUTES 25 SECONDS EAST, A DISTANCE OF 54.32 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 55.18 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 01 DEGREE 11 MINUTES 33 SECONDS, A RADIUS OF 955.00 FEET, AND A LONG CHORD THAT BEARS NORTH 72 DEGREES 27 MINUTES 52 SECONDS EAST, A DISTANCE OF 19.88 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 19.88 FEET TO A POINT FOR CORNER;

SOUTH 17 DEGREES 31 MINUTES 55 SECONDS EAST, A DISTANCE OF 90.00 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 01 DEGREE 20 MINUTES 32 SECONDS, A RADIUS OF 1045.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 72 DEGREES 35 MINUTES 27 SECONDS WEST, A DISTANCE OF 24.48 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 24.48 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 45 DEGREES 52 MINUTES 54 SECONDS, A RADIUS OF 90.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 38 DEGREES 21 MINUTES 49 SECONDS WEST, A DISTANCE OF 70.16 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 72.07 FEET TO A POINT FOR CORNER;

SOUTH 09 DEGREES 13 MINUTES 27 SECONDS EAST, A DISTANCE OF 10.00 FEET TO A POINT FOR CORNER;

SOUTH 80 DEGREES 46 MINUTES 33 SECONDS WEST, A DISTANCE OF 60.00 FEET TO A POINT FOR CORNER;

SOUTH 09 DEGREES 13 MINUTES 27 SECONDS EAST, A DISTANCE OF 84.63 FEET TO A POINT FOR CORNER;

SOUTH 13 DEGREES 17 MINUTES 01 SECOND EAST, A DISTANCE OF 70.63 FEET TO A POINT FOR CORNER;

SOUTH 09 DEGREES 13 MINUTES 27 SECONDS EAST, A DISTANCE OF 117.55 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 26 DEGREES 56 MINUTES 38 SECONDS, A RADIUS OF 275.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 04 DEGREES 14 MINUTES 52 SECONDS WEST, A DISTANCE OF 128.13 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 129.32 FEET TO A POINT FOR CORNER;

SOUTH 17 DEGREES 43 MINUTES 11 SECONDS WEST, A DISTANCE OF 99.33 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 49 DEGREES 34 MINUTES 00 SECONDS, A RADIUS OF 325.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 07 DEGREES 03 MINUTES 49 SECONDS EAST, A DISTANCE OF 272.47 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 281.16 FEET TO A POINT FOR CORNER;

SOUTH 31 DEGREES 50 MINUTES 49 SECONDS EAST, A DISTANCE OF 86.88 FEET TO A POINT FOR CORNER;

SOUTH 17 DEGREES 21 MINUTES 16 SECONDS WEST, A DISTANCE OF 13.07 FEET TO A POINT FOR CORNER;

SOUTH 31 DEGREES 48 MINUTES 44 SECONDS EAST, A DISTANCE OF 50.58 FEET TO A POINT FOR CORNER;

SOUTH 73 DEGREES 17 MINUTES 40 SECONDS EAST, A DISTANCE OF 14.99 FEET TO A POINT FOR CORNER;

SOUTH 31 DEGREES 50 MINUTES 49 SECONDS EAST, A DISTANCE OF 192.55 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 25 DEGREES 28 MINUTES 31 SECONDS, A RADIUS OF 325.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 44 DEGREES 35 MINUTES 04 SECONDS EAST, A DISTANCE OF 143.32 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 144.50 FEET TO A POINT FOR CORNER;

SOUTH 32 DEGREES 40 MINUTES 41 SECONDS WEST, A DISTANCE OF 127.76 FEET TO A POINT FOR CORNER;

SOUTH 65 DEGREES 14 MINUTES 20 SECONDS EAST, A DISTANCE OF 157.78 FEET TO A POINT FOR CORNER;

SOUTH 01 DEGREE 10 MINUTES 54 SECONDS EAST, A DISTANCE OF 10.00 FEET TO A POINT FOR CORNER ON THE SOUTH LINE OF SAID 140.0 ACRE TRACT AND THE COMMON NORTH LINE OF SMITH ACRES, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN CABINET B PAGE 107, PLAT RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 88 DEGREES 49 MINUTES 06 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 140.0 ACRE TRACT AND THE COMMON NORTH LINE OF SAID SMITH ACRES, PASSING AT A DISTANCE OF 600.22 FEET, A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID SMITH ACRES AND THE COMMON NORTHEAST CORNER OF A 6.892 ACRE TRACT OF LAND CONVEYED TO MARIO VILLEGAS AND MARIA VILLEGAS, AS RECORDED IN COUNTY CLERK'S FILE NO. 2012-00470706, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, AND CONTINUING ALONG SAID SOUTH LINE AND THE COMMON NORTH LINE OF SAID 6.892 ACRE TRACT, IN ALL A TOTAL DISTANCE OF 1402.57 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTHWEST CORNER OF SAID 140.0 ACRE TRACT AND THE COMMON NORTHWEST CORNER OF SAID 6.892 ACRE TRACT. SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF AFORESAID FARM TO MARKET ROAD NO. 551, AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 32 DEGREES 56 MINUTES 34 SECONDS, A RADIUS OF 125.11 FEET, AND A LONG CHORD THAT BEARS NORTH 17 DEGREES 19 MINUTES 36 SECONDS WEST, A DISTANCE OF 70.95 FEET;

THENCE, ALONG THE WEST LINE OF SAID 140.0 ACRE TRACT AND THE COMMON EAST RIGHT-OF-WAY LINE, THE FOLLOWING COURSES AND DISTANCES:

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 71.94 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 50 MINUTES 04 SECONDS WEST, A DISTANCE OF 1785.43 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 01 DEGREE 13 MINUTES 55 SECONDS WEST, A DISTANCE OF 207.62 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 2,327,994 SQUARE FEET OR 53.443 ACRES OF LAND.

EXHIBIT L-4 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

LEGAL DESCRIPTION

110.209 ACRES

BEING A 110.209 ACRE TRACT OF LAND SITUATED IN THE J.B. MERCHANT SURVEY, ABSTRACT NO. 159 AND THE J. THOMPSON SURVEY, ABSTRACT NO. 210, CITY OF FATE, ROCKWALL COUNTY, TEXAS, AND PART OF A 141.0 ACRE TRACT OF LAND CONVEYED TO FATE 551, LP, AS RECORDED IN VOLUME 3713, PAGE 79, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, ALL OF A 7.324 ACRE TRACT OF LAND, CONVEYED TO FATE 551, LP, AS RECORDED IN COUNTY CLERK'S FILE NO. 2008-00393658, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, AND ALL OF A 15.711 ACRE TRACT OF LAND, CONVEYED TO FATE 551, LP, AS RECORDED IN COUNTY CLERK'S FILE NO. 2008-00393719, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS. SAID 110.209 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DALLAS CORS ARP (PID-DF8984) AND COLLIN CORS ARP (PID-DF8982), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD WITH CAP STAMPED "JDJR" FOUND FOR THE NORTH CORNER OF SAID 141.0 ACRE TRACT AND THE COMMON MOST EASTERLY NORTHEAST CORNER OF CHAMBERLAIN CROSSING, PHASE 6, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN COUNTY CLERK'S FILE NO. 20170000011834, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID POINT ALSO BEING ON THE SOUTHWEST LINE OF MELODY RANCH, PHASE II, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN CABINET F, SLIDE 49, PLAT RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 45 DEGREES 34 MINUTES 24 SECONDS EAST, ALONG THE NORTHEAST LINE OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTHWEST LINE OF SAID MELODY RANCH, PHASE II, PASSING AT A DISTANCE OF 550.37 FEET A 1/2" IRON ROD FOUND, AND CONTINUING A TOTAL DISTANCE OF 1411.65 FEET TO A 1/2" IRON ROD FOUND FOR AN ANGLE POINT ON THE NORTHEAST LINE OF SAID 141.0 ACRE TRACT, THE COMMON SOUTH CORNER OF SAID MELODY RANCH, PHASE II, AND THE COMMON WEST CORNER OF A TRACT OF LAND CONVEYED TO RONALD L. AND BEVERLY F. KELLEY, AS RECORDED IN VOLUME 722, PAGE 137, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING PART OF LOT 1 OF WINDY HILL ESTATES, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN CABINET C, SLIDE 155, PLAT RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 46 DEGREES 42 MINUTES 00 SECONDS EAST, CONTINUING ALONG THE NORTHEAST LINE OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTHWEST LINE OF SAID KELLEY TRACT, A DISTANCE OF 108.73 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 141.0 ACRE TRACT, THE COMMON SOUTH CORNER OF SAID KELLEY TRACT, AND THE COMMON NORTHWEST CORNER OF AFORESAID 7.324 ACRE TRACT;

THENCE, NORTH 43 DEGREES 58 MINUTES 10 SECONDS EAST, ALONG THE NORTHWEST LINE OF SAID 7.324 ACRE TRACT AND A COMMON SOUTHEAST LINE OF SAID KELLEY TRACT, A DISTANCE OF 104.89 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTH CORNER OF SAID 7.324 ACRE TRACT, A COMMON SOUTH CORNER OF SAID KELLEY TRACT, AND A NORTHWEST CORNER OF THE REMAINDER OF A 12.30 ACRE TRACT OF LAND CONVEYED TO AZMI DISI, AS RECORDED IN COUNTY CLERK'S FILE NO. 2011-00455625, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING PARTS OF LOT 1 AND 2 OF SAID WINDY HILL ESTATES;

THENCE, SOUTH 46 DEGREES 09 MINUTES 12 SECONDS EAST, ALONG THE NORTHEAST LINE OF SAID 7.324 ACRE TRACT, A DISTANCE OF 699.74 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE EAST CORNER OF SAID 7.324 ACRE TRACT, SAID POINT BEING ON THE SOUTHEAST LINE OF SAID 12.30 ACRE TRACT AND THE COMMON NORTHWEST LINE OF A 4.694 ACRE TRACT OF LAND CONVEYED TO GRADY AND SHIRLEY WILLIAMS, AS RECORDED IN COUNTY CLERK'S FILE NO. 2008-00407839, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING PART OF LOT 3 OF SAID WINDY HILL ESTATES;

THENCE, SOUTH 43 DEGREES 50 MINUTES 47 SECONDS WEST, ALONG THE SOUTHEAST LINE OF SAID 7.324 ACRE TRACT AND THE COMMON NORTHWEST LINE OF SAID 4.694 ACRE TRACT, A DISTANCE OF 794.03 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "U.S.A. INC." FOUND FOR THE SOUTH CORNER OF SAID 7.324 ACRE TRACT AND THE COMMON WEST CORNER OF SAID 4.694 ACRE TRACT, SAID POINT BEING ON THE NORTHEAST LINE OF AFORESAID 15.711 ACRE TRACT;

THENCE, SOUTH 45 DEGREES 44 MINUTES 56 SECONDS EAST, ALONG THE NORTHEAST LINE OF SAID 15.711 ACRE TRACT AND THE COMMON SOUTHWEST LINE OF SAID 4.694 ACRE TRACT, PASSING AT A DISTANCE OF 335.71 FEET A 1/2" IRON ROD FOUND FOR THE SOUTH CORNER OF SAID 4.694 ACRE TRACT AND THE COMMON WEST CORNER OF A 13.00 ACRE TRACT OF LAND CONVEYED TO STEVE M. BOYD, AS RECORDED IN COUNTY CLERK'S FILE NO. 2011-00449355, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING LOT 4 OF SAID WINDY HILL ESTATES, CONTINUING ALONG SAID NORTHEAST LINE AND COMMON SOUTHWEST LINE OF SAID BOYD TRACT, PASSING AT A DISTANCE OF 770.37 FEET A 1/2" IRON ROD FOUND FOR THE SOUTH CORNER OF SAID BOYD TRACT AND THE COMMON WEST CORNER OF A 13.00 ACRE TRACT OF LAND CONVEYED TO TOMAS JIMENEZ AND MARIA ELENA JIMENEZ, AS RECORDED IN COUNTY CLERK'S FILE NO. 20150000003027, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID TRACT BEING LOT 5 OF SAID WINDY HILL ESTATES, CONTINUING ALONG SAID NORTHEAST LINE AND COMMON SOUTHWEST LINE OF SAID JIMENEZ TRACT, A TOTAL DISTANCE OF 1141.50 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE EAST CORNER OF SAID 15.711 ACRE TRACT, SAID POINT BEING ON A NORTHEAST LINE OF THE REMAINDER OF A 33.59 ACRE TRACT OF LAND CONVEYED TO TREVER NELSON AND WIFE, ROBIN NELSON, AS RECORDED IN VOLUME 2042, PAGE 164, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 42 DEGREES 20 MINUTES 00 SECONDS WEST, ALONG THE SOUTHEAST LINE OF SAID 15.711 ACRE TRACT, A DISTANCE OF 1186.70 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTH CORNER OF SAID 15.711 ACRE TRACT, SAID POINT BEING ON THE EAST LINE OF AFORESAID 141.0 ACRE TRACT;

THENCE, SOUTH 00 DEGREES 53 MINUTES 09 SECONDS EAST, ALONG SAID EAST LINE, A DISTANCE OF 23.03 FEET TO A CONCRETE MONUMENT FOUND FOR THE SOUTHEAST CORNER OF SAID 141.0 ACRE TRACT, SAID POINT BEING ON THE NORTH LINE OF SMITH ACRES, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN CABINET B, PAGE 107, PLAT RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, SOUTH 88 DEGREES 49 MINUTES 06 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 141.0 ACRE TRACT AND THE COMMON NORTH LINE OF SAID SMITH ACRES, A DISTANCE OF 927.37 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER, FROM WHICH A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID SMITH ACRES AND THE COMMON NORTHEAST CORNER OF A 6.892 ACRE TRACT OF LAND CONVEYED TO MARIO VILLEGAS AND MARIA VILLEGAS, AS RECORDED IN COUNTY CLERK'S FILE NO. 2012-00470706, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, BEARS SOUTH 88 DEGREES 49 MINUTES 06 SECONDS WEST, A DISTANCE OF 600.22 FEET;

THENCE, OVER AND ACROSS SAID 141.0 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 01 DEGREE 10 MINUTES 54 SECONDS WEST, A DISTANCE OF 10.00 FEET TO A POINT FOR CORNER;

NORTH 65 DEGREES 14 MINUTES 20 SECONDS WEST, A DISTANCE OF 157.78 FEET TO A POINT FOR CORNER;

NORTH 32 DEGREES 40 MINUTES 41 SECONDS EAST, A DISTANCE OF 127.76 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 25 DEGREES 28 MINUTES 31 SECONDS, A RADIUS OF 325.00 FEET, AND A LONG CHORD THAT BEARS NORTH 44 DEGREES 35 MINUTES 04 SECONDS WEST, A DISTANCE OF 143.32 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 144.50 FEET TO A POINT FOR CORNER;

NORTH 31 DEGREES 50 MINUTES 49 SECONDS WEST, A DISTANCE OF 192.55 FEET TO A POINT FOR CORNER;

NORTH 73 DEGREES 17 MINUTES 40 SECONDS WEST, A DISTANCE OF 14.99 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 22 DEGREES 40 MINUTES 43 SECONDS, A RADIUS OF

325.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 77 DEGREES 28 MINUTES 44 SECONDS WEST, A DISTANCE OF 127.80 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 128.64 FEET TO A POINT FOR CORNER;

NORTH 01 DEGREE 10 MINUTES 54 SECONDS WEST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 21 DEGREES 13 MINUTES 14 SECONDS, A RADIUS OF 275.00 FEET, AND A LONG CHORD THAT BEARS NORTH 78 DEGREES 12 MINUTES 29 SECONDS EAST, A DISTANCE OF 101.27 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 101.85 FEET TO A POINT FOR CORNER;

NORTH 17 DEGREES 21 MINUTES 16 SECONDS EAST, A DISTANCE OF 13.07 FEET TO A POINT FOR CORNER;

NORTH 31 DEGREES 50 MINUTES 49 SECONDS WEST, A DISTANCE OF 86.88 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 49 DEGREES 34 MINUTES 00 SECONDS, A RADIUS OF 325.00 FEET, AND A LONG CHORD THAT BEARS NORTH 07 DEGREES 03 MINUTES 49 SECONDS WEST, A DISTANCE OF 272.47 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 281.16 FEET TO A POINT FOR CORNER;

NORTH 17 DEGREES 43 MINUTES 11 SECONDS EAST, A DISTANCE OF 99.33 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 26 DEGREES 56 MINUTES 38 SECONDS, A RADIUS OF 275.00 FEET, AND A LONG CHORD THAT BEARS NORTH 04 DEGREES 14 MINUTES 52 SECONDS EAST, A DISTANCE OF 128.13 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 129.32 FEET TO A POINT FOR CORNER;

NORTH 09 DEGREES 13 MINUTES 27 SECONDS WEST, A DISTANCE OF 117.55 FEET TO A POINT FOR CORNER;

NORTH 13 DEGREES 17 MINUTES 01 SECOND WEST, A DISTANCE OF 70.63 FEET TO A POINT FOR CORNER;

NORTH 09 DEGREES 13 MINUTES 27 SECONDS WEST, A DISTANCE OF 73.36 FEET TO A POINT FOR CORNER;

NORTH 80 DEGREES 46 MINUTES 33 SECONDS EAST, A DISTANCE OF 60.00 FEET TO A POINT FOR CORNER;

NORTH 09 DEGREES 13 MINUTES 27 SECONDS WEST, A DISTANCE OF 21.27 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 45 DEGREES 52 MINUTES 54 SECONDS, A RADIUS OF 90.00 FEET, AND A LONG CHORD THAT BEARS NORTH 38 DEGREES 21 MINUTES 49 SECONDS EAST, A DISTANCE OF 70.16 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 72.07 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 01 DEGREE 53 MINUTES 26 SECONDS, A RADIUS OF 1045.00 FEET, AND A LONG CHORD THAT BEARS NORTH 72 DEGREES 19 MINUTES 00 SECONDS EAST, A DISTANCE OF 34.48 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 34.48 FEET TO A POINT FOR CORNER;

NORTH 17 DEGREES 31 MINUTES 55 SECONDS WEST, A DISTANCE OF 90.02 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 01 DEGREE 47 MINUTES 33 SECONDS, A RADIUS OF 955.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 72 DEGREES 09 MINUTES 52 SECONDS WEST, A DISTANCE OF 29.88 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 29.88 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 35 DEGREES 07 MINUTES 32 SECONDS, A RADIUS OF 90.00 FEET, AND A LONG CHORD THAT BEARS NORTH 62 DEGREES 11 MINUTES 25 SECONDS WEST, A DISTANCE OF 54.32 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 55.18 FEET TO A POINT FOR CORNER;

NORTH 09 DEGREES 13 MINUTES 27 SECONDS WEST, A DISTANCE OF 21.57 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 03 DEGREES 38 MINUTES 53 SECONDS, A RADIUS OF 1030.00 FEET, AND A LONG CHORD THAT BEARS NORTH 11 DEGREES 02 MINUTES 54 SECONDS WEST, A DISTANCE OF 65.57 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 65.58 FEET TO A POINT FOR CORNER;

NORTH 12 DEGREES 52 MINUTES 21 SECONDS WEST, A DISTANCE OF 6.68 FEET TO A POINT FOR CORNER;

NORTH 30 DEGREES 53 MINUTES 44 SECONDS EAST, A DISTANCE OF 14.44 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 01 DEGREE 27 MINUTES 51 SECONDS, A RADIUS OF 814.00 FEET, AND A LONG CHORD THAT BEARS NORTH 73 DEGREES 34 MINUTES 46 SECONDS EAST, A DISTANCE OF 20.80 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 20.80 FEET TO A POINT FOR CORNER;

NORTH 16 DEGREES 26 MINUTES 56 SECONDS WEST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER, AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 00 DEGREES 45 MINUTES 00 SECONDS, A RADIUS OF 764.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 73 DEGREES 10 MINUTES 35 SECONDS WEST, A DISTANCE OF 10.00 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 10.00 FEET TO A POINT FOR CORNER;

NORTH 16 DEGREES 26 MINUTES 56 SECONDS WEST, A DISTANCE OF 121.00 FEET TO A POINT FOR CORNER;

NORTH 70 DEGREES 57 MINUTES 31 SECONDS EAST, A DISTANCE OF 58.17 FEET TO A POINT FOR CORNER;

NORTH 65 DEGREES 46 MINUTES 25 SECONDS EAST, A DISTANCE OF 58.17 FEET TO A POINT FOR CORNER;

NORTH 60 DEGREES 35 MINUTES 18 SECONDS EAST, A DISTANCE OF 58.17 FEET TO A POINT FOR CORNER;

NORTH 55 DEGREES 24 MINUTES 12 SECONDS EAST, A DISTANCE OF 58.17 FEET TO A POINT FOR CORNER;

NORTH 20 DEGREES 31 MINUTES 50 SECONDS WEST, A DISTANCE OF 153.26 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER ON THE NORTH LINE OF SAID 141.0 ACRE TRACT AND THE COMMON SOUTH LINE OF A 9.43 ACRE TRACT OF LAND CONVEYED TO BEVERLY RAGER, AS RECORDED IN VOLUME 3259, PAGE 20, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS;

THENCE, NORTH 89 DEGREES 05 MINUTES 28 SECONDS EAST, ALONG SAID COMMON LINE, A DISTANCE OF 35.26 FEET TO A 1/2" IRON ROD FOUND FOR AN INTERIOR ELL CORNER OF SAID

141.0 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF SAID 9.43 ACRE TRACT, FROM WHICH A 1/2" IRON ROD FOUND BEARS NORTH 26 DEGREES 21 MINUTES 10 SECONDS EAST, A DISTANCE OF 24.76 FEET;

THENCE, NORTH 00 DEGREES 51 MINUTES 01 SECOND EAST, ALONG A WEST LINE OF SAID 141.0 ACRE TRACT, THE COMMON EAST LINE OF SAID 9.43 ACRE TRACT, THE COMMON EAST LINE OF A 6.983 ACRE TRACT OF LAND CONVEYED TO GEORGE ANDREA, AS RECORDED IN COUNTY CLERK'S FILE NO. 2014000017338, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, AND THE COMMON EAST LINE OF AFORESAID CHAMBERLAIN CROSSING, PHASE 6, PASSING AT A DISTANCE OF 1220.02 FEET A 5/8" IRON ROD WITH CAP STAMPED "CBI" FOUND, AND CONTINUING ALONG SAID COMMON LINE, IN ALL A TOTAL DISTANCE OF 1709.75 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 4,800,724 SQUARE FEET OR 110.209 ACRES OF LAND.

OPINION OF PROBABLE COST		
PROJECT NAME: <i>Williamsburg East</i>	NET ACRES: <i>127.26</i>	NO. OF LOTS: <i>601</i>
CITY: <i>Fate, Texas</i>	GROSS ACRES: <i>163.56</i>	CREATED BY: <i>MDI/VBH</i>
JOB NUMBER: <i>NT840-0065</i>	CREATED: <i>3/1/2019</i>	CHECKED BY: <i>MDI</i>
FILE NAME: <i>Williamsburg East</i>	PRINTED: <i>9/18/2020</i>	REVISED BY: <i>VBH</i>
<i>OPC_07.19.20.xlsm</i>		

NOTES:

1.00 General

- 1.01 This estimate is based on the land plan shown on the approved preliminary plat dated June 2020.
- 1.02 The tract is located within the City of Fate.
- 1.03 This estimate used the current water, sewer, paving, and storm drainage design criteria specified by the City of Fate.
- 1.04 City of Fate.
- 1.05 This estimate is based on unit prices updated in September 2018.
- 1.06 In addition, the unit prices were estimated off the bid tabulation with contract pricing from Phase 9D-1 & 9C-2 bids and
- 1.07 as appropriate unit prices were adjusted.
- 1.11 Unit prices do not reflect rock excavation.
- 1.12 Estimate does not include land cost, land maintenance, interest, HOA support, legal, financing, marketing, etc.
- 1.13 Impact fees, assessments, credits, etc. are not included in the estimate.
- 1.14 This estimate does include cost for geotechnical reports.
- 1.15 This estimate includes cost for jurisdictional delineations.
- 1.16 Cost of a flood study and FEMA processing are not included in this estimate.
- 1.17 A preliminary geotech report was provided for this estimate. The report recommends moisture conditioning to a depth of 7'-10'. This estimate includes cost for 6" of moisture conditioning for all lots.
- 1.18 Estimated cost for tree survey and mitigation is based on the City of Fate Tree Ordinance. Tree mitigation costs was estimated without the benefit of a tree survey.
- 1.19 This estimate is based on a field topo survey performed by LJA Engineering.
- 1.20 Off-site easement and Right-of-Way acquisition is the responsibility of the Developer.
- 1.21 The city development fees listed were provided by The City of Fate.
- 1.22 Platting fees were calculated per the City of Fate fee schedule.
- 1.23 The fees assumes 154 lots in Phase 1, 161 lots in Phase 2, 143 lots in Phase 3 and 143 lots in Phase 4.
- 1.24 City engineering review fees were assumed to be a percentage of construction costs.
- 1.25 Estimate includes 100% cost of CIP projects. Does not reflect any potential impact fee credits.

OPINION OF PROBABLE COST		
PROJECT NAME: Williamsburg East	NET ACRES: 127.26	NO. OF LOTS: 601
CITY: Fate, Texas	GROSS ACRES: 163.56	CREATED BY: MD1/VBH
JOB NUMBER: NT840 0065	CREATED: 3/1/2019	CHECKED BY: MD1
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
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2.00 Water

- ### 3.00 Sanitary Sewer

- #### 4.00 Storm Drainage

- 3 of 54

OPINION OF PROBABLE COST		
PROJECT NAME: <i>Williamsburg East</i>	NET ACRES: 127.26	NO. OF LOTS: 601
CITY: <i>Fate, Texas</i>	GROSS ACRES: 163.56	CREATED BY: MDI/VBH
JOB NUMBER: <i>NT840-0065</i>	CREATED: 3/1/2019	CHECKED BY: MDI
FILE NAME: <i>Williamsburg East</i>	PRINTED: 9/18/2020	REVISED BY: VBH
OPC 07.19.20.xlsm		

NOTES:

5.00 Grading

5.01 This estimate is based on the following lot grading criteria:

- Front yard min. slope: 1%
- Rear yard max. slope: 12%
- Side yard max. slope: 25%
- Max. driveway slope: 12%
- Max. exposed beam: 10" from finished floor
- Min. slope: 1.5%
- Rear yard slope located 10' off pad

5.02 This estimate assumes lot-to-lot drainage is not allowed.

5.03 Additional erosion control may be required.

5.04 This estimate assumes a moisture conditioning depth of 8" will be required for all lots.

5.05 Moisture conditioning is assumed for an area 5' beyond the front and back of the pad and for the width of the lot.

6.00 Paving

6.01 This estimate is based on the following street sections:

- 50' ROW: 24' E-E (Knee Entry) 6" reinforced concrete with 6" lime subgrade
- 15' Alley ROW: 12' E-E 6" reinforced concrete with 6" lime subgrade
- 100' ROW Gettysburg Boulevard: 2 x 25' B-B, 8" reinforced concrete with 6" lime subgrade

6.02 Additional ADA ramps may be required.

6.03 Estimate does not include road signalization. Additional pavement markings and traffic signs may also be required.

6.04 This estimate includes cost for two left turn lanes on FM 551 and traffic handling.

6.05 This estimate assumes an 8' trail system on one side of Gettysburg Boulevard and a 6' sidewalk on the other side.

7.00 Miscellaneous

7.01 Single street lights are spaced at a maximum of 500'. Double headed street lights are spaced at a maximum of 300' along Gettysburg Boulevard.

7.02 Retaining wall prices from Engineered Retaining Wall Systems, Inc., November 2017.

7.03 Franchise gas is included in this estimate. Franchise electric is not included per discussions between Farmers Electric and PMM.

7.04 Franchise utility installation cost and/or relocation is not included.

7.05 Cost for Entry Monumentation, Amenity Center and Neighborhood Parks are allowances and should be verified by the developer.

7.06 Street trees assumed to be placed every 50' on both sides of Gettysburg Boulevard.

OPINION OF PROBABLE COST		
PHASE NAME: Phase 1	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fate, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NT840-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC 07.19.20.xlsm		

Phase 1 - Private Infrastructure

A. LOT EXCAVATION & EROSION CONTROL				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
CLEARING AND GRUBBING	ACRE	40.39	\$1,010.00	\$40,793.90
UNCLASSIFIED EXCAVATION	CY	228,069	\$2.25	\$513,154.95
DEMOLISH & REMOVE EXISTING STRUCTURES	EA	1	\$15,000.00	\$15,000.00
MOISTURE COND (30"x80" PAD) - 8 FT DEEP	CY	55,467	\$2.25	\$124,800.00
MOISTURE COND (40"x80" PAD) - 8 FT DEEP	CY	78,667	\$2.25	\$177,000.00
MOISTURE COND (50"x80" PAD) - 8 FT DEEP	CY	68,600	\$2.25	\$154,600.00
MOISTURE CONDITIONING POLY	SF	684,900	\$0.15	\$102,735.00
ROUGH LOT GRADING	LOT	154	\$230.00	\$35,420.00
FINAL LOT GRADING	LOT	154	\$190.00	\$29,260.00
EROSION CONTROL	LOT	154	\$220.00	\$33,880.00
SILT FENCE	LF	9,535	\$1.90	\$18,116.50
CONTINGENCY	PERCENTAGE	10%	\$1,238,600.35	\$123,860.04
SUB - TOTAL EXCAVATION				\$1,362,680.39

OPINION OF PROBABLE COST		
PHASE NAME: Phase 1	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fate, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NT840-0065	CREATED: 3/1/2018	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC 07.19.20.xlsm		

B. LOT RETAINING WALLS				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
RETAINING WALL				
2' RETAINING WALL	LF	3,951	\$40.00	\$158,040.00
3' RETAINING WALL	LF	907	\$50.00	\$45,350.00
4' RETAINING WALL	LF	609	\$60.00	\$36,540.00
5' RETAINING WALL	LF	72	\$83.00	\$5,976.00
6' RETAINING WALL	LF	12	\$100.00	\$1,200.00
7' RETAINING WALL	LF	33	\$130.00	\$4,290.00
8' RETAINING WALL	LF	84	\$154.00	\$12,936.00
9' RETAINING WALL	LF	253	\$165.00	\$41,948.00
10' RETAINING WALL	LF	144	\$215.00	\$31,104.00
11' RETAINING WALL	LF	163	\$255.00	\$41,565.00
12' RETAINING WALL	LF	75	\$280.00	\$21,000.00
15' RETAINING WALL	LF	115	\$333.00	\$38,295.00
CONTINGENCY	PERCENTAGE	10%	\$444,516.00	\$44,451.60
SUB-TOTAL LOT RETAINING WALLS				\$489,011.60

C-D. PRIVATE AMENITIES				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
SUB-TOTAL PRIVATE AMENITIES				
				\$0.00

OPINION OF PROBABLE COST		
PHASE NAME: Phase 1	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fate, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NT840-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC 07.19.20.xlsm		

E. FRANCHISE GAS & ELECTRIC				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
FRANCHISE GAS	LOT	154	\$800.00	\$123,200.00
SUB - TOTAL FRANCHISE GAS & ELECTRIC				\$123,200.00

F. DEVELOPMENT FEES				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
MUNICIPALITY & JURISDICTIONAL FEES				
PRELIMINARY PLAT APPLICATION FEE	LS	1	\$8,180.00	\$8,180.00
FINAL PLAT APPLICATION FEE	LS	1	\$7,451.00	\$7,451.00
PROFESSIONAL FEES				
ENGINEERING/SURVEYING	LS	1	\$570,550.00	\$570,550.00
FINAL GEOTECHNICAL REPORT & TESTING	LOT	154	\$150.00	\$23,100.00
SUB - TOTAL DEVELOPMENT FEES				\$609,281.00

OPINION OF PROBABLE COST		
PHASE NAME: Phase 1	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fate, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NT840-0065	CREATED: 3/1/2018	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC 07.19.20.xlsm		

SUMMARY

A. LOT EXCAVATION & EROSION CONTROL	\$1,362,680.39
B. LOT RETAINING WALLS	\$489,011.60
C-D. PRIVATE AMENITIES	\$0.00
E. FRANCHISE GAS & ELECTRIC	\$123,200.00
F. DEVELOPMENT FEES	\$609,281.00
SUB-TOTAL:	\$2,584,172.99

TOTAL CONSTRUCTION COSTS: \$2,584,172.99

LOT COUNT:	154	COST PER LOT:	\$16,780.34
LF OF STREET:	10,207	COST PER LF OF STREET:	\$251.18
NET DEVELOPABLE ACREAGE:	35.02	COST PER DEVELOPABLE ACRE:	\$73,791.35
TOTAL GROSS ACREAGE:	52.52	COST PER GROSS ACRE:	\$49,203.60

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2	NET ACRES: 34.70	NO. OF RES LOTS: 161
CITY: Fata, Texas	GROSS ACRES: 43.10	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Phase 2 - Private Infrastructure

A. LOT EXCAVATION & EROSION CONTROL				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
CLEARING AND GRUBBING	ACRE	32.47	\$1,010.00	\$32,794.70
UNCLASSIFIED EXCAVATION	CY	104,770	\$2.25	\$235,732.50
MOISTURE COND (50x80 FAD) - 8 FT DEEP	CY	35,200	\$2.25	\$79,200.00
MOISTURE COND (40x80 FAD) - 8 FT DEEP	CY	43,333	\$2.25	\$111,000.00
MOISTURE COND (50x80 FAD) - 8 FT DEEP	CY	145,600	\$2.25	\$327,600.00
MOISTURE CONDITIONING POLY	SF	775,700	\$0.15	\$116,355.00
ROUGH LOT GRADING	LOT	161	\$230.00	\$37,030.00
FINAL LOT GRADING	LOT	161	\$150.00	\$24,150.00
EROSION CONTROL	LOT	161	\$220.00	\$35,420.00
SILT FENCE	LF	7,503	\$1.90	\$14,255.70
CONTINGENCY	PERCENTAGE	10%	\$1,013,687.10	\$101,359.71
SUB - TOTAL EXCAVATION				\$1,115,066.81

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2	NET ACRES: 34.70	NO. OF RES LOTS: 161
CITY: Fata, Texas	GROSS ACRES: 43.10	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

B. LOT RETAINING WALLS				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
RETAINING WALL				
2' RETAINING WALL	LF	2,668	\$10.00	\$106,720.00
3' RETAINING WALL	LF	137	\$50.00	\$21,850.00
4' RETAINING WALL	LF	134	\$50.00	\$6,010.00
5' RETAINING WALL	LF	458	\$83.00	\$38,014.00
6' RETAINING WALL	LF	81	\$106.00	\$8,746.00
7' RETAINING WALL	LF	92	\$130.00	\$11,950.00
8' RETAINING WALL	LF	125	\$154.00	\$19,250.00
9' RETAINING WALL	LF	327	\$156.00	\$51,476.00
10' RETAINING WALL	LF	247	\$216.00	\$53,352.00
11' RETAINING WALL	LF	438	\$250.00	\$111,690.00
12' RETAINING WALL	LF	115	\$286.00	\$33,406.00
13' RETAINING WALL	LF	158	\$333.00	\$52,614.00
CON. UNGENCY	PERCENTAGE	10%	\$127,122.00	\$12,712.20
SUB - TOTAL LOT RETAINING WALLS				\$579,834.20

C-D. PRIVATE AMENITIES & AMENITY CENTER				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
SUB - TOTAL PRIVATE AMENITIES & AMENITY CENTER				
				\$0.00

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2	NET ACRES: 34.70	NO. OF RES LOTS: 161
CITY: Fate, Texas	GROSS ACRES: 43.10	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC 07.19.20.xlsm		

E. FRANCHISE GAS & ELECTRIC				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
FRANCHISE GAS	LOT	161	\$126,800.00	\$126,800.00
SUB - TOTAL FRANCHISE GAS & ELECTRIC				5128,800.00

F. DEVELOPMENT FEES				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
MUNICIPALITY & JURISDICTIONAL FEES				
FINAL PLAT APPLICATION FEE	LS	1	\$6,930.00	\$6,930.00
PROFESSIONAL FEES				
ENGINEERING/SURVEYING	LOT	1	\$409,200.00	\$409,200.00
FINAL GEOTECHNICAL REPORT & TESTING	LOT	151	\$150.00	\$24,150.00
SUB - TOTAL DEVELOPMENT FEES				\$440,330.00

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2	NET ACRES: 34.70	NO. OF RES LOTS: 161
CITY: Fata, Texas	GROSS ACRES: 43.10	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

SUMMARY

A. LOT EXCAVATION & EROSION CONTROL	\$1,115,066.81
B. LOT RETAINING WALLS	\$579,834.20
C-D. PRIVATE AMENITIES & AMENITY CENTER	\$0.00
E. FRANCHISE GAS & ELECTRIC	\$128,800.00
F. DEVELOPMENT FEES	\$440,330.00
SUB TOTAL:	\$2,264,031.01

TOTAL CONSTRUCTION COSTS: \$2,264,031.01

LOT COUNT:	161	COST PER LOT:	\$14,062.30
LF OF STREET:	11,001	COST PER LF OF STREET:	\$205.73
NET DEVELOPABLE ACREAGE:	34.70	COST PER DEVELOPABLE ACRE:	\$65,245.81
TOTAL GROSS ACREAGE:	43.10	COST PER GROSS ACRE:	\$52,529.72

OPINION OF PROBABLE COST		
PHASE NAME: Phase 3	NET ACRES: 27.05	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Phase 3 - Private Infrastructure

A. LOT EXCAVATION & EROSION CONTROL				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
CLEARING AND GRUBBING	ACRE	23.21	\$1,010.00	\$23,442.10
UNCLASSIFIED EXCAVATION	CY	74.891	\$2.25	\$168,504.00
MOISTURE COND (50x80 FAD) - 8 FT DEEP	CY	51.200	\$2.25	\$115,200.00
MOISTURE COND (40x80 FAD) - 8 FT DEEP	CY	62.667	\$2.25	\$141,000.00
MOISTURE COND (50x80 FAD) - 8 FT DEEP	CY	78.800	\$2.25	\$172,800.00
MOISTURE CONDITIONING POLY	SF	643,500	\$0.15	\$96,525.00
ROUGH LOT GRADING	LOT	143	\$230.00	\$32,830.00
FINAL LOT GRADING	LOT	143	\$150.00	\$21,450.00
EROSION CONTROL	LOT	143	\$220.00	\$31,460.00
SILT FENCE	LF	5,117	\$1.90	\$10,232.30
CONTINGENCY	PERCENTAGE	10%	\$813,554.00	\$81,355.40
SUB - TOTAL EXCAVATION				\$894,920.40

B. LOT RETAINING WALLS				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
RETAINING WALL				
2' RETAINING WALL	LF	2,070	\$40.00	\$82,800.00
3' RETAINING WALL	LF	157	\$50.00	\$7,850.00
4' RETAINING WALL	LF	285	\$50.00	\$15,900.00
5' RETAINING WALL	LF	239	\$55.00	\$15,845.00
6' RETAINING WALL	LF	283	\$106.00	\$30,544.00
7' RETAINING WALL	LF	114	\$130.00	\$14,820.00
8' RETAINING WALL	LF	61	\$154.00	\$9,856.00
9' RETAINING WALL	LF	102	\$188.00	\$19,176.00
10' RETAINING WALL	LF	191	\$216.00	\$41,256.00
11' RETAINING WALL	LF	141	\$255.00	\$35,955.00
12' RETAINING WALL	LF	103	\$286.00	\$29,654.00
13' RETAINING WALL	LF	165	\$333.00	\$54,945.00
CONTINGENCY	PERCENTAGE	10%	\$382,623.00	\$38,262.30
SUB - TOTAL LOT RETAINING WALLS				\$398,885.30

OPINION OF PROBABLE COST		
PHASE NAME: Phase 3	NET ACRES: 27.05	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
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C-D. PRIVATE AMENITIES				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
SUB - TOTAL PRIVATE AMENITIES				\$0.00

E. FRANCHISE GAS & ELECTRIC				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
FRANCHISE GAS	LOT	143	\$300.00	\$114,400.00
SUB - TOTAL FRANCHISE GAS & ELECTRIC				\$114,400.00

F. DEVELOPMENT FEES				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
MUNICIPALITY & JURISDICTIONAL FEES				
FINAL PLAT APPLICATION FEE	LS	1	\$6,287.50	\$6,287.50
PROFESSIONAL FEES				
ENGINEERING/SURVEYING	LS	1	\$339,600.00	\$339,600.00
FINAL GEOTECHNICAL REPORT & TESTS	LOT	143	\$150.00	\$21,450.00
SUB - TOTAL DEVELOPMENT FEES				\$367,337.50

OPINION OF PROBABLE COST		
PHASE NAME: Phase 3	NET ACRES: 27.05	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

SUMMARY

A. LOT EXCAVATION & EROSION CONTROL	\$894,920.40
B. LOT RETAINING WALLS	\$398,885.30
C-D. PRIVATE AMENITIES	\$0.00
E. FRANCHISE GAS & ELECTRIC	\$114,400.00
F. DEVELOPMENT FEES	\$367,337.50
SUB TOTAL:	\$1,775,543.20

TOTAL CONSTRUCTION COSTS: \$1,775,543.20

LOT COUNT:	143	COST PER LOT:	\$12,416.39
LF OF STREET:	7,200	COST PER LF OF STREET:	\$246.60
NET DEVELOPABLE ACREAGE:	27.05	COST PER DEVELOPABLE ACRE:	\$65,639.30
TOTAL GROSS ACREAGE:	29.25	COST PER GROSS ACRE:	\$60,702.33

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4	NET ACRES: 30.49	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 38.69	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Phase 4 - Private Infrastructure

A. LOT EXCAVATION & EROSION CONTROL				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
CLEARING AND GRUBBING	ACRE	29.25	\$1,010.00	\$29,542.50
UNCLASSIFIED EXCAVATION	CY	94.380	\$2.25	\$212,355.00
MOISTURE COND (50x80 FAD) - 8 FT DEEP	CY	69.267	\$2.25	\$153,600.00
MOISTURE COND (40x80 FAD) - 8 FT DEEP	CY	25.333	\$2.25	\$57,000.00
MOISTURE COND (50x80 FAD) - 8 FT DEEP	CY	95.000	\$2.25	\$213,750.00
MOISTURE CONDITIONING POLY	SF	639,500	\$0.15	\$95,925.00
ROUGH LOT GRADING	LOT	143	\$230.00	\$32,810.00
FINAL LOT GRADING	LOT	143	\$150.00	\$21,450.00
EROSION CONTROL	LOT	143	\$220.00	\$31,460.00
SILT FENCE	LF	7,594	\$1.90	\$14,428.60
CONTINGENCY	PERCENTAGE	10%	\$85,357.10	\$86,535.71
SUB - TOTAL EXCAVATION				\$951,892.81

B. LOT RETAINING WALLS				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
RETAINING WALL				
2' RETAINING WALL	LF	4,853	\$40.00	\$194,120.00
3' RETAINING WALL	LF	875	\$50.00	\$43,750.00
4' RETAINING WALL	LF	429	\$50.00	\$21,450.00
5' RETAINING WALL	LF	346	\$55.00	\$19,030.00
6' RETAINING WALL	LF	459	\$106.00	\$48,654.00
7' RETAINING WALL	LF	267	\$130.00	\$34,710.00
8' RETAINING WALL	LF	275	\$154.00	\$42,350.00
9' RETAINING WALL	LF	43	\$188.00	\$8,084.00
CONTINGENCY	PERCENTAGE	10%	\$429,486.00	\$42,948.60
SUB - TOTAL LOT RETAINING WALLS				\$472,434.60

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4	NET ACRES: 30.49	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 38.69	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

C-D. PRIVATE AMENITIES				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
SUB - TOTAL PRIVATE AMENITIES				\$0.00

E. FRANCHISE GAS & ELECTRIC				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
FRANCHISE GAS	LOT	143	\$300.00	\$114,400.00
SUB - TOTAL FRANCHISE GAS & ELECTRIC				\$114,400.00

F. DEVELOPMENT FEES				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
MUNICIPALITY & JURISDICTIONAL FEES				
FINAL PLAT APPLICATION FEE	LS	1	\$6,759.50	\$6,759.50
PROFESSIONAL FEES				
ENGINEERING/SURVEYING	LS	1	\$384,600.00	\$384,600.00
FINAL GEOTECHNICAL REPORT & TESTS	LOT	143	\$150.00	\$21,450.00
SUB - TOTAL DEVELOPMENT FEES				\$412,809.50

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4	NET ACRES: 30.49	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 38.69	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

SUMMARY

A. LOT EXCAVATION & EROSION CONTROL	\$951,892.81
B. LOT RETAINING WALLS	\$472,434.60
C-D. PRIVATE AMENITIES	\$0.00
E. FRANCHISE GAS & ELECTRIC	\$114,400.00
F. DEVELOPMENT FEES	\$412,809.50
SUB-TOTAL:	\$1,951,536.91

TOTAL CONSTRUCTION COSTS: \$1,951,536.91

LOT COUNT:	143	COST PER LOT:	\$13,647.11
LF OF STREET:	7,063	COST PER LF OF STREET:	\$248.19
NET DEVELOPABLE ACREAGE:	50.49	COST PER DEVELOPABLE ACRE:	\$38,605.60
TOTAL GROSS ACREAGE:	38.69	COST PER GROSS ACRE:	\$50,440.34

OPINION OF PROBABLE COST		
PHASE NAME: Park Improvements	NET ACRES: 127.26	NO. OF RES LOTS: 601
CITY: Fate, Texas	GROSS ACRES: 163.56	CREATED BY: MDT/VBH
JOB NUMBER: NT840-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Park Improvements

A. PHASE 1 PARK IMPROVEMENTS				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
NEIGHBORHOOD PARK	LS	1	\$850,000.00	\$850,000.00
PERMANENT IRRIGATION	S-	2,270,443	\$1.00	\$2,270,443.00
SUB - TOTAL PARK IMPROVEMENTS				\$1,120,743.00

B. PHASE 2 PARK IMPROVEMENTS				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
PERMANENT IRRIGATION	S-	141,608	\$1.00	\$141,608.00
SUB - TOTAL PARK IMPROVEMENTS				\$141,608.00

C. PHASE 3 PARK IMPROVEMENTS				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
PERMANENT IRRIGATION	S-	109,317	\$1.00	\$109,317.00
SUB - TOTAL PARK IMPROVEMENTS				\$109,317.00

OPINION OF PROBABLE COST		
PHASE NAME: Park Improvements	NET ACRES: 127.26	NO. OF RES LOTS: 607
CITY: Fate, Texas	GROSS ACRES: 163.56	CREATED BY: MDT/VBH
JOB NUMBER: NT840-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

D. PHASE 4 PARK IMPROVEMENTS				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
PERMANENT IRRIGATION	SF	142,767	\$1.00	\$142,767.00
SUB - TOTAL PARK IMPROVEMENTS				\$142,767.00

SUMMARY	
A. PHASE 1 PARK IMPROVEMENTS	\$1,120,743.00
B. PHASE 2 PARK IMPROVEMENTS	\$141,608.00
C. PHASE 3 PARK IMPROVEMENTS	\$109,317.00
D. PHASE 4 PARK IMPROVEMENTS	\$142,767.00
SUB-TOTAL	\$1,514,435.00

TOTAL CONSTRUCTION COSTS: \$1,514,435.00

LOT COUNT:	607	COST PER LOT:	\$2,579.86
LF OF STREET:	N/A	COST PER LF OF STREET:	N/A
NET DEVELOPABLE ACREAGE:	127.26	COST PER DEVELOPABLE ACRE:	\$11,960.32
TOTAL GROSS ACREAGE:	163.56	COST PER GROSS ACRE:	\$9,259.20

OPINION OF PROBABLE COST		
PHASE NAME: Trail	NET ACRES: 127.26	NO. OF RES LOTS: 601
CITY: Fata, Texas	GROSS ACRES: 163.56	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Park Improvements - Trail

A. PHASE 1 TRAIL				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
8" CONCRETE TRAIL	LF	2,602	\$45.00	\$116,990.00
8" CONCRETE TRAIL WITH RETAINING WALL	LF	1,167	\$100.00	\$116,700.00
SUB - TOTAL PHASE 1 TRAIL				\$247,290.00

B. PHASE 2 TRAIL				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
8" CONCRETE TRAIL	LF	664	\$45.00	\$29,880.00
8" CONCRETE TRAIL WITH RETAINING WALL	LF	490	\$100.00	\$49,000.00
SUB - TOTAL PHASE 2 TRAIL				\$78,880.00

C. PHASE 4 TRAIL				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
8" CONCRETE TRAIL	LF	1,085	\$45.00	\$48,825.00
SUB - TOTAL PHASE 4 TRAIL				\$48,825.00

OPINION OF PROBABLE COST		
PHASE NAME: Trail	NET ACRES: 127.26	NO. OF RES LOTS: 601
CITY: Fata, Texas	GROSS ACRES: 163.56	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

SUMMARY

A. PHASE 1 PARK IMPROVEMENTS	\$247,290.00
B. PHASE 2 PARK IMPROVEMENTS	\$78,680.00
C. PHASE 4 PARK IMPROVEMENTS	\$48,625.00
SUB-TOTAL:	\$374,995.00
TOTAL CONSTRUCTION COSTS:	\$374,995.00

LOT COUNT:	601	COST PER LOT:	\$623.95
LT OF STREET:	N/A	COST PER LT OF STREET:	N/A
NET DEVELOPABLE ACREAGE:	127.26	COST PER DEVELOPABLE ACRE:	\$2,946.68
TOTAL GROSS ACREAGE:	163.56	COST PER GROSS ACRE:	\$2,292.71

OPINION OF PROBABLE COST		
PHASE NAME: Phase 1 - CIP	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fata, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Phase 1 - CIP Infrastructure

A. GETTYSBURG BOULEVARD IMPROVEMENTS - CIP 15				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
CLEARING AND GRUBBING (ROW)	ACRE	2.80	\$1,010.00	\$2,828.00
UNCLASSIFIED EXCAVATION (ROW)	CY	13.552	\$2.25	\$30,492.00
SILT FENCE	LF	2,560	\$1.90	\$1,881.00
18" RCP	LF	1,053	\$54.00	\$57,186.00
21" RCP	LF	260	\$80.00	\$15,600.00
24" RCP	LF	165	\$71.00	\$11,715.00
30" RCP	LF	210	\$81.00	\$19,110.00
36" RCP	LF	102	\$119.00	\$12,138.00
10" INLET	EA	10	\$3,600.00	\$36,000.00
INLET PROTECTION	EA	10	\$200.00	\$2,000.00
4" STORM SEWER MANHOLE	EA	5	\$4,000.00	\$20,000.00
TRENCH SAFETY	LF	1,798	\$1.00	\$1,798.00

OPINION OF PROBABLE COST		
PHASE NAME: Phase 1 - CIP	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fate, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC 07.19.20.xlsm		

A. GETTYSBURG BOULEVARD IMPROVEMENTS - CIP 15 CONT D				
8" REINFC. CONCRETE STREET PAVEMENT	SY	5,711	\$43.00	\$245,573.00
6" SUBGRADE PREPARATION	SY	7,836	\$2.75	\$21,549.00
HYDRATED LIME (50#/SY)	TON	195	\$287.00	\$56,252.00
CURLEX	LF	8,275	\$1.10	\$9,102.50
6" CONCRETE SIDEWALK	LF	548	\$80.00	\$43,840.00
PAVEMENT HEADER	LF	52	\$15.00	\$780.00
STREET BARRICADE	EA	1	\$1,920.00	\$1,920.00
STREET SIGNS	EA	4	\$600.00	\$2,400.00
STREET LIGHT	EA	4	\$3,520.00	\$14,080.00
DOUBLE ARM LUMINAIRE STREET LIGHT	EA	4	\$5,000.00	\$20,000.00
4" ELECTRIC CONDUIT	LF	540	\$12.00	\$6,480.00
BIKE LANE STRIPING & SIGNAGE	LF	2,305	\$12.00	\$27,660.00
DOUBLE SOLID WHITE STRIPE WITH TRAFFIC REFLECTORS	LF	2,305	\$6.00	\$13,830.00
TRAFFIC CIRCLE SIGNAGE & STRIPING	LS	1	\$30,000.00	\$30,000.00
TRAFFIC CIRCLE	LS	1	\$100,000.00	\$100,000.00
CONNECT TO EXISTING ASPHALT ROAD	LS	1	\$10,000.00	\$10,000.00
TRAFFIC HANDLING	MO	3	\$3,000.00	\$9,000.00
BONDS	PERCENT	2.00%	\$810,455.50	\$16,209.11
CITY REVIEW FEE	PERCENT	0.50%	\$810,455.50	\$1,012.28
CITY INSPECTION FEE	PERCENT	3.00%	\$810,455.50	\$24,313.67
ENGINEERING/SURVEYING	PERCENT	10.00%	\$810,455.50	\$81,045.55
CONTINGENCY	PERCENT	10.00%	\$810,455.50	\$81,045.55
SUB - TOTAL GETTYSBURG BOULEVARD IMPROVEMENTS				\$ 1,017,121.65

OPINION OF PROBABLE COST		
PHASE NAME: Phase 1 - CIP	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fate, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC 07.19.20.xlsm		

C. 12" WATER DISTRIBUTION SYSTEM - CIP 6				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
12" PVC WATERLINE	LF	1,300	\$47.50	\$61,750.00
WATER LINE BY BORE	LF	120	\$350.00	\$42,000.00
12" GATE VALVE IN BOX	EA	7	\$2,510.00	\$17,570.00
CONNECT TO EXISTING WATER LINE	EA	1	\$1,000.00	\$1,000.00
FIRE HYDRANT ASSEMBLY	EA	3	\$3,870.00	\$11,670.00
REMOVE & REPLACE EXISTING BARRIER FREE RAMP	LS	1	\$3,000.00	\$3,000.00
2" BLOW-OFF	EA	1	\$2,190.00	\$2,190.00
2" AIR RELEASE VALVE	EA	1	\$4,375.00	\$4,375.00
WATER DISCHARGE SAFETY	LF	1,300	\$0.50	\$650.00
WATER TESTING (EXCLUDING GEOTECH)	LF	1,300	\$0.75	\$975.00
BONDS	PERCENT	2.00%	\$143,780.00	\$2,875.60
CITY REVIEW FEE	PERCENT	0.50%	\$143,780.00	\$718.90
WATER INSPECTION FEE	PERCENT	3.00%	\$143,780.00	\$4,313.40
ENGINEERING/SURVEYING	PERCENT	10.00%	\$143,780.00	\$14,378.00
CONTINGENCY	PERCENT	10.00%	\$143,780.00	\$14,378.00
SUB - TOTAL 12" WATER DISTRIBUTION SYSTEM				\$180,443.90

A. GETTYSBURG BOULEVARD IMPROVEMENTS	\$1,017,121.65
C. 12" WATER DISTRIBUTION SYSTEM	\$180,443.90
SUB-TOTAL:	\$1,197,565.55

COI COUNT:	154	COST PER COI:	\$7,176.40
COI OF SITE:	1,158	COST PER COI OF SITE:	\$1,654.11
NET DEVELOPABLE ACREAGE:	35.62	COST PER DEVELOPABLE ACRE:	\$34,156.62
TOTAL GROSS ACREAGE:	52.52	COST PER GROSS ACRE:	\$22,802.09

OPINION OF PROBABLE COST

PHASE NAME: Phase 2 - CIP CITY: Fata, Texas JOB NUMBER: NTR40-0065 FILE NAME: Williamsburg East OPC: 07.19.20.xlsm	NET ACRES: 27.05 GROSS ACRES: 29.25 CREATED: 3/1/2019 PRINTED: 9/18/2020	NO. OF RES LOTS: 161 CREATED BY: MDT/VBH CHECKED BY: MDT REVISED BY: VBH
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Phase 2 - CIP Infrastructure

A. GETTYSBURG BOULEVARD IMPROVEMENTS - CIP 15				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
CLEARING AND GRUBBING (ROW)	ACRE	1.28	\$1,010.00	\$1,292.80
UNCLASSIFIED EXCAVATION (ROW)	CY	6,195	\$2.25	\$13,938.75
SILT FENCE	LF	1,544	\$1.90	\$2,933.60
18" RCP	LF	455	\$54.00	\$24,570.00
21" RCP	LF	80	\$80.00	\$6,400.00
24" RCP	LF	202	\$71.00	\$14,342.00
10" INLET	EA	5	\$3,600.00	\$18,000.00
INLET PROTECTION	EA	5	\$200.00	\$1,000.00
4" STORM SEWER MANHOLE	EA	2	\$4,000.00	\$8,000.00
CONNECT TO EXISTING STORM LINE	EA	1	\$1,000.00	\$1,000.00
24" HEADWALL	EA	1	\$2,300.00	\$2,300.00
12" ROCK RIPRAP	SY	5	\$75.00	\$450.00
GRADE TO DRAIN	CY	30	\$15.00	\$450.00
TRENCH SAFETY	LF	737	\$1.00	\$737.00

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2 - CIP	NET ACRES: 27.05	NO. OF RES LOTS: 161
CITY: Fata, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

A. GETTYSBURG BOULEVARD IMPROVEMENTS - CIP 15 CONT'D				
8" REIN. CONCRETE STREET PAVEMENT	SY	3,138	\$43.00	\$143,534.00
6" SUBGRADE PREPARATION	SY	4,240	\$2.75	\$11,660.00
HYDRATED LIME (50#/SY)	TON	106	\$287.00	\$30,422.00
CURLEX	LF	2,640	\$1.10	\$2,904.00
6" CONCRETE SIDEWALK	LF	914	\$80.00	\$72,720.00
PAVEMENT HEADER	LF	52	\$15.00	\$780.00
STREET BARRICADE	EA	1	\$1,920.00	\$1,920.00
REMOVE BARRICADE	EA	1	\$600.00	\$600.00
STREET SIGNS	EA	2	\$600.00	\$1,200.00
DOUBLE ARM LUMINAIRE STREET LIGHT	EA	4	\$5,000.00	\$20,000.00
4" ELECTRIC CONDUIT	LF	360	\$12.00	\$4,320.00
BIKE LANE STRIPING & SIGNAGE	LF	1,412	\$12.00	\$16,944.00
DOUBLE SOLID WHITE STRIPE WITH TRAFFIC REFLECTORS	LF	1,412	\$8.00	\$11,296.00
TRAFFIC HANDLING	MO	3	\$3,000.00	\$9,000.00
11' RETAINING WALL	LF	90	\$255.00	\$22,950.00
BONDS	PERCENT	2.00%	\$398,855.10	\$7,977.10
CITY REVIEW FEE	PERCENT	0.50%	\$398,855.10	\$1,994.28
CITY INSPECTION FEE	PERCENT	3.00%	\$398,855.10	\$11,965.65
ENGINEERING/SURVEYING	PERCENT	10.00%	\$398,855.10	\$39,885.51
CONTINGENCY	PERCENT	10.00%	\$398,855.10	\$39,885.51
SUB - TOTAL GETTYSBURG BOULEVARD IMPROVEMENTS				\$500,563.15

OPINION OF PROBABLE COST				
PHASE NAME: Phase 2 - CIP CITY: Fata, Texas JOB NUMBER: NTR40-0065 FILE NAME: Williamsburg East OPC 07.19.20.xlsm		NET ACRES: 27.05 GROSS ACRES: 29.25 CREATED: 3/1/2019 PRINTED: 9/18/2020		NO. OF RES LOTS: 161 CREATED BY: MDT/VBH CHECKED BY: MDT REVISED BY: VBH
C. 12" WATER DISTRIBUTION SYSTEM - CIP 6				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
12" PVC WATERLINE	LF	702	\$47.50	\$33,250.00
12" GATE VALVE & BOX	EA	4	\$2,310.00	\$9,240.00
CONNECT TO EXISTING WATER LINE	EA	1	\$1,000.00	\$1,000.00
FIRE HYDRANT ASSEMBLY	EA	2	\$3,890.00	\$7,780.00
WATER TRENCH SAFETY	LF	702	\$0.50	\$350.00
WATER TESTING (EXCLUDING GEOTECH)	LF	702	\$0.75	\$525.00
BONDS	PERCENT	2.00%	\$52,145.00	\$1,042.90
CITY REVIEW FEE	PERCENT	0.50%	\$52,145.00	\$260.73
WATER INSPECTION FEE	PERCENT	3.00%	\$52,145.00	\$1,564.35
ENGINEERING/SURVEYING	PERCENT	10.00%	\$52,145.00	\$5,214.50
CONTINGENCY	PERCENT	10.00%	\$52,145.00	\$5,214.50
SUB - TOTAL 12" WATER DISTRIBUTION SYSTEM				\$65,441.98

SUMMARY

A. GUTTERING BOULEVARD IMPROVEMENTS	\$500,563.15
B. SANITARY SEWER IMPROVEMENTS	\$0.00
C. 12" WATER DISTRIBUTION SYSTEM	\$65,441.98
SUB-TOTAL:	\$566,005.13

TOTAL CONSTRUCTION COSTS: \$566,005.13

LOT COUNT:	161	COST PER LOT:	\$3,515.56
LF OF STREET:	702	COST PER LF OF STREET:	\$806.28
NET DEVELOPABLE ACREAGE:	34.70	COST PER DEVELOPABLE ACRE:	\$16,311.39
TOTAL GROSS ACREAGE:	43.10	COST PER GROSS ACRE:	\$13,132.37

OPINION OF PROBABLE COST

PHASE NAME: Phase 4 - CIP	NET ACRES: 27.05	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Phase 4 - CIP Infrastructure

A. GETTYSBURG BOULEVARD IMPROVEMENTS - CIP 15				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
CLEARING AND GRUBBING (ROW)	ACRE	2.31	\$1,010.00	\$2,333.10
UNCLASSIFIED EXCAVATION (ROW)	CY	11.180	\$2.25	\$25,155.90
SILT FENCE	LF	2,245	\$1.00	\$1,285.50
18" RCP	LF	561	\$54.00	\$30,234.00
24" RCP	LF	112	\$71.00	\$7,952.00
27" RCP	LF	101	\$80.00	\$8,080.00
42" RCP	LF	55	\$145.00	\$8,120.00
48" RCP	LF	632	\$175.00	\$119,350.00
4 - 4'X4' RCB	EA	110	\$975.00	\$107,250.00
10' INLET	EA	11	\$3,600.00	\$39,600.00
INLET PROTECTION	EA	11	\$200.00	\$2,200.00
4' STORM SEWER MANHOLE	EA	1	\$1,000.00	\$1,000.00
5' STORM SEWER MANHOLE	EA	3	\$5,000.00	\$15,000.00
4 - 4'X4' CH-PW-D WINGWALLS	EA	2	\$36,835.00	\$73,670.00
REMOVE 24" HEADWALL	EA	1	\$2,000.00	\$2,000.00
12" ROCK RIPRAP	SY	100	\$75.00	\$7,500.00
REMOVE 12" ROCK RIPRAP	SY	8	\$50.00	\$50.00
TRENCH SAFETY	LF	1,622	\$1.00	\$1,622.00

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4 - CIP	NET ACRES: 27.05	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

A. GETTYSBURG BOULEVARD IMPROVEMENTS - CIP 15 CONT'D					
8" REIN. CONCRETE STREET PAVEMENT	SY	4,934	\$43.00		\$212,162.00
6" SUBGRADE PREPARATION	SY	6,194	\$2.75		\$17,033.50
HYDRATED LIME (50#/SY)	TON	195	\$287.00		\$44,441.95
CURBEX	LF	3,840	\$1.10		\$4,059.00
6" CONCRETE SIDEWALK	LF	290	\$80.00		\$23,900.00
PAVEMENT HEADER	LF	52	\$15.00		\$780.00
STREET BARRICADE	EA	1	\$1,920.00		\$1,920.00
REMOVE BARRICADE	EA	1	\$600.00		\$600.00
TXDOT GUARDRAIL	LF	240	\$90.00		\$21,600.00
DOUBLE ARM LUMINAIRE STREET LIGHT	EA	6	\$5,000.00		\$30,000.00
4" ELECTRIC CONDUIT	LF	540	\$12.00		\$6,480.00
DOUBLE SOLID WHITE STRIPE WITH TRAFFIC BOLLARDS	LF	2,061	\$8.00		\$16,488.00
TRAFFIC HANDLING	MO	3	\$3,000.00		\$9,000.00
2' RETAINING WALL	LF	53	\$40.00		\$2,120.00
3' RETAINING WALL	LF	31	\$50.00		\$1,550.00
4' RETAINING WALL	LF	270	\$50.00		\$16,200.00
5' RETAINING WALL	LF	32	\$83.00		\$2,656.00
6' RETAINING WALL	LF	63	\$108.00		\$6,804.00
7' RETAINING WALL	LF	53	\$130.00		\$6,890.00
8' RETAINING WALL	LF	35	\$154.00		\$5,390.00
9' RETAINING WALL	LF	208	\$186.00		\$38,124.00
10' RETAINING WALL	LF	45	\$216.00		\$9,720.00
BONDS	PERCENT	2.00%	\$937,420.95		\$18,748.42
CITY REVIEW FEE	PERCENT	0.50%	\$937,420.95		\$4,687.10
CITY INSPECTION FEE	PERCENT	3.00%	\$937,420.95		\$28,122.63
ENGINEERING/SURVEYING	PERCENT	10.00%	\$937,420.95		\$93,742.10
CONTINGENCY	PERCENT	10.00%	\$937,420.95		\$93,742.10
SUB - TOTAL GETTYSBURG BOULEVARD IMPROVEMENTS					\$1,176,463.29

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4 - CIP	NET ACRES: 27.05	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

C. 12" WATER DISTRIBUTION SYSTEM - CIP 6				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
12" PVC WATERLINE	LF	1,100	\$47.50	\$52,250.00
12" GATE VALVE & BOX	EA	7	\$2,310.00	\$16,170.00
CONNECT TO EXISTING WATER LINE	EA	1	\$1,000.00	\$1,000.00
FIRE HYDRANT ASSEMBLY	EA	3	\$3,690.00	\$11,670.00
2" AIR RELEASE VALVE	EA	1	\$1,375.00	\$1,375.00
2" BLOW-OFF	EA	1	\$2,130.00	\$2,130.00
WATER TRENCH SAFETY	LF	1,100	\$0.50	\$550.00
WATER TESTING (EXCLUDING GEOTECH)	LF	1,100	\$0.75	\$825.00
BONDS	PERCENT	2.00%	\$89,030.00	\$1,780.60
CITY REVIEW FEE	PERCENT	0.50%	\$89,030.00	\$445.15
WATER INSPECTION FEE	PERCENT	3.00%	\$89,030.00	\$2,670.90
ENGINEERING/SURVEYING	PERCENT	10.00%	\$89,030.00	\$8,903.00
CONTINGENCY	PERCENT	10.00%	\$89,030.00	\$8,903.00
SUB - TOTAL 12" WATER DISTRIBUTION SYSTEM				\$111,732.65

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4 - CIP	NET ACRES: 27.05	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

SUMMARY

A. GETTYSBURG BOULEVARD IMPROVEMENTS	\$1,176,463.29
B. SANITARY SEWER IMPROVEMENTS	\$0.00
C. 12" WATER DISTRIBUTION SYSTEM	\$111,732.65
SUB-TOTAL:	\$1,288,195.94

TOTAL CONSTRUCTION COSTS: \$1,288,195.94

LOT COUNT:	143	COST PER LOT:	\$9,008.36
LF OF STREET:	1,054	COST PER LF OF STREET:	\$1,222.20
NET DEVELOPABLE ACREAGE:	30.49	COST PER DEVELOPABLE ACRE:	\$42,249.78
TOTAL GROSS ACREAGE:	38.69	COST PER GROSS ACRE:	\$33,295.32

OPINION OF PROBABLE COST		
PHASE NAME: Phase 1 - PID Residential	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fata, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Phase 1 - PID Residential Infrastructure

A. SANITARY SEWER SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
8" SDR-26 PVC PIPE	LF	10,780	\$32.00	\$344,960.00
ADDITIONAL SAN. DEPTH (1" PER VF)	VF	4.564	\$2.00	\$9,128.00
4" SERVICE LINES	EA	154	\$600.00	\$92,400.00
6" SERVICE LINE	EA	1	\$1,200.00	\$1,200.00
4" DIAMETER MANHOLE	EA	24	\$3,080.00	\$73,920.00
6" DIAMETER MANHOLE	EA	5	\$5,380.00	\$26,950.00
6" DIAMETER DROP MANHOLE	EA	4	\$6,600.00	\$26,400.00
ADDITIONAL MANHOLE DEPTH (> 6')	VF	55	\$155.00	\$8,525.35
ADJUST EXISTING MANHOLE	EA	1	\$1,000.00	\$1,000.00
2000 PSI CONCRETE ENCASMENT	LF	540	\$40.00	\$21,600.00
TRENCH SAFETY	LF	10,780	\$1.00	\$10,780.00
TESTING (EXCLUDING GEOTECH)	LF	10,780	\$1.50	\$16,170.00
BONDS	PERCENT	2.00%	\$633,746.35	\$12,674.93
CITY REVIEW FEE	PERCENT	0.50%	\$633,746.35	\$1,158.73
SEWER INSPECTION FEE	PERCENT	3.00%	\$633,746.35	\$19,012.39
CONTINGENCY	PERCENT	10.00%	\$633,746.35	\$63,374.64
SUB - TOTAL SANITARY SEWER SYSTEM				\$731,977.03

OPINION OF PROBABLE COST		
PHASE NAME: Phase I - PID Residential	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fate, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC 07.19.20.xlsm		

NET ACRES: 35.02
GROSS ACRES: 52.52
CREATED: 3/1/2019
PRINTED: 9/18/2020

NO. OF RES LOTS: 154
CREATED BY: MDT/VBH
CHECKED BY: MDT
REVISED BY: VBH

B. STORM SEWER SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
16" RCP	LF	1,822	\$54.00	\$98,388.00
21" RCP	LF	1,766	\$80.00	\$141,280.00
24" RCP	LF	748	\$71.00	\$53,108.00
27" RCP	LF	383	\$80.00	\$30,640.00
30" RCP	LF	480	\$31.00	\$14,880.00
36" RCP	LF	778	\$119.00	\$92,582.00
42" RCP	LF	533	\$145.00	\$77,285.00
48" RCP	LF	438	\$175.00	\$76,650.00
4'X4' RCB	LF	145	\$255.00	\$36,975.00
2 - 5'X3' RCB	LF	50	\$530.00	\$26,500.00
5'X4' RCB	LF	107	\$325.00	\$34,762.50
10" INLET	EA	26	\$3,600.00	\$93,600.00
3 - GRATE COMBINATION INLET	EA	8	\$3,130.00	\$25,040.00
INLET PROTECTION	EA	35	\$200.00	\$7,000.00
4" STORM SEWER MAN HOLE	EA	12	\$1,000.00	\$12,000.00
5" STORM SEWER MAN HOLE	EA	4	\$5,000.00	\$20,000.00
6" STORM SEWER MAN HOLE	EA	1	\$7,000.00	\$7,000.00
CONNECT TO EXISTING STORM LINE	EA	1	\$1,000.00	\$1,000.00
21" HEADWALL	EA	4	\$2,300.00	\$9,200.00
30" HEADWALL	EA	4	\$2,600.00	\$10,400.00
36" HEADWALL	EA	2	\$2,700.00	\$5,400.00
42" HEADWALL	EA	1	\$4,000.00	\$4,000.00
2 - 5'X3' WINGWALL	EA	2	\$32,950.00	\$65,900.00
5'X4' HEADWALL	EA	1	\$8,000.00	\$8,000.00
12" ROCK RIPRAP	SY	214	\$75.00	\$16,050.00
6" x 6" "Y" INLET	EA	1	\$5,200.00	\$5,200.00
GRADE TO DRAIN	EA	117	\$15.00	\$1,755.00
OPEN SPACE DRAINAGE SYSTEM	LOT	7	\$3,000.00	\$21,000.00
TRENCH SAFETY	LF	5,043	\$1.00	\$5,043.00
BONDS	PERCENT	2.00%	\$952,248.00	\$19,044.95
CITY REVIEW Fee	PERCENT	0.50%	\$952,248.00	\$4,761.24
DRAINAGE INSPECTION Fee	PERCENT	3.00%	\$952,248.00	\$28,567.44
CONTINGENCY	PERCENT	10.00%	\$952,248.00	\$95,224.80
SUB - TOTAL STORM SEWER SYSTEM				\$1,099,846.44

34 of 54

OPINION OF PROBABLE COST

PHASE NAME: Phase 1 - PID Residential	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fata, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

C. WATER DISTRIBUTION SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
8" PVC WATERLINE	LF	7,200	\$24.00	\$172,800.00
WATER LINE BY BORE	LF	120	\$350.00	\$42,000.00
8" GATE VALVE & BOX	EA	36	\$1,250.00	\$45,000.00
CONNECT TO EXISTING WATER LINE	EA	1	\$1,000.00	\$1,000.00
FIRE HYDRANT ASSEMBLY	EA	15	\$3,800.00	\$52,200.00
1" SINGLE WATER SERVICE	EA	155	\$750.00	\$116,250.00
2" SINGLE WATER SERVICE	EA	1	\$800.00	\$800.00
2" IRRIGATION SERVICE	EA	8	\$1,875.00	\$15,000.00
REMOVE & REPLACE EXISTING BARRIER FREE RAMP	EA	1	\$3,000.00	\$3,000.00
REMOVE & REPLACE EXISTING 5' SIDEWALK	LF	50	\$40.00	\$2,000.00
WATER TRENCH SAFETY	LF	7,200	\$0.50	\$3,600.00
WATER TESTING (EXCLUDING GEOTECH)	LF	7,200	\$0.75	\$5,400.00
BONDS	PERCENT	2.00%	\$459,050.00	\$9,381.00
CITY REVIEW FEE	PERCENT	0.50%	\$459,050.00	\$2,295.45
WATER INSPECTION FEE	PERCENT	4.00%	\$459,050.00	\$14,072.00
CONTINGENCY	PERCENT	10.00%	\$459,050.00	\$16,909.00
SUB - TOTAL WATER DISTRIBUTION SYSTEM				\$541,798.95

OPINION OF PROBABLE COST		
PHASE NAME: Phase 1 - PID Residential	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fata, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

D. STREET & ALLEY PAVING				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
CLEARING AND GRUBBING (ROW)	ACRE	9.33	\$1,010.00	\$9,423.30
UNCLASSIFIED EXCAVATION (ROW)	CY	4,117	\$2.25	\$101,623.70
6" REINF. CONCRETE STREET PAVEMENT	SY	23,517	\$34.00	\$1,095,780.00
6" REINF. CONCRETE ALLEY PAVEMENT	SY	4,307	\$31.00	\$133,517.00
8" SUBGRADE PREPARATION	SY	23,988	\$2.75	\$65,921.00
HYDRATED LIME (SDY/SY)	TON	743	\$287.00	\$211,730.60
CURLEX	LF	13,665	\$1.10	\$20,531.50
6" CONCRETE SIDEWALK	LF	2,963	\$29.00	\$85,927.00
BARRIER FREE RAMPS	EA	45	\$1,255.00	\$56,475.00
PAVEMENT HEADER	LF	55	\$15.00	\$840.00
STREET BARRICADE	EA	2	\$1,420.00	\$2,840.00
CONNECT TO EXISTING ASPHALT ROAD	LS	1	\$10,000.00	\$10,000.00
STREET SIGNS	EA	28	\$600.00	\$16,800.00
STREET LIGHT	EA	15	\$3,520.00	\$52,800.00
4" ELECTRIC CONDUIT	LF	1,300	\$12.00	\$15,600.00
STRIPING - 4" STRIPE	LF	575	\$4.80	\$2,760.00
TRAFFIC HANDLING	MO	3	\$3,000.00	\$9,000.00
2' RETAINING WALL	LF	212	\$40.00	\$8,480.00
3' RETAINING WALL	LF	213	\$50.00	\$10,650.00
4' RETAINING WALL	LF	557	\$80.00	\$44,560.00
5' RETAINING WALL	LF	103	\$53.00	\$5,451.00
6' RETAINING WALL	LF	317	\$106.00	\$33,632.00
7' RETAINING WALL	LF	158	\$130.00	\$20,540.00
BONDS	PERCENT	2.00%	\$1,737,716.30	\$34,754.32
CITY REVIEW FEE	PERCENT	0.50%	\$1,737,716.30	\$8,688.58
PAVING INSPECTION FEE	PERCENT	3.00%	\$1,737,716.30	\$52,131.55
CONTINGENCY	PERCENT	10.00%	\$1,737,716.30	\$173,771.63
SUB - TOTAL STREET AND ALLEY PAVING				\$2,007,064.64

OPINION OF PROBABLE COST		
PHASE NAME: Phase 1 - PID Residential	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fata, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

SUMMARY

A. SANITARY SEWER SYSTEM	\$731,977.93
B. STORM SEWER SYSTEM	\$1,099,846.44
C. WATER DISTRIBUTION SYSTEM	\$541,798.95
D. STREET AND ALLEY PAVING	\$2,007,064.64
SUB TOTAL:	\$4,380,687.96

TOTAL CONSTRUCTION COSTS: \$4,380,687.96

LOT COUNT:	154	COST PER LOT:	\$28,446.62
LF OF STREET:	10,207	COST PER LF OF STREET:	\$429.10
NET DEVELOPABLE ACREAGE:	35.02	COST PER DEVELOPABLE ACRE:	\$125,093.01
TOTAL GROSS ACREAGE:	52.52	COST PER GROSS ACRE:	\$83,409.68

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2 - PID Residential	NET ACRES: 34.70	NO. OF RES LOTS: 161
CITY: Fata, Texas	GROSS ACRES: 43.10	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Phase 2 - PID Residential Infrastructure

A. SANITARY SEWER SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
8" SDR-26 PVC PIPE	LF	3,730	\$32.00	\$119,360.00
ADDITIONAL SAN. DEPTH (1" PER VF)	VF	605	\$2.00	\$1,210.00
4" SERVICE LINES	EA	161	\$600.00	\$96,600.00
4" DIAMETER MANHOLE	EA	15	\$3,080.00	\$46,200.00
5" DIAMETER MANHOLE	EA	1	\$5,300.00	\$5,300.00
5" DIAMETER DROP MANHOLE	EA	3	\$6,600.00	\$19,800.00
ADDITIONAL MANHOLE DEPTH (> 6')	VF	21	\$155.00	\$3,255.00
CONNECT TO EXISTING LINE	EA	5	\$1,000.00	\$5,000.00
2000 PSI CONCRETE ENCASMENT	LF	320	\$40.00	\$12,800.00
IRKINCH SAFETY	LF	3,730	\$1.00	\$3,730.00
TESTING (EXCLUDING GEOTECH)	LF	3,730	\$1.50	\$5,595.00
BONDS	PERCENT	2.00%	\$319,811.05	\$6,396.22
CITY REVIEW FEE	PERCENT	0.50%	\$319,811.05	\$1,599.05
SEWER INSPECTION FEE	PERCENT	3.00%	\$319,811.05	\$9,594.33
CONTINGENCY	PERCENT	10.00%	\$319,811.05	\$31,981.11
SUB - TOTAL SANITARY SEWER SYSTEM				\$369,381.76

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2 - PID Residential	NET ACRES: 34.70	NO. OF RES LOTS: 161
CITY: Fata, Texas	GROSS ACRES: 43.10	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

B. STORM SEWER SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
16" RCP	LF	1,777	\$54.00	\$95,958.00
21" RCP	LF	880	\$50.00	\$42,800.00
24" RCP	LF	407	\$71.00	\$28,897.00
27" RCP	LF	806	\$80.00	\$64,480.00
30" RCP	LF	67	\$31.00	\$6,037.00
36" RCP	LF	273	\$119.00	\$32,487.00
42" RCP	LF	410	\$145.00	\$59,450.00
48" RCP	LF	165	\$175.00	\$28,875.00
50"x1' RCB	LF	174	\$335.00	\$58,290.00
50"x5' RCB	LF	177	\$275.00	\$48,675.00
10" INLET	EA	24	\$3,600.00	\$82,800.00
8" SHAFT COMBINATION INLET	EA	11	\$3,190.00	\$35,090.00
5' x 5' INLET	EA	1	\$3,520.00	\$3,520.00
INLET PROTECTION	EA	35	\$200.00	\$7,000.00
4' STORM SEWER MANHOLE	EA	10	\$4,000.00	\$40,000.00
5' STORM SEWER MANHOLE	EA	5	\$5,000.00	\$25,000.00
6' STORM SEWER MANHOLE	EA	2	\$7,000.00	\$14,000.00

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2 - PID Residential	NET ACRES: 34.70	NO. OF RES LOTS: 161
CITY: Fata, Texas	GROSS ACRES: 43.10	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

B. STORM SEWER IMPROVEMENTS CONT'D				
CONNECT TO EXISTING STORM LINE	EA	2	\$1,000.00	\$2,000.00
30" HEADWALL	EA	1	\$2,600.00	\$2,600.00
42" HEADWALL	EA	1	\$4,000.00	\$4,000.00
48" HEADWALL	EA	1	\$4,300.00	\$1,300.00
5'X5' HEADWALL	EA	1	\$9,000.00	\$9,000.00
12" ROCK RIPRAP	SY	85	\$75.00	\$6,375.00
OPEN SPACE DRAINAGE SYSTEM	LOT	18	\$3,000.00	\$54,000.00
TRENCH SAFETY	LF	5,136	\$1.00	\$5,136.00
BONUS	PERCENT	2.00%	\$770,880.00	\$15,416.60
CITY REVIEW FEE	PERCENT	0.50%	\$770,880.00	\$3,854.15
DRAINAGE INSPECTION FEE	PERCENT	3.00%	\$770,880.00	\$23,124.90
CONTINGENCY	PERCENT	10.00%	\$770,880.00	\$77,088.00
SUB - TOTAL STORM SEWER SYSTEM				\$890,308.65

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2 - PID Residential	NET ACRES: 34.70	NO. OF RES LOTS: 161
CITY: Fate, Texas	GROSS ACRES: 43.10	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC 07.19.20.xlsm		

C. WATER DISTRIBUTION SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
8" PVC WATERLINE	LF	8,000	\$24.00	\$192,000.00
8" GATE VALVE & BOX	EA	43	\$1,250.00	\$53,750.00
CONNECT TO EXISTING WATER LINE	EA	3	\$1,000.00	\$3,000.00
FIRE HYDRANT ASSEMBLY	EA	17	\$3,890.00	\$66,130.00
1" SINGLE WATER SERVICE	EA	761	\$150.00	\$114,150.00
2" IRRIGATION SERVICE	EA	3	\$1,675.00	\$5,025.00
WATER TRENCH SAFETY	LF	3,000	\$0.50	\$1,500.00
WATER TESTING (EXCLUDING GEOTECH)	LF	8,000	\$0.75	\$6,000.00
BONDS	PERCENT	2.00%	\$450,630.00	\$9,212.60
CITY REVIEW FEE	PERCENT	0.50%	\$450,630.00	\$2,253.15
WATER INSPECTION FEE	PERCENT	3.00%	\$450,630.00	\$13,818.90
CON. URGENCY	PERCENT	10.00%	\$450,630.00	\$45,063.00
SUB - TOTAL WATER DISTRIBUTION SYSTEM				\$532,027.65

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2 - PID Residential	NET ACRES: 34.70	NO. OF RES LOTS: 161
CITY: Fata, Texas	GROSS ACRES: 43.10	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

D. STREET & ALLEY PAVING				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
CLEARING AND GRUBBING (ROW)	ACRE	9.35	\$1,010.00	\$9,443.50
UNCLASSIFIED EXCAVATION (ROW)	CY	41,234	\$2.25	\$101,821.50
6" REINF. CONCRETE STREET PAVEMENT	SY	23,422	\$34.00	\$1,96,348.00
6" REINF. CONCRETE ALLEY PAVEMENT	SY	5,191	\$31.00	\$160,921.00
8" SUBGRADE PREPARATION	SY	30,663	\$2.75	\$81,839.75
HYDRATED LIME (SDY/SY)	TON	772	\$287.00	\$221,435.00
CURLEX	LF	20,170	\$1.10	\$22,187.00
6" CONCRETE SIDEWALK	LF	3,991	\$29.00	\$115,739.00
GRASSCRETE	LS	1	\$50,000.00	\$50,000.00
BARRIER FREE RAMPS	EA	34	\$1,265.00	\$43,010.00
PAVEMENT HEADER	LF	112	\$15.00	\$1,680.00
STREET BARRICADE	EA	4	\$1,650.00	\$6,600.00
REMOVE BARRICADE	EA	2	\$600.00	\$1,200.00
STREET SIGNS	EA	20	\$600.00	\$12,000.00
STREET LIGHT	EA	17	\$3,520.00	\$59,840.00
4" ELECTRIC CONDUIT	LF	1,200	\$12.00	\$14,400.00
STRIPING - 4" STRIPE	LF	180	\$4.80	\$624.00
TRAFFIC HANDLING	MO	3	\$3,000.00	\$9,000.00
2' RETAINING WALL	LF	253	\$40.00	\$10,350.00
3' RETAINING WALL	LF	352	\$50.00	\$17,600.00
4' RETAINING WALL	LF	735	\$50.00	\$31,100.00
5' RETAINING WALL	LF	144	\$83.00	\$11,952.00
6' RETAINING WALL	LF	128	\$106.00	\$13,824.00
7' RETAINING WALL	LF	50	\$130.00	\$6,500.00
8' RETAINING WALL	LF	71	\$154.00	\$10,934.00
9' RETAINING WALL	LF	233	\$186.00	\$43,804.00
10' RETAINING WALL	LF	20	\$216.00	\$4,320.00
11' RETAINING WALL	LF	20	\$255.00	\$5,100.00
12' RETAINING WALL	LF	21	\$288.00	\$6,048.00
BONDS	PERCENT	2.00%	\$1,837,140.83	\$37,742.52
CITY REVIEW FEE	PERCENT	0.50%	\$1,837,140.83	\$9,435.70
PAVING INSPECTION FEE	PERCENT	3.00%	\$1,837,140.83	\$56,614.22
CONTINGENCY	PERCENT	10.00%	\$1,837,140.83	\$136,714.03
SUB - TOTAL STREET AND ALLEY PAVING				\$2,179,647.65

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2 - PID Residential	NET ACRES: 34.70	NO. OF RES LOTS: 161
CITY: Fata, Texas	GROSS ACRES: 43.10	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
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SUMMARY

A. SANITARY SEWER SYSTEM	\$369,381.76
B. STORM SEWER SYSTEM	\$890,308.65
C. WATER DISTRIBUTION SYSTEM	\$532,027.65
D. STREET AND ALLEY PAVING	\$2,179,647.65
SUB-TOTAL:	\$3,971,365.72

TOTAL CONSTRUCTION COSTS: \$3,971,365.72

LOT COUNT:	161	COST PER LOT:	\$24,666.87
LF OF STREET:	11,007	COST PER LF OF STREET:	\$360.87
NET DEVELOPABLE ACREAGE:	34.70	COST PER DEVELOPABLE ACRE:	\$114,448.58
TOTAL GROSS ACREAGE:	43.10	COST PER GROSS ACRE:	\$92,143.06

OPINION OF PROBABLE COST		
PHASE NAME: Phase 3 - PID Residential	NET ACRES: 27.05	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Phase 3 - PID Residential Infrastructure

A. SANITARY SEWER SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
18" SDR-26 PVC PIPE	LF	3,540	\$32.00	\$113,280.00
18" SERVICE LINES	EA	143	\$600.00	\$85,800.00
18" DIAMETER MANHOLE	EA	20	\$5,080.00	\$51,600.00
ADDITIONAL MANHOLE DEPTH (> 8')	VF	7	\$185.00	\$1,103.85
CONNECT TO EXISTING LINE	EA	2	\$1,000.00	\$2,000.00
2000 PSI CONCRETE ENCASEMENT	LF	260	\$40.00	\$10,400.00
TRENCH SAFETY	LF	3,540	\$1.00	\$3,540.00
TESTING (EXCLUDING GEOTECH)	LF	3,540	\$1.50	\$5,310.00
BONDS	PERCENT	2.00%	\$283,033.85	\$5,660.68
CITY REVIEW FEE	PERCENT	0.50%	\$283,033.85	\$1,415.17
SEWER INSPECTION FEE	PERCENT	3.00%	\$283,033.85	\$8,491.02
CONTINGENCY	PERCENT	10.00%	\$283,033.85	\$28,303.33
SUB - TOTAL SANITARY SEWER SYSTEM				\$326,904.10

OPINION OF PROBABLE COST		
PHASE NAME: Phase 3 - PID Residential	NET ACRES: 27.05	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

B. STORM SEWER SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
16" RCP	LF	953	\$54.00	\$51,452.00
21" RCP	LF	697	\$50.00	\$41,820.00
24" RCP	LF	473	\$71.00	\$33,583.00
27" RCP	LF	598	\$80.00	\$47,840.00
30" RCP	LF	241	\$91.00	\$21,991.00
36" RCP	LF	702	\$119.00	\$83,538.00
42" RCP	LF	153	\$145.00	\$22,190.00
48" RCP	LF	117	\$175.00	\$20,475.00
54" RCB	LF	142	\$255.00	\$36,210.00
54" RCB	LF	103	\$335.00	\$34,515.00
CONCRETE FLUME	SY	1.248	\$86.00	\$106.93
10" INLET	EA	20	\$3,600.00	\$72,000.00
3 - GRATE COMBINATION INLET	EA	10	\$3,190.00	\$31,900.00
6' x 6' INLET	EA	1	\$5,200.00	\$5,200.00
INLET PROTECTION	EA	31	\$200.00	\$6,200.00
4" STORM SEWER MANHOLE	EA	12	\$4,000.00	\$48,000.00
14" STORM SEWER MANHOLE	EA	2	\$5,000.00	\$10,000.00
6' STORM SEWER MANHOLE	EA	1	\$2,000.00	\$2,000.00
CONNECT TO EXISTING STORM LINE	EA	1	\$1,000.00	\$1,000.00
36" HEADWALL	EA	2	\$2,700.00	\$5,400.00
12" ROCK RIPRAP	SY	14	\$75.00	\$1,050.00
OPEN SPACE DRAINAGE SYSTEM	LOT	5	\$3,000.00	\$15,000.00
TRENCH SAFETY	LF	4,190	\$1.00	\$4,190.00
BONDS	PERCENT	2.00%	\$757,817.60	\$15,156.35
CITY REVIEW FEE	PERCENT	0.50%	\$757,817.60	\$3,789.09
DRAINAGE INSPECTION FEE	PERCENT	3.00%	\$757,817.60	\$22,734.53
CONTINGENCY	PERCENT	10.00%	\$757,817.60	\$75,781.76
SUB - TOTAL STORM SEWER SYSTEM				\$875,279.33

OPINION OF PROBABLE COST		
PHASE NAME: Phase 3 - PID Residential	NET ACRES: 27.05	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

C. WATER DISTRIBUTION SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
8" PVC WATERLINE	LF	4,950	\$24.00	\$116,800.00
8" GATE VALVE & BOX	EA	18	\$1,250.00	\$22,500.00
CONNECT TO EXISTING WATER LINE	EA	4	\$1,000.00	\$4,000.00
FIRE HYDRANT ASSEMBLY	EA	10	\$5,890.00	\$58,900.00
1" SINGLE WATER SERVICE	EA	143	\$750.00	\$107,250.00
2" IRRIGATION SERVICE	EA	7	\$1,875.00	\$13,125.00
WATER TRENCH SAFETY	LF	4,950	\$0.50	\$2,475.00
WATER TESTING (EXCLUDING GEOTECH)	LF	4,950	\$0.75	\$3,712.50
BONDS	PERCENT	2.00%	\$310,762.50	\$6,215.25
CITY REVIEW FEE	PERCENT	0.50%	\$310,762.50	\$1,553.81
WATER INSPECTION FEE	PERCENT	3.00%	\$310,762.50	\$9,322.88
CONINGENCY	PERCENT	10.00%	\$310,762.50	\$31,076.25
SUB - TOTAL WATER DISTRIBUTION SYSTEM				\$358,930.69

OPINION OF PROBABLE COST		
PHASE NAME: Phase 3 - PID Residential	NET ACRES: 27.05	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

D. STREET & ALLEY PAVING				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
CLEARING AND GRUBBING (ROW)	ACRE	6.01	\$1,010.00	\$6,100.40
UNCLASSIFIED EXCAVATION (ROW)	CY	29.234	\$2.25	\$65,775.60
6" REINF. CONCRETE STREET PAVEMENT	SY	14,685	\$34.00	\$499,290.00
6" REINF. CONCRETE ALLEY PAVEMENT	SY	3,576	\$31.00	\$110,886.00
8" SUBGRADE PREPARATION	SY	13,663	\$2.75	\$51,637.00
HYDRATED LIME (SDY/SY)	TON	497	\$237.00	\$112,552.90
CURLEX	LF	13,645	\$1.10	\$15,222.50
6" CONCRETE SIDEWALK	LF	2,176	\$29.00	\$53,104.00
BARRIER FREE RAMPS	EA	13	\$1,255.00	\$24,035.00
REMOVE BARRICADE	EA	4	\$600.00	\$2,400.00
STREET SIGNS	EA	11	\$600.00	\$6,600.00
STREET LIGHT	EA	14	\$3,520.00	\$49,280.00
4" ELECTRIC CONDUIT	LF	600	\$12.00	\$9,600.00
STRIPING - 4" STRIPE	LF	200	\$4.50	\$950.00
TRAFFIC HANDLING	MO	3	\$3,000.00	\$9,000.00
4' RETAINING WALL	LF	76	\$60.00	\$4,560.00
6' RETAINING WALL	LF	274	\$83.00	\$22,742.00
BONUS	PERCENT	2.00%	\$1,086,722.40	\$21,734.45
CITY REVIEW FEE	PERCENT	0.50%	\$1,086,722.40	\$5,433.61
PAVING INSPECTION FEE	PERCENT	3.00%	\$1,086,722.40	\$32,601.67
CONTINGENCY	PERCENT	10.00%	\$1,086,722.40	\$108,672.24
SUB - TOTAL STREET AND ALLEY PAVING				\$1,255,164.37

OPINION OF PROBABLE COST		
PHASE NAME: Phase 3 - PID Residential	NET ACRES: 27.05	NO. OF RES LOTS: 143
CITY: Fate, Texas	GROSS ACRES: 29.25	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC 07.19.20.xlsm		

A. SANITARY SEWER SYSTEM	5326,904.10
B. STORM SEWER SYSTEM	5875,279.33
C. WATER DISTRIBUTION SYSTEM	5358,930.69
D. STREET AND ALLEY PAVING	51,255,164.37
SUB-TOTAL:	12,816,278.49

52,816,278.48

43 of 54

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4 - PID Residential	NET ACRES: 30.49	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 38.69	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Phase 4 - PID Residential Infrastructure

A. SANITARY SEWER SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
8" SDR-26 PVC PIPE	LF	5,810	\$32.00	\$185,920.00
ADDITIONAL SAN. DEPTH (1" PER WF)	WF	2,005	\$2.00	\$4,010.00
4" SERVICE LINES	EA	143	\$600.00	\$85,800.00
4" DIAMETER MANHOLE	EA	12	\$3,050.00	\$36,600.00
5" DIAMETER DROP MANHOLE	EA	8	\$6,600.00	\$52,800.00
ADDITIONAL MANHOLE DEPTH (> 6')	WF	13	\$165.00	\$2,145.00
CONNECT TO EXISTING LINE	EA	1	\$1,000.00	\$1,000.00
2000 PSI CONCRETE ENCASEMENT	LF	220	\$40.00	\$8,800.00
18" INCH SAFETY	LF	5,810	\$1.00	\$5,810.00
TESTING (EXCLUDING GEO INCH)	LF	5,810	\$1.50	\$8,715.00
BONDS	PERCENT	2.00%	\$376,834.25	\$7,536.69
CITY REVIEW FEE	PERCENT	0.50%	\$376,834.25	\$1,884.17
SEWER INSPECTION FEE	PERCENT	3.00%	\$376,834.25	\$11,355.03
CONTINGENCY	PERCENT	10.00%	\$376,834.25	\$37,683.43
SUB - TOTAL SANITARY SEWER SYSTEM				\$437,553.56

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4 - PID Residential	NET ACRES: 30.49	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 38.69	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

B. STORM SEWER SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
16" RCP	LF	1,420	\$54.00	\$76,680.00
21" RCP	LF	504	\$80.00	\$40,240.00
24" RCP	LF	436	\$71.00	\$30,956.00
30" RCP	LF	6x6	\$81.00	\$59,696.00
36" RCP	LF	65	\$119.00	\$7,735.00
42" RCP	LF	922	\$145.00	\$133,690.00
CONCRETE FLUME	SY	863	\$86.00	\$74,716.80
10" INLET	EA	22	\$3,600.00	\$79,200.00
3" - GRATE COMBINATION INLET	EA	5	\$3,190.00	\$15,950.00
5' x 5' "Y" INLET	EA	1	\$3,520.00	\$3,520.00
INLET PROTECTION	EA	28	\$200.00	\$5,600.00
4' STORM SEWER MANHOLE	EA	11	\$4,000.00	\$44,000.00
5' STORM SEWER MANHOLE	EA	2	\$5,000.00	\$10,000.00
42" HEADWALL	EA	2	\$4,000.00	\$8,000.00
12" ROCK RIPRAP	SY	38	\$75.00	\$2,850.00
OPEN SPACE DRAINAGE SYSTEM	LOT	12	\$3,000.00	\$36,000.00
18" INCH SAFETY	LF	4,003	\$1.00	\$4,003.00
BONUS	PERCENT	2.00%	\$622,836.80	\$12,456.74
CITY REVIEW FEE	PERCENT	0.50%	\$622,836.80	\$3,114.18
DRAINAGE INSPECTION FEE	PERCENT	3.00%	\$622,836.80	\$18,685.10
CONTINGENCY	PERCENT	10.00%	\$622,836.80	\$52,283.68
SUB - TOTAL STORM SEWER SYSTEM				\$719,376.50

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4 - PID Residential	NET ACRES: 30.49	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 38.69	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

C. WATER DISTRIBUTION SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
8" PVC WATERLINE	LF	5,050	\$24.00	\$115,200.00
8" GATE VALVE & BOX	EA	32	\$1,250.00	\$40,000.00
FIRE HYDRANT ASSEMBLY	EA	12	\$3,880.00	\$46,560.00
1" SINGLE WATER SERVICE	EA	143	\$750.00	\$107,250.00
2" IRRIGATION SERVICE	EA	10	\$1,875.00	\$18,750.00
WATER TRENCH SAFETY	LF	5,050	\$0.50	\$3,025.00
WATER TESTING (EXCLUDING GEOTECH)	LF	5,050	\$0.75	\$1,537.50
BONDS	PERCENT	2.00%	\$355,442.50	\$7,308.85
CITY REVIEW FEE	PERCENT	0.50%	\$355,442.50	\$1,227.21
WATER INSPECTION FEE	PERCENT	3.00%	\$355,442.50	\$10,953.28
CON. EMERGENCY	PERCENT	10.00%	\$355,442.50	\$35,544.25
SUB - TOTAL WATER DISTRIBUTION SYSTEM				\$422,086.09

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4 - PID Residential	NET ACRES: 30.49	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 38.69	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

D. STREET & ALLEY PAVING				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
CLEARING AND GRUBBING (ROW)	ACRE	7.13	\$1,010.00	\$7,201.30
UNCLASSIFIED EXCAVATION (ROW)	CY	34.503	\$2.25	\$77,631.75
6" REINF. CONCRETE STREET PAVEMENT	SY	18,566	\$34.00	\$631,244.00
6" REINF. CONCRETE ALLEY PAVEMENT	SY	3,314	\$31.00	\$102,734.00
8" SUBGRADE PREPARATION	SY	23,512	\$2.75	\$64,658.00
HYDRATED LIME (SDY/SY)	TON	583	\$237.00	\$138,669.00
CURLEX	LF	14,175	\$1.10	\$15,592.50
6" CONCRETE SIDEWALK	LF	2,405	\$29.00	\$69,745.00
EMERGENCY ACCESS ROAD AND GATE	LS	1	\$25,000.00	\$25,000.00
BARRIER FREE RAMPS	EA	22	\$1,250.00	\$27,500.00
STREET SIGNS	EA	21	\$600.00	\$12,600.00
STREET LIGHT	EA	15	\$3,500.00	\$52,500.00
4" ELECTRIC CONDUIT	LF	1,050	\$12.00	\$12,600.00
STRIPING - 4" STRIPE	LF	100	\$4.80	\$480.00
TRAFFIC HANDLING	MO	3	\$3,000.00	\$9,000.00
3' RETAINING WALL	LF	25	\$50.00	\$1,250.00
6' RETAINING WALL	LF	96	\$106.00	\$10,176.00
7' RETAINING WALL	LF	46	\$130.00	\$5,980.00
8' RETAINING WALL	LF	74	\$154.00	\$11,396.00
9' RETAINING WALL	LF	113	\$188.00	\$21,244.00
10' RETAINING WALL	LF	83	\$216.00	\$17,928.00
BONDS	PERCENT	2.00%	\$1,346,326.20	\$26,925.52
CITY REVIEW FEE	PERCENT	0.50%	\$1,346,326.20	\$1,815.63
PAVING INSPECTION FEE	PERCENT	3.00%	\$1,346,326.20	\$40,389.79
CONTINGENCY	PERCENT	10.00%	\$1,346,326.20	\$134,632.62
SUB - TOTAL STREET AND ALLEY PAVING				\$1,555,006.76

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4 - PID Residential	NET ACRES: 30.49	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 38.69	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

SUMMARY

A. SANITARY SEWER SYSTEM	\$437,553.56
B. STORM SEWER SYSTEM	\$719,376.50
C. WATER DISTRIBUTION SYSTEM	\$422,086.09
D. STREET AND ALLEY PAVING	\$1,555,006.76

SUB-TOTAL: \$3,134,022.91

TOTAL CONSTRUCTION COSTS: \$3,134,022.91

LOT COUNT:	143	COST PER LOT:	\$21,916.24
LF OF STREET:	7.863	COST PER LF OF STREET:	\$398.58
NET DEVELOPABLE ACREAGE:	30.49	COST PER DEVELOPABLE ACRE:	\$102,768.54
TOTAL GROSS ACREAGE:	38.69	COST PER GROSS ACRE:	\$81,003.44

OPINION OF PROBABLE COST		
PHASE NAME: Phase 1 - PID Master	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fata, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Phase 1 - PID Master Infrastructure

A. DETENTION POND & CREEK GRADING				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
DETENTION PONDS & OUTFALL STRUCTURE	EA	2	\$100,000.00	\$200,000.00
CREEK GRADING	LS	1	\$30,000.00	\$30,000.00
SILT FENCE	LF	4,890	\$1.40	\$6,846.00
BONDS	PERCENT	2.00%	\$239,231.00	\$4,784.62
CITY REVIEW FEE	PERCENT	0.50%	\$239,231.00	\$1,196.16
CITY INSPECTION FEE	PERCENT	3.00%	\$239,231.00	\$7,176.93
CONTINGENCY	PERCENT	10.00%	\$239,231.00	\$23,923.10
SUB - TOTAL DETENTION POND				\$276,381.11

OPINION OF PROBABLE COST		
PHASE NAME: Phase 1 - PID Master	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fata, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

B. SANITARY SEWER SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
REMOVE EXISTING 15" PVC PIPE	LF	4,040	\$10.00	\$40,400.00
REMOVE EXISTING MANHOLE	EA	14	\$1,000.00	\$14,000.00
BYPASS PUMPING	MD	4	\$20,000.00	\$80,000.00
15" SDR-26 PVC PIPE	LF	3,510	\$40.00	\$140,400.00
ADDITIONAL SAN. DEPTH (1" PER FT)	VF	0.373	\$2.00	\$16,758.00
4" DIAMETER MANHOLE	EA	2	\$3,050.00	\$6,100.00
5" DIAMETER MANHOLE	EA	2	\$5,350.00	\$10,700.00
6" DIAMETER DROP MANHOLE	EA	8	\$6,600.00	\$52,800.00
ADDITIONAL MANHOLE DEPTH (> 8')	VF	63	\$185.00	\$10,401.00
CONNECT TO EXISTING MANHOLE	EA	3	\$1,500.00	\$4,500.00
ADJUST EXISTING MANHOLE	EA	1	\$1,000.00	\$1,000.00
2000 PSI CONCRETE ENCASMENT	LF	200	\$40.00	\$8,000.00
TRENCH SAFETY	LF	3,514	\$1.00	\$3,514.00
TESTING (EXCLUDING GEOTECH)	LF	3,514	\$1.50	\$5,271.00
BONDS	PERCENT	2.00%	\$431,084.60	\$8,621.69
CITY REVIEW FEE	PERCENT	0.50%	\$431,084.60	\$2,155.42
SEWER INSPECTION FEE	PERCENT	4.00%	\$431,084.60	\$17,243.38
CONTINGENCY	PERCENT	10.00%	\$431,084.60	\$43,108.46
SUB - TOTAL SANITARY SEWER SYSTEM				\$497,902.71

OPINION OF PROBABLE COST

PHASE NAME: Phase 1 - PID Master	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fata, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

C. TXDOT TURN LANES

DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
18'x18' TURN LANES	EA	1	\$250,000.00	\$250,000.00
EXTEND CULVERT, REMOVE & REPLACE EXISTING HEADWALL	LS	1	\$50,000.00	\$50,000.00
TXDOT TRAFFIC HANDLING	MO	3	\$10,000.00	\$30,000.00
BONDS	PERCENT	2.00%	\$330,000.00	\$6,600.00
CITY REVIEW FEE	PERCENT	0.50%	\$330,000.00	\$1,650.00
PAVING INSPECTION FEE	PERCENT	3.00%	\$330,000.00	\$9,900.00
CONTINGENCY	PERCENT	10.00%	\$330,000.00	\$33,000.00
SUB - TXDOT TURN LANES				\$381,150.00

D. SCREENING & STREET TREES

DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
LANDSCAPING TREES	EA	62	\$500.00	\$31,010.00
6" WROUGHT IRON	LF	221	\$45.00	\$9,945.00
MASONRY SCREENING WALL	LF	4,048	\$150.00	\$607,200.00
SUB - TOTAL SCREENING & STREET TREES				\$648,155.00

OPINION OF PROBABLE COST

PHASE NAME: Phase 1 - PID Master	NET ACRES: 35.02	NO. OF RES LOTS: 154
CITY: Fata, Texas	GROSS ACRES: 52.52	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

SUMMARY

A. DETENTION POND	\$276,381.11
B. SANITARY SEWER SYSTEM	\$497,902.71
C. TXDOT TURN LANES	\$381,150.00
D. SCREENING & STREET TREES	\$648,155.00
E. ENGINEERING STUDIES, ENVIRONMENTAL AND ENTITLEMENTS	\$325,822.20
SUB TOTAL:	\$2,129,411.02

TOTAL CONSTRUCTION COSTS: \$2,129,411.02

LOT COUNT:	154	COST PER LOT:	\$13,827.34
LF OF STREET:	N/A	COST PER LF OF STREET:	N/A
NET DEVELOPABLE ACREAGE:	35.02	COST PER DEVELOPABLE ACRE:	\$60,805.57
TOTAL GROSS ACREAGE:	52.52	COST PER GROSS ACRE:	\$40,544.76

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2 - PID Master	NET ACRES: 34.70	NO. OF RES LOTS: 161
CITY: Fata, Texas	GROSS ACRES: 43.10	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Phase 2 - PID Master Infrastructure

A. DETENTION POND & CREEK GRADING				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
CREEK WEIRS	EA	2	\$50,000.00	\$100,000.00
CREEK GRADING	LS	1	\$30,000.00	\$30,000.00
DETENTION POND & OUTFALL STRUCTURE	EA	1	\$110,000.00	\$110,000.00
SILT FENCE	LF	2,520	\$1.90	\$4,788.00
BONDS	PERCENT	2.00%	\$244,786.00	\$1,875.75
CITY REVIEW FEE	PERCENT	0.50%	\$244,786.00	\$1,223.93
CITY INSPECTION FEE	PERCENT	3.00%	\$244,786.00	\$7,343.58
CONTINGENCY	PERCENT	10.00%	\$244,786.00	\$24,478.60
SUB - TOTAL DETENTION POND				\$282,730.14

B. SANITARY SEWER SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
SUB - TOTAL SANITARY SEWER SYSTEM				\$0.00

C. TXDOT TURN LANES				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
SUB - TXDOT TURN LANES				\$0.00

OPINION OF PROBABLE COST		
PHASE NAME: Phase 2 - PID Master	NET ACRES: 34.70	NO. OF RES LOTS: 161
CITY: Fata, Texas	GROSS ACRES: 43.10	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

D. SCREENING & STREET TREES				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
LANDSCAPING TREES	EA	42	\$500.00	\$20,920.00
6" WROUGHT IRON	LF	897	\$45.00	\$40,365.00
MASONRY SCREENING WALL	LF	1,317	\$150.00	\$197,550.00
SUB - TOTAL SCREENING & STREET TREES				\$249,835.00

SUMMARY	
A. DETENTION POND	\$282,730.14
B. SANITARY SEWER SYSTEM	\$0.00
C. TXDOT TURN LANES	\$0.00
D. SCREENING & STREET TREES	\$249,835.00
SUB-TOTAL:	\$532,565.14

TOTAL CONSTRUCTION COSTS: \$532,565.14

LOT COUNT:	161	COST PER LOT:	\$3,307.86
LF OF STREET:	N/A	COST PER LF OF STREET:	N/A
NET DEVELOPABLE ACREAGE:	34.70	COST PER DEVELOPABLE ACRE:	\$15,347.70
TOTAL GROSS ACREAGE:	43.10	COST PER GROSS ACRE:	\$12,360.50

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4 - PID Master	NET ACRES: 30.49	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 38.69	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

Phase 4 - PID Master Infrastructure

A. DETENTION POND				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
SUB - TOTAL DETENTION POND				\$0.00

B. SANITARY SEWER SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
REMOVE EXISTING 10" PVC PIPE	LF	2.000	\$10.00	\$20,000.00
REMOVE EXISTING MANHOLE	EA	4	\$1,000.00	\$4,000.00
BYPASS PUMPING	MD	4	\$20,000.00	\$80,000.00
8" SDR-26 PVC PIPE	LF	1,450	\$32.00	\$46,400.00
10" SDR-26 PVC PIPE	LF	2,000	\$40.00	\$80,000.00
ADDITIONAL SAN. DEPTH (1" PER WF)	WF	5,350	\$2.00	\$10,700.00
4" DIAMETER MANHOLE	EA	1	\$3,000.00	\$3,000.00
4" WATER TIGHT BY PAVED MANHOLE LID	EA	2	\$1,500.00	\$3,000.00
5" DIAMETER DROP MANHOLE	EA	6	\$6,600.00	\$39,600.00
ADDITIONAL MANHOLE DEPTH (> 6')	WF	30	\$155.00	\$4,650.00
4" MANHOLE OVER EXISTING LINE	EA	1	\$1,070.00	\$1,070.00
CONNECT TO EXISTING MANHOLE	EA	1	\$1,500.00	\$1,500.00
ADJUST EXISTING MANHOLE	EA	1	\$1,000.00	\$1,000.00
2000 PSI CONCRETE ENCASMENT	LF	120	\$40.00	\$4,800.00
TRENCH SAFETY	LF	5,530	\$1.00	\$5,530.00
TESTING (EXCLUDING GEOTECH)	LF	5,530	\$1.50	\$8,295.00
BONDS	PERCENT	2.00%	\$322,171.40	\$6,443.43
CITY REVIEW FEE	PERCENT	0.50%	\$322,171.40	\$1,610.86
SEWER INSPECTION FEE	PERCENT	3.00%	\$322,171.40	\$9,665.14
CONTINGENCY	PERCENT	10.00%	\$322,171.40	\$32,217.14
SUB - TOTAL SANITARY SEWER SYSTEM				\$ 372,107.97

OPINION OF PROBABLE COST		
PHASE NAME: Phase 4 - PID Master	NET ACRES: 30.49	NO. OF RES LOTS: 143
CITY: Fata, Texas	GROSS ACRES: 38.69	CREATED BY: MDT/VBH
JOB NUMBER: NTR40-0065	CREATED: 3/1/2019	CHECKED BY: MDT
FILE NAME: Williamsburg East	PRINTED: 9/18/2020	REVISED BY: VBH
OPC_07.19.20.xlsm		

C. TXDOT TURN LANES				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
SUB - TOTAL TXDOT TURN LANES				\$0.00

D. SCREENING & STREET TREES				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
LANDSCAPING TREES	EA	58	\$500.00	\$26,900.00
MASONRY SCREENING WALL	LF	680	\$170.00	\$114,000.00
SUB - TOTAL SCREENING & STREET TREES				\$175,990.00

SUMMARY	
A. DETENTION POND	\$0.00
B. SANITARY SEWER SYSTEM	\$372,107.97
C. TXDOT TURN LANES	\$0.00
D. SCREENING & STREET TREES	\$175,990.00
SUB-TOTAL:	\$548,097.97

TOTAL CONSTRUCTION COSTS: \$548,097.97

LOT COUNT:	143	COST PER LOT:	\$3,832.85
LF OF STREET:	7,063	COST PER LF OF STREET:	\$69.71
NET DEVELOPABLE ACREAGE:	30.49	COST PER DEVELOPABLE ACRE:	\$17,976.32
TOTAL GROSS ACREAGE:	38.69	COST PER GROSS ACRE:	\$14,166.40

APP. C. 2018-2019

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APPENDIX A-2 – IMPROVEMENT AREA #2 ENGINEER’S REPORT

[To be provided by the Developer.]

APPENDIX B-1 – LOT TYPE 1 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING¹ RETURN TO:

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

STREET ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$23,832.44

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *Williamsburg East Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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

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

Notary Public, State of Texas]³

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

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Installment Due 1/31	Principal	Interest	Additional Interest	Annual Collection Costs	Total Annual Installment
2023	\$ 543.96	\$ 915.52	\$ 119.16	\$ 135.56	\$ 1,714.20
2024	\$ 555.30	\$ 901.24	\$ 116.44	\$ 138.27	\$ 1,711.25
2025	\$ 566.63	\$ 886.66	\$ 113.67	\$ 141.04	\$ 1,707.99
2026	\$ 577.96	\$ 871.79	\$ 110.83	\$ 143.86	\$ 1,704.44
2027	\$ 594.96	\$ 852.28	\$ 107.94	\$ 146.73	\$ 1,701.92
2028	\$ 611.96	\$ 832.20	\$ 104.97	\$ 149.67	\$ 1,698.80
2029	\$ 628.96	\$ 811.55	\$ 101.91	\$ 152.66	\$ 1,695.08
2030	\$ 651.62	\$ 790.32	\$ 98.76	\$ 155.71	\$ 1,696.42
2031	\$ 668.62	\$ 768.33	\$ 95.51	\$ 158.83	\$ 1,691.29
2032	\$ 691.29	\$ 742.42	\$ 92.16	\$ 162.01	\$ 1,687.88
2033	\$ 713.95	\$ 715.63	\$ 88.71	\$ 165.25	\$ 1,683.54
2034	\$ 742.28	\$ 687.97	\$ 85.14	\$ 168.55	\$ 1,683.94
2035	\$ 764.95	\$ 659.20	\$ 81.42	\$ 171.92	\$ 1,677.50
2036	\$ 793.28	\$ 629.56	\$ 77.60	\$ 175.36	\$ 1,675.80
2037	\$ 821.61	\$ 598.82	\$ 73.63	\$ 178.87	\$ 1,672.94
2038	\$ 849.94	\$ 566.98	\$ 69.53	\$ 182.44	\$ 1,668.90
2039	\$ 878.28	\$ 534.05	\$ 65.28	\$ 186.09	\$ 1,663.69
2040	\$ 912.27	\$ 500.02	\$ 60.88	\$ 189.82	\$ 1,662.99
2041	\$ 946.27	\$ 464.66	\$ 56.32	\$ 193.61	\$ 1,660.87
2042	\$ 980.27	\$ 425.63	\$ 51.59	\$ 197.48	\$ 1,654.98
2043	\$ 1,019.93	\$ 385.19	\$ 46.69	\$ 201.43	\$ 1,653.25
2044	\$ 1,053.93	\$ 343.12	\$ 41.59	\$ 205.46	\$ 1,644.11
2045	\$ 1,099.26	\$ 299.65	\$ 36.32	\$ 209.57	\$ 1,644.80
2046	\$ 1,138.93	\$ 254.30	\$ 30.82	\$ 213.76	\$ 1,637.82
2047	\$ 1,184.26	\$ 207.32	\$ 25.13	\$ 218.04	\$ 1,634.75
2048	\$ 1,229.59	\$ 158.47	\$ 19.21	\$ 222.40	\$ 1,629.67
2049	\$ 1,280.58	\$ 107.75	\$ 13.06	\$ 226.85	\$ 1,628.24
2050	\$ 1,331.58	\$ 54.93	\$ 6.66	\$ 231.38	\$ 1,624.55
Total	\$ 23,832.44	\$ 15,965.57	\$ 1,990.94	\$ 5,022.63	\$ 46,811.58

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX B-2 – LOT TYPE 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING¹ RETURN TO:

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

STREET ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$27,662.65

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *Williamsburg East Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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

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

Notary Public, State of Texas]³

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

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 2

Installment Due 1/31	Principal	Interest	Additional Interest	Annual Collection Costs	Total Annual Installment
2023	\$ 631.39	\$ 1,062.65	\$ 138.31	\$ 157.35	\$ 1,989.70
2024	\$ 644.54	\$ 1,046.08	\$ 135.16	\$ 160.49	\$ 1,986.27
2025	\$ 657.70	\$ 1,029.16	\$ 131.93	\$ 163.70	\$ 1,982.49
2026	\$ 670.85	\$ 1,011.90	\$ 128.65	\$ 166.98	\$ 1,978.37
2027	\$ 690.58	\$ 989.26	\$ 125.29	\$ 170.32	\$ 1,975.44
2028	\$ 710.31	\$ 965.95	\$ 121.84	\$ 173.72	\$ 1,971.82
2029	\$ 730.04	\$ 941.98	\$ 118.29	\$ 177.20	\$ 1,967.50
2030	\$ 756.35	\$ 917.34	\$ 114.64	\$ 180.74	\$ 1,969.06
2031	\$ 776.08	\$ 891.81	\$ 110.85	\$ 184.36	\$ 1,963.10
2032	\$ 802.39	\$ 861.74	\$ 106.97	\$ 188.04	\$ 1,959.14
2033	\$ 828.70	\$ 830.64	\$ 102.96	\$ 191.80	\$ 1,954.11
2034	\$ 861.58	\$ 798.53	\$ 98.82	\$ 195.64	\$ 1,954.57
2035	\$ 887.89	\$ 765.15	\$ 94.51	\$ 199.55	\$ 1,947.10
2036	\$ 920.77	\$ 730.74	\$ 90.07	\$ 203.54	\$ 1,945.13
2037	\$ 953.66	\$ 695.06	\$ 85.47	\$ 207.61	\$ 1,941.80
2038	\$ 986.54	\$ 658.11	\$ 80.70	\$ 211.77	\$ 1,937.11
2039	\$ 1,019.43	\$ 619.88	\$ 75.77	\$ 216.00	\$ 1,931.07
2040	\$ 1,058.89	\$ 580.37	\$ 70.67	\$ 220.32	\$ 1,930.25
2041	\$ 1,098.35	\$ 539.34	\$ 65.37	\$ 224.73	\$ 1,927.80
2042	\$ 1,137.81	\$ 494.04	\$ 59.88	\$ 229.22	\$ 1,920.95
2043	\$ 1,183.85	\$ 447.10	\$ 54.19	\$ 233.81	\$ 1,918.95
2044	\$ 1,223.31	\$ 398.27	\$ 48.27	\$ 238.48	\$ 1,908.34
2045	\$ 1,275.93	\$ 347.81	\$ 42.16	\$ 243.25	\$ 1,909.15
2046	\$ 1,321.97	\$ 295.17	\$ 35.78	\$ 248.12	\$ 1,901.04
2047	\$ 1,374.58	\$ 240.64	\$ 29.17	\$ 253.08	\$ 1,897.47
2048	\$ 1,427.20	\$ 183.94	\$ 22.30	\$ 258.14	\$ 1,891.58
2049	\$ 1,486.39	\$ 125.07	\$ 15.16	\$ 263.30	\$ 1,889.92
2050	\$ 1,545.58	\$ 63.76	\$ 7.73	\$ 268.57	\$ 1,885.64
Total	\$ 27,662.65	\$ 18,531.47	\$ 2,310.91	\$ 5,829.84	\$ 54,334.87

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX B-3 – LOT TYPE 3 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING¹ RETURN TO:

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

STREET ADDRESS

LOT TYPE 3 PRINCIPAL ASSESSMENT: \$29,790.55

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *Williamsburg East Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

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§

COUNTY OF ROCKWALL

§

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

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

Notary Public, State of Texas]³

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

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 3

Installment Due 1/31	Principal	Interest	Additional Interest	Annual Collection Costs	Total Annual Installment
2023	\$ 679.96	\$ 1,144.40	\$ 148.95	\$ 169.45	\$ 2,142.75
2024	\$ 694.12	\$ 1,126.55	\$ 145.55	\$ 172.84	\$ 2,139.06
2025	\$ 708.29	\$ 1,108.33	\$ 142.08	\$ 176.29	\$ 2,134.99
2026	\$ 722.45	\$ 1,089.73	\$ 138.54	\$ 179.82	\$ 2,130.55
2027	\$ 743.70	\$ 1,065.35	\$ 134.93	\$ 183.42	\$ 2,127.40
2028	\$ 764.95	\$ 1,040.25	\$ 131.21	\$ 187.09	\$ 2,123.50
2029	\$ 786.20	\$ 1,014.44	\$ 127.39	\$ 190.83	\$ 2,118.85
2030	\$ 814.53	\$ 987.90	\$ 123.45	\$ 194.64	\$ 2,120.53
2031	\$ 835.78	\$ 960.41	\$ 119.38	\$ 198.54	\$ 2,114.11
2032	\$ 864.11	\$ 928.02	\$ 115.20	\$ 202.51	\$ 2,109.84
2033	\$ 892.44	\$ 894.54	\$ 110.88	\$ 206.56	\$ 2,104.42
2034	\$ 927.86	\$ 859.96	\$ 106.42	\$ 210.69	\$ 2,104.92
2035	\$ 956.19	\$ 824.00	\$ 101.78	\$ 214.90	\$ 2,096.87
2036	\$ 991.60	\$ 786.95	\$ 97.00	\$ 219.20	\$ 2,094.75
2037	\$ 1,027.02	\$ 748.53	\$ 92.04	\$ 223.58	\$ 2,091.17
2038	\$ 1,062.43	\$ 708.73	\$ 86.91	\$ 228.06	\$ 2,086.12
2039	\$ 1,097.84	\$ 667.56	\$ 81.59	\$ 232.62	\$ 2,079.62
2040	\$ 1,140.34	\$ 625.02	\$ 76.11	\$ 237.27	\$ 2,078.74
2041	\$ 1,182.84	\$ 580.83	\$ 70.40	\$ 242.01	\$ 2,076.09
2042	\$ 1,225.34	\$ 532.04	\$ 64.49	\$ 246.86	\$ 2,068.72
2043	\$ 1,274.92	\$ 481.49	\$ 58.36	\$ 251.79	\$ 2,066.57
2044	\$ 1,317.41	\$ 428.90	\$ 51.99	\$ 256.83	\$ 2,055.13
2045	\$ 1,374.08	\$ 374.56	\$ 45.40	\$ 261.96	\$ 2,056.00
2046	\$ 1,423.66	\$ 317.88	\$ 38.53	\$ 267.20	\$ 2,047.27
2047	\$ 1,480.32	\$ 259.15	\$ 31.41	\$ 272.55	\$ 2,043.43
2048	\$ 1,536.98	\$ 198.09	\$ 24.01	\$ 278.00	\$ 2,037.08
2049	\$ 1,600.73	\$ 134.69	\$ 16.33	\$ 283.56	\$ 2,035.30
2050	\$ 1,664.47	\$ 68.66	\$ 8.32	\$ 289.23	\$ 2,030.69
Total	\$ 29,790.55	\$ 19,956.97	\$ 2,488.67	\$ 6,278.29	\$ 58,514.48

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX B-4 – LOT TYPE 4 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING¹ RETURN TO:

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

STREET ADDRESS

LOT TYPE 4 PRINCIPAL ASSESSMENT: \$40,129.45

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *Williamsburg East Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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

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

Notary Public, State of Texas]³

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

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 4

Installment Due 1/31	Major Improvement Area Bonds		Improvement Area #2 Bonds		Additional Interest	Annual Collection Costs	Total Annual Installment ¹
	Principal	Interest	Principal	Interest ²			
2023	\$ 145.37	\$ 329.25	\$ -	\$ 1,595.94	\$ 200.65	\$ 136.97	\$ 2,408.18
2024	\$ 149.30	\$ 323.25	\$ 457.71	\$ 1,818.16	\$ 199.92	\$ 139.71	\$ 3,088.06
2025	\$ 155.19	\$ 317.09	\$ 483.25	\$ 1,792.99	\$ 196.89	\$ 142.51	\$ 3,087.91
2026	\$ 161.08	\$ 310.69	\$ 510.75	\$ 1,766.41	\$ 193.69	\$ 145.36	\$ 3,087.99
2027	\$ 165.01	\$ 304.05	\$ 542.18	\$ 1,738.32	\$ 190.33	\$ 148.26	\$ 3,088.16
2028	\$ 170.91	\$ 297.24	\$ 575.58	\$ 1,708.50	\$ 186.80	\$ 151.23	\$ 3,090.25
2029	\$ 176.80	\$ 290.19	\$ 608.97	\$ 1,676.84	\$ 183.07	\$ 154.25	\$ 3,090.12
2030	\$ 182.69	\$ 282.90	\$ 644.33	\$ 1,643.35	\$ 179.14	\$ 157.34	\$ 3,089.75
2031	\$ 190.55	\$ 275.36	\$ 681.66	\$ 1,607.91	\$ 175.00	\$ 160.49	\$ 3,090.97
2032	\$ 196.44	\$ 266.55	\$ 722.91	\$ 1,570.42	\$ 170.64	\$ 163.69	\$ 3,090.66
2033	\$ 204.30	\$ 257.46	\$ 764.16	\$ 1,530.66	\$ 166.04	\$ 166.97	\$ 3,089.60
2034	\$ 214.12	\$ 248.01	\$ 809.35	\$ 1,488.63	\$ 161.20	\$ 170.31	\$ 3,091.62
2035	\$ 221.98	\$ 238.11	\$ 856.49	\$ 1,444.11	\$ 156.08	\$ 173.71	\$ 3,090.50
2036	\$ 231.80	\$ 227.84	\$ 907.57	\$ 1,397.01	\$ 150.69	\$ 177.19	\$ 3,092.10
2037	\$ 241.63	\$ 217.12	\$ 960.61	\$ 1,347.09	\$ 144.99	\$ 180.73	\$ 3,092.17
2038	\$ 251.45	\$ 205.95	\$ 1,017.58	\$ 1,294.26	\$ 138.98	\$ 184.35	\$ 3,092.56
2039	\$ 261.27	\$ 194.32	\$ 1,076.51	\$ 1,238.29	\$ 132.64	\$ 188.03	\$ 3,091.06
2040	\$ 271.09	\$ 182.24	\$ 1,141.34	\$ 1,179.08	\$ 125.95	\$ 191.79	\$ 3,091.49
2041	\$ 282.88	\$ 169.70	\$ 1,208.13	\$ 1,116.31	\$ 118.89	\$ 195.63	\$ 3,091.53
2042	\$ 296.63	\$ 155.91	\$ 1,278.85	\$ 1,049.86	\$ 111.43	\$ 199.54	\$ 3,092.22
2043	\$ 308.42	\$ 141.45	\$ 1,357.42	\$ 979.53	\$ 103.56	\$ 203.53	\$ 3,093.90
2044	\$ 322.17	\$ 126.41	\$ 1,437.97	\$ 904.87	\$ 95.23	\$ 207.60	\$ 3,094.24
2045	\$ 337.88	\$ 110.71	\$ 1,520.47	\$ 825.78	\$ 86.43	\$ 211.76	\$ 3,093.02
2046	\$ 353.60	\$ 94.23	\$ 1,610.84	\$ 742.15	\$ 77.13	\$ 215.99	\$ 3,093.95
2047	\$ 369.31	\$ 77.00	\$ 1,707.09	\$ 653.56	\$ 67.31	\$ 220.31	\$ 3,094.58
2048	\$ 385.03	\$ 58.99	\$ 1,809.24	\$ 559.67	\$ 56.93	\$ 224.72	\$ 3,094.58
2049	\$ 402.71	\$ 40.22	\$ 1,917.29	\$ 460.16	\$ 45.96	\$ 229.21	\$ 3,095.55
2050	\$ 422.35	\$ 20.59	\$ 2,029.26	\$ 354.71	\$ 34.36	\$ 233.80	\$ 3,095.07
2051	\$ -	\$ -	\$ 2,147.13	\$ 243.10	\$ 22.10	\$ 163.57	\$ 2,575.89
2052	\$ -	\$ -	\$ 2,272.85	\$ 125.01	\$ 11.36	\$ 166.84	\$ 2,576.06
Total	\$ 7,071.96	\$ 5,762.84	\$ 33,057.49	\$ 35,852.65	\$ 3,883.39	\$ 5,405.40	\$ 91,033.73

Notes:

1) The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

2) Interest preliminarily calculated at 5.50% for illustrative purposes only.

APPENDIX B-5 – LOT TYPE 5 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING¹ RETURN TO:

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

STREET ADDRESS

LOT TYPE 5 PRINCIPAL ASSESSMENT: \$46,465.67

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *Williamsburg East Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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

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

Notary Public, State of Texas]³

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

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 5

Installment Due 1/31	Major Improvement Area Bonds		Improvement Area #2 Bonds		Additional Interest	Annual Collection Costs	Total Annual Installment ¹
	Principal	Interest	Principal	Interest ²			
2023	\$ 168.32	\$ 381.24	\$ -	\$ 1,847.93	\$ 232.33	\$ 158.60	\$ 2,788.42
2024	\$ 172.87	\$ 374.29	\$ 529.98	\$ 2,105.24	\$ 231.49	\$ 161.77	\$ 3,575.64
2025	\$ 179.69	\$ 367.16	\$ 559.55	\$ 2,076.09	\$ 227.97	\$ 165.01	\$ 3,575.48
2026	\$ 186.52	\$ 359.75	\$ 591.40	\$ 2,045.32	\$ 224.28	\$ 168.31	\$ 3,575.56
2027	\$ 191.07	\$ 352.06	\$ 627.79	\$ 2,012.79	\$ 220.39	\$ 171.67	\$ 3,575.76
2028	\$ 197.89	\$ 344.17	\$ 666.46	\$ 1,978.26	\$ 216.29	\$ 175.11	\$ 3,578.18
2029	\$ 204.71	\$ 336.01	\$ 705.13	\$ 1,941.60	\$ 211.97	\$ 178.61	\$ 3,578.04
2030	\$ 211.54	\$ 327.57	\$ 746.07	\$ 1,902.82	\$ 207.42	\$ 182.18	\$ 3,577.60
2031	\$ 220.64	\$ 318.84	\$ 789.29	\$ 1,861.79	\$ 202.63	\$ 185.82	\$ 3,579.01
2032	\$ 227.46	\$ 308.64	\$ 837.06	\$ 1,818.38	\$ 197.58	\$ 189.54	\$ 3,578.65
2033	\$ 236.56	\$ 298.12	\$ 884.82	\$ 1,772.34	\$ 192.26	\$ 193.33	\$ 3,577.43
2034	\$ 247.93	\$ 287.17	\$ 937.14	\$ 1,723.67	\$ 186.65	\$ 197.20	\$ 3,579.77
2035	\$ 257.03	\$ 275.71	\$ 991.73	\$ 1,672.13	\$ 180.73	\$ 201.14	\$ 3,578.47
2036	\$ 268.40	\$ 263.82	\$ 1,050.87	\$ 1,617.59	\$ 174.49	\$ 205.17	\$ 3,580.33
2037	\$ 279.78	\$ 251.41	\$ 1,112.28	\$ 1,559.79	\$ 167.89	\$ 209.27	\$ 3,580.41
2038	\$ 291.15	\$ 238.47	\$ 1,178.25	\$ 1,498.61	\$ 160.93	\$ 213.45	\$ 3,580.86
2039	\$ 302.52	\$ 225.00	\$ 1,246.48	\$ 1,433.81	\$ 153.58	\$ 217.72	\$ 3,579.12
2040	\$ 313.90	\$ 211.01	\$ 1,321.55	\$ 1,365.25	\$ 145.84	\$ 222.08	\$ 3,579.62
2041	\$ 327.54	\$ 196.49	\$ 1,398.88	\$ 1,292.57	\$ 137.66	\$ 226.52	\$ 3,579.67
2042	\$ 343.47	\$ 180.52	\$ 1,480.77	\$ 1,215.63	\$ 129.03	\$ 231.05	\$ 3,580.47
2043	\$ 357.11	\$ 163.78	\$ 1,571.75	\$ 1,134.19	\$ 119.91	\$ 235.67	\$ 3,582.41
2044	\$ 373.04	\$ 146.37	\$ 1,665.01	\$ 1,047.74	\$ 110.26	\$ 240.38	\$ 3,582.81
2045	\$ 391.23	\$ 128.19	\$ 1,760.55	\$ 956.17	\$ 100.07	\$ 245.19	\$ 3,581.39
2046	\$ 409.43	\$ 109.11	\$ 1,865.18	\$ 859.34	\$ 89.31	\$ 250.10	\$ 3,582.46
2047	\$ 427.63	\$ 89.15	\$ 1,976.63	\$ 756.75	\$ 77.94	\$ 255.10	\$ 3,583.20
2048	\$ 445.82	\$ 68.31	\$ 2,094.91	\$ 648.04	\$ 65.92	\$ 260.20	\$ 3,583.20
2049	\$ 466.29	\$ 46.57	\$ 2,220.02	\$ 532.82	\$ 53.21	\$ 265.40	\$ 3,584.32
2050	\$ 489.04	\$ 23.84	\$ 2,349.67	\$ 410.71	\$ 39.78	\$ 270.71	\$ 3,583.76
2051	\$ -	\$ -	\$ 2,486.15	\$ 281.48	\$ 25.59	\$ 189.39	\$ 2,982.61
2052	\$ -	\$ -	\$ 2,631.72	\$ 144.74	\$ 13.16	\$ 193.18	\$ 2,982.81
Total	\$ 8,188.59	\$ 6,672.76	\$ 38,277.09	\$ 41,513.59	\$ 4,496.56	\$ 6,258.89	\$ 105,407.47

Notes:

1) The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

2) Interest preliminarily calculated at 5.50% for illustrative purposes only.

APPENDIX B-6 – LOT TYPE 6 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING¹ RETURN TO:

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

STREET ADDRESS

LOT TYPE 6 PRINCIPAL ASSESSMENT: \$52,801.90

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *Williamsburg East Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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

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

Notary Public, State of Texas]³

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

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 6

Installment Due 1/31	Major Improvement Area Bonds		Improvement Area #2 Bonds		Annual Collection		Total Annual Installment ¹
	Principal	Interest	Principal	Interest ²	Additional Interest	Costs	
2023	\$ 191.27	\$ 433.22	\$ -	\$ 2,099.92	\$ 264.01	\$ 180.23	\$ 3,168.66
2024	\$ 196.44	\$ 425.33	\$ 602.25	\$ 2,392.32	\$ 263.05	\$ 183.83	\$ 4,063.23
2025	\$ 204.20	\$ 417.23	\$ 635.86	\$ 2,359.19	\$ 259.06	\$ 187.51	\$ 4,063.04
2026	\$ 211.95	\$ 408.81	\$ 672.04	\$ 2,324.22	\$ 254.86	\$ 191.26	\$ 4,063.14
2027	\$ 217.12	\$ 400.06	\$ 713.40	\$ 2,287.26	\$ 250.44	\$ 195.08	\$ 4,063.37
2028	\$ 224.88	\$ 391.11	\$ 757.34	\$ 2,248.02	\$ 245.79	\$ 198.99	\$ 4,066.12
2029	\$ 232.63	\$ 381.83	\$ 801.28	\$ 2,206.37	\$ 240.88	\$ 202.96	\$ 4,065.95
2030	\$ 240.38	\$ 372.23	\$ 847.81	\$ 2,162.30	\$ 235.71	\$ 207.02	\$ 4,065.46
2031	\$ 250.72	\$ 362.32	\$ 896.92	\$ 2,115.67	\$ 230.27	\$ 211.16	\$ 4,067.06
2032	\$ 258.48	\$ 350.72	\$ 951.20	\$ 2,066.34	\$ 224.53	\$ 215.39	\$ 4,066.65
2033	\$ 268.82	\$ 338.77	\$ 1,005.48	\$ 2,014.02	\$ 218.48	\$ 219.70	\$ 4,065.26
2034	\$ 281.74	\$ 326.34	\$ 1,064.93	\$ 1,958.72	\$ 212.11	\$ 224.09	\$ 4,067.92
2035	\$ 292.08	\$ 313.30	\$ 1,126.96	\$ 1,900.15	\$ 205.37	\$ 228.57	\$ 4,066.44
2036	\$ 305.00	\$ 299.80	\$ 1,194.17	\$ 1,838.17	\$ 198.28	\$ 233.14	\$ 4,068.56
2037	\$ 317.93	\$ 285.69	\$ 1,263.96	\$ 1,772.49	\$ 190.78	\$ 237.81	\$ 4,068.65
2038	\$ 330.85	\$ 270.99	\$ 1,338.92	\$ 1,702.97	\$ 182.87	\$ 242.56	\$ 4,069.16
2039	\$ 343.78	\$ 255.68	\$ 1,416.46	\$ 1,629.33	\$ 174.52	\$ 247.41	\$ 4,067.19
2040	\$ 356.70	\$ 239.78	\$ 1,501.76	\$ 1,551.42	\$ 165.72	\$ 252.36	\$ 4,067.75
2041	\$ 372.21	\$ 223.29	\$ 1,589.64	\$ 1,468.83	\$ 156.43	\$ 257.41	\$ 4,067.80
2042	\$ 390.30	\$ 205.14	\$ 1,682.69	\$ 1,381.40	\$ 146.62	\$ 262.56	\$ 4,068.71
2043	\$ 405.81	\$ 186.11	\$ 1,786.08	\$ 1,288.85	\$ 136.26	\$ 267.81	\$ 4,070.92
2044	\$ 423.90	\$ 166.33	\$ 1,892.06	\$ 1,190.61	\$ 125.30	\$ 273.16	\$ 4,071.37
2045	\$ 444.58	\$ 145.67	\$ 2,000.62	\$ 1,086.55	\$ 113.72	\$ 278.63	\$ 4,069.76
2046	\$ 465.26	\$ 123.99	\$ 2,119.52	\$ 976.52	\$ 101.49	\$ 284.20	\$ 4,070.98
2047	\$ 485.94	\$ 101.31	\$ 2,246.17	\$ 859.94	\$ 88.57	\$ 289.88	\$ 4,071.82
2048	\$ 506.62	\$ 77.62	\$ 2,380.58	\$ 736.40	\$ 74.91	\$ 295.68	\$ 4,071.81
2049	\$ 529.88	\$ 52.92	\$ 2,522.75	\$ 605.47	\$ 60.47	\$ 301.60	\$ 4,073.09
2050	\$ 555.73	\$ 27.09	\$ 2,670.08	\$ 466.72	\$ 45.21	\$ 307.63	\$ 4,072.45
2051	\$ -	\$ -	\$ 2,825.17	\$ 319.87	\$ 29.08	\$ 215.22	\$ 3,389.33
2052	\$ -	\$ -	\$ 2,990.59	\$ 164.48	\$ 14.95	\$ 219.52	\$ 3,389.55
Total	\$ 9,305.21	\$ 7,582.68	\$ 43,496.69	\$ 47,174.53	\$ 5,109.72	\$ 7,112.37	\$ 119,781.22

Notes:

1) The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

2) Interest preliminarily calculated at 5.50% for illustrative purposes only.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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Proposed Form of Opinion of Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

**CITY OF FATE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____

AS BOND COUNSEL for the City of Fate, Texas (the “Issuer”), we have examined into the legality and validity of the issue of the bonds described above (the “Bonds”), which bear interest from the date specified in the text of the Bonds, until maturity or prior redemption, at the rates and payable on the dates as stated in the text of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the “Bond Ordinance”) and the Trust Indenture (as defined below).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the Issuer and other pertinent instruments furnished by the Issuer relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Issuer upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to governmental immunity, bankruptcy, reorganization, and other similar matters affecting creditors’ rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the Issuer which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Indenture of Trust between the Issuer and Wilmington Trust, National Association (the “Trust Indenture”), (ii) the covenants and agreements in the Trust Indenture constitute valid and binding obligations of the Issuer, (iii) the Bonds constitute valid and legally binding special obligations of the Issuer secured as set forth under the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.

THE ISSUER has reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners



of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

IT IS FURTHER OUR OPINION that, except as discussed below, the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not “specified private activity bonds” and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or if the Issuer fails to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation’s adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the “Service”); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer



as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the Issuer's Limited Offering Memorandum prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,

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APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

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**CITY OF FATE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer dated as of September 1, 2022 (this “Disclosure Agreement”) is executed and delivered by and between the City of Fate, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (acting solely in its capacity as the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2022 (Williamsburg East Public Improvement District Improvement Area #2 Project)” (the “Bonds”). The Issuer, the Administrator and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of September 1, 2022, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the Issuer or independent firm designated by the Issuer who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the current Administrator.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Audited Financial Statements” shall mean the audited financial statements of the Issuer that have been prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that has been audited by an independent certified public accountant.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State observed as such by the Issuer or the Trustee or any national holiday observed by the Trustee.

“Developer” shall mean Fate 163 Land LP, a Texas limited partnership, New Sheridan Dev Co Phase 1 LLC, a Texas limited liability company, and each other Person, through assignment, including but not limited to an affiliate entity that has yet to be formed, who assumes the obligations, requirements or covenants to construct the Improvement Area #2 Improvements and their designated successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds dated as of September 1, 2022 executed and delivered by the Developer, the Administrator and the Dissemination Agent.

“Disclosure Representative” shall mean the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Williamsburg East Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the calendar year from October 1 through September 30.

“Improvement Area #2” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #2 Assessment” shall have the meaning assigned to the defined term “Assessments” in the Indenture.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall mean the registered owner of any Bonds.

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean Wilmington Trust, National Association, Dallas, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as trustee, or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) Commencing with the Fiscal Year ending September 30, 2022, the Issuer shall provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB (i) not later than six (6) months after the end of the Issuer’s Fiscal Year, its Annual Financial Information and (ii) not later than twelve (12) months after the end of the Issuer’s Fiscal Year, its Audited Financial Statements. In each case, the Annual Financial Information and the Audited Financial Statements, as applicable, may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide the Annual Financial Information or Audited Financial Statements, as applicable, pursuant to Section 4 of this Disclosure Agreement. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Upon delivery by the Issuer of the Annual Financial Information or the Audited Financial Statements, as applicable, to the Dissemination Agent together, with written instructions to file such information or financial statements, as applicable, with the MSRB, the Dissemination Agent shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required in subsection (a); and

(ii) file the Annual Financial Information or the Audited Financial Statements, as applicable, containing or incorporating by reference the information set forth in Section 4 hereof;

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required, together with written instructions to file such financial information or financial statements with the MSRB and the Dissemination Agent has filed such financial information or financial statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or the Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which such financial information or financial statements shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Financial Information and Audited Financial Statements. The Annual Financial Information and the Audited Financial Statements shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent, the following:

(a) *Annual Financial Information.* Within six (6) months after the end of each Fiscal Year, the Annual Financial Information of the Issuer (any or all of which may be unaudited) being:

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and principal amount remaining Outstanding;

(B) The amounts in the funds and accounts under the Indenture securing the Bonds and a description of the related investments; and

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type, in substantially similar form to that shown in the tables provided under Sections 4(a)(ii)(A) and 4(a)(ii)(B) of Exhibit B attached hereto. Such information shall be provided: (a) as of the end of the Fiscal Year (for tables in Section 4(a)(ii)(A) of Exhibit B), and (b) both as of the end of the Fiscal Year and through February 1 of the calendar year immediately succeeding such Fiscal Year (for tables in Section 4(a)(ii)(B) of Exhibit B).

(iii) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a “SAP Update”), including any changes to the methodology for levying the Improvement Area #2 Assessments in Improvement Area #2.

(iv) Until building permits have been issued for parcels or lots representing, in the aggregate, ninety-five percent (95%) of the total the Improvement Area #2 Assessments levied within the Improvement Area #2, the Annual Financial Information (in the SAP Update or otherwise) shall include the number of certificates of occupancy (“COs”) issued for new homes completed in Improvement Area #2 during such Fiscal Year and the aggregate number of COs issued for new homes completed within Improvement Area #2

since filing the initial Annual Financial Information for Fiscal Year ending September 30, 2022.

(v) If the total amount of delinquencies greater than 150 days equals or exceeds ten percent (10%) of the amount of Improvement Area #2 Assessments due in any fiscal year, a list of delinquent property owners.

(vi) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) *Audited Financial Statements.* Within twelve (12) months after the end of each Fiscal Year, the Audited Financial Statements of the Issuer, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If such audited financial statements are not complete within twelve (12) months after the end of each Fiscal Year, then the Issuer shall provide unaudited financial statements within such period and shall provide audited financial statements for the applicable Fiscal Year when and if the audit report on such statements becomes available.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs. The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the of Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information and Audited Financial Statements under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material

notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within Improvement Area #2 in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent in writing to immediately file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide Audited Financial Statements (or unaudited financial statements, if Audited Financial Statements are not available) or Annual Financial Information, as applicable, as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting “Notice To MSRB of Failure To File.”

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made pursuant to Sections 4 and 5 of this Disclosure Agreement. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than three (3) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than the Business Day immediately following the day on which it receives written instructions from the Issuer. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until it receives written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent. If the Issuer discharges the Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., Dallas, Texas. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule

at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information or Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Audited Financial Statements for the fiscal year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement by the Issuer shall not be deemed a default under the Disclosure Agreement of Developer by the Developer, and a default under the Disclosure Agreement of Developer by the Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Financial Information and Audited Financial Statements) prepared by the Issuer pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Area #2, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent shall not be responsible for the Issuer's failure to submit a complete Annual Financial Information or Audited Financial Statements to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Area #2, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by the Developer or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator shall not be responsible for the Issuer's failure to submit a complete Annual Financial Information or Audited Financial Statements to the MSRB. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Administrator may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Administrator has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Administrator pursuant to this Disclosure Agreement.

fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, THE ADMINISTRATOR, OR THE DISSEMINATION AGENT, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT OR THE ADMINISTRATOR IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Improvement Area #2 Assessments and the anticipated procedures for pursuing the collection of delinquent Improvement Area #2 Assessments is set forth in Exhibit C which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Improvement Area #2 Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council

members, officer, agent or employee of the Issuer, the Administrator, or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #2, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Anti-Boycott Verification. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Dissemination Agent and the Administrator, each respectively, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person

or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent and the Administrator, each respectively, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the Issuer to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Dissemination Agent and the Administrator, each respectively, and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

SECTION 20. No Discrimination Against Fossil-Fuel Companies. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Dissemination Agent and the Administrator, each respectively, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies" shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable Federal or Texas law; or (B) does business with a company described by (A) above.

SECTION 21. No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Dissemination Agent and the Administrator, each respectively, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during

the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, (a) ‘discriminate against a firearm entity or firearm trade association’ (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association. As used in the foregoing verification, (b) ‘firearm entity’ means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (c) ‘firearm trade association’ means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

SECTION 22. Affiliate. As used in Sections 18 through 21, the Dissemination Agent and Administrator, each respectively, understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of SEC Rule 405, 17.C.F.R. § 230.405, and exists to make a profit.

SECTION 23. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement.

SECTION 24. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 25. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

[Signature pages follow.]

CITY OF FATE, TEXAS

By: _____
Mayor

HTS CONTINUING DISCLOSURE SERVICES,
A DIVISION OF HILLTOP SECURITIES INC.
(solely in its capacity as Dissemination Agent)

By: _____
Authorized Officer

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION][AUDITED FINANCIAL STATEMENTS]**

Name of Issuer: City of Fate, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022 (Williamsburg
East Public Improvement District Improvement Area #2 Project)
Date of Delivery: _____, 20____
CUSIP Numbers: [Insert CUSIP Numbers]

NOTICE IS HEREBY GIVEN that the City of Fate, Texas, has not provided [an Annual Financial Information] [Audited Financial Statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated as of September 1, 2022, between the Issuer, P3Works, LLC, as Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent. The Issuer anticipates that [the Annual Financial] [Audited Financial Statements] will be filed by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
on behalf of the City of Fate, Texas
(solely in its capacity as Dissemination Agent)

By: _____

Title: _____

cc: City of Fate, Texas

EXHIBIT B

**CITY OF FATE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT
AREA #2 PROJECT)**

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Numbers: [insert CUSIP Numbers]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: Dallas, Texas [_____]
Telephone: (____) ____ - ____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

Section 4(a)(i)(B)

INVESTMENTS

Fund/Account Name	Investment Description	Par Value	Book Value	Market Value

* Excluding Audited Financial Statements of the Issuer

Section 4(a)(i)(A)**ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE****ASSETS**

Bonds (Principal Balance)	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

LIABILITIES

Outstanding Bond Principal	_____
Outstanding Program Expenses (if any)	_____
TOTAL LIABILITIES	_____

EQUITY

Assets Less Liabilities	_____
Parity Ratio	_____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)(A)**FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR****Debt Service Requirements on the Bonds**

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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Top Improvement Area #2 Assessment Payers⁽¹⁾

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Improvement</u> <u>Area #2</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Improvement</u> <u>Area #2</u> <u>Assessments</u>
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⁽¹⁾ Does not include those owing less than one percent (1%) of total Improvement Area #2 Assessments.

Assessed Value of the Improvement Area #2 of the District

The [YEAR] certified total assessed value for the land in the Improvement Area #2 of the District is approximately \$[AMOUNT] according to the Rockwall Central Appraisal District.

Section 4(a)(ii)(B)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR AND AS OF FEBRUARY 1 OF THE NEXT SUCCEEDING YEAR

Foreclosure History Related to the Improvement Area #2 Assessments

<u>Time Period</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Improvement Area #2 Assessment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.

Collection and Delinquency History of Improvement Area #2 Assessments

<u>Time Period</u>	<u>Total Improvement Area #2 Assessment Levied</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 2/1</u>	<u>Delinquent % as of 2/1</u>	<u>Delinquent Amount as of 8/1</u>	<u>Delinquent % as of 8/1</u>	<u>Total Improvement Area #2 Assessments Collected⁽²⁾</u>
[FISCAL YEAR END]	\$		\$	%	\$	%	\$
[FEB 1. OF CURRENT YEAR] ⁽³⁾	\$		\$	%	N/A	N/A	\$

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ [Does/does not] include interest and penalties.

⁽³⁾ Collected as of February 1, 20__.

History of Prepayment of Improvement Area #2 Assessments

<u>Time Period</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u>	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u>
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.

ITEMS REQUIRED BY SECTION 4(a)(iii) - (vi)
[Insert a line item for each applicable listing]

EXHIBIT C

BASIC EXPECTED TIMELINE FOR IMPROVEMENT AREA #2 ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES*

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Improvement Area #2 Assessments are due.
February 1	1	<p>Improvement Area #2 Assessments delinquent if not received.</p> <p>Upon receipt but no later than February 1, Issuer forwards payment to Trustee for all collections received as of February 1, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.</p> <p>Issuer and/or Administrator should be aware of actual and specific delinquencies</p> <p>Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing.</p> <p>Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding February and August.</p> <p>At this point, if total delinquencies are under 5% and if there is adequate funding for February and August payments, no further action is anticipated for collection of Improvement Area #2 Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. For properties delinquent by more than</p>

* Illustrates anticipated dates and procedures for pursuing the collection of delinquent Improvement Area #1 Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33 and 34, Texas Tax Code, as amended (the "Code"), and the County Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure, in accordance with the County Tax/Assessor Collector's procedures.

If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full February and August payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the County Tax/Assessor Collector's procedures.

February 15 15

Issuer and/or Administrator should be aware of actual and specific delinquencies.

Trustee pays bond interest payments to Owners.

Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw on the Reserve Fund.

July 1 152/153

Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the County Tax/Assessor Collector's procedures.

Issuer and/or Administrator to notify Dissemination Agent in writing for disclosure to MSRB of all delinquencies.

Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and

if instructed by the Owners under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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**CITY OF FATE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of September 1, 2022 (this “Disclosure Agreement”) is executed and delivered by and among Fate 163 Land LP, a Texas limited partnership and New Sheridan Dev Co Phase 1 LLC, a Texas limited liability company (collectively, the “Developer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the “Dissemination Agent”) with respect to the “City of Fate, Texas, Special Assessment Revenue Bonds, Series 2022 (Williamsburg East Public Improvement District Improvement Area #2 Project)” (the “Bonds”). The Developer, the Administrator and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of September 1, 2022, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Additional Developer Projects” shall mean Gettysburg Road Improvements, as well as any other improvements funded with impact fees.

“Administrator” shall mean the Issuer or independent firm designated by the Issuer who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the current Administrator.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State observed as such by the Issuer or the Trustee or any national holiday observed by the Trustee.

“Certification Letter” shall mean a certification letter provided by the Developer or Significant Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean Fate 163 Land LP, a Texas limited partnership, New Sheridan Dev Co Phase 1 LLC, a Texas limited liability company, and each other Person, through assignment, including but not limited to an affiliate entity that has yet to be formed, who assumes the obligations, requirements or covenants to construct the Improvement Area #2 Improvements and their designated successors and assigns.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of Issuer dated as of September 1, 2022 executed and delivered by and among the Issuer, the Administrator and the Dissemination Agent.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Williamsburg East Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“Gettysburg Road Improvements” means road improvements to Gettysburg Road, including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, sidewalks, streetlights and related roadway drainage infrastructure including curb and gutter, piping, inlets and other necessary drainage infrastructure. Further, Gettysburg Road improvements include related earthwork, excavation, erosion control, retaining walls, signage, lighting and re-vegetation of all disturbed areas within the right-of-way. related improvements.

“HOA Amenity” shall mean the (i) amenity center, including a pool and playground, (ii) ponds and (iii) dedicated bike lanes and connected trail system, or other similar improvements to be constructed by the Developer within the District and to be owned and/or operated by a homeowners’ association.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into a Lot Sale Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Sale Agreement.

“Improvement Area #2” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #2 Assessed Property” shall have the meaning assigned to the term “Assessed Property” in the Indenture.

“Improvement Area #2 Assessment” shall have the meaning assigned to the term “Assessments” in the Indenture.

“Improvement Area #2 Improvements” shall have the meaning assigned to such term in the Indenture.

“Issuer” shall mean the City of Fate, Texas.

“Listed Events” shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

“Lot Purchase Agreement” shall mean, with respect to lots or land within Improvement Area #2 of the District, any lot purchase and sale agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall mean the registered owner of any Bonds.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Person” shall mean any legal person, including any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government, or any agency or political subdivision thereof.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning December 31, 2022.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being May 15, August 15, November 15, and February 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall mean a Homebuilder that then owns ten percent (10%)¹ or more of the single family residential lots within Improvement Area #2).

“Significant Homebuilder Listed Events” shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

“Trustee” shall mean Wilmington Trust, National Association, Dallas, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as trustee, or any successor trustee pursuant to the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with December 31, 2022, the information required for the preparation of the Quarterly Report (with respect to each party, the “Quarterly Information”). The Developer and any Significant Homebuilder shall provide, or cause to be provided, such Quarterly Information until such party’s obligations terminate pursuant to Section 7 of this Disclosure Agreement. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property so transferred.

(b) The Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Developer and/or Significant Homebuilder pursuant to subsection (a) above and (ii) provide to the Developer and/or Significant Homebuilder, as applicable, each Quarterly Report for review no later than twenty (20) days after each Quarterly Ending Date. The Developer and/or any Significant Homebuilder, as applicable, shall review the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide to the Administrator the Certification Letter and authorize the Administrator to provide such Quarterly Report and Certification Letter to the Issuer and Dissemination Agent pursuant to subsection (c) below. In all cases, the Developer and/or any Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in this Section 3 and the Certification Letter(s) provided by the Developer and/or any Significant Homebuilder, as applicable. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s) with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent’s receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report and the Certification Letter(s) must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that the Developer, any Significant Homebuilder or the Administrator does not provide the information required by subsection (a) or (b) of this Section, as

¹ At closing of the Bonds, based on the Developer’s current concept plan, ten percent (10%) of the total single family residential lots within Improvement Area #2 of the District is currently equal to approximately forty-five (45) lots.

applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the Developer, Significant Homebuilder or Administrator, as applicable, file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information is provided by the Developer or any Significant Homebuilder to the Dissemination Agent, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If the Developer and/or any Significant Homebuilder timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the information to the Dissemination Agent, or the failure of the Dissemination Agent to provide such information to the Participating Underwriter in a timely manner, shall not be deemed a default by the Developer, or any Significant Homebuilder, as applicable, under this Disclosure Agreement.

(d) Such Quarterly Report shall be in a form similar to that as attached in Exhibit A hereof and shall include:

(i) In a form similar to that as Table 3(d)(i) in Exhibit A attached hereto, the composition of the property within Improvement Area #2 subject to the Improvement Area #2 Assessments, as of the Quarterly Ending Date, including:

- A. The number of single family residential parcels;
- B. The number of acres of single family residential parcels;
- C. The number of platted single family residential lots;
- D. The number of single family residential lots identified in the original Service and Assessment Plan; and
- E. An explanation as to any change to the number of lots/parcels within Improvement Area #2 from the original Service and Assessment Plan;

(ii) In a form similar to that as Table 3(d)(ii) in Exhibit A attached hereto, the landowner composition of Improvement Area #2, including:

- A. The number of lots owned by each type of landowner (i.e., Developer, Homebuilders, end-user); and
- B. The percentage of single family residential lots relative to the total single family residential lots for the Developer, each Homebuilder, and end-users (end-users reported collectively), as of the Quarterly Ending Date;

(iii) In a form similar to that as Table 3(d)(iii) in Exhibit A attached hereto, for each parcel designated as single family residential, lot absorption statistics by lot type, on a quarter over quarter basis, including:

A. The number of single family lots platted in Improvement Area #2 of the District during the applicable quarter, broken down by landowner;

B. The number of single family lots in Improvement Area #2 of the District owned by the Developer not closed or under contract with a Homebuilder, as of the Quarterly Ending Date;

C. The number of single family lots in Improvement Area #2 of the District owned by the Developer under contract (but not closed) with a Homebuilder, as of the Quarterly Ending Date and broken down by Homebuilder; and

D. The number of single family lots in Improvement Area #2 of the District closed with a Homebuilder during the applicable quarter and on a cumulative total basis, broken down by Homebuilder.

(iv) In a form similar to that as Table 3(d)(iv) in Exhibit A attached hereto, for each parcel designated as single family residential in Improvement Area #2, for each Homebuilder, broken down by lot type and phase, on a quarter over quarter basis:

A. The number of homes under construction in Improvement Area #2;

B. The number of completed homes not under contract with end-users in Improvement Area #2;

C. The number of homes under contract with end-users in Improvement Area #2;

D. The number of homes closed with (delivered to) end-users in Improvement Area #2;

E. The average sales price of homes closed with end-users Improvement Area #2; and

F. The estimated date of completion of all homes to be constructed by the Homebuilder in Improvement Area #2;

(v) In a form similar to that as Table 3(d)(v) in Exhibit A attached hereto, with respect to the HOA Amenities:

A. Type of HOA Amenity;

B. Budgeted costs of each type of HOA Amenity;

C. Expected or actual construction start date;

D. Total actual costs spent, as of Quarterly Ending Date; and

E. Expected or actual construction completion date, and if there is an expected delay since the date of the immediately preceding Quarterly Report, an explanation of the delay.

(vi) In a form similar to that as Table 3(d)(vi) in Exhibit A attached hereto, materially adverse changes or determinations to permits/approvals for the development of Improvement Area #2 that necessitate changes to the land use plans of the Developer;

(vii) In a form similar to that as Table 3(d)(vii) in Exhibit A attached hereto, the occurrence of any new or modified mortgage debt on the land owned by the Developer, including the amount, interest rate and terms of repayment; and

(e) In a form similar to that as Tables 3(e)(i)-(iii) in Exhibit A attached hereto, with respect to each category of the Improvement Area #2 Improvements, as set forth in the Service and Assessment Plan, and the Additional Developer Projects, the Developer shall provide or cause to be provided the following information to the Administrator for inclusion in each Quarterly Report:

(i) Construction budget and timeline for the Improvement Area #2 Improvements, including:

A. Total budgeted costs of all Improvement Area #2 Improvements;

B. Total actual costs of the Improvement Area #2 Improvements drawn from the Improvement Area #2 Bond Improvement Account, as of the Quarterly Ending Date;

C. Total actual costs of Improvement Area #2 Improvements financed with other sources of funds (non-bond financed), as of the Quarterly Ending Date;

D. Forecast or actual completion date of the Improvement Area #2 Improvements, and if there is an expected delay since the date of the immediately preceding Quarterly Report, an explanation of the delay; and

E. Actual Issuer acceptance date of the Improvement Area #2 Improvements; and

(ii) Construction budget and timeline for the Additional Developer Projects, including:

A. Budgeted costs of all Additional Developer Projects;

B. Expected or actual construction start date of the Additional Developer Projects;

C. Total actual costs of all Additional Developer Projects, as of the Quarterly Ending Date;

D. Forecast or actual construction completion date of the Additional Developer Projects, and if there is an expected delay since the date of the immediately preceding Quarterly Report, an explanation of the delay; and

E. Actual Issuer acceptance date of the Additional Developer Projects costs of all Additional Developer Projects; and

(iii) Narrative update on construction milestones for the Improvement Area #2 Improvements and Additional Developer Projects since the date of the prior Quarterly Report.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Improvement Area #2 Assessments levied within Improvement Area #2 on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #2 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section 4(a) nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within the Improvement Area #2, including the Improvement Area #2 Improvements, the Additional Developer Projects and the HOA Amenities;

(iii) Material default by the Developer or any of the Developer's affiliates on any loan with respect to the acquisition, development or permanent financing of Improvement Area #2 undertaken by the Developer or any of the Developer's affiliates;

(iv) Material default by the Developer or any of Developer's affiliates on any loan secured by property within Improvement Area #2 owned by the Developer or any of the Developer's affiliates;

(v) The bankruptcy, insolvency or similar filing of the Developer or any of the Developer's affiliates or any determination that the Developer or any of the Developer's affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material (for avoidance of doubt, this section is not applicable to a land sale from Fate 163 Land LP, a Texas limited partnership to an affiliate entity);

(vii) The filing of any lawsuit with a claim for damages, in excess of \$1,000,000 against the Developer or any of the Developer's affiliates that may adversely affect the

completion of development of Improvement Area #2 or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's affiliates;

(viii) Any change in the legal structure, chief executive officer or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 herein.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Improvement Area #2 Assessments levied within Improvement Area #2 on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #2 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section 4(c) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Sale Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever the Developer obtains knowledge of the occurrence of a Developer Listed Event, the Developer shall promptly notify the Issuer, the Administrator and the Dissemination Agent in writing and the Developer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Developer becomes aware of the occurrence of such Developer Listed Event. If the Developer timely notifies the Dissemination Agent of the occurrence of a Developer Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating

Underwriter in a timely manner shall not be deemed a default by the Developer under this Disclosure Agreement.

Whenever a Significant Homebuilder obtains knowledge of the occurrence of a Significant Homebuilder Listed Event, the applicable Significant Homebuilder shall promptly notify the Issuer, the Administrator and the Dissemination Agent in writing and such Significant Homebuilder shall direct the Dissemination Agent in writing to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer, the Developer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Significant Homebuilder becomes aware of the occurrence of such Significant Homebuilder Listed Event. If the Significant Homebuilder timely notifies the Dissemination Agent of the occurrence of a Significant Homebuilder Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by the Significant Homebuilder under this Disclosure Agreement.

Any notice under the two (2) preceding paragraphs shall be accompanied with the text of the disclosure that the Developer or Significant Homebuilder, as applicable, desires to make, the written authorization of the Developer or the Significant Homebuilder, as applicable, for the Dissemination Agent to disseminate such information as provided herein, and the date the Developer or Significant Homebuilder, as applicable, desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the Developer or Significant Homebuilder, as applicable, becomes aware of the occurrence of the Developer Listed Event or Significant Homebuilder Listed Event, as applicable).

The Developer and each Significant Homebuilder, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such reporting Person and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other reporting Person, regardless if such Person is providing Quarterly Information on behalf of any other reporting Person. In all cases, the Developer or the Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the Developer or the Significant Homebuilder, as applicable, shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after the Developer or Significant Homebuilder, as applicable, becomes aware of the occurrence of the applicable Listed Event.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify the Issuer, the Developer and the Significant Homebuilder, if applicable, of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Developer or Significant Homebuilder, as applicable, to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Developer or Significant Homebuilder, as applicable, and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Developer and Significant Homebuilder, as applicable, as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable

in damages or in tort to the Participating Underwriter, the Issuer, the Developer, Significant Homebuilder, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by the Developer or Significant Homebuilder to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from the Developer or Significant Homebuilder, as applicable; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations by Developer.

The Developer shall cause each Person, who, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #2 Improvements or Additional Developer Projects to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement and assumption from each Person who assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #2 Improvements or Additional Developer Projects, in substantially the form attached as Exhibit E (the “Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person’s delivery of written acknowledgement of assumption of Developer’s obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilders.

If a Homebuilder acquires ownership of real property in Improvement Area #2 resulting in such Homebuilder becoming a Significant Homebuilder, the Developer shall cause such Significant Homebuilder to comply with the Developer’s disclosure obligations under Sections 3(d)(iv) and 4(b) hereof, with respect to such acquired real property until such party’s disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement; provided, however, a Significant Homebuilder who is also a Developer shall be required to provide the disclosure information required by Sections 3 and 4(a), as applicable, pursuant to Section 5 above. The Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F (the “Significant Homebuilder Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Sections 4(a)(ix) and 4(b)(vi) above, the Developer or Significant Homebuilder, as applicable, shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder’s delivery of written acknowledgement of assumption of Developer’s

obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) the later of (a) when all of the Improvement Area #2 Improvements and Additional Developer Projects are complete and at least ninety percent (90%)² of the single family residential lots within Improvement Area #2 are either under contract with Homebuilders or sold to end-users, or (b) when the Developer no longer owns at least twenty percent (20%)³ of the single family residential lots within Improvement Area #2 and at least ninety percent (90%)² of the single family residential lots within Improvement Area #2 are either under contract with Homebuilders or sold to end-users.

(b) The reporting obligations of a Significant Homebuilder, if any, under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) when the Significant Homebuilder no longer owns at least ten percent (10%) of the single family residential lots within Improvement Area #2.

(c) At such time that the reporting obligations of the Developer or Significant Homebuilder, if any, terminate in accordance with subsection (a) or (b) of this Section 7, the Administrator shall provide written notice to the Developer or Significant Homebuilder, as applicable, the Participating Underwriter, the Issuer and the Dissemination Agent in substantially the form attached as Exhibit C, thereby, terminating the applicable party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to the Developer or Significant Homebuilder occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the Developer or Significant Homebuilder, as applicable, and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(d) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of the Developer's and all Significant Homebuilder's, if any, reporting obligations in accordance with subsection (a) or (b) of this Section 7 and any Termination Notice required by subsection (c) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Developer or Significant Homebuilder, as applicable, and the Participating Underwriter.

² At closing of the Bonds, based on the Developer's current concept plan, ninety percent (90%) of the total single family residential lots within Improvement Area #2 of the District is equal to approximately four-hundred (400) lots.

³ At closing of the Bonds, based on the Developer's current concept plan, twenty percent (20%) of the total single family residential lots within Improvement Area #2 of the District is equal to approximately ninety (90) lots.

SECTION 8. Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., Dallas, Texas. The Issuer may, from time to time, appoint or engage a successor Dissemination Agent to assist the Developer, any Person that has executed a Developer Acknowledgement pursuant to Sections 5 hereof or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof in carrying out their obligations under this Disclosure Agreement. The Issuer may not discharge any Dissemination Agent without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent; provided that the Trustee shall have no obligations hereunder until it has been notified in writing that there is not any other designated Dissemination Agent and that it is the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each of the Developer, any Person that has executed a Developer Acknowledgement pursuant to Sections 5 hereof or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof of any change in the identity of the Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Developer or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer or any Significant Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Developer or Significant Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, the Developer or the Significant Homebuilder, as applicable, shall have no obligation under

this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 10 of this Disclosure Agreement.

SECTION 12. Default. In the event of a failure of the Developer, any Significant Homebuilder or the Administrator to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Developer, Significant Homebuilder and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer, Significant Homebuilder or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by the Developer, or any Significant Homebuilder, as applicable, shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by the Developer, any Significant Homebuilder or the Administrator. Additionally, a default by the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Developer, Significant Homebuilder and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating

to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Developer, any Significant Homebuilder, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Developer, any Significant Homebuilder, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #2, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #2, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow.]

HTS CONTINUING DISCLOSURE SERVICES,
A DIVISION OF HILLTOP SECURITIES INC.
(solely in its capacity as Dissemination Agent)

By: _____
Authorized Officer

NEW SHERIDAN DEV CO PHASE 1 LLC,
a Texas limited liability company

By: New Sheridan Dev Co LLC,
a Texas limited liability company,
its sole member and manager

By: New Sheridan Dev Co Manager LLC,
a Texas limited liability company,
its manager

By: JTG Holdings, LLC,
a Texas limited liability company,
its Managing Member

By: _____
Manager

FATE 163 LAND LP,
a Texas limited partnership

By: Fate 163 Land GP LLC,
a Texas limited liability company,
its General Partner

By: Pandora 551, LLC,
a Texas limited liability company,
its Managing Member

By: _____
Manager

P3WORKS, LLC
(as Administrator)

By: _____
Name: _____
Title: _____

EXHIBIT A

**CITY OF FATE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)**

DEVELOPER QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: Dallas, Texas [_____]
Telephone: (____) ____ - ____
Contact Person: Attn: _____

TABLE 3(d)(i)

IMPROVEMENT AREA #2 OVERVIEW (as of <i>[Insert Quarterly Ending Date]</i>)				
NUMBER OF SINGLE FAMILY PARCELS, ACREAGE OF SUCH PARCELS AND NUMBER OF PLATTED SINGLE FAMILY LOTS IN IMPROVEMENT AREA #2 SUBJECT TO IMPROVEMENT AREA #2 ASSESSMENTS:				
	Improvement Area #2 ⁽¹⁾		Original Service and Assessment Plan ⁽²⁾	
			Explanation as to any change in Lots/Parcels from Original Service and Assessment Plan	
Single Family				
Total SF Parcels/Acres				
Lot Type	-		-	
40' Lot				
50' Lot				
60' Lot				
[Future SF]				
Total SF Lots:				

⁽¹⁾ Single family lots represent the number of platted single family lots in Improvement Area #2, as of *[Insert Quarterly Ending Date]*.

⁽²⁾ Single family lots represent the number of planned single family lots included in Exhibit I of the original Service and Assessment Plan.

TABLE 3(d)(ii)

LANDOWNER COMPOSITION (as of <i>[Insert Quarterly Ending Date]</i>) OF IMPROVEMENT AREA #2		
Landowner Composition	Number of Actual Single Family Residential Lots Owned	Percentage of Total Actual Single Family Residential Lots
Developer Owned		
40' Lot		
50' Lot		
60' Lot		
[Future SF]		
<i>Total Developer Owned SF Lots:</i>		
[Homebuilder] Owned⁽¹⁾		
40' Lot		
50' Lot		
60' Lot		
[Future SF]		
<i>Total Homebuilder Owned SF Lots:</i>		
End-User Owned		
40' Lot		
50' Lot		
60' Lot		
[Future SF]		
<i>Total End-User Owned SF Lots:</i>		
<i>Total Development:</i>		

⁽¹⁾ Add additional rows for each Homebuilder.

[Remainder of page intentionally left blank]

FOR EACH PARCEL DESIGNATED AS SINGLE FAMILY RESIDENTIAL:

TABLE 3(d)(iii)

DEVELOPER ABSORPTION STATISTICS FOR SINGLE FAMILY RESIDENTIAL IN IMPROVEMENT AREA #2											
	Q 20	Q 20	Q 20	Q 20	Q 20	Q 20	Q 20	Q 20	Q 20	Q 20	TOTAL
# of platted SF lots: <ul style="list-style-type: none"> • 40' • 50' • 60' • [Future SF] TOTAL											
# of SF lots not under contract with Homebuilders: <ul style="list-style-type: none"> • 40' • 50' • 60' • [Future SF] TOTAL											
# of SF lots under contract (but not closed) with Homebuilders: <ul style="list-style-type: none"> • [Homebuilder] <ul style="list-style-type: none"> ○ 40' ○ 50' ○ 60' ○ [Future SF] Subtotal <ul style="list-style-type: none"> • [Homebuilder] <ul style="list-style-type: none"> ○ 40' ○ 50' ○ 60' ○ [Future SF] Subtotal <ul style="list-style-type: none"> • [Homebuilder] <ul style="list-style-type: none"> ○ 40' ○ 50' ○ 60' ○ [Future SF] Subtotal TOTAL											
# of SF lots closed with Homebuilders: <ul style="list-style-type: none"> • [Homebuilder] <ul style="list-style-type: none"> ○ 40' ○ 50' ○ 60' ○ [Future SF] Subtotal <ul style="list-style-type: none"> • [Homebuilder] <ul style="list-style-type: none"> ○ 40' ○ 50' ○ 60' ○ [Future SF] Subtotal <ul style="list-style-type: none"> • [Homebuilder] <ul style="list-style-type: none"> ○ 40' ○ 50' ○ 60' ○ [Future SF] Subtotal TOTAL											

TABLE 3(d)(iv)

[Homebuilder] ABSORPTION STATISTICS FOR SINGLE FAMILY RESIDENTIAL LOTS IN IMPROVEMENT AREA #2 ⁽¹⁾								
	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__
# of SF homes under construction: <ul style="list-style-type: none"> • 40' • 50' • 60' • [Future SF] TOTAL								
# of completed SF homes NOT under contract with end-user: <ul style="list-style-type: none"> • 40' • 50' • 60' • [Future SF] TOTAL								
# of SF homes under contract with end-user: <ul style="list-style-type: none"> • 40' • 50' • 60' • [Future SF] TOTAL								
# of SF homes delivered to end-users: <ul style="list-style-type: none"> • 40' • 50' • 60' • [Future SF] TOTAL								
Average home prices of homes delivered to end-users: <ul style="list-style-type: none"> • 40' • 50' • 60' • [Future SF] • Average 								

⁽¹⁾ Additional tables to be added for each Homebuilder

The estimated date of completion of all homes to be constructed by [Homebuilder] is _____, ____.

The estimated date of completion of all homes to be constructed by [Homebuilder] is _____, ____.

The estimated date of completion of all homes to be constructed by [Homebuilder] is _____, ____.

STATUS OF DEVELOPMENT:

TABLE 3(d)(v)

STATUS OF HOA AMENITIES					
Type of HOA Amenity	Expected or Actual Construction Start Date	Budgeted Costs	Total Costs Spent to Date	Expected or Actual Construction Completion Date	If Delay in Expected Completion Date from Previously Reported, an Explanation of Delay

TABLE 3(d)(vi)

PERMITS/APPROVALS FOR DEVELOPMENT OF IMPROVEMENT AREA #2	
A Material Change or Determination to Permit/Approval	Description of the Change to the Land Use Plan

TABLE 3(d)(vii)

OCCURRENCE OF ANY NEW OR MODIFIED MORTGAGE DEBT FOR LAND OWNED BY DEVELOPER				
Borrower	Lender	Amount	Interest Rate	Terms of Repayment

[Remainder of page intentionally left blank]

STATUS OF IMPROVEMENT AREA #2 IMPROVEMENTS AND ADDITIONAL DEVELOPER PROJECTS:

TABLES 3(e)(i)-(iii)

IMPROVEMENT AREA #2 IMPROVEMENTS BUDGET AND TIMELINE OVERVIEW					
	Budgeted Costs	Actual Costs Draw from Improvement Area #2 Bond Improvement Account as of <i>[Insert Quarterly Ending Date]</i>	Actual Costs financed with sources other than Bond proceeds as of <i>[Insert Quarterly Ending Date]</i>	Forecast Completion Date	Actual Issuer Acceptance Date
Total costs required to complete Improvement Area #2 Improvements:					
• Street & Alley	\$ _____	\$ _____	\$ _____	_____	_____
• Sewer	\$ _____	\$ _____	\$ _____	_____	_____
• Water	\$ _____	\$ _____	\$ _____	_____	_____
• Drainage	\$ _____	\$ _____	\$ _____	_____	_____
• Public Park	\$ _____	\$ _____	\$ _____	_____	_____
• Soft Costs	\$ _____	\$ _____	\$ _____	_____	_____

ADDITIONAL DEVELOPER PROJECTS BUDGET AND TIMELINE OVERVIEW					
	Budgeted Costs	Actual Costs spent as of <i>[Insert Quarterly Ending Date]</i>	Forecast Completion Date	Actual Issuer Acceptance Date	If Delay in Expected Completion Date from Previously Reported, an Explanation of Delay
Total costs required to complete Additional Developer Projects:					
• Gettysburg Road Improvement	\$ _____	\$ _____	_____	_____	
• Other Improvements	\$ _____	\$ _____	_____	_____	

Narrative update on construction milestones for Improvement Area #2 Improvements and Additional Developer Projects since last Quarterly Report:

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO [PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer: City of Fate, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022
(Williamsburg East Public Improvement District Improvement Area
#2 Project) (the “Bonds”)
CUSIP Numbers: [insert CUSIP Numbers]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Developer⁴”] [“Significant Homebuilder”]) has not provided the
[Quarterly Information][Quarterly Report] for the period ending on [Insert Quarterly Ending Date]
with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer dated
as of September 1, 2022, by and among New Sheridan Dev Co Phase 1 LLC, a Texas limited
liability company and Fate 163 Land LP, a Texas limited partnership (collectively, the
“Developer”), P3Works, LLC, as the “Administrator” and HTS Continuing Disclosure Services, a
division of Hilltop Securities Inc., as the “Dissemination Agent.” The [Developer][Significant
Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be
[provided][filed] by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
on behalf of the Developer
(acting solely in its capacity as
Dissemination Agent)

By: _____

Title: _____

cc: City of Fate, Texas

⁴ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Fate, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022
(Williamsburg East Public Improvement District Improvement Area
#2 Project) (the “Bonds”)
CUSIP Numbers. [insert CUSIP Numbers]
Date of Delivery: _____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

HTS Continuing Disclosure Services,
a division of Hilltop Securities Inc.
[_____]
Dallas, Texas [_____]

City of Fate, Texas
P.O. Box 159
Fate, Texas 75132

New Sheridan Dev Co Phase 1 LLC
[_____]
[_____, TX _____]

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that that _____, a
_____ (the [“Developer”] [“Significant Homebuilder”]) is no longer
responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the
Bonds, thereby, terminating such party’s reporting obligations under the Continuing Disclosure
Agreement of Developer dated as of September 1, 2022, by and among New Sheridan Dev Co
Phase 1 LLC, a Texas limited liability company and Fate 163 Land LP, a Texas limited partnership
(collectively, the “Developer”), P3Works, LLC, as the “Administrator” and HTS Continuing
Disclosure Services, a division of Hilltop Securities Inc., as the “Dissemination Agent.”

Dated: _____

P3Works, LLC
on behalf of the [Developer] [Significant Homebuilder]
(solely in its capacity as Administrator)

By: _____

Title: _____

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer: City of Fate, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022
(Williamsburg East Public Improvement District Improvement Area
#2 Project)
CUSIP Numbers: [insert CUSIP Numbers]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Williamsburg East Public Improvement District – Improvement Area #2

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer dated as of September 1, 2022 by and among New Sheridan Dev Co Phase 1 LLC, a Texas limited liability company and Fate 163 Land LP, a Texas limited partnership¹ (collectively, the “Developer”), P3Works, LLC, as the “Administrator”, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as the “Dissemination Agent,” this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [Insert Quarterly Ending Date], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

[INSERT DEVELOPER NAME]

By: _____

Name: _____

Title: _____

OR

**[SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)]**

By: _____

Title: _____]

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF DEVELOPER REPORTING OBLIGATIONS

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Williamsburg East Public Improvement District Improvement Area #2 – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__, you have been assigned and have assumed the obligations, requirements or covenants to construct one or more of the Improvement Area #2 Improvements or Additional Developer Projects (as those terms are defined in the Disclosure Agreement of Developer) within Improvement Area #2 of the Williamsburg East Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer dated as of September 1, 2022 (the “Disclosure Agreement of Developer”) by and among Fate 163 Land LP, a Texas limited partnership and New Sheridan Dev Co Phase 1 LLC, a Texas limited liability company (collectively, the “Initial Developer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”) with respect to the “City of Fate, Texas, Special Assessment Revenue Bonds, Series 2022 (Williamsburg East Public Improvement District Improvement Area #2 Project),” any person that, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #2 Improvements or Additional Developer Projects within Improvement Area #2 of the District is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

[INSERT DEVELOPER NAME]

By: _____

Name: _____

Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____

Title: _____

EXHIBIT F

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Williamsburg East Public Improvement District Improvement Area #2 – Continuing Disclosure Obligation

Dear _____,

As of _____, 20____, you own _____ lots within Improvement Area #2 of the Williamsburg East Public Improvement District (the “District”), which is equal to approximately _____% of the single family residential lots within Improvement Area #2 of the District.

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer dated as of September 1, 2022 (the “Disclosure Agreement of Developer”) by and among Fate 163 Land LP, a Texas limited partnership and New Sheridan Dev Co Phase 1 LLC, a Texas limited liability company (collectively, the “Developer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”) with respect to the “City of Fate, Texas, Special Assessment Revenue Bonds, Series 2022 (Williamsburg East Public Improvement District Improvement Area #2 Project),” any entity that owns ten percent (10%) or more of the single family residential lots within Improvement Area #2 of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(b) of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

[INSERT DEVELOPER NAME]

By: _____

Name: _____

Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____

Title: _____

APPENDIX F

FORM OF IA#2 REIMBURSEMENT AGREEMENT

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REIMBURSEMENT AGREEMENT
Williamsburg East Public Improvement District
Improvement Area #2 Project

This Reimbursement Agreement (this “Agreement”) is entered into by New Sheridan Dev Co Phase 1, LLC, a Texas limited liability company and Fate 163 Land LP, a Texas limited partnership (collectively, “Developer”), and the City of Fate, Texas (the “City”), effective as of September 6, 2022 (the “Effective Date”) in relation to the City of Fate, Texas, Special Assessment Revenue Bonds, Series 2022 (Williamsburg East Public Improvement District Improvement Area #2 Project). Developer and the City are individually referred to herein as a “Party” and collectively as the “Parties.”

SECTION 1.
RECITALS

1.1 WHEREAS, capitalized terms used in this Agreement shall have the meanings given to them in Section 2; and

1.2 WHEREAS, unless otherwise defined: (1) all references to “sections” shall mean sections of this Agreement; (2) all references to “exhibits” shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and (3) all references to “ordinances” or “resolutions” shall mean ordinances or resolutions adopted by the City Council; and

1.3 WHEREAS, New Sheridan Dev Co Phase 1, LLC, a Texas limited liability company (“New Sheridan Dev Co Phase 1”), as assignee, and the City have entered into a Development Agreement, effective as of September 15, 2020, relating to the development of the property within the PID and the financing of public improvements within the PID; and

1.4 WHEREAS, on July 6, 2020, the City Council passed and approved the PID Creation Resolution authorizing the creation of the PID pursuant to the authority of the Act, covering approximately 164 contiguous acres within the City's corporate limits, which land is described in the PID Creation Resolution; and

1.5 WHEREAS, on August 15, 2022, the City Council passed and approved a resolution amending the PID Creation Resolution to increase the estimated costs of the public improvements benefitting property within the PID (the “Authorized Improvements”); and

1.6 WHEREAS, prior to the issuance of PID Bonds, Developer has paid and may continue to pay for the Actual Costs of the Improvement Area #2 Improvements benefitting the property within the PID;

1.7 WHEREAS, this Agreement is a “reimbursement agreement” authorized by Section 372.023(d)(1) of the Act;

1.8 WHEREAS, the recitals: (a) are part of this Agreement for all purposes; (b) are true and correct; and (c) each Party has relied upon such recitals in entering into this Agreement; and

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth herein, the Parties agree as follows:

SECTION 2. DEFINITIONS

“Act” means Chapter 372, Texas Local Government Code, as amended.

“Actual Cost(s)” are defined in the SAP.

“Annual Collection Costs” are defined in the SAP.

“Annual Installment” is defined in the SAP.

“Assessed Property” in this Agreement has the meaning of “Improvement Area #2 Assessed Property” as defined in the SAP.

“Assessment(s)” means an assessment levied against Assessed Property pursuant to the provisions of the Act for payment of Improvement Area #2 Project Costs, including the payment of PID Bonds and obligations under this Agreement.

“Assessment Ordinance” means the ordinance(s) adopted by the City Council levying Assessments on an Assessed Property within the PID to pay Improvement Area #2 Project Costs, PID Bonds and obligations under this Agreement.

“Assessment Revenue” means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments, and Foreclosure Proceeds.

“Assessment Roll” in this Agreement has the meaning of “Improvement Area #2 Assessment Roll” in the SAP.

“Bond Indenture” means the indenture of trust pursuant to which PID Bonds are issued.

“Bond Proceeds” mean the proceeds derived from the issuance and sale of PID Bonds that are deposited into the PID Project Fund and made available to pay Improvement Area #2 Project Costs including design, engineering, construction and inspection costs in accordance with this Agreement and any Bond Indenture or SAP.

“Certificate for Payment” means a certificate (substantially in the form of Exhibit A or as otherwise approved by Developer and the City Representative) executed by a representative of Developer and approved by the City Representative, delivered to the City Representative (and/or, if applicable, to the Trustee named in the Bond Indenture), specifying the work performed and the amount charged (including materials and labor costs) for Improvement Area #2 Project Costs, and requesting payment of such amount from the appropriate fund or funds. Each certificate shall include supporting documentation in the standard form for City construction projects and evidence that the Improvement Area #2 Improvements (or their completed segment(s)) covered by the certificate have been inspected by the City.

“City Council” means the governing body of the City.

“City Representative” means the person authorized by the City Council to undertake the actions referenced herein.

“Closing Disbursement Request” means a request in the form of Exhibit B or as otherwise approved by the Parties.

“Cost Overrun” means, with respect to each Authorized Improvement, the amount of the Actual Cost paid for the Authorized Improvement in excess of the budgeted cost for such Authorized Improvement as provided for in the Service and Assessment Plan.

“Default” is defined in Section 4.6.1.

“Delinquent Collection Costs” are defined in the SAP.

“Development Agreement” means that certain Development Agreement, effective as of September 15, 2020, by and between JTG Holdings, LLC, a Texas limited liability company (as predecessor-in-interest to New Sheridan Dev Co Phase 1) and the City and assigned to New Sheridan Dev Co Phase 1 on September 15, 2020, pertaining to the construction and installation of certain Authorized Improvements, as described therein and benefitting the PID.

“Developer Advances” mean advances made by Developer to pay Improvement Area #2 Project Costs.

“Developer Continuing Disclosure Agreement” means the Continuing Disclosure Agreement of Developer executed contemporaneously with the issuance and sale of PID Bonds.

“Failure” is defined in Section 4.6.1.

“Final Completion” means completion of an Authorized Improvement in compliance with existing City standards under the City’s ordinances and the Development Agreement.

“Improvement Area #2” is defined in the SAP.

“Improvement Area #2 Improvements” are defined in the SAP.

“Improvement Area #2 Projects” are defined in the SAP.

“Improvement Area #2 Project Costs” means the Actual Costs of the Improvement Area #2 Projects.

“Maturity Date” is the date one year after the final scheduled and non-delinquent Annual Installment is collected.

“PID” means the Williamsburg East Public Improvement District created by the PID Creation Resolution.

“PID Bonds” means the bonds issued pursuant to the provisions of the Act in one or more

series to fund Improvement Area #2 Project Costs or to reimburse Developer for Improvement Area #2 Project Costs.

“PID Creation Resolution” means the resolution passed and approved by the City Council on July 6, 2020, authorizing the creation of the PID, as amended by a resolution passed and approved by the City Council on August 15, 2022.

“PID Pledged Revenue Fund” means the Pledged Revenue Fund, as defined in the Bond Indenture, established or to be established by the City (and segregated from all other funds of the City) into which the City deposits Assessment Revenue securing PID Bonds issued and still outstanding, as described in the Bond Indenture.

“PID Project Fund” means the Project Fund, as defined in the Bond Indenture, including all accounts and subaccounts created within such fund, established or to be established by the City (and segregated from all other funds of the City) into which the City deposits Bond Proceeds in the amounts and as described in the Bond Indenture.

“PID Reimbursement Fund” means the fund established by the City under this Agreement (and segregated from all other funds of the City) into which the City deposits Assessment Revenue if not deposited into the PID Pledged Revenue Fund.

“Reimbursement Agreement Balance” is defined in Section 3.3.1.

“Service and Assessment Plan” or “SAP” means the service and assessment plan and any updates thereto approved by the City Council, prepared in relation to the property within the PID.

“Trustee” is defined herein.

SECTION 3. FUNDING IMPROVEMENT AREA #2 PROJECT COSTS

3.1 Fund Deposits.

3.1.1 Unless and until PID Bonds are issued, the City shall bill, collect, and immediately deposit all Assessment Revenue into the PID Reimbursement Fund, which PID Reimbursement Fund is hereby created and established as a fund under this Agreement. After the issuance and delivery of PID Bonds for the Improvement Area #2 Projects, the City shall bill, collect, and immediately deposit all Assessment Revenue in the manner set forth in the Bond Indenture. The City shall also deposit Bond Proceeds in the manner set forth in the Bond Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as the City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the Bond Indenture. Funds in the PID Reimbursement Fund shall only be used to pay all or any portion of the Reimbursement Agreement Balance in accordance with this Agreement.

3.1.2 The City hereby confirms, covenants, and agrees that for so long as amounts are due to Developer under this Agreement and for so long as PID Bonds are outstanding, that the City will do the following in the manner and to the maximum extent permitted by applicable law,

subject to any conflicting provisions in the Bond Indenture: (a) take and pursue all actions necessary to cause the Assessments to be collected; (b) take and pursue all actions necessary to cause the liens related to the Assessments to be enforced continuously, including diligently prosecuting an action in district court to foreclose for delinquent or nonpayment of Assessments, including Annual Installments; and (c) take and pursue all actions necessary to cause no reduction, abatement or exemption of the Assessments. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding Assessed Property. The Bond Indenture shall control in the event of any conflicts with this Agreement.

3.2 Payment of Improvement Area #2 Project Costs.

3.2.1 Unless and until PID Bonds are issued to pay Improvement Area #2 Project Costs, Developer may elect to make Developer Advances to pay such Improvement Area #2 Project Costs. Prior to the City's adoption of an ordinance authorizing the issuance of a series of PID Bonds, Developer shall provide evidence of financial security in the form of a letter from the project lender confirming that sufficient funds are available and reserved for completion of the Improvement Area #2 Improvements (or portion thereof), including the Improvement Area #2 Improvements to be funded by the proceeds of PID Bonds and the Improvement Area #2 Improvements not otherwise funded by the proceeds of PID Bonds. If such evidence of financial security is not available, or if Developer so elects, Developer may deposit into the PID Project Fund an amount equal to the remaining costs not funded by the PID Bonds necessary to pay Improvement Area #2 Project Costs.

3.2.2 Bond Proceeds (i) may be used to construct Improvement Area #2 Improvements and directly pay Improvement Area #2 Project Costs in lieu of Developer Advances and reimbursement and (ii) shall be used in the manner provided in the Bond Indenture. Developer may, but shall not have the obligation, to make Developer Advances unless the Bond Proceeds, on deposit in the PID Project Fund, are insufficient to pay any remaining Improvement Area #2 Project Costs, in which case Developer shall make Developer Advances to pay the deficit.

3.2.3 If the total cost of an Authorized Improvement (or its completed segment, section, or portion thereof) exceeds the budgeted cost for such Authorized Improvement (or its completed segment, section, or portion thereof) (a "Cost Overrun"), Developer shall be solely responsible for the remainder of the costs of such Authorized Improvement (or its completed segment, section, or portion thereof), except as provided for in Section 3.2.4 below. Developer shall make Developer Advances to pay for Cost Overruns (after applying cost savings or reallocation of budget line items to reflect actual costs).

3.2.4 Upon the Final Completion of an Authorized Improvement (or its completed segment, section, or portion thereof) and payment of all outstanding invoices for such Authorized Improvement (or its completed segment, section, or portion thereof), and prior to the City's acceptance of such Authorized Improvement, if the Actual Costs of such Authorized Improvement (or its completed segment, section, or portion thereof) is less than the budgeted cost (a "Cost Underrun"), any remaining budgeted cost, as shown in the SAP, will be available to pay Cost Overruns on any other Authorized Improvement, and the SAP shall be updated in the next annual update to reflect the reallocation of budgeted costs. The City Representative shall promptly

confirm that such remaining amounts are available to pay such Cost Overruns, and Developer, the Administrator, and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Authorized Improvements. The elimination of a category of Authorized Improvements as set forth in the SAP will require an amendment to the SAP. Prior to the completion of all of the Authorized Improvements within an improvement category, but after the construction contracts commence (and are provided to the City/Administrator (as defined in the SAP)), budgeted costs as listed in the SAP, if in excess of the contract amounts for the same category of Authorized Improvements in the construction contracts, will be available to fund Cost Underruns and applied to other Authorized Improvement categories. The next SAP annual update will include adjustments to the Authorized Improvements budgets to align with the construction contracts. If, upon completion of the Authorized Improvements in any improvement category, there are funds still remaining in any improvement categories, those funds can then be used to reimburse the Developer for any qualifying costs of the Authorized Improvements that have not been previously paid. The lack of Bond Proceeds or other funds in the PID Project Fund shall not diminish the obligation of Developer to pay Improvement Area #2 Project Costs.

3.3 Payment of Reimbursement Agreement Balance.

3.3.1 Unless and until PID Bonds are issued, the City agrees to pay Developer solely from funds on deposit in the PID Reimbursement Fund, and Developer shall be entitled to receive payments from the City, from such source, until the Maturity Date, for amounts shown on each Certificate for Payment (which amounts include only Improvement Area #2 Project Costs paid by or at the direction of Developer) (any unpaid amount owed Developer for all Certificates of Payment is referred to as the “Reimbursement Agreement Balance”). Upon the issuance of PID Bonds, the City agrees to pay Developer first from funds on deposit in the PID Project Fund and then from funds on deposit in the PID Reimbursement Fund, if any; and, notwithstanding anything in this Agreement to the contrary, the maximum amount that Developer may be reimbursed under this Agreement shall be equal to the amount of Bond Proceeds on deposit in the PID Project Fund plus amounts in the PID Reimbursement Fund, if any, plus: (a) simple interest on the unpaid principal balance of the Reimbursement Agreement Balance at the rate of [REDACTED] % for years one through five beginning on the date each Certificate of Payment is delivered to the City Representative; and (b) simple interest on the unpaid principal balance of the Reimbursement Agreement Balance at the rate of [REDACTED] % for years six through thirty thereafter, or if PID Bonds are issued, then the interest rate on the PID Bonds; provided, however, that the interest rate for the unpaid balance of the Reimbursement Agreement Balance as set forth in this paragraph shall not exceed the rates permitted under subsections (e)(1) and (e)(2) of Section 372.023 of the Act. Interest on the unpaid principal balance of the Reimbursement Agreement Balance shall begin to accrue at the City acceptance of the Improvement Area #2 Improvements.

3.3.2 The obligation of the City to pay the Reimbursement Agreement Balance is payable solely from Assessment Revenue on deposit in the PID Reimbursement Fund or from Bond Proceeds on deposit in the PID Project Fund. No other City funds, revenue, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. Payments from the PID Reimbursement Fund shall be applied in accordance with this Agreement. Each payment from the PID Reimbursement Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and

that itemizes all deposits to and disbursements from the fund since the last payment. If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made; however, if the Parties are unable to resolve the disputed amount, then the City's determination of the disputed amount (as approved by the City Council) shall control.

3.4 PID Bonds. The City, in its sole, legislative discretion, may issue PID Bonds, in one or more series, when and if the City Council determines it is financially feasible for the purposes of: (a) paying all or a portion of the Reimbursement Agreement Balance; or (b) paying Improvement Area #2 Project Costs directly. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the Bond Indenture. Upon the issuance of PID Bonds for such purpose, Developer's right to receive payments each year in accordance herewith shall be subordinate to the deposits required under the Bond Indenture related to any outstanding PID Bonds. The failure of the City to issue PID Bonds shall not constitute a "Failure" by the City or otherwise result in a "Default" by the City. Upon the issuance of the PID Bonds, Developer has a duty to construct related Improvement Area #2 Improvements and shall not be relieved of such duty even if there are insufficient funds in the PID Project Fund to pay Improvement Area #2 Project Costs.

3.5 Disbursements and Transfers at and after Bond Closing.

3.5.1 If PID Bonds are issued, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the Trustee under the Bond Indenture to pay from the Bond Proceeds at closing of the PID Bonds approved amounts from the appropriate account to the City, Developer, or their designees, as applicable, which costs may include payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible items for which funds have been expended by Developer and the City as of the time of the delivery of the PID Bonds. In order to receive such a disbursement, Developer shall execute a Closing Disbursement Request in the form attached hereto as Exhibit B to be delivered to the City no less than fifteen (15) business days prior to the scheduled closing date for the PID Bonds for payment in accordance with the provisions of the Bond Indenture. In order to receive additional disbursements from the applicable fund under the Bond Indenture, if PID Bonds are issued, or from the PID Reimbursement Fund, Developer shall execute a Certificate for Payment, no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the Bond Indenture, if applicable, and this Agreement.

3.5.2 Upon receipt of a Certificate for Payment (along with all accompanying documentation required by the City) from Developer, the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all applicable governmental laws, rules and regulations and applicable plans therefor with the terms of this Agreement and any other agreement between the Parties related to property in the PID, and to verify and approve Improvement Area #2 Project Costs of such work specified in such Certificate for Payment. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Within fifteen (15) business days following receipt of any

Certificate for Payment, the City shall either: (a) approve the Certificate for Payment and (i) forward it to the trustee designated under the Bond Indenture (the “Trustee”) for payment or (ii) pay such amount from the PID Reimbursement Fund; or, (b) provide Developer with written notification of disapproval of all or part of a Certificate for Payment, specifying the basis for any such disapproval. Any disputes shall be resolved as required by Section 3.3 herein. If PID Bonds are issued, the City shall deliver the approved or partially approved Certificate for Payment to the Trustee for payment.

3.6 Obligations Limited. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or constitute a debt or other obligation of the City payable from any source other than the PID Reimbursement Fund or the PID Project Fund. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind other than the funds on deposit in the PID Reimbursement Fund or the PID Project Fund shall be used to pay: (a) the Improvement Area #2 Project Costs; (b) the Reimbursement Agreement Balance, even if the Reimbursement Agreement Balance is not paid in-full on or before the Maturity Date; or (c) debt service on any PID Bonds. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants, or representatives shall incur any liability hereunder to Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.7 Obligation to Pay. If Developer is then in current compliance with its obligations under the Development Agreement, the Developer Continuing Disclosure Agreement, and this Agreement, and is not delinquent in payment of the Assessments and paying property taxes, then following the inspection and approval of any portion of the Improvement Area #2 Improvements for which Developer seeks reimbursement of the Improvement Area #2 Project Costs by submission of a Certificate for Payment or City approval of a Closing Disbursement Request, the obligations of the City under this Agreement to pay disbursements (whether to Developer or to any person designated by Developer) identified in any Closing Disbursement Request or in any Certificate for Payment are unconditional and not subject to any defenses or rights of offset except as may be provided in any Bond Indenture.

3.8 City Delegation of Authority. All Improvement Area #2 Improvements shall be constructed by or at the direction of Developer in accordance with City standards and in accordance with the Development Agreement and this Agreement and any other applicable agreement between the Parties related to property in the PID. Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Improvement Area #2 Improvements in a good, workmanlike, and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. Developer has sole responsibility of ensuring that all Improvement Area #2 Improvements are constructed in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. Developer shall, at all time, employ adequate staff or consultants with the requisite experience necessary to administer and

coordinate all work related to the design, engineering, acquisition, construction, and installation of all Improvement Area #2 Improvements to be acquired and accepted by the City from Developer. If any Improvement Area #2 Improvements are or will be on land owned by the City, the City hereby grants to Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) thereof. Inspection and acceptance of Improvement Area #2 Improvements will be in accordance with applicable City ordinances and regulations.

3.9 Security for Improvement Area #2 Improvements. The Developer shall provide for a two (2) year maintenance bond relating to the Improvement Area #2 Improvements. Nothing in this Agreement shall be deemed to prohibit Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to Developer or the City with respect thereto so long as such delay in performance shall not subject the Improvement Area #2 Improvements to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the Improvement Area #2 Improvements is contested, Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed one-hundred twenty percent (120%) of the disputed amount.

3.10 Ownership and Transfer of Improvement Area #2 Improvements. The Developer shall furnish to the City a preliminary title report for land related to the Improvement Area #2 Improvements to be acquired and accepted by the City from Developer and not previously dedicated or otherwise conveyed to the City. The report shall be made available for City review and approval at least fifteen (15) business days prior to the scheduled transfer of title. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, would materially affect the City's use and enjoyment of the Improvement Area #2 Improvements. If the City objects to any preliminary title report, the City shall not be obligated to accept title to the applicable Improvement Area #2 Improvements until Developer has cured the objections to the reasonable satisfaction of the City.

SECTION 4. ADDITIONAL PROVISIONS

4.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of: (i) the Maturity Date, (ii) the date on which the Reimbursement Agreement Balance is paid in full, or (iii) the date on which the PID Bonds are fully retired.

4.2 No Competitive Bidding. Construction of the Improvement Area #2 Improvements shall not require competitive bidding pursuant to Section 252.022(a)(9), Texas Local Government Code, as amended. All plans and specifications, but not construction contracts, shall be reviewed and approved, in writing, by the City prior to Developer selecting the contractor. The City shall have the right to examine and approve the contractor selected by Developer prior to executing a construction contract with the contractor, which approval shall not be unreasonably delayed or withheld.

4.3 Independent Contractor. In performing this Agreement, Developer is an

independent contractor and not the agent or employee of the City.

4.4 Audit. The City Representative shall have the right, during normal business hours and upon three (3) business days' prior written notice to Developer, to review all books and records of Developer pertaining to costs and expenses incurred by Developer with respect to any of the Improvement Area #2 Improvements. For a period of two (2) years after completion of the Improvement Area #2 Improvements, books shall be maintained in accordance with customary real estate accounting principles.

4.5 Representations and Warranties.

4.5.1 The Developer represents and warrants to the City that: (a) Developer has the authority to enter into and perform its obligations under this Agreement; (b) Developer has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement; (c) the person executing this Agreement on behalf of the Developer has been duly authorized to do so; (d) this Agreement is binding upon Developer in accordance with its terms; and (e) the execution of this Agreement and the performance by Developer of its obligations under this Agreement do not constitute a breach or event of default by Developer under any other agreement, instrument, or order to which Developer is a party or by which Developer is bound.

4.5.2 The City represents and warrants to Developer that: (a) the City has the authority to enter into and perform its obligations under this Agreement; (b) the person executing this Agreement on behalf of the City has been duly authorized to do so; (c) this Agreement is binding upon the City in accordance with its terms; and (d) the execution of this Agreement and the performance by the City of its obligations under this Agreement do not constitute a breach or event of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

4.6 Default/Remedies.

4.6.1 If either Party fails to perform an obligation imposed on such Party by this Agreement (a "Failure") and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." If a Failure is monetary, the non-performing Party shall have ten (10) business days within which to cure. If the Failure is non-monetary, the non-performing Party shall have thirty (30) days within which to cure.

4.6.2 If Developer is in Default, the City shall have available all remedies at law or in equity; provided no default by Developer shall entitle the City to terminate this Agreement, cease collection of the Assessments and deposit of the Assessment Revenues, or to withhold properly due payments to Developer from the PID Reimbursement Fund or the PID Project Fund in accordance with this Agreement and the Bond Indenture or on deposit in the PID Reimbursement Fund.

4.6.3 Subject to Section 3.7, if the City is in Default, Developer shall have available all remedies at law or in equity; provided, however, that no Default by the City shall entitle Developer to terminate this Agreement and that any financial obligation of the City will only be payable from monies available under the Bond Indenture.

4.7 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the City of any remedy the City may have outside this Agreement against Developer or any other person or entity involved in the design, construction, or installation of the Improvement Area #2 Improvements. The obligations of Developer hereunder shall be those of a Party hereto and not as an owner of property in the PID. Nothing herein shall be construed as affecting the City's or Developer's rights or duties to perform their respective obligations under other agreements, use regulations, or subdivision requirements relating to the development property in the PID.

4.8 Applicable Law; Venue. This Agreement is being executed and delivered and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply, the substantive laws of the State of Texas shall govern the interpretation and enforcement of this Agreement. In the event of a dispute involving this Agreement, venue shall lie in any court of competent jurisdiction in Rockwall County, Texas.

4.9 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (a) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (b) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City:

City of Fate
Attn: City Manager
PO Box 159
Fate, Texas 75132
mkovacs@cityoffate.com

With a copy to:

City of Fate
Attn: Jonathan Thatcher, City Attorney
1900 CD Boren Parkway
Fate, Texas 75087
jthatcher@fatetx.gov

To Developer:

New Sheridan Dev Co Phase 1 LLC
Attn: Matt Mildren
4001 Maple Avenue, Suite 600
Dallas, Texas 75219
matt@pmbinv.com

Fate 163 Land LP
Attn: Matt Mildren
4001 Maple Avenue, Suite 600

Dallas, Texas 75219
matt@pmbinv.com

With a copy to:

Winstead PC
Attn: Ross Martin
2728 N. Harwood St., Suite 500
Dallas, Texas 75201
rmartin@winstead.com

Any Party may change its address by delivering notice of the change in accordance with this section.

4.10 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound, the provisions and intent of the Bond Indenture controls. This Agreement may only be amended by written agreement of the Parties.

4.11 Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions.

4.12 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

4.13 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City and Developer, any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City and Developer.

4.14 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

4.15 Employment of Undocumented Workers. During the term of this Agreement, Developer agrees not to knowingly employ any undocumented workers and if convicted of a violation under 8 U.S.C. Section 1324a (f), Developer shall repay the amount of any Reimbursement Payment or other funds received by Developer from City from the date of this Agreement to the date of such violation within 120 days after the date Developer is notified by City of such violation, plus interest at the rate of 4% compounded annually from the date of violation until paid. Developer is not liable for a violation of this section by a subsidiary, affiliate, or franchisee of Developer or by a person with whom Developer contracts.

4.16 Form 1295 Certificate of Interested Parties. Prior to its execution of this Agreement, Developer agrees to file with the City pursuant to Texas Government Code 2252.908

a signed and completed Texas Ethics Commission (“TEC”) Form 1295 and a certification of filing with TEC.

4.17 Recitals. The recitals set forth in Section 1: (a) are part of this Agreement for all purposes; (b) are true and correct; and (c) each Party has relied upon such recitals in entering into this Agreement.

4.18 Assignability. Except as otherwise provided herein, this Agreement may be assigned by Developer only upon written consent of the City, which shall not be unreasonably withheld. Notwithstanding the foregoing, and upon written notice to the City (and without City consent), Developer may (a) assign this Agreement in whole or in part to any related entity or affiliate of Developer, or (b) grant security interests pursuant to a collateral assignment to any bank or lending institution in Developer’s rights hereunder and to all sums to be paid to Developer by the City pursuant to this Agreement; provided that, the right of any assignee or grantee to receive payments or any other funds described in this Agreement (i) shall be subordinate to deposits required to provide for the security for and payment of PID Bonds and any administrative costs of funds created under an Indenture related to PID Bonds, (ii) shall not include revenues from the portion of Assessments levied to pay Annual Collection Costs and Additional Interest and (iii) shall be subject to the flow of funds provisions of the applicable Indenture. No assignment, whether with or without the City’s prior consent, shall increase the liability of, or impose additional liabilities upon, the City beyond what is specifically provided for herein or increase the duties or expenses of, or impose additional duties or expenses upon, the City beyond what is specifically provided for herein.

4.19 Captions. The captions used in connection with the paragraphs of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement or used as interpreting the meanings and provisions hereof.

4.20 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within ten (10) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance shall give notice to the other Party, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. Any suspension of obligation(s) because of any force majeure shall terminate automatically sixty (60) days following the provision of the notice described by this section, unless otherwise separately agreed by the Parties or unless the Party whose obligation was suspended by the force majeure is prohibited by law to perform such obligation, in which case said Party shall perform such obligation(s) as soon as reasonably practical after the legal impediment to such performance has ended. The term “force majeure”, as used herein, shall include, without limitation, acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemy; order of any kind of the Government of the United States or the State of Texas or any civil or military authority; insurrections; riots; epidemics and pandemics causing a disaster declaration by the State of Texas; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery;

pipelines or canals; partial or total failure of water supply and inability to provide water necessary for operation of the sewer system, or to receive waste; and any other inability of the Party, whether similar to those enumerated or otherwise, which are not within the control of the Party, which the Party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of such Party, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing Party when such settlement is unfavorable to it in the judgment of such Party.

4.21 Anti-Boycott Verification. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

4.22 Iran, Sudan, and Foreign Terrorist Organizations. The Developer hereby represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

4.23 Energy Company Verification. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned

to the term “boycott energy company” in Section 809.001, Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

4.24 Firearm Entity Verification. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, “SB 19”), Texas Government Code, as amended, the Developer hereby verifies that it and its parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any,

(a) (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(b) (2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3) (as added by SB 19), Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

[Execution pages follow.]

CITY OF FATE, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

Attest:

By: _____
City Secretary

Approved as to form:

By: _____
City Attorney

DEVELOPER

NEW SHERIDAN DEV CO PHASE 1 LLC,
a Texas limited liability company

By: New Sheridan Dev Co LLC,
a Texas limited liability company,
its sole member and manager

By: New Sheridan Dev Co Manager LLC,
a Texas limited liability company,
its manager

By: JTG Holdings, LLC,
a Texas limited liability company,
its Managing Member

By: _____
Manager

FATE 163 LAND LP,
a Texas limited partnership

By: Fate 163 Land GP LLC,
a Texas limited liability company,
its General Partner

By: Pandora 551, LLC,
a Texas limited liability company,
its Managing Member

By: _____
Manager

Exhibit A

FORM OF CERTIFICATE FOR PAYMENT

The undersigned is an agent for New Sheridan Dev Co Phase 1 LLC, a Texas limited liability company and Fate 163 Land KP, a Texas limited partnership (collectively, “Developer”), and requests payment from the City of Fate, Texas (the “City”) out of the [*PID Project Fund (as defined in the Bond Indenture)* / *PID Reimbursement Fund*] in the amount of \$ _____ for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain *Improvement Area #2 Projects* providing a special benefit to property within the Williamsburg East Public Improvement District. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the PID Reimbursement Agreement, Williamsburg East Public Improvement District Improvement Area #2 Project, effective September 6, 2022 (the “Reimbursement Agreement”). In connection with the above referenced payment, Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of Developer, is qualified to execute this Certificate for Payment Form on behalf of Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced *Improvement Area #2 Improvements* has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed below is a true and accurate representation of the *Improvement Area #2 Project Costs* associated with the creation, acquisition, or construction of said *Improvement Area #2 Projects* and such costs: (a) are in compliance with the Reimbursement Agreement; and (b) are consistent with the Service and Assessment Plan.
4. Developer is in compliance with the terms and provisions of the Development Agreement, Developer Continuing Disclosure Agreement, Reimbursement Agreement and the Service and Assessment Plan.
5. Developer has timely paid all ad valorem taxes and annual installments of special assessments it owes or an entity Developer controls owes, located in the Williamsburg East Public Improvement District and has no outstanding delinquencies for such assessments.
6. All conditions set forth in the Bond Indenture for the payment hereby requested have been satisfied.
7. The work with respect to the *Improvement Area #2 Improvements* below (or its completed segment, section, or portion thereof) has been completed, and the City has inspected such *Improvement Area #2 Improvements*.
8. Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

9. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for *Improvement Area #2 Project Costs* identified may be paid until the work with respect to such *Improvement Area #2 Project Costs* (or segment) has been completed and the City has accepted such *Improvement Area #2 Project Costs* (or segment). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such *Improvement Area #2 Project Costs* (or segment)

10. The Developer confirms that based on all prior amounts paid to Developer from the PID Reimbursement Fund as of the date of this Certification for Payment and based on the percentage of completion of the *Improvement Area #2 Project Costs* as of the date of this Certification for Payment as verified by the City payment of the amounts requested in this Certification for Payment, taking into account all prior payments for the *Improvement Area #2 Project Costs* and the amount of work related to the *Improvement Area #2 Project Costs* remaining to be completed as of the date of this Certification for Payment will not cause the amounts on deposit in the PID Reimbursement Fund to fall below the amount necessary to complete the remaining *Improvement Area #2 Project Costs* taking into account the amounts available to the Developer under its private loan, a line of credit and/or any other form acceptable to the City.

Payments requested are as follows:

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment / Wire Instructions

Attached hereto are invoices, cancelled checks, receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are **"bills paid" affidavits and supporting documentation** in the standard form for City construction projects.

Pursuant to the Reimbursement Agreement, after receiving this payment request, the City has inspected the Authorized Improvements (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

I hereby declare that the above representations and warranties are true and correct.

[remainder of page left blank intentionally]

DEVELOPER:

NEW SHERIDAN DEV CO PHASE 1 LLC,
a Texas limited liability company

By: New Sheridan Dev Co LLC,
a Texas limited liability company,
its sole member and manager

By: New Sheridan Dev Co Manager LLC,
a Texas limited liability company,
its manager

By: JTG Holdings, LLC,
a Texas limited liability company,
its Managing Member

By: _____
Manager

FATE 163 LAND LP,
a Texas limited partnership

By: Fate 163 Land GP LLC,
a Texas limited liability company,
its General Partner

By: Pandora 551, LLC,
a Texas limited liability company,
its Managing Member

By: _____
Manager

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, acknowledges that the Improvement Area #2 Improvements (or its completed segment) covered by the certificate have been inspected by the City, and otherwise finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and directs Wilmington Trust, National Association, as Trustee for the PID Bonds, to make such payments from the PID Project Fund to Developer or to any person designated by Developer.

CITY OF FATE, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

Exhibit B

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for New Sheridan Dev Co Phase 1, LLC, a Texas limited liability company and Fate 163 Land LP, a Texas limited partnership (collectively, “Developer”) and requests payment to Developer (or to the person designated by Developer) from the applicable account of the PID Project Fund from Wilmington Trust, National Association (the “Trustee”) in the amount of _____ (\$ _____) to be transferred from the applicable account of the PID Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of Williamsburg East Public Improvement District (the “District”) and costs associated with the issuance of PID Bonds, as follows.

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City and the Trustee dated as of September 1, 2022 (the “Indenture”) relating to the “*City of Fate, Texas, Special Assessment Revenue Bonds, Series 2022 (Williamsburg East Public Improvement District Improvement Area #2 Project)*” the “PID Bonds”).

In connection with the above referenced payment, Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of Developer, is qualified to execute this Closing Disbursement Request on behalf of Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below costs is a true and accurate representation of the *Improvement Area #2 Project Costs* associated with the establishment, administration and operation of the District at the time of the delivery of the PID Bonds, and such costs are in compliance with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the Bond Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Bond Indenture and the Reimbursement Agreement for the payment hereby requested have been satisfied.
6. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

[Information regarding Payee, amount, and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

DEVELOPER:

NEW SHERIDAN DEV CO PHASE 1 LLC,
a Texas limited liability company

By: New Sheridan Dev Co LLC,
a Texas limited liability company,
its sole member and manager

By: New Sheridan Dev Co Manager LLC,
a Texas limited liability company,
its manager

By: JTG Holdings, LLC,
a Texas limited liability company,
its Managing Member

By: _____
Manager

FATE 163 LAND LP,
a Texas limited partnership

By: Fate 163 Land GP LLC,
a Texas limited liability company,
its General Partner

By: Pandora 551, LLC,
a Texas limited liability company,
its Managing Member

By: _____
Manager

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and directs payment to be made from Costs of Issuance Account upon delivery of the PID Bonds.

CITY OF FATE, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

APPENDIX G
DEVELOPMENT AGREEMENT

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ASSIGNMENT OF DEVELOPMENT AGREEMENT

This Assignment of Development Agreement (this "Assignment") is made as of September 15, 2020 between JTG Holdings, LLC, a Texas limited liability company ("Assignor"), and New Sheridan Dev Co Phase 1 LLC, a Texas limited liability company ("Developer").

A. Assignor and the City of Fate, Texas, a home-rule municipal corporation (the "City"), are parties to that certain Development Agreement (*Williamsburg East*) with an Effective Date on or about the date hereof (the "Development Agreement") that provides for, among other things, the establishment of a public improvement district and development of the Property (as defined in the Development Agreement).

B. Developer has or will acquire all or a part of the Property.

NOW, THEREFORE, for and in consideration of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, the parties hereto agree as follows:

1. Assignor has CONVEYED and ASSIGNED, and by these present does hereby CONVEY and ASSIGN to Developer all Assignor's right, title and interest in, to and under the Development Agreement. Developer expressly assumes all duties, liabilities and obligations of Assignor under the Development Agreement.

2. This Assignment will be binding on Assignor and its successors and assigns and will inure to the benefit of Developer and its successors and assigns.

3. Assignor and Developer will cooperate with each other and their respective employees and agents to facilitate the purpose and intent of this Assignment including, without limitation, providing information and documentation that may be reasonably required for the enforcement of the rights and interests assigned hereby.

4. This Assignment may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

5. Pursuant to Section 12 of the Development Agreement, Assignor may assign this Development Agreement to a related entity of Assignor without the City's consent. Developer is a related entity of Assignor and, as such, the City's consent is not required to assign the Development Agreement.

[Remainder of page intentionally left blank; signatures are on the following pages]

Executed to be effective as of the date first written above.

ASSIGNOR

JTG HOLDINGS, LLC,
a Texas limited liability company

By: _____

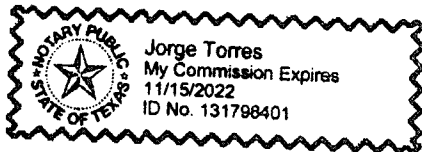
Timothy E. Gehan
Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on September 11th, 2020, by Timothy E. Gehan, Manager of JTG Holdings, LLC, a Texas limited liability company, on behalf of said entity, [NOTARY MUST CHECK ONE BOX AND COMPLETE RELEVANT INFORMATION] ☒ who is personally known to me or ☐ who has produced _____ as identification.

Notary Public, State of Texas

[NOTARY SEAL]



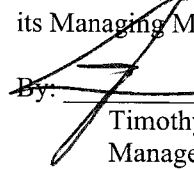
DEVELOPER

NEW SHERIDAN DEV CO PHASE 1 LLC,
a Texas limited liability company

By: New Sheridan Dev Co LLC,
a Texas limited liability company,
its sole Member and Manager

By: New Sheridan Dev Co Manager LLC,
a Texas limited liability company,
its Manager

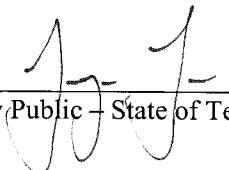
By: Pandora 551, LLC,
a Texas limited liability company,
its Managing Member

By: 
Timothy E. Gehan
Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on September 11th, 2020 by Timothy E. Gehan, the Manager of Pandora 551, LLC, a Texas limited liability company, the Managing Member of New Sheridan Dev Co Manager LLC, a Texas limited liability company, the Manager of New Sheridan Dev Co LLC, a Texas limited liability company, the sole Member and Manager of New Sheridan Dev Co Phase 1 LLC, a Texas limited liability company, on behalf of said entities, [NOTARY MUST CHECK ONE BOX AND COMPLETE RELEVANT INFORMATION] ☒ who is personally known to me or ☐ who has produced _____ as identification.

[NOTARY SEAL]


Notary Public - State of Texas



DEVELOPMENT AGREEMENT
Williamsburg East

This DEVELOPMENT AGREEMENT (this "Agreement") is made by and between JTG HOLDINGS, LLC, a Texas limited liability company ("Developer"), and the CITY OF FATE, TEXAS, a home-rule municipal corporation (the "City" or "Fate") (collectively, the "Parties").

RECITALS

A. WHEREAS, Developer owns approximately 164 acres of land in the City (the "Property"), generally located at the northeast corner of FM 551 ("551") and Gettysburg Boulevard ("Gettysburg"), being more particularly described by metes and bounds in Exhibit A attached hereto;

B. WHEREAS, on November 6, 2006, the City created City of Fate Public Improvement District No. 2 ("PID 2"), which consists of approximately 141 acres of land entirely within the Property;

C. WHEREAS, Developer anticipates petitioning the City to enlarge PID 2 to cover all of the Property;

D. WHEREAS, the City and Fate 551, LP, a Texas limited partnership, among others, entered into that certain Amended and Restated Land Use & Development Regulations Agreement for Certain Public Improvements, effective February 6, 2012 (the "Amendment");

E. WHEREAS, Developer intends to develop the Property for residential purposes consisting of approximately 585 single-family units (the "Project") in accordance with the Williamsburg East Planned Development, adopted by the Fate City Council on January 6, 2020 ("Williamsburg East");

F. WHEREAS, pursuant to the City's currently effective master thoroughfare plan (the "MTP"), 551 and Gettysburg are arterial roadways;

G. WHEREAS, the MTP establishes that Gettysburg is planned to bisect the Property, and is further identified as an impact fee eligible project on the City's currently effective Roadway Capital Improvements Plan;

H. WHEREAS, pursuant to Chapter 395, Texas Local Government Code ("Chapter 395"), both 551 and Gettysburg are roadway facilities; and

I. WHEREAS, the Parties now desire to enter into this Agreement to provide for the orderly and successful development of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the above premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DEVELOPMENT PERMITS. Pursuant to Chapter 212, Texas Local Government Code, and the City's subdivision ordinance, Developer shall plat the Property substantially in accordance with the concept plan approved in connection with Williamsburg East, as amended (the "Concept Plan"). In addition, the Parties will cooperate and the City will use best efforts toward developing an expedited permitting process applicable to and for the benefit of the Project.

2. DESIGN STANDARDS. Single-family homes constructed within the Project shall adhere to the design standards attached hereto as Exhibit B (the "Design Standards").

3. EARLY RELEASE OF BUILDING PERMITS. For the limited purpose of constructing model homes only, the City shall issue up to six vertical building permits for each phase of the Project prior to recordation of the final plat for such phase; provided that the City has approved a preliminary plat covering such phase and provided that the model homes have been connected to completed utility systems (water and wastewater). Upon substantial completion of such model homes, the City shall issue temporary certificates of occupancy or similar approvals to allow the operation and showing of such model homes for marketing purposes; provided that said homes shall not be sold to any end buyer until the applicable final plat has been recorded and all public infrastructure has been accepted by the City.

4. PARK LAND DEDICATION; PARK DEVELOPMENT FEES. Except for the amenity center site, which consists of approximately 3.0 acres, all remaining open space and park land areas shown on the Concept Plan, which consists of approximately 16.0 acres of land, shall be dedicated to the City as public park land. No other park land dedication or cash-in-lieu of dedication shall be required or requested by the City. In addition, Developer's actual costs in connection with the following shall be credited against applicable park development fees: any improvements to areas dedicated as park land, including without limitation grading, landscaping, retaining walls, fencing, lighting, and hardscape. Park Development fees may not exceed the amount of Park Development fee due under the City's ordinances. Park land dedications required hereunder shall be dedicated at the time of final plat on a phase-by-phase basis. Any public or private hike/bike trails may be located within the 100-year floodplain, and the City agrees to accept any such trails regardless of their location within such floodplain.

5. IMPACT FEES & CREDITS. Developer shall be entitled to a dollar-for-dollar credit or reimbursement for all costs associated with any construction of, contributions to, or dedications of capital improvements (as defined in Chapter 395) against the like-kind impact fees otherwise due from the Project. Provided, however, that the total credit or reimbursement for any capital improvement specifically identified in the applicable capital improvements plan ("CIP") shall not exceed the estimated costs for such capital improvement reflected in the CIP.

6. PID 2 EXPANSION. Upon Developer's filing of a petition that conforms to Section 372.005, Texas Local Government Code, relating to the approximately 23 acres of land within the Property but outside the boundaries of PID 2, the City shall use good faith efforts to initiate and approve all necessary documents and ordinances to enlarge PID 2 to cover the entire Property and levy assessments, including without limitation a creation resolution, service and assessment plan, and an assessment ordinance. In accordance with Section 3 of the Amendment, and based on the City's current ad-valorem tax rate, the anticipated maximum ad-valorem tax

rate equivalent of assessment to be levied within PID 2 by the adoption of a service and assessment plan is \$0.719344 per \$100.00 of valuation ("Max TRE"), based on estimated average land and home values. Of this Max TRE, at least \$0.659344 per \$100.00 of valuation shall be reserved and allocated to pay the administrative costs of the PID and for debt service of any PID bonds issued to fund authorized improvements within PID 2. In addition, \$0.06 per \$100.00 of valuation shall be reserved and allocated to fund a maintenance and operation portion of PID 2 or if necessary, to create a new maintenance and operation PID to provide maintenance and operation special benefits to properties and lots within the area of PID 2.

7. RATIFICATION; CONFLICTS. By execution hereof, the Parties hereby acknowledge, consent, and represent that the Amendment is valid and enforceable. The respective rights and obligations of the Parties expressed in the Amendment are therefore affirmed and ratified for all purposes, except in the event of a conflict between this Agreement and the Amendment, in which case this Agreement shall control.

8. COUNTERPARTS. This Agreement may be executed in two or more identical counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

9. RECITALS. The above recitals are true and correct and are hereby incorporated into and shall constitute a part of this Agreement.

10. TERMINATION. This Agreement may be terminated only upon the written agreement of both Developer and the City.

11. NOTICES. Any notice required or desired to be given from one party to the other party to this Agreement shall be in writing and shall be given and shall be deemed to have been served and received (whether actually received or not) if (i) delivered in person to the address set forth below; (ii) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America and sent by certified mail, return receipt requested, and addressed to such party at the address hereinafter specified; or (iii) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.

Address for Notices:

FATE

City of Fate
City Manager
1900 CD Boren Parkway
Fate, Texas 75132

with copy to:

Brenda McDonald

DEVELOPER

JTG Holdings, LLC
Attn: Tim Gehan
5005 Lyndon B. Johnson Fwy.
Suite 350
Dallas, Texas 75244

PMB Capital Investments
Attn: Matt Mildren

Messer Fort McDonald
6371 Preston Road
Suite 200
Frisco, Texas 75034

4001 Maple Avenue
Suite 600
Dallas, Texas 75219

with a copy to:

Tommy Mann
Winstead PC
500 Winstead Bldg.
2728 N. Harwood Street
Dallas, Texas 75201

12. ASSIGNABILITY. Except as otherwise provided herein, this Agreement may not be assigned, in whole or in part, by Developer without the City's prior written consent, which consent shall not be unreasonably be withheld. The City hereby irrevocably consents to Developer's assignment of this Agreement, along with all its right, title, and interests herein, to any related entity of Developer.

13. CONSIDERATION. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

14. RELEASE OF IMPROVED LOTS. Notwithstanding anything to the contrary contained herein, the obligations herein that burden the Property shall be released automatically as to each lot therein which is conveyed subsequent to the construction of a house upon such lot. Any third party, including without limitation any title company, grantee or lienholder, shall be entitled to rely on this provision to establish whether such termination has occurred with respect to any lot.

15. WAIVER OF ACTIONS.

(a) With respect to the Property only and no other land within the City owned by the Developer or in which Developer Parties have a security interest, Developer, its related entities, successors and assigns (collectively the "Developer Parties"), release and discharge the City, its past and present employees, officers, council members, attorneys and other representatives (collectively the "City Parties") from any and all claims, demands, controversies, and causes of action for breach of contract, takings, exactions, civil rights (including under the United States and Texas constitutions and 42 U.S.C. § 1983) negligence, claims under Texas Local Government Code Chapter 395, claims under the Private Real Property Rights Preservation Act, Texas Government Code Chapter 2007, and claims under Texas Local Government Code Chapter 212 that relate to this Agreement and that occurred prior to the date of execution of this Agreement, provided, however, notwithstanding anything to the contrary in this paragraph or this Agreement the Developer Parties do not release any contract rights arising under or related to this Agreement (which rights shall only be enforced, if at all, through injunctive or declaratory relief or specific performance). Any prior or present claims against the City Parties which are not specifically released above are hereby assigned by the Developer Parties in full to Fate.

(b) Fate represents and warrants to Developer that it has no knowledge of any claims, demands, controversies, and causes of action against the Developer, its past and present employees, officers, attorneys and other representatives, arising through the date hereof. Developer and the non-Fate signatories to this Agreement, if any, each represents and warrants to Fate that it has no knowledge of any claims, demands, controversies, and causes of action against Fate, its past and present employees, officers, attorneys and other representatives, arising through the date hereof.

16. GOVERNING LAW; VENUE. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Rockwall County, Texas, such that exclusive venue for any action arising out of this Agreement shall be in Rockwall County, Texas.

17. PARAGRAPH HEADINGS; CONSTRUCTION. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both Parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

18. BINDING EFFECT. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their permitted successors and assigns.

19. EXHIBITS. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

20. ENTIRE AGREEMENT. Except as otherwise provided herein, this Agreement contains the entire agreement between the Parties and supersedes any and all prior agreements, arrangements or understandings between the Parties relating to the subject matter of this Agreement. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally and no written modification of this Agreement shall be effective unless executed by both Parties.

21. RELATIONSHIP OF PARTIES; NO THIRD-PARTY BENEFICIARIES. Nothing contained in this Agreement shall be deemed or construed by the Parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the Parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the Parties hereto shall be deemed to create any relationship between the Parties other than the relationship of independent Parties contracting with each other solely for the purpose of effecting the provisions of this Agreement. There are no third-party beneficiaries to this Agreement and no third-party beneficiaries are intended by implication or otherwise.

22. AUTHORITY. The City represents and warrants that this Agreement has been approved by resolution duly adopted by the Fate City Council in accordance with all applicable

public meeting and public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been authorized to do so. Developer represents and warrants that this Agreement has been approved by appropriate action of Developer and that the individual executing this Agreement on behalf of Developer has been authorized to do so. Developer represents and warrants that each lender or entity with a security interest, real property interest or a recorded lien on the Property or any portion of the Property is a signatory to this Agreement. Each signatory other than Developer or the City represents and warrants that this Agreement has been approved by appropriate action of such signatory and that the individual executing this Agreement on behalf of such signatory has been authorized to do so.

23. GOVERNMENTAL POWERS; WAIVERS OF IMMUNITY. The City does not hereby waive or surrender any of its governmental powers, immunities, or rights except as follows:

(a) the City waives its governmental immunity from suit and liability as to any action brought by Developer, its successors or assigns, to pursue the remedies available under this Agreement, which shall include specific performance, injunction, or declaratory judgment, but only to the extent necessary to pursue such remedies.

(b) Nothing in this Agreement: (i) shall waive any claims, defenses or immunities that the City has with respect to suits against the City by persons or entities other than a party to this Agreement; or (ii) is intended to delegate or impair the performance by the City of its governmental functions.

24. EFFECTIVE DATE. The effective date of this Agreement shall be the date on which this Agreement is executed by Developer and approved by the Fate City Council (the "Effective Date").

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

[remainder of page left blank intentionally; signature pages follow]

DEVELOPER:

JTG Holdings, LLC
a Texas limited liability company

By: _____

Name: Timothy E. Gehan, Manager

Date: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Before me, this instrument was acknowledged on this 11th day of September, 2020,
by TG, authorized representative of JTG Holdings, LLC, a Texas limited liability company, on
behalf of said limited liability company.

Jorge Torres
Notary Public, State of Texas

[SEAL]



FATE:

City of Fate, Texas

By: Joe Burger
Joe Burger, Mayor

Date: 4/7/2020

STATE OF TEXAS §
 §
COUNTY OF ROCKWALL §

Before me, this instrument was acknowledged on this 7th day of April, 2020,
by Joe Burger, Mayor of the City of Fate, Texas, on behalf of said city.

Victoria Raduechel
Notary Public, State of Texas

[SEAL]

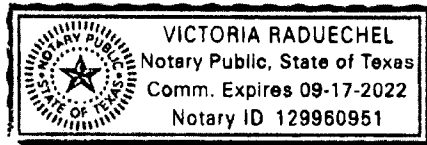


EXHIBIT A

ZONING DESCRIPTION 164.032 ACRES

BEING A 164.032 ACRE TRACT OF LAND SITUATED IN THE J.B. MERCHANT SURVEY, ABSTRACT NO. 159 AND THE JAMES THOMPSON SURVEY, ABSTRACT NO. 210, CITY OF FATE, ROCKWALL COUNTY, TEXAS, AND BEING ALL OF A CALLED 141.0 ACRE TRACT OF LAND, CONVEYED TO FATE 551, LP., AS RECORDED IN VOLUME 3713, PAGE 79, DEED RECORDS, ROCKWALL COUNTY, TEXAS, ALL OF A CALLED 15.711 ACRE TRACT OF LAND CONVEYED TO FATE 551 LP., AS RECORDED IN COUNTY CLERK'S FILE NO. 2008-00393719, REAL PROPERTY RECORDS, ROCKWALL COUNTY, TEXAS, AND ALL OF A CALLED 7.324 ACRE TRACT OF LAND CONVEYED TO FATE 551, LP., AS RECORDED IN COUNTY CLERK'S FILE NO. 2008-00393658, REAL PROPERTY RECORDS, ROCKWALL COUNTY, TEXAS. SAID 164.032 ACRE TRACT, WITH REFERENCE BEARING BEING THE WEST LINE OF SAID 141.0 ACRE TRACT, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID 141.0 ACRE TRACT;

THENCE, ALONG THE WEST LINE OF SAID 141.0 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 04 DEGREES 24 MINUTES 04 SECONDS WEST, A DISTANCE OF 85.43 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 22 MINUTES 45 SECONDS EAST, A DISTANCE OF 1769.54 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 00 MINUTES 10 SECONDS WEST, A DISTANCE OF 207.62 FEET TO A POINT FOR THE NORTHWEST CORNER OF SAID 141.0 ACRE TRACT;

THENCE, SOUTH 89 DEGREES 40 MINUTES 47 SECONDS EAST, ALONG THE NORTH LINE OF SAID 141.0 ACRE TRACT, A DISTANCE OF 1222.50 FEET TO A POINT FOR AN INTERIOR ELL CORNER OF SAID 141.0 ACRE TRACT;

THENCE, NORTH 01 DEGREE 26 MINUTES 39 SECONDS EAST, ALONG A WEST LINE OF SAID 141.0 ACRE TRACT, A DISTANCE OF 1731.06 FEET TO A POINT FOR THE NORTH CORNER OF SAID 141.0 ACRE TRACT;

THENCE, ALONG THE NORTHEAST LINE OF SAID 141.0 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 44 DEGREES 21 MINUTES 51 SECONDS EAST, A DISTANCE OF 1432.96 FEET TO A POINT FOR CORNER;

SOUTH 45 DEGREES 41 MINUTES 17 SECONDS EAST, A DISTANCE OF 108.95 FEET TO A POINT FOR THE NORTHEAST CORNER OF SAID 141.0 ACRE TRACT AND THE COMMON NORTHWEST CORNER OF AFORESAID 7.324 ACRE TRACT;

THENCE, NORTH 44 DEGREES 57 MINUTES 37 SECONDS EAST, ALONG THE NORTHWEST LINE OF SAID 7.324 ACRE TRACT, A DISTANCE OF 105.15 FEET TO A POINT FOR THE NORTH CORNER OF SAID 7.324 ACRE TRACT;

THENCE, SOUTH 45 DEGREES 09 MINUTES 45 SECONDS EAST, ALONG THE NORTHEAST CORNER OF SAID 7.324 ACRE TRACT, A DISTANCE OF 699.74 FEET TO A POINT FOR THE EAST CORNER OF SAID 7.324 ACRE TRACT;

THENCE, SOUTH 44 DEGREES 50 MINUTES 14 SECONDS WEST, ALONG THE SOUTHEAST LINE OF SAID 7.324 ACRE TRACT, A DISTANCE OF 794.09 FEET TO A POINT FOR THE SOUTH CORNER OF SAID 7.324 ACRE TRACT. SAID POINT BEING ON THE NORTHEAST LINE OF AFORESAID 15.711 ACRE TRACT;

THENCE, SOUTH 44 DEGREES 39 MINUTES 15 SECONDS EAST, ALONG SAID NORTHEAST LINE, A DISTANCE OF 1141.50 FEET TO A POINT FOR THE EAST CORNER OF SAID 15.711 ACRE TRACT;

THENCE, SOUTH 43 DEGREES 22 MINUTES 55 SECONDS WEST, ALONG THE SOUTHEAST LINE OF SAID 15.711 ACRE TRACT, A DISTANCE OF 1186.62 FEET TO A POINT FOR THE SOUTH CORNER OF SAID 15.711 ACRE TRACT. SAID POINT BEING ON THE EAST LINE OF AFORESAID 141.0 ACRE TRACT;

THENCE, SOUTH 00 DEGREES 07 MINUTES 18 SECONDS WEST, ALONG SAID EAST LINE, A DISTANCE OF 23.45 FEET TO A POINT FOR THE SOUTHEAST CORNER OF SAID 141.0 ACRE TRACT;

THENCE, SOUTH 89 DEGREES 52 MINUTES 01 SECOND WEST, ALONG THE SOUTH LINE OF SAID 141.0 ACRE TRACT, A DISTANCE OF 2348.94 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 164.032 ACRES OF LAND.

"THIS DOCUMENT WAS PREPARED UNDER 22 TAC 663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED"

EXHIBIT B

DESIGN STANDARDS

Garage Door Standards:

- 1) All garages that face a street will be required to adhere to the following standards:
 - a) Garages and all other outbuildings are to be given the same architectural treatment and be constructed of the same materials as the main structure. All garage doors shall be equipped with automatic remote-controlled door openers.
 - b) Garage doors must be made of wood, metal, or have a cedar overlay. Front entry garage doors must be split (i.e., 2 separate doors) with a masonry column dividing the two sides. If made of metal, the doors shall be carriage-style doors and the doors shall have windows, decorative hardware, and reveals/texture.
 - c) Garage doors may be in-line with or recessed from the remainder of the primary façade. In either event, the maximum width of garage door, either split or singular, is 16 feet (i.e., two 8-foot wide doors or one 16-foot wide door).
- 2) Transparent windows are not allowed on garage doors for privacy purposes.
- 3) The interior walls of all garages must be finished at a minimum with tape, bed, base boards, and paint, like other rooms in the building.

Anti-monotony Standards:

- 1) The same house elevation shall not repeat within 6 lots on the same side of the street side or within 4 lots on the opposite side of the street.
- 2) Criteria for determining difference in elevation. A front building elevation shall be considered different if any two of the following three criteria are met:
 - a) Three or more of the articulated elements constituting the roof vary in placement by at least 24 inches or in geometric shape by volume of at least 20%, or in angles by at least 30 degrees; or there is a difference in roof pitch of 2 inches or greater per 12 inches.
 - b) Articulations in the front façade (i.e., the planes that advance or recede from the line of the main façade by 3 or more feet) vary in height or width by a minimum of 15%.
 - c) The articulation of windows shall vary by at least two of the following methods:
 - i) The aggregate area of the windows on the front façade varies by at least 15%.
 - ii) The distance between two or more windows varies by at least 10%.
 - iii) The shape of two or more windows varies in width or height radius by at least 15%.
 - d) The size, shape, or mix of masonry units shall vary in size, shape, or mix by at least 15%.

Building Materials and Façade Design:

- 1) Roofs.
 - a) Style. Roofs may be gable or hip and must include secondary roof lines.
 - b) Material.

- i) Roofs may be random tab architectural three-dimensional composition shingle (color must appear to be weathered), tile, slate, standing seam metal, or other equal or greater product. Wood shingles are prohibited.
 - ii) Roof material shall have a minimum 30-year warranty or the highest warranty readily available for the given product.
 - iii) All roof materials shall be compatible with the architectural style of the home.
 - iv) In cases where roofs materials are different on the main structure of the home and areas such as dormers or garage overhangs, the types of material shall be limited to two materials.
 - c) Pitch.
 - i) Roofs shall have a main pitch between 8:12 and 16:12.
 - ii) Secondary roof lines, including front-to-back when viewed from the street, may be as low as 6:12.
 - d) Bubble sky lights and random roof penetrations facing the street are prohibited.
- 2) Exterior Walls.
- a) Front elevations facing any public right-of-way, improved open space, or a trail system (including front and side elevations on corner lots or rear elevations facing any thoroughfare), must be 100% brick, brick veneer, stone, stone veneer, lathe and plaster stucco, or stucco veneer. Front elevations shall contain at least 2 materials and the secondary material shall constitute not less than 25% of the elevation.
 - b) The exposed exterior wall area, exclusive of doors, windows, and covered porch areas (which may contain fiber cement siding and/or cedar columns), shall not be less than 80% brick, brick veneer, stone, stone veneer, lathe and plaster stucco, or stucco veneer construction.
 - c) Fiber cement.
 - i) All siding material shall be fiber cement or greater quality material.
 - ii) Fiber cement siding along street facing dormers will be allowed.
 - iii) Fiber cement siding accents in a board and batten, shake, or stucco board style are permitted on up to 30% of the front elevation.
 - d) Stucco used on front elevations must be 100% stucco (not stucco board).
 - e) All exposed portions of the fire breast, flue, and chimney shall be clad in brick, stone, or stucco, and shall match the brick, stone, or stucco used on the remainder of the façade.
 - f) Wood siding or stone façade that appears “glued on” are prohibited.
 - g) If brick, brick veneer, stone, stone veneer, lathe and plaster stucco, or stucco veneer is used to wrap the corner of a home, it must extend 8 feet back from the front wall elevation and cover the entire area from the base of wall to the top line of the wall.
 - h) The use of different exterior materials is limited to 3 different materials per home.
 - i) Direct vents for gas or electrical fireplaces shall be located at a minimum of 6 feet above the slab.
 - j) All exterior walls shall contain at least at least 2 vertical planes and 4 horizontal planes.
 - i) Vertical planes shall be separated by at least 8 feet.
 - ii) Horizontal planes shall be separated by at least 12 inches.
- 3) Front Doors. Front doors on all homes shall be at least 6’8” tall and be stained to match the color palette of the home.

- 4) Posts & Accents. All decorative posts and accents must be cedar, brick, stone, or fiber cement siding material. If cedar or siding material, the posts and accents on each home shall be stained or painted a uniform color.
- 5) Gutters. All gutters and downspouts shall be molded from aluminum and have a pre-painted finish and shall be installed on all roof edges that drain water.

4810-6832-4517v.6 61846-4 3/16/2020

CONSENT TO DEVELOPMENT AGREEMENT
AND ASSIGNMENT OF DEVELOPMENT AGREEMENT

The undersigned is the owner of all or a part of the real property described on Exhibit A to the Development Agreement to which this consent is attached, a part of which has been or will be conveyed to New Sheridan Dev Co Phase 1 LLC, a Texas limited liability company ("Developer"), on or about the date hereof. The undersigned hereby consents for all purposes to the recording of the Development Agreement between JTG Holdings, LLC and the City of Fate, Texas and the Assignment of the Development Agreement between JTG Holdings, LLC and Developer and acknowledges that the Development Agreement shall run with and be applicable to the real property owned by the undersigned.

Effective Date: September 15, 2020

[Remainder of page intentionally left blank; signatures are on the following page]

FATE 163 LAND LP,
a Texas limited partnership

By: Fate 163 Land GP LLC,
a Texas limited liability company,
its general partner

By: Pandora 551, LLC,
a Texas limited liability company,
its managing member

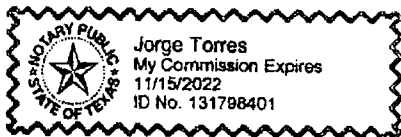
By: _____
Name: Timothy E. Gehan
Title: Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on September 14th, 2020, by Timothy E. Gehan, Manager of Pandora 551, LLC, a Texas limited liability company, the managing member of Fate 163 Land GP LLC, a Texas limited liability company, the general partner of FATE 163 LAND LP, a Texas limited partnership, on behalf of said entities, [NOTARY MUST CHECK ONE BOX AND COMPLETE RELEVANT INFORMATION] ☒ who is personally known to me or ☐ who has produced _____ as identification.

Notary Public, State of Texas

[NOTARY SEAL]



Electronically Filed and Recorded
Official Public Records
Shelli Miller, County Clerk
Rockwall County, Texas
09/16/2020 11:42:38 AM
Fee: \$98.00
20200000021509



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APPENDIX H

APPRAISAL OF THE DISTRICT

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Appraisal of Real Property

Williamsburg East Public Improvement District, IA #2

A Multiphase Residential Subdivision
East of FM-551 at Gettysburg Boulevard
Fate, Rockwall County, Texas 75132

Prepared For:

City of Fate and FMSbonds, Inc.

Date of the Report:

July 7, 2022

Report Format:

Appraisal Report

IRR - Dallas

File Number: 191-2022-0650

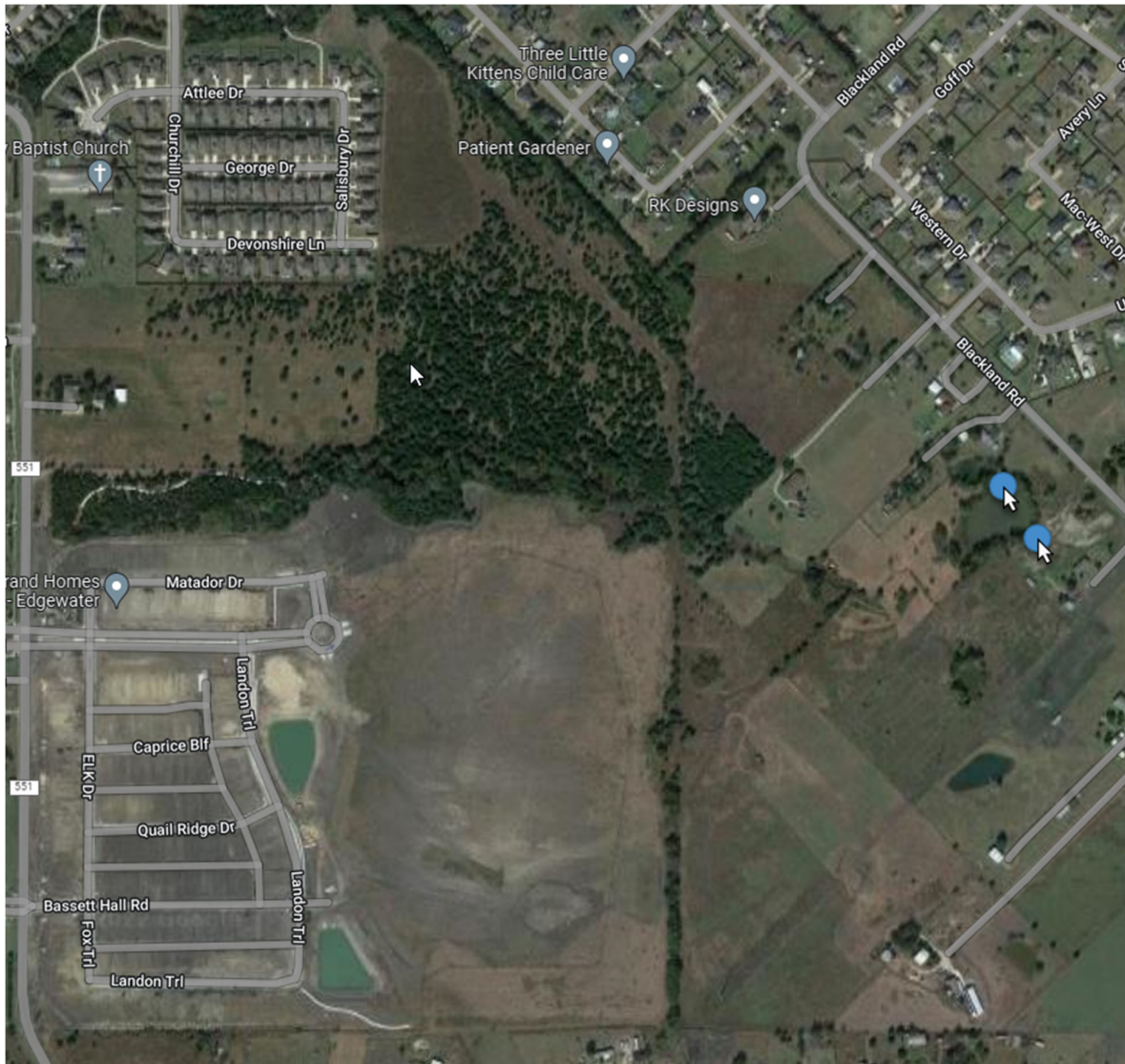


Subject Photographs



Williamsburg East Public Improvement District, IA #2
East of FM-551 at Gettysburg Boulevard
Fate, Rockwall County, Texas

Aerial Photograph





July 7, 2022

Mr. Raju Anthony
Finance Director
City of Fate
1900 CD Boren Parkway
Fate, TX 75087 Frisco, TX 75034

Mr. R. R. "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25

SUBJECT: Market Value Appraisal
Williamsburg East Public Improvement District, IA #2
East of FM-551 at Gettysburg Boulevard
Fate, Rockwall County, Texas 75132
IRR - Dallas File No. 191-2022-0650

Dear Messrs. Anthony and Davenport, III:

Integra Realty Resources – Dallas is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the prospective market values of the fee simple interest in the subject property as of the effective dates of the appraisal. The following opinions of value are provided:

- Prospective Market Value as Completed (IA #2, Phase 2) as of June 30, 2023
- Prospective Market Value as Completed (IA #2, Phase 3) as of February 29, 2024
- Prospective Market Value as Completed (IA #2, Phase 4) as of February 29, 2024

The clients for the assignment are the City of Fate and FMSbonds, Inc., and the intended use is for the underwriting of a proposed public improvement district bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City nor it is the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the "PID".

Mr. Raju Anthony
City of Fate
July 7, 2022
Page 2

Mr. R.R. "Tripp" Davenport, III
FMSbonds, Inc.

The subject represents Improvement Area #2 as part of the Williamsburg East Public Improvement District located in the city of Fate in northeast Rockwall County, Texas. Improvement Area #2 is comprised of a total of 110.210 gross acres which will eventually be developed with a total of 447 single-family lots with three lot types (40', 50', and 60' frontages) in a subdivision known as Edgewater. Phase 2 is currently under construction with 164 single-family lots on 41.217 acres with substantial completion expected by June 30, 2023. Phases 3 and 4 are platted and planned to be developed simultaneously with 140 lots on 29.206 acres as Phase 3 and 143 lots on 39.787 acres as Phase 4 with a substantial completion date expected by February 29, 2024. The property is zoned PD -WBE, Planned Development - Williamsburg East/Edgewater District, which permits single-family residential use according to the approved concept plan. Access to Phases 2 and 4 is provided by the extension of the Gettysburg Boulevard. Access to Phase 3 is provided from internal street construction within Phase 2 as well as existing streets within Phase 1. The subject property is located in the Rockwall Independent School District. The unit mix for the subject follows:

Williamsburg East PID, Improvement Area #2, Fate, Rockwall County, Texas								
Edgewood			Density	Typical Lot Dimensions			Projected	
Phase	Location	Acres	Per Acre	40' x 110'	50' x 110'	60' x 120'	Total Lots	Completion Date
2	North/south sides of Gettysburg Blvd., east of Ph. 1	41.217	4.0	91	37	36	164	June 30, 2023
3	North/south/east sides of Grand Oak Drive, south of Ph.	29.206	4.8	48	47	45	140	February 29, 2024
4	North/south sides of Gettysburg Blvd., north of Ph. 2	39.787	3.6	60	19	64	143	February 29, 2024
Totals		110.210	4.1	199	103	145	447	
Percentage				45%	23%	32%	100%	

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and applicable state appraisal regulations.

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusions			
Parcel	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Completed (IA #2, Phase 2)	Fee Simple	June 30, 2023	\$14,440,000
Prospective Market Value As Completed (IA #2, Phase 3)	Fee Simple	February 29, 2024	\$13,460,000
Prospective Market Value As Completed (IA #2, Phase 4)	Fee Simple	February 29, 2024	\$13,770,000



Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by LJA Surveying, Inc. (engineering/surveyors), New Sheridan Development Company (developer), Fate 163 Land, LP (owner), the city of Fate, and the Rockwall Central Appraisal District is assumed to be correct.
2. The subject is proposed construction. Therefore, this report contains prospective opinions of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation dates. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective dates.
3. Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of June 30, 2023 (Phase 2) and February 29, 2024 (Phases 3 and 4), the effective appraisal dates.
4. The developer has indicated that an agreement with the city of Fate will reimburse the developer for approved Capital Improvement Plan (CIP) projects at a total estimated at \$7,643/lot (\$3,143 for water and \$4,500 for roadway). This will be considered in our valuation of the subject property.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

The opinions of value expressed in this report are based on estimates and forecasts which are prospective in nature and subject to considerable risk and uncertainty. Events may occur which could cause the performance of the property to differ materially from the estimates contained herein, such as changes in the economy, interest rates, capitalization rates, and behavior of investors, lenders, and consumers. Additionally, the concluded opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, IRR is not responsible for the effects of future, unforeseen occurrences.



Mr. Raju Anthony
City of Fate
July 7, 2022
Page 4

Mr. R.R. "Tripp" Davenport, III
FMSbonds, Inc.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Dallas



Shelley Sivakumar
Director
State Licensed Real Estate Appraisal
Texas Certificate # TX 1333354-L
Telephone: (972) 696-0687
Email: ssivakumar@irr.com



Jimmy H. Jackson, MAI
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Certified General Real Estate Appraiser
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**CITY OF FATE, TEXAS • SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)**



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